

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

INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)  
BOND SERIES: SERIES 17

PAGE NO. 1-1998-17

SERIES DATE: 11/14/03

SERIES SOLD: 12/11/03

**GENERAL INFORMATION:**

**LOAN PORTFOLIO CHARACTERISTICS (AS A % OF LOANS OUTSTANDING)**

|                                 |               |                      |                |                       |                |
|---------------------------------|---------------|----------------------|----------------|-----------------------|----------------|
| Bonds Outstanding:              | 46,675,000    | New Construction:    | 31.57%         | Private               | 33.77%         |
| Bond Yield                      | 4.14%         | Existing Home:       | <u>68.43%</u>  | FHA                   | 35.77%         |
| Mortgage Loan Prin Outstanding  | 41,115,323    | Total                | <u>100.00%</u> | VA                    | 6.18%          |
| Mortgage Rate(s)                | 5.13% - 5.38% |                      |                | USDA                  | 18.10%         |
| Outstanding Commitments:        | 0             |                      |                | Guaranty Fund         | 0.00%          |
| Uncommitted Lendable Funds:     | 0             |                      |                | Other                 |                |
|                                 |               | Fixed Rate Mortgages | 100.00%        | (less than 80.00 LTV) | <u>6.18%</u>   |
| Average Purchase Price:         | 101,530       | Graduated Pmt Mtgs   | 0.00%          | Total                 | <u>100.00%</u> |
| Average Original Loan Amount:   | 97,829        | Growing Equity Mtgs  | 0.00%          |                       |                |
| Total No. of Loans Originated:  | 537           | Variable Rate Mtgs   | <u>0.00%</u>   |                       |                |
| Total No. of Loans Paid Off:    | 84            | Total                | <u>100.00%</u> |                       |                |
| Total No. of Loans Outstanding: | 453           |                      |                |                       |                |

**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 | 95.14%         |
| Condos/Townhouses      | 3.53%          |
| Manufactured/Duplexes  | <u>1.33%</u>   |
| Total                  | <u>100.00%</u> |

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

|         |               |
|---------|---------------|
| 1998-17 |               |
| GEMICO  | 22.96%        |
| MGIC    | 0.44%         |
| RMIC    | 3.31%         |
| UG      | 0.66%         |
| PMI     | 2.87%         |
| TRIAD   | 1.10%         |
| RADIAN  | <u>2.43%</u>  |
|         | <u>33.77%</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

POOL INSURANCE COVERAGE (DOLLARS IN THOUSANDS): None

SELF-INSURANCE COVERAGE: Name of Self-Insurance Fund: Insurance Reserve Fund  
Series of Bonds Covered: 1998 Series 17

Current Funding Requirements:  
Total Dollar Amount (\$000) \$607  
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) \$620

**DELINQUENCY STATISTICS (AS A % OF LOANS OUTSTANDING):**

**(AS % OF PRINCIPAL BALANCE OUTSTANDING):**

|                | %     | #  | %     | \$        |
|----------------|-------|----|-------|-----------|
| 60 days        | 2.43% | 11 | 2.65% | 1,090,644 |
| 90 days        | 0.66% | 3  | 0.86% | 353,756   |
| In Foreclosure | 0.22% | 1  | 0.17% | 70,277    |

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 2  
Outstanding Mtg Amount  
At time of Default \$183,334  
Current Balance \$183,334

**MORTGAGE LOAN SERVICERS:**

**MORTGAGE LOAN RATES (BY BOND SERIES):**

| Servicer        | # of Loans | % of Portfolio | Series         |            |       |
|-----------------|------------|----------------|----------------|------------|-------|
|                 |            |                | # of Loans     | Mtg Rate   |       |
|                 |            |                | 1998 SERIES 17 | 193        | 5.13% |
| Marsh           | 255        | 56.29%         |                | 205        | 5.25% |
| RBC Centura     | 135        | 29.80%         |                | <u>55</u>  | 5.38% |
| BB&T            | 59         | 13.03%         |                |            |       |
| SECU            | 2          | 0.44%          |                | <u>453</u> |       |
| Bank of America | 2          | <u>0.44%</u>   |                |            |       |
| Total           | <u>453</u> | <u>100.00%</u> |                |            |       |

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**LIST OF BONDS BY MATURITY:**

| CUSIP Number         | Maturity Date | Bond Type     | Interest Rate | Original Amount | Principal Mated | Principal Redemptions | Principal Outstanding | Bond Call Sequence (Note 1) |
|----------------------|---------------|---------------|---------------|-----------------|-----------------|-----------------------|-----------------------|-----------------------------|
| 65820E8C7            | 01/01/05      | Serial        | 1.35%         | \$435,000       | \$435,000       | \$0                   | \$0                   | 2                           |
| 65820E8D5            | 07/01/05      | Serial        | 1.40%         | 435,000         | 435,000         | 0                     | 0                     | 2                           |
| 65820E8E3            | 01/01/06      | Serial        | 1.75%         | 440,000         | 440,000         | 0                     | 0                     | 2                           |
| 65820E8F0            | 07/01/06      | Serial        | 1.80%         | 445,000         | 445,000         | 0                     | 0                     | 2                           |
| 65820E8G8            | 01/01/07      | Serial        | 2.10%         | 450,000         | 450,000         | 0                     | 0                     | 2                           |
| 65820E8H6            | 07/01/07      | Serial        | 2.15%         | 455,000         | 455,000         | 0                     | 0                     | 2                           |
| 65820E8J2            | 01/01/08      | Serial        | 2.45%         | 460,000         | 0               | 0                     | 460,000               | 2                           |
| 65820E8K9            | 07/01/08      | Serial        | 2.50%         | 160,000         | 0               | 0                     | 160,000               | 2                           |
| 65820E7J3            | 07/01/08      | Serial        | 2.90%         | 310,000         | 0               | 0                     | 310,000               | 2                           |
| 65820E7K0            | 01/01/09      | Serial        | 3.20%         | 475,000         | 0               | 0                     | 475,000               | 2                           |
| 65820E7L8            | 07/01/09      | Serial        | 3.25%         | 485,000         | 0               | 0                     | 485,000               | 2                           |
| 65820E7M6            | 01/01/10      | Serial        | 3.45%         | 495,000         | 0               | 5,000                 | 490,000               | 2                           |
| 65820E7N4            | 07/01/10      | Serial        | 3.50%         | 505,000         | 0               | 5,000                 | 500,000               | 2                           |
| 65820E7P9            | 01/01/11      | Serial        | 3.75%         | 415,000         | 0               | 0                     | 415,000               | 2                           |
| 65820E7Q7            | 07/01/11      | Serial        | 3.80%         | 410,000         | 0               | 0                     | 410,000               | 2                           |
| 65820E7R5            | 01/01/12      | Serial        | 4.05%         | 420,000         | 0               | 0                     | 420,000               | 2                           |
| 65820E7S3            | 07/01/12      | Serial        | 4.10%         | 430,000         | 0               | 0                     | 430,000               | 2                           |
| 65820E7T1            | 01/01/13      | Serial        | 4.25%         | 440,000         | 0               | 0                     | 440,000               | 2                           |
| 65820E7U8            | 07/01/13      | Serial        | 4.25%         | 450,000         | 0               | 0                     | 450,000               | 2                           |
| 65820E7V6            | 01/01/14      | Serial        | 4.35%         | 460,000         | 0               | 0                     | 460,000               | 2                           |
| 65820E7W4            | 07/01/14      | Serial        | 4.35%         | 470,000         | 0               | 0                     | 470,000               | 2                           |
| 65820E7X2            | 01/01/15      | Serial        | 4.45%         | 480,000         | 0               | 0                     | 480,000               | 2                           |
| 65820E7Y0            | 07/01/15      | Serial        | 4.45%         | 495,000         | 0               | 5,000                 | 490,000               | 2                           |
| 65820E7Z7            | 07/01/23      | Term (Note 2) | 4.90%         | 9,920,000       | 0               | 80,000                | 9,840,000             | 2                           |
| 65820E8A1            | 01/01/34      | Term (Note 3) | 5.00%         | 10,000,000      | 0               | 1,090,000             | 8,910,000             | 1                           |
| 65820E8B9            | 07/01/34      | Term (Note 4) | 5.00%         | 3,340,000       | 0               | 2,760,000             | 580,000               | 2                           |
|                      | 07/01/32      | (Note 5)      | Variable      | 20,000,000      | 0               | 0                     | 20,000,000            |                             |
| Total 1998 Series 17 |               |               |               | \$53,280,000    | \$2,660,000     | \$3,945,000           | \$46,675,000          |                             |

Note 1: See optional and special redemption provisions page 4-1998-17, (i.e. "1" denotes first call priority from prepayments).

Note 2: Sinking fund redemptions begin January 1, 2016.

Note 3: Sinking fund redemptions begin January 1, 2011.

Note 4: Sinking fund redemptions begin July 1, 2033. AMT PAC bonds were sold at a premium with a coupon rate of 5.00% and a yield of 4.622%.

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  | \$230,000          | Supersinker  | Prepayments          |
| 05/01/05  | 10,000             | Pro rata     | Debt Service Reserve |
| 10/01/05  | 285,000            | Supersinker  | Prepayments          |
| 04/01/06  | 580,000            | Supersinker  | Prepayments          |
| 04/01/06  | 25,000             | Pro rata     | Debt Service Reserve |
| 08/01/06  | 395,000            | Supersinker  | Prepayments          |
| 08/01/06  | 20,000             | Pro rata     | Debt Service Reserve |
| 01/01/07  | 1,395,000          | Supersinker  | Prepayments          |
| 01/01/07  | 105,000            | Pro rata     | Prepayments          |
| 01/01/07  | 40,000             | Pro rata     | Debt Service Reserve |
| 05/01/07  | 835,000            | Supersinker  | Prepayments          |
| 05/01/07  | <u>25,000</u>      | Pro rata     | Debt Service Reserve |
|           | <u>\$3,945,000</u> |              |                      |

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**Bond Call Information:**

**Special Redemption**

The 1998 Series 17 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 17, 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 17 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 17 bonds shall first be applied to the redemption or purchase of Series 17 Term bonds due January 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 17 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 17 bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after July 1, 2012, in whole, or in part, at the principal amount thereof plus accrued interest to the date of redemption, without premium.