

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF JUNE 30, 2007**

INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)
BOND SERIES: SERIES 18

PAGE NO. 1-1998-18

SERIES DATE: 3/19/04

SERIES SOLD: 4/20/04

GENERAL INFORMATION:

LOAN PORTFOLIO CHARACTERISTICS (AS A % OF LOANS OUTSTANDING)

| | | | | | |
|---------------------------------|---------------|----------------------|----------------|-----------------------|----------------|
| Bonds Outstanding: | 41,310,000 | New Construction: | 28.13% | Private | 35.23% |
| Bond Yield | 3.60% | Existing Home: | <u>71.87%</u> | FHA | 33.50% |
| Mortgage Loan Prin Outstanding | 41,101,608 | Total | <u>100.00%</u> | VA | 7.56% |
| Mortgage Rate(s) | 5.13% - 5.88% | | | USDA | 14.35% |
| Outstanding Commitments: | 0 | | | Guaranty Fund | 0.00% |
| Uncommitted Lendable Funds: | 0 | | | Other | |
| | | Fixed Rate Mortgages | 100.00% | (less than 80.00 LTV) | <u>9.36%</u> |
| Average Purchase Price: | 44,625 | Graduated Pmt Mtgs | 0.00% | Total | <u>100.00%</u> |
| Average Original Loan Amount: | 42,476 | Growing Equity Mtgs | 0.00% | | |
| Total No. of Loans Originated: | 497 | Variable Rate Mtgs | <u>0.00%</u> | | |
| Total No. of Loans Paid Off: | 56 | Total | <u>100.00%</u> | | |
| Total No. of Loans Outstanding: | 440 | | | | |

Effective May 1, 2006

Trustee: The Bank of New York Trust Company, NA
10161 Centurion Parkway
Jacksonville, FL 32256
(904) 645-1956
Contact: Christine Boyd

| | |
|------------------------|----------------|
| Type of Housing: | |
| Single Family Detached | 95.90% |
| Condos/Townhouses | 4.02% |
| Manufactured/Duplexes | <u>0.08%</u> |
| Total | <u>100.00%</u> |

**Breakdown of Private Mortgage Insurers
(List by % of total portfolio):**

| | |
|---------|--------------|
| 1998-18 | |
| GEMICO | 23.42% |
| MGIC | 2.43% |
| RMIC | 2.89% |
| UG | 0.50% |
| PMI | 2.13% |
| TRIAD | 0.25% |
| RADIAN | <u>3.62%</u> |

Program: P.O. Box 28066
Raleigh, NC 27611-8066
(919) 877-5700
Contact:
Sharon Drewyor, Director of Home Ownership Lending (919) 877-5621
Elizabeth I. Rozakis, Chief Financial Officer (919) 877-5687

35.23%

POOL INSURANCE COVERAGE (DOLLARS IN THOUSANDS): None

SELF-INSURANCE COVERAGE: Name of Self-Insurance Fund: Insurance Reserve Fund
Series of Bonds Covered: 1998 Series 18

Current Funding Requirements:
Total Dollar Amount (\$000) \$571
As % of Initial Principal Amount
of Mortgage Loans Purchased 0.00%
Claims to Date 0

Maximum level of funding required over the life of the bonds (\$000) \$550

DELINQUENCY STATISTICS (AS A % OF LOANS OUTSTANDING):

(AS % OF PRINCIPAL BALANCE OUTSTANDING):

| | % | # | % | \$ |
|----------------|-------|---|-------|---------|
| 60 days | 0.91% | 4 | 0.89% | 364,299 |
| 90 days | 1.14% | 5 | 1.08% | 444,326 |
| In Foreclosure | 0.68% | 3 | 0.66% | 269,988 |

No. of Loans Foreclosed to Date Not available
Foreclosed (Loss)/Gain to Date Not available
Net of Insurance Proceeds (\$000) Not available

Real Estate Owned
Number of Loans 1
Outstanding Mtg Amount
At time of Default \$154,768
Current Balance \$154,768

MORTGAGE LOAN SERVICERS:

MORTGAGE LOAN RATES (BY BOND SERIES):

| Servicer | # of Loans | % of Portfolio | Series | | |
|-----------------|------------|----------------|----------------|------------|-------|
| | | | # of Loans | Mtg Rate | |
| | | | 1998 SERIES 18 | 167 | 5.13% |
| Marsh | 242 | 55.00% | | 14 | 5.25% |
| RBC Centura | 134 | 30.45% | | 35 | 5.38% |
| BB&T | 56 | 12.73% | | 134 | 5.50% |
| Bank of America | 6 | 1.36% | | 73 | 5.63% |
| SECU | <u>3</u> | <u>0.68%</u> | | 14 | 5.75% |
| | | | | 2 | 5.88% |
| Total | <u>440</u> | <u>100.23%</u> | | <u>440</u> | |

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LIST OF BONDS BY MATURITY:

| CUSIP Number | Maturity Date | Bond Type | Interest Rate | Original Amount | Principal Matured | Principal Redemptions | Principal Outstanding | Bond Call Sequence (Note 1) |
|----------------------|---------------|---------------|---------------|-----------------|-------------------|-----------------------|-----------------------|-----------------------------|
| 65821FAD8 | 07/01/05 | Serial | 1.10% | \$740,000 | \$740,000 | \$0 | \$0 | 2 |
| 65821FAE6 | 01/01/06 | Serial | 1.20% | 745,000 | 745,000 | 0 | 0 | 2 |
| 65821FAF3 | 07/01/06 | Serial | 1.35% | 755,000 | 730,000 | 25,000 | 0 | 2 |
| 65821FAG1 | 01/01/07 | Serial | 1.60% | 765,000 | 740,000 | 25,000 | 0 | 2 |
| 65821FAH9 | 07/01/07 | Serial | 1.70% | 770,000 | 720,000 | 50,000 | 0 | 2 |
| 65821FAJ5 | 01/01/08 | Serial | 1.90% | 780,000 | 0 | 70,000 | 710,000 | 2 |
| 65821FAK2 | 07/01/08 | Serial | 2.00% | 450,000 | 0 | 40,000 | 410,000 | 2 |
| 65821FAL0 | 01/01/09 | Serial | 2.20% | 455,000 | 0 | 40,000 | 415,000 | 2 |
| 65821FAM8 | 07/01/09 | Serial | 2.30% | 460,000 | 0 | 40,000 | 420,000 | 2 |
| 65821FAN6 | 01/01/10 | Serial | 2.45% | 470,000 | 0 | 50,000 | 420,000 | 2 |
| 65821FAP1 | 07/01/10 | Serial | 2.50% | 475,000 | 0 | 50,000 | 425,000 | 2 |
| 65821FAQ9 | 01/01/11 | Serial | 2.70% | 485,000 | 0 | 50,000 | 435,000 | 2 |
| 65821FAR7 | 07/01/11 | Serial | 2.75% | 490,000 | 0 | 50,000 | 440,000 | 2 |
| 65821FAS5 | 01/01/12 | Serial | 3.00% | 500,000 | 0 | 50,000 | 450,000 | 2 |
| 65821FAT3 | 07/01/12 | Serial | 3.00% | 410,000 | 0 | 35,000 | 375,000 | 2 |
| 65821FAU0 | 01/01/13 | Serial | 3.10% | 265,000 | 0 | 25,000 | 240,000 | 2 |
| 65821FAA4 | 07/01/24 | Term (Note 2) | 4.45% | 6,985,000 | 0 | 810,000 | 6,175,000 | 2 |
| 65821FAB2 | 01/01/25 | Term (Note 3) | 4.45% | 6,000,000 | 0 | 570,000 | 5,430,000 | 1 |
| 65821FAC0 | 07/01/34 | Term (Note 4) | 5.00% | 8,000,000 | 0 | 3,035,000 | 4,965,000 | 2 |
| | 01/01/35 | (Note 5) | Variable | 20,000,000 | 0 | 0 | 20,000,000 | |
| Total 1998 Series 18 | | | | \$50,000,000 | \$3,675,000 | \$5,015,000 | \$41,310,000 | |

Note 1: See optional and special redemption provisions page 4-1998-18, (i.e. "1" denotes first call priority from prepayments).

Note 2: Sinking fund redemptions begin January 1, 2013.

Note 3: Sinking fund redemptions begin January 1, 2013.

Note 4: Sinking fund redemptions begin July 1, 2012. AMT PAC bonds were sold at a premium with a coupon rate of 5.00% and a yield of 4.516%.

Note 5: Variable rate loans associated with swap - Bank of America

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LIST OF UNSCHEDULED REDEMPTIONS:

| Call Date | Call Amount | Type of Call | Source Of Funds |
|-----------|--------------------|--------------|----------------------|
| 05/01/05 | \$185,000 | Supersinker | Prepayments |
| 10/01/05 | \$125,000 | Pro rata | Prepayments |
| 04/01/06 | \$370,000 | Supersinker | Prepayments |
| 04/01/06 | \$680,000 | Pro rata | Prepayments |
| 04/01/06 | \$40,000 | Pro rata | Debt Service Reserve |
| 08/01/06 | \$155,000 | Supersinker | Prepayments |
| 08/01/06 | \$20,000 | Pro rata | Debt Service Reserve |
| 01/01/07 | \$1,205,000 | Supersinker | Prepayments |
| 01/01/07 | \$830,000 | Pro rata | Prepayments |
| 01/01/07 | \$55,000 | Pro rata | Debt Service Reserve |
| 05/01/07 | \$950,000 | Supersinker | Prepayments |
| 05/01/07 | \$360,000 | Pro rata | Prepayments |
| 05/01/07 | <u>\$40,000</u> | Pro rata | Debt Service Reserve |
| | <u>\$5,015,000</u> | | |

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Bond Call Information:

Special Redemption

The 1998 Series 18 bonds may be redeemed in whole or in part on any date at the principal amount plus accrued interest to the date of redemption, from:

- (i) unexpended proceeds,
- (ii) prepayments of mortgage loans financed with the proceeds of the Series 18, including the existing mortgage loans,
- (iii) excess revenues transferred from the revenue reserve fund,
- (iv) moneys withdrawn from the debt service reserve fund in connection with an excess over the debt service reserve requirement, and
- (v) from prepayments of mortgage loans financed with proceeds from series of bonds issued other than the Series 18 bond and from certain moneys in excess of the debt service reserve requirement on deposit in the debt service reserve Fund ("Cross Call Redemption").

Prepayments on mortgage loans financed with the proceeds of the Series 18 bonds shall first be applied to the redemption or purchase of Series 18 Term bonds due July 1, 2034 during the periods up to the scheduled principal amounts set forth in the series resolution.

Moneys in excess of the debt service reserve requirement, from excess revenues in the revenue reserve fund and from cross call redemption sources shall be applied to the redemption of the Series 18 bonds in any manner. Moneys to be applied to redemption from prepayments in excess of the scheduled principal amounts shall be applied pro rata. However, the Agency may redeem on other than a pro rata basis, if the Agency files a notice with the Trustee together with a cash flow certificate.

Optional Redemption

The Series 18 bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after July 1, 2013, in whole, or in part, at the principal amount thereof plus accrued interest to the date of redemption, without premium.