Families seeking to purchase their first home may benefit from the new interest rates offered by the North Dakota Housing Finance Agency (NDHFA). Industrial Commission members announced today that the mortgage rates offered through the NDHFA’s Home Mortgage Finance Program (HMFP), commonly known as the “First-time Homebuyer Program,” have been reduced to the lowest level ever offered in the program’s 22-year history.

“Homeownership helps strengthen and build our state’s economy,” said Gov. John Hoeven. “Lower interest rates open the door for more first-time home buyers to qualify for owning a home.”

The NDHFA is offering two 30-year fixed-rate mortgage plans at 4.50 and 4.70 percent. The program also has a Step-Rate option that starts at 4.10 percent the first year of the loan, 4.40 percent the second year, and 4.70 percent for the remaining 28 years of the mortgage. Additionally, families earning less than 50 percent of the HMFP income limits may qualify for a one percent interest rate reduction for the first three years of a HMFP mortgage loan through the HomeKey Program.

“The NDHFA’s continued goal is to help the state’s low- to moderate-income citizens achieve successful homeownership,” said Agriculture Commissioner Roger Johnson. “To make the dream into reality for North Dakotans, the agency continues to provide the state’s lowest home mortgage rates to first-time buyers. Previously the best fixed rate mortgage the agency was able to offer was 4.95 percent.”

“The NDHFA has helped more than 24,000 North Dakota families achieve successful homeownership through home mortgage loans, downpayment and closing cost assistance and homebuyer education,” said Attorney General Wayne Stenehjem. “The HMFP is made possible by a unique partnership, where a private lender finances a loan and the NDHFA purchases the loan.”

To qualify for the HMFP, applicants must not have owned a home in the past three years; they must meet the income limits, which vary based on county and family size; they must meet the normal credit underwriting standards; and they must intend to occupy the property as their principal residence. The purchase price of the property must be within program limits. Borrower income and home purchase price limits vary by family size and county. (See attached program information for details.)

The Industrial Commission of North Dakota, consisting of Governor John Hoeven, as chairman, Agriculture Commissioner Roger Johnson and Attorney General Wayne Stenehjem, oversees the NDHFA. For more information about the NDHFA or the HMFP, contact a NDHFA participating lender or call the agency at 701-328-8080, 800-292-8621 or 800-366-6888 (TTY). Information is also available online at www.ndhfa.org.

FURTHER INFORMATION: Pat Fricke (701) 328-8080
ANNUAL INCOME LIMITS
(Effective March 26, 2003)

<table>
<thead>
<tr>
<th>County</th>
<th>HMFP Family Size</th>
<th>HomeKey Family Size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than 3</td>
<td>3 or more</td>
</tr>
<tr>
<td>Cass, Mercer</td>
<td>$ 60,100</td>
<td>$ 69,115</td>
</tr>
<tr>
<td>Burleigh, Morton</td>
<td>59,100</td>
<td>67,965</td>
</tr>
<tr>
<td>Grand Forks, Oliver, Traill</td>
<td>54,100</td>
<td>62,215</td>
</tr>
<tr>
<td>Ransom, Richland</td>
<td>53,400</td>
<td>61,410</td>
</tr>
<tr>
<td>All other Counties</td>
<td>51,800</td>
<td>59,570</td>
</tr>
</tbody>
</table>

Includes projected income from all sources for the 12 months following the date of application.

ACQUISITION COST LIMITS
(Effective March 26, 2003)

<table>
<thead>
<tr>
<th>County</th>
<th>New Construction</th>
<th>Existing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 Unit</td>
<td>1 Unit</td>
</tr>
<tr>
<td>Cass</td>
<td>$ 150,000</td>
<td>$ 119,409</td>
</tr>
<tr>
<td>Burleigh &amp; Morton</td>
<td>150,000</td>
<td>98,421</td>
</tr>
<tr>
<td>Grand Forks</td>
<td>150,000</td>
<td>90,862</td>
</tr>
<tr>
<td>All other Counties</td>
<td>150,000</td>
<td>90,066</td>
</tr>
</tbody>
</table>

MORTGAGE LOAN INTEREST RATE
(Effective for reservations received on or after May 28, 2003)

<table>
<thead>
<tr>
<th></th>
<th>Monthly Payments</th>
<th>Rate</th>
<th>P&amp;I Factor/ $1,000 Loan</th>
<th>Maximum* Points/Fees</th>
<th>Purchase** Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option 1:</td>
<td>1 – 12</td>
<td>4.10%</td>
<td>4.8320</td>
<td>3.0</td>
<td>98.5%</td>
</tr>
<tr>
<td></td>
<td>13 – 24</td>
<td>4.40%</td>
<td>5.0031</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>25 – 360</td>
<td>4.70%</td>
<td>5.1727</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Option 2:</td>
<td>1 – 360</td>
<td>4.50%</td>
<td>5.0669</td>
<td>3.0</td>
<td>98.5%</td>
</tr>
<tr>
<td>Option 3:</td>
<td>1 – 360</td>
<td>4.70%</td>
<td>5.1864</td>
<td>1.5</td>
<td>100.0%</td>
</tr>
<tr>
<td>HomeKey:</td>
<td>1 – 36</td>
<td>3.70%</td>
<td>4.6028</td>
<td>1.5</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>37 – 360</td>
<td>4.70%</td>
<td>5.1385</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* No more than 1.5 charged to the borrower(s).

** Percentage used to calculate Committed Amount.
PARTICIPATING LENDERS
(As of March 2003)

Alerus Bank*
American Federal Bank*
American State Bank, Dickinson
America’s Home Loans*
Bank Center First, Bismarck
Bank of Glen Ullin
Bank of Hamilton
Bank of Minto
Bank of Tioga
BNC National Bank*
Bremer Bank*
Capital Credit Union, Bismarck
Citizens Community Credit Union, Devils Lake
Citizens State Bank, Cavalier
Community First National Bank*
CountryBank USA*
Dacotah Bank*
Dakota Community Bank*
Dakota West Credit Union, Watford City
Dakota Western State Bank, Hettinger
Farmers & Merchants Bank, Hatton
Farmers & Merchants State Bank of Langdon
Farmers & Merchants State Bank, Tolna
Farmers Security Bank, Washburn
Farmers State Bank Crosby
First Community Credit Union*
First International Bank & Trust*
First Mortgage Service Inc., Fargo
First National Bank & Trust, Bottineau
First Security Bank – West, Beulah
First Security Bank, Underwood
First Southwest Bank*
First State Bank*
First State Bank, Buffalo
First State Bank Golva
First State Bank Harvey
First State Bank of LaMoure
First State Bank, Wilton
First United Bank, Park River
First Western Bank & Trust, Minot
F-M Mortgage Corporation, Fargo
Gate City Bank*
Great Plains National Bank*
Kirkwood Bank & Trust*
Lakeside State Bank, New Town
Lewis & Clark Community Works, Bismarck
Liberty State Bank, Powers Lake
McKenzie County Bank, Watford City
ND Air National Guard Credit Union, Fargo
Northland Educators Federal Credit Union, Fargo
People’s State Bank, Fairmount
People’s State Bank of Velva
Postal Family Federal Credit Union, Fargo
Ramsey National Bank & Trust of Devils Lake
Real Estate Mortgage Investment, Bismarck
Scandia American Bank, Stanley
Security First Bank of ND, Mandan
Security State Bank, Wishek
St. Alexius Medical Center Credit Union, Bismarck
State Bank & Trust of Kenmare
State Bank of Fargo
State Bank of Lakota
Strasburg State Bank
Town & Country Credit Union*
Union Bank, Beulah
Union State Bank, Hazen
United Community Bank of ND, Leeds
United Savings Credit Union, Fargo
US Bank*
Valley Mortgage Inc., Fargo
Walhalla State Bank
Wells Fargo Home Mortgage*
Western Cooperative Credit Union*
Western State Bank*

*Multiple Locations