

**NEW ISSUE
(BOOK-ENTRY ONLY)**

Rating: *Standard & Poor's: "A+"*

In the opinion of Bond Counsel, assuming compliance with certain covenants designed to meet the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and subject to the exceptions described under "TAX EXEMPTION" herein, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2000-9 Bonds is not includable in the gross income of the owners thereof for purposes of federal and Nebraska state income taxation. Interest on the Series 2000-9 Bonds is treated as a preference item to be included in calculating the alternative minimum tax imposed by the Code on individuals and corporations. See "TAX EXEMPTION" herein for a discussion of certain provisions of the Code that may affect the tax treatment of interest on the Series 2000-9 Bonds for certain owners.

**\$1,500,000
NEBRASKA INVESTMENT FINANCE AUTHORITY
General Obligation Bonds
2000 Series G.O.-9**

Dated: Date of Issuance

Due: March 1, 2010

The Nebraska Investment Finance Authority (the "NIFA") is offering \$1,500,000 of its General Obligation Bonds 2000 Series G.O.-9 (the "Series 2000-9 Bonds"). The Series 2000-9 Bonds will be issued pursuant to the terms of a Supplemental Indenture of Trust dated as of February 1, 2000 between the NIFA and Norwest Bank Minnesota, National Association, Minneapolis, Minnesota, as trustee (the "Trustee"), supplementing the General Indenture of Trust dated as of January 1, 1998 between the NIFA and the Trustee, as amended (the "General Indenture"). The Series 2000-9 Bonds will be issued in fully registered form only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). The Series 2000-9 Bonds will be issued in denominations of \$5,000 (or any integral multiple thereof).

Principal and interest on the Series 2000-9 Bonds will be payable by Norwest Bank Minnesota, National Association, Minneapolis, Minnesota, as Trustee and Paying Agent, to the Securities Depository which will remit such payments in accordance with its normal procedures, as described herein. Interest with respect to the Series 2000-9 Bonds is payable on March 1 and September 1 of each year, commencing September 1, 2000.

THE SERIES 2000-9 BONDS ARE NOT SUBJECT TO REDEMPTION PRIOR TO THE MATURITY DATE.

THE BONDS ARE GENERAL OBLIGATIONS OF THE NEBRASKA INVESTMENT FINANCE AUTHORITY, A BODY POLITIC AND CORPORATE, NOT A STATE AGENCY, BUT AN INDEPENDENT INSTRUMENTALITY EXERCISING ESSENTIAL PUBLIC FUNCTIONS, FOR WHICH THE NIFA'S FULL FAITH AND CREDIT ARE PLEDGED. THE BONDS ARE PAYABLE FROM ANY OF THE REVENUES, ASSETS OR MONEYS OF THE NIFA, SUBJECT ONLY TO AGREEMENTS MADE WITH HOLDERS OF OTHER NOTES AND BONDS OF THE NIFA PLEDGING PARTICULAR REVENUES, ASSETS OR MONEYS FOR THE PAYMENT THEREOF. THE BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR GENERAL OBLIGATION OF THE STATE OF NEBRASKA OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEBRASKA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS.

MATURITY SCHEDULE

5.60% 2000 Series G.O.-9 Bonds Due March 1, 2010 Price 100%

The Series 2000-9 Bonds are offered in book-entry form, when, as and if issued by the NIFA and accepted by the Underwriters, subject to the approval of legality by Kutak Rock LLP, Bond Counsel and General Counsel to the NIFA, and certain other conditions. Certain legal matters will be passed upon on behalf of the Underwriters by Baird, Holm, McEachen, Pedersen, Hamann & Strasheim, Omaha, Nebraska. The Underwriters named below intend, but are not obligated, to make a market in the Series 2000-9 Bonds. For information concerning the terms of the Underwriters' compensation, see "UNDERWRITING." It is expected that delivery of the Series 2000-9 Bonds will be made in New York, New York on or about February 24, 2000.

SMITH HAYES Financial Services Corporation
Ameritas Investment Corp. **Kirkpatrick Pettis**

No dealer, broker, salesman or other person has been authorized by the Nebraska Investment Finance Authority (the "NIFA") to give any information or to make any representations with respect to the Series 2000-9 Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations may not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2000-9 Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the NIFA and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the NIFA. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the NIFA since the date hereof.

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THE SERIES 2000-9 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTION 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2000-9 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE SERIES 2000-9 BONDS HAVE BEEN REGISTERED OR QUALIFIED, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES, NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2000-9 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

SUMMARY STATEMENT

The following information is furnished solely to provide limited introductory information regarding the Series 2000-9 Bonds and does not purport to be comprehensive. Such information is qualified in its entirety by reference to the more detailed information included and referred to elsewhere in this Official Statement and should be read together therewith. The offering of the Series 2000-9 Bonds is made only by means of the entire Official Statement, including the Appendices hereto. No person is authorized to make offers to sell, or solicit offers to buy, the Series 2000-9 Bonds unless the entire Official Statement is delivered in connection therewith.

Terms used in this summary and not otherwise defined shall have the respective meanings assigned to them elsewhere in this Official Statement.

The Issuer The Series 2000-9 Bonds will be issued by the Nebraska Investment Finance Authority (the "NIFA"), a body politic and corporate, not a state agency but an independent instrumentality exercising essential public functions. See "THE NEBRASKA INVESTMENT FINANCE AUTHORITY" herein.

Series 2000-9 Bonds The NIFA is offering \$1,500,000 aggregate principal amount of Series 2000-9 Bonds in denominations of \$5,000 or any integral multiple thereof at a purchase price equal to 100% of the principal amount thereof.

Interest on the Series 2000-9 Bonds will be paid semiannually, on each March 1 and September 1, commencing September 1, 2000, at the interest rate set forth on the cover page hereof through the maturity date set forth on the cover page hereof (the "Maturity Date"). Interest on the Series 2000-9 Bonds shall be calculated on the basis of a 30-day month and a 360-day year.

The Series 2000-9 Bonds are being issued pursuant to and are secured under a General Indenture of Trust dated as of January 1, 1998, as amended (the "General Indenture"), between the NIFA and Norwest Bank Minnesota, National Association, as trustee (the "Trustee"), as supplemented by a Supplemental Indenture of Trust relating to the Series 2000-9 Bonds dated as of February 1, 2000 (the "Series 2000-9 Supplemental Indenture") (together with the General Indenture, the "Indenture"). Excluding the Series 2000-9 Bonds, the NIFA has issued eight additional Series of Bonds (the "Prior Series Bonds") under the General Indenture, as supplemented, in an aggregate original principal amount of \$10,615,177.14 of which an aggregate accreted principal balance of \$10,961,805.15 was outstanding as of December 31, 1999. Pursuant to the General Indenture, additional and refunding bonds may be issued from time to time. All such bonds, including the Series 2000-9 Bonds, are herein called the "Bonds." All Bonds represent general obligations of the NIFA and will be equally and ratably secured by any amounts held in certain Funds and Accounts under the Indenture. Specific amounts in said Funds and Accounts may be held and accounted for by the Trustee separately for certain purposes related to redemptions and for certain tax-related accounting purposes. See "SECURITY FOR THE BONDS" herein.

Purpose of Issue The Series 2000-9 Bonds are being issued for the purpose of augmenting the proceeds of certain of the NIFA's single-family housing revenue bonds (the "Series 2000 A/B Single Family Bonds") to be issued simultaneously with the Series 2000-9 Bonds. Proceeds of the Series 2000-9 Bonds are expected to be made available for acquiring, purchasing or financing single-family mortgage loans (primarily forgivable second mortgage loans expected to be made to finance down payment and closing costs of qualified homebuyers) and mortgage-backed securities. Such Series 2000 A/B Single Family Bonds are not issued pursuant to the Indenture, the proceeds thereof are not pledged as security for the Series 2000-9 Bonds and such Series 2000 A/B Single Family Bonds are not offered pursuant to this Official Statement.

Security

The Series 2000-9 Bonds will be general obligations of the NIFA, for which the NIFA's full faith and credit are pledged, and are payable from any of the revenues, assets or moneys of the NIFA, subject only to agreements made with holders of other notes and bonds and obligations of the NIFA pledging particular revenues, assets or moneys for the payment thereof. THE BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR GENERAL OBLIGATION OF THE STATE OF NEBRASKA OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEBRASKA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS. See "SECURITY FOR THE BONDS" herein.

**Global Bonds;
Securities
Depository**

The Series 2000-9 Bonds will be issued as a single bond, registered in the name of Cede & Co. as nominee of the Securities Depository. Unless the NIFA otherwise directs, or the Securities Depository resigns without the appointment of a successor, the Securities Depository or its nominee will be the holder of record of all issued and outstanding Series 2000-9 Bonds and beneficial owners of Series 2000-9 Bonds may not obtain physical possession of the Series 2000-9 Bonds beneficially owned by them.

Redemption

The Series 2000-9 Bonds are not subject to redemption prior to maturity.

OFFICIAL STATEMENT

\$1,500,000
Nebraska Investment Finance Authority
General Obligation Bonds
2000 Series G.O.-9

INTRODUCTORY STATEMENT

The purpose of this Official Statement is to set forth information concerning the Nebraska Investment Finance Authority (the "NIFA") in connection with the sale of its \$1,500,000 General Obligation Bonds 2000 Series G.O.-9 (the "Series 2000-9 Bonds"). Concurrently with the issuance of the Series 2000-9 Bonds, the NIFA will issue approximately \$99,895,000 aggregate principal amount of its Single Family Housing Revenue Bonds 2000 Series A and 2000 Series B (collectively the "Series 2000 A/B Single Family Bonds"). Such Series 2000 A/B Single Family Bonds are not issued pursuant to the hereafter defined Indenture, the proceeds thereof are not pledged as security for the Series 2000-9 Bonds and such Series 2000 A/B Single Family Bonds are not offered pursuant to this Official Statement.

Information set forth on the cover page hereof, in the Summary Statement and in the Appendices hereto is part of this Official Statement. All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings assigned to such terms in the Indenture as hereafter described.

The Series 2000-9 Bonds are being issued pursuant to and are secured under a General Indenture of Trust dated as of January 1, 1998, as amended (the "General Indenture"), between the NIFA and Norwest Bank Minnesota, National Association, as trustee (the "Trustee"), as supplemented by a Supplemental Indenture of Trust dated as of February 1, 2000 (the "Series 2000-9 Supplemental Indenture") (collectively with the General Indenture, the "Indenture"). Excluding the Series 2000-9 Bonds, the NIFA has issued eight additional Series of Bonds (the "Prior Series Bonds") under the General Indenture, as supplemented, in an aggregate original principal amount of \$10,615,177.14 of which an aggregate accreted principal balance of \$10,961,805.15 was outstanding as of December 31, 1999. Pursuant to the General Indenture, additional and refunding bonds may be issued from time to time. All such bonds, including the Series 2000-9 Bonds, are herein called the "Bonds."

The Bonds are equally secured under the Indenture and are general obligations of the NIFA payable from certain moneys, rights and interests described under "SECURITY FOR THE BONDS" herein.

The NIFA is issuing the Series 2000-9 Bonds to augment moneys made available to the NIFA from the proceeds of the sale of the Series 2000 A/B Single Family Bonds to be issued simultaneously with the Series 2000-9 Bonds (together, the "Combined Bonds"). Proceeds made available upon issuance of the Series 2000-9 Bonds and the Series 2000 A/B Single Family Bonds will be made available to acquire and purchase mortgage loans (including forgivable second mortgage loans expected to be made to finance down payment and closing costs of qualified homebuyers) made to qualified low- and moderate-income persons for the purchase and, under certain circumstances, the improvement of owner-occupied (one- to four-unit) residences in Nebraska and to finance mortgage loans through the purchase of securities backed by or representing qualifying mortgage loans. The NIFA hereby incorporates herein by reference all of the information with respect to its Series 2000 A/B Single Family Bonds and the related mortgage loan program, mortgage loans, mortgage-backed securities, set forth in the Official Statement, dated February 11, 2000, of the NIFA relating to the Series 2000 A/B Single Family Bonds (the "Series 2000 A/B Single Family Official Statement"). All bonds of the NIFA, regardless of the resolution or indenture under which they were issued and regardless of the application of the proceeds thereof, are herein called "bonds."

THE NEBRASKA INVESTMENT FINANCE AUTHORITY

General

The Nebraska Mortgage Finance Fund (the “NMFF”), predecessor to the NIFA, was created by the Nebraska Mortgage Finance Fund Act (the “Mortgage Finance Fund Act”). The NMFF was created for the purpose of providing financing to enable persons of low and moderate income to acquire decent, safe and sanitary housing through coordination and cooperation with private industry and local communities. In *State of Nebraska v. Nebraska Mortgage Finance Fund*, 204 Neb. 445, 283 N.W.2d 12 (1979), the Nebraska Supreme Court unanimously upheld the validity of the Mortgage Finance Fund Act under the Constitution of the State of Nebraska. On August 26, 1983, the Nebraska Investment Finance Authority Act, Neb. Rev. Stat. §§ 58-201 et seq. (Reissue 1998), as amended (the “Act”), became effective. Pursuant to the Act, the NMFF, the Nebraska Development Finance Fund, which issued revenue bonds to finance economic development projects for private parties, and the Nebraska Agricultural Development Corporation, which issued revenue bonds to finance agricultural projects for farmers and ranchers, were merged into the new entity, the NIFA, and the NIFA was further authorized to issue revenue bonds to finance health care projects. Subsequently, the Act has been amended several times to permit the NIFA to finance a broader array of projects and programs.

The powers of the NIFA are vested in nine members, consisting of the Director of the Nebraska Department of Economic Development, the Chairperson of the Nebraska Investment Council and the Director of the Nebraska Department of Agriculture and six public members appointed by the Governor. The Act requires that, of the public members, two members shall be appointed from each of the three congressional districts of the State. There shall be a public member experienced in real estate development, a public member experienced in industrial mortgage credit, commercial credit, agricultural credit or housing mortgage credit, a public member experienced in banking or investment banking, a public member experienced in home building or a licensed real estate broker and a public member experienced in agricultural production. Also pursuant to the Act, the NIFA has appointed an Executive Director. The Act provides that the Executive Director shall be an employee of the NIFA but not a member thereof and shall serve at the pleasure of the members. The Executive Director serves as the ex officio secretary of the NIFA and administers, manages and directs its affairs and activities in accordance with the policies and under the control and direction of the members.

Board of Directors, Officers and Staff

The office of the NIFA is located at 200 Commerce Court, 1230 O Street, Lincoln, Nebraska 68508-1402, (402) 434-3900. In addition to the Executive Director, the NIFA presently employs a staff of 18 full-time employees. The principal occupations of the members of the NIFA, their residences and the groups represented by the public members are as follows.

Member/Principal Occupation	Residence	Representing
L. Allan Wenstrand—Chairperson of the NIFA—Director, Nebraska Department of Economic Development	Lincoln, Nebraska	Nebraska Department of Economic Development
Carl R. Brasee— First Mid America, Inc.	Grand Island, Nebraska	Investment Banking
Peter M. Graff— McCook National Bank	McCook, Nebraska	Agricultural Production
Bruce Bisson— Health Care Suppliers dba Nexadental	Omaha, Nebraska	Nebraska Investment Council (Chairperson)
Michael Maroney— New Community Development Corp.	Omaha, Nebraska	Real Estate Development

Rodrigo Lopez— AmeriSphere Financial	Omaha, Nebraska	Public at Large
Donna Hinkley— Home Real Estate	Lincoln, Nebraska	Licensed Real Estate Broker
Merlyn E. Carlson—Director, Nebraska Department of Agriculture	Lincoln, Nebraska	Nebraska Department of Agriculture
Mary Jo McClurg	Lincoln, Nebraska	Credit Lending Institutions

The Act provides that five members of the NIFA constitute a quorum for the transaction of business, and the affirmative vote of at least five members is necessary to take any action. The Act also provides that no member or employee may participate in any action by the NIFA authorizing a transaction with the NIFA if such member or employee has, will have or later acquires a direct or indirect interest in such transaction.

Timothy R. Kenny joined the NIFA as its Executive Director in January of 1994. Prior to joining the NIFA, Mr. Kenny was the director of program development for the Utah Housing Finance Agency from December of 1991 to December of 1993. Prior to that, Mr. Kenny owned a consulting business and also spent 15 months as the executive director of the Texas Housing Finance Agency. Mr. Kenny is a certified public accountant.

Steven J. Clements is the Chief Operating Officer of the NIFA. Mr. Clements joined the NIFA as its Deputy Director of Finance in 1985. Prior to joining the NIFA, Mr. Clements spent six years working as a CPA for the international public accounting firm of Coopers & Lybrand (now known as PricewaterhouseCoopers LLP).

BUSINESS OF THE NIFA

General

The principal activity of the NIFA is to assist in providing financing for housing for low- and moderate-income persons, for beginning farmers, for economic development activities, for health care-related projects and for various governmental programs, including the administration of various federal programs relating to these activities. In most cases, the NIFA provides financing by issuing tax-exempt bonds and directly, or indirectly, loaning the proceeds to the ultimate borrower. The tax exemption of the interest on the bonds enables the NIFA to borrow at interest rates lower than conventional taxable interest rates and to relend the bond proceeds directly, or indirectly, to the ultimate borrower at rates lower than conventional sources of funds. The NIFA generally charges a slightly higher rate to the ultimate borrower than the NIFA's cost of funds and uses the rate differential (which is highly regulated by the federal government through the Internal Revenue Code and regulations issued by the Internal Revenue Service) to generate revenues to support the operations of the NIFA. In addition, the NIFA collects various administrative fees for certain other programs which it operates, and also earns income on the investment of its accumulated non-bond related general funds (investments related to tax-exempt bond-financed programs are restricted by the federal tax laws, and any earnings on such funds in excess of the interest cost on the related bonds must be periodically rebated to the federal government). *The NIFA does not receive, has never received and does not expect to receive in the future, any moneys derived from taxes from the State of Nebraska or any political subdivision thereof.*

The Act contains no restriction on the amount of bonds that can be issued by the NIFA. However, the amount of tax-exempt "private activity" bonds that can be issued each year by the NIFA is restricted by the federal tax laws. "Private activity bonds" include bonds issued to benefit private persons or companies, including single-family bonds, private-owner multifamily bonds, beginning farmer bonds and student loan bonds (which are issued by a separate corporation in Nebraska). "Private activity bonds" do not include bonds issued to make loans to nonprofit Section 501(c)(3) organizations (which include many health care organizations), which, together with most refunding bonds, are excluded from the annual federal tax law limitations. Presently, the federal tax laws provide that no more than \$150,000,000 of such "private activity" bonds may be issued annually by all state and local issuers in the State of Nebraska, including the NIFA. By executive order of the Governor, \$75,000,000 of this

annual bond issuing authority is specifically reserved for single-family housing bonds for programs conducted on a state-wide basis. Any such bond issuing authority not used at the end of each year may be reallocated to other uses by executive order of the Governor. In most years any remaining bond issuing authority has been allocated to either the NIFA or to the state's student loan financing corporation; however, increased demand in the last few years has resulted in smaller and smaller amounts of any remaining bond issuing authority.

The federal tax arbitrage rules generally provide that the NIFA cannot earn more than 1.125% on its single-family loans in excess of the bond interest cost, and from that 1.125% differential the NIFA must pay all its costs of issuing the bonds, originating and servicing the loans, administering the bond program and certain mortgage insurance and guaranty fees. On single project/borrower financings, the NIFA may not earn more than 0.25%, plus reimbursement for the costs of issuing the bonds and bond administration costs. On multiple borrower programs other than the single-family program, the NIFA may earn 1.50%, plus reimbursement for the costs of issuing the bonds and bond administration costs. However, as noted above, this applies only to earnings on the program loans; federal tax laws do not permit the NIFA to earn anything in excess of the bond cost on the investment of reserve funds or comparable funds established from bond proceeds.

The NIFA is presently the only entity in the State of Nebraska authorized to issue tax-exempt bonds to finance single-family loans, agricultural loans or certain governmental programs. Counties, cities, towns and local hospital authorities, as well as the NIFA, are authorized to issue tax-exempt bonds to finance economic development projects, health care facilities and multifamily projects.

Most of the NIFA's bonds are limited revenue bonds, payable only from the assets (usually loans) financed by the related bonds. As a result, the ultimate security for such bonds is the financial strength of the pledged assets and not the general funds of the NIFA. See Appendix B hereto for a description of the various bonds issued by the NIFA and presently outstanding.

The NIFA's operations are separated into three finance divisions: housing, agriculture and development (which includes health care and governmental programs).

Housing Finance Division

The Housing Finance Division is the largest division of the NIFA, and within it the largest program (and the source of the majority of the NIFA's revenues) is the single-family mortgage loan program. Under the single-family mortgage loan program, the NIFA issues its tax-exempt bonds and uses the proceeds (net of any amounts used to fund reserve funds or pay costs of issuing the bonds) to purchase mortgages or mortgage-backed securities from participating lenders throughout the State of Nebraska. Those lenders (in most cases, a master servicer) service the mortgages on behalf of the NIFA. Substantially all of the mortgages must meet certain underwriting criteria or be insured or guaranteed by FHA, VA, USDA/RD or private mortgage insurance companies. The federal tax laws impose several limits on this program, including an income limit on homebuyers, a purchase price limit on homes, a refinancing prohibition and a requirement that all homebuyers obtaining a mortgage be first-time homebuyers. Through December 31, 1999, the NIFA has issued 65 series of single-family bonds (of which seven series, in the aggregate principal amount of \$256,545,000, were issued to refund prior series of bonds) aggregating approximately \$3,028,824,000, which financed approximately \$2,396,292,000 mortgage loans for over 50,000 individuals and families. In the last four years, the NIFA has implemented a forgivable down-payment second mortgage supplemental loan program to assist qualifying mortgagors to purchase a home under its single-family program.

The NIFA also finances privately owned multifamily rental projects, primarily by issuing limited revenue bonds. In most cases there is a separate series of bonds for each project so financed, and each series of bonds is payable only from repayments on the project loan financed by such bonds. The federal tax laws and the Act limit the income of the tenants of such projects for a period of years. Through December 31, 1999, the NIFA has issued 69 series of multifamily bonds, aggregating approximately \$310,214,000, which financed 78 projects.

From time to time the NIFA has issued limited revenue bonds (nine series totaling approximately \$23,415,000) to finance home improvement loans for lower-income persons. These programs are usually carried

out in conjunction with moneys provided through local housing programs and the bonds are sold to participating local financial institutions.

The NIFA also administers the federal low-income housing tax credit program in the State of Nebraska. Under this program, the federal government has authorized the granting of federal income tax credits to developers of lower-income rental housing. Since its inception in 1987, this program has been employed in the creation of more than 6,100 rental units. The amount of such credits so granted is subject to annual limits. The NIFA is permitted to charge certain fees to defray its cost of administering this program, which requires periodic inspections to assure compliance with the lower-income tenant requirements.

The NIFA has also recently developed non-bond-financed programs to establish partnerships to create rent-to-own units at below-market costs (using a Federal Home Loan Bank grant), to develop vacant lots and provide construction training opportunities for affordable housing construction (particularly in small towns), and to make loans to community development organizations in order to provide financing for predevelopment costs to build affordable housing.

Agricultural Finance Division

The NIFA's Agricultural Finance Division works with local banks in carrying out its beginning farmer agricultural loan program by issuing a tax-exempt limited revenue bond to the bank to finance a loan of \$250,000 or less to a qualifying beginning farmer. The loan is the only security for the limited revenue bond, and the local bank underwrites the loan and services it for the NIFA. Through December 31, 1999, the NIFA has issued approximately 778 series of such bonds, aggregating approximately \$84,173,000, to provide financing for over 859 Nebraska farmers and ranchers.

In 1986, the NIFA issued taxable revenue bonds to fund an agricultural loan program without the federal tax law constraints. Those bonds were rated "AAA" by S&P and the proceeds were invested in an investment contract with a then highly rated insurance company which subsequently became insolvent. No loans were made from this program, and litigation ensued upon the insolvency of the insurance company with which the bond proceeds were invested. See "BUSINESS OF THE NIFA—Litigation; Payment Default" below.

Development Finance Division

The NIFA's Development Finance Division handles the financing of health care projects and economic development projects for private borrowers (including nonprofit organizations). Typically, a series of limited revenue bonds is issued for each particular project, and the borrower's obligation to repay the loan is the sole security for the related series of bonds. The federal tax laws limit the types of financeable projects, and in many cases require ongoing use requirements. As of December 31, 1999, the NIFA has issued approximately 86 series of such bonds, aggregating approximately \$554,508,000 for 89 projects.

The Development Finance Division also handles the financing for state match funds required under the clean water revolving fund bond program for the State of Nebraska. Under this program, federal capitalization grants are leveraged with bond proceeds to make low-interest loans to municipalities pursuant to the Nebraska Wastewater Treatment Facilities Construction Assistance Act. As of December 31, 1999, the NIFA has issued five series of such bonds, aggregating approximately \$14,555,000 thereby providing financing to over 67 cities and towns in Nebraska. The federal government recently established a similar program which provides capitalization grants to be leveraged with bond proceeds to make low interest loans for drinking water facilities pursuant to the Nebraska Drinking Water State Revolving Fund Act. As of December 31, 1999, the NIFA has issued one series of general obligation bonds totaling \$1,500,000 thereby providing financing to governmental owners of drinking water supply systems in Nebraska.

Financing Activity

Since its creation, the NIFA has issued (directly or through its predecessor organizations) approximately \$4,215,689,000 of bonds. Of such amount, approximately \$1,656,774,000 was outstanding as of December 31,

1999. (See Appendix B hereto for details regarding bonds outstanding at June 30, 1999.) In addition, from time to time the NIFA borrows moneys on a short-term basis to facilitate its various programs. Such borrowings are payable only from the assets of NIFA pledged to such borrowings and do not constitute a debt or obligation of the State of Nebraska or any political subdivision. The NIFA has no taxing power. The NIFA is exempt from federal and state income taxes.

Recent Financial Results of Operations

Appendix A hereto details the NIFA's financial condition and results of operations for the fiscal years ending June 30, 1999 and 1998. These include information on cash flow generated from operating activities, investing activities and noncapital activities. These financial statements indicate that the NIFA's revenues in excess of expenses for the fiscal years ending June 30, 1999 and 1998 were \$12,538,000 and \$16,853,000, respectively (specific reference is made to the footnotes to such financial statements for a description of the accounting policies which the NIFA is required to follow). Virtually all of the NIFA's assets are pledged to secure the related issues of bonds which fund the various programs, and in most cases the investment and use of such assets (including cash) are restricted by federal tax laws as well as the related bond documents.

From time to time the federal tax laws are revised in ways that affect the operations of the NIFA. In 1980, and again in 1986, the federal tax laws applicable to tax-exempt bond financings were revised to restrict the availability of the type of tax-exempt bond financings conducted by the NIFA, and to restrict the fees NIFA is permitted to earn from such programs. The NIFA is unable to predict whether future tax law changes will occur that affect the operations of the NIFA or whether any such effects will be favorable or unfavorable.

Year 2000 Project

The NIFA makes extensive use of computer systems, both to administer its programs and to manage its internal corporate activities, as do the NIFA's external third-party service providers, such as mortgage originators and servicers, bond trustees and guaranteed investment agreement providers. A committee of the NIFA staff (the "Y2K Committee") has been formed to review the NIFA's various systems, procedures, software products, vendors, service providers, etc., for year 2000 compliance.

The NIFA's personal computer local area network is used for office productivity systems and for access to a separate computer system on which the NIFA's major accounting and control software and data is processed. Hardware for the personal computer local area network, which the manufacturer represents to be year 2000 compliant, has been acquired and installed by the NIFA. The NIFA has purchased and installed new software designed to be year 2000 compliant for its personal computer local area network.

The manufacturer of the NIFA's computer hardware on which its major accounting and control software is processed has reviewed its hardware and peripherals for year 2000 compliance. A report was received from the manufacturer during calendar year 1998 indicating that the hardware and peripherals are year 2000 compliant.

The NIFA has received correspondence from the provider of the NIFA's major accounting and control software which indicates that all systems provided by such provider are currently year 2000 compliant.

The Y2K Committee continues the process of contacting its major service providers such as trustees, mortgage originators and servicers, investment providers, corporate bankers and payroll processor. Responses have been received from the identified mission-critical providers and the Y2K Committee is in the process of evaluating and updating such responses.

It is the opinion of the NIFA's management, based upon the results to date of the NIFA's internal review, that the NIFA should not need to expend significant funds to implement appropriate solutions and measures to remediate any year 2000 problems in its internal systems. To date, the NIFA has not, however, experienced any such year 2000 problems. Unexpected year 2000 issues may still develop.

**SOURCES AND APPLICATION OF SERIES 2000-9 BONDS
PROCEEDS AND OTHER AMOUNTS**

Upon the issuance of the Series 2000-9 Bonds, there shall be deposited with the Trustee the proceeds of the sale of the Series 2000-9 Bonds (excluding accrued interest, if any), which will be applied as follows:

Sources:

Proceeds of the Series 2000-9 Bonds	<u>\$1,500,000</u>
Total Funds Available	<u>\$1,500,000</u>

Application:

Program Fund ¹	<u>\$1,500,000</u>
Total Funds Applied	<u>\$1,500,000</u>

¹Funds deposited in the Program Fund are expected to be immediately paid out of the Program Fund and transferred to the Series 2000 A/B Mortgage Loan Account securing the Series 2000 A/B Single Family Bonds.

Costs of issuance of the Series 2000-9 Bonds, including the fee of the underwriters, if any, will be paid from general funds of the NIFA.

THE SERIES 2000-9 BONDS

The following is a description of the Series 2000-9 Bonds.

General

The Series 2000-9 Bonds shall be issuable as fully registered bonds in denominations of \$5,000 (or any integral multiple thereof).

Payment of the principal of, premium, if any, and interest on, the Series 2000-9 Bonds at their stated maturity shall be made upon the presentation and surrender of the Series 2000-9 Bonds. All such payments on the Series 2000-9 Bonds shall be paid through the securities depository (together with any successor securities depository, the “Securities Depository”) in accordance with its normal procedures, which as of the date hereof provide for payment by the Securities Depository to its Direct DTC Participants (as defined below under “Book-Entry-Only System”) in next-day funds.

Book-Entry-Only System

Beneficial ownership interests in the Series 2000-9 Bonds will be available only in book-entry form. Purchasers of beneficial ownership interests in the Series 2000-9 Bonds (the “Beneficial Owners”) will not receive certificates representing their interests in such Bonds purchased. So long as Cede & Co. is the registered owner of the Series 2000-9 Bonds, as nominee for The Depository Trust Company (“DTC”), the initial Securities Depository, references herein to the owners of the Series 2000-9 Bonds will mean Cede & Co. and will not mean the Beneficial Owners. Reference is made to the Indenture for provisions concerning periods when and if Cede & Co. is not the owner of the Series 2000-9 Bonds.

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Series 2000-9 Bonds, payment of interest and other payments on the Series 2000-9 Bonds to Direct DTC Participants, Indirect DTC Participants or Beneficial Owners (as such terms are defined or used herein), confirmation and transfer of beneficial ownership interests in the Series 2000-9 Bonds and other bond-related transactions by and between DTC, the Direct DTC Participants, Indirect DTC Participants and Beneficial Owners is based solely on information furnished by DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (“Direct DTC Participants”) deposit with DTC. DTC also facilitates the settlement among Direct DTC Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct DTC Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct DTC Participant, either directly or indirectly (“Indirect DTC Participants”). The Rules applicable to DTC and its DTC Participants are on file with the Securities and Exchange Commission.

Purchases of Series 2000-9 Bonds under the DTC system must be made by or through Direct DTC Participants, which will receive a credit for the Series 2000-9 Bonds on DTC’s records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect DTC Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect DTC Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2000-9 Bonds are to be accomplished by entries made on the books of Direct and Indirect DTC Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2000-9 Bonds, except in the event that use of the book-entry system for the Series 2000-9 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2000-9 Bonds deposited by Direct DTC Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. The deposit of Series 2000-9 Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2000-9 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2000-9 Bonds are credited, which may or may not be Beneficial Owners. The DTC Participants will remain responsible for keeping account of their holdings on behalf of their customers. *So long as Cede & Co., as nominee for DTC, is the owner of the Series 2000-9 Bonds, the NIFA shall treat Cede & Co. as the only owner of the Series 2000-9 Bonds for all purposes under the Indenture, including receipt of all principal of, premium, if any, and interest on the Series 2000-9 Bonds and receipt of notices.*

Conveyance of notices and other communications by DTC to Direct DTC Participants, by Direct DTC Participants to Indirect DTC Participants and by Direct DTC Participants and Indirect DTC Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Series 2000-9 Bonds are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct DTC Participant in such Series 2000-9 Bonds to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to Series 2000-9 Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the NIFA as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct DTC Participants to whose accounts the Series 2000-9 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2000-9 Bonds will be made to DTC. DTC’s practice is to credit Direct DTC Participants’ accounts on the payable date in accordance with their respective holdings shown on DTC’s records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such DTC Participant and not of DTC, the Trustee or the NIFA, subject to any statutory or

regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the NIFA or the Trustee. Disbursement of such payments to Direct DTC Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect DTC Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2000-9 Bonds at any time by giving reasonable notice to the NIFA or the Trustee. The NIFA may also determine that DTC is incapable of discharging its duties or that continuation of the book-entry system is not in the best interests of the Beneficial Owners. In either situation, if the NIFA fails to identify a successor securities depository, Series 2000-9 Bond certificates are required to be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the NIFA believes to be reliable, but the NIFA takes no responsibility for the accuracy thereof.

DTC management is aware that some computer applications, systems, and the like for processing data ("Systems") that are dependent upon calendar dates, including dates before, on, and after January 1, 2000, may encounter "Year 2000 problems." DTC has informed its Participants and other members of the financial community (the "Industry") that it has developed and is implementing a program so that its Systems, as the same relate to the timely payment of distributions (including principal and income payments) to securityholders, book-entry deliveries, and settlement of trades within DTC ("DTC Services"), continue to function appropriately. This program includes a technical assessment and a remediation plan, each of which is complete. Additionally, DTC's plan includes a testing phase, which is expected to be completed within appropriate time frames.

However, DTC's ability to perform properly its services is also dependent upon other parties, including but not limited to issuer's and their agents, as well as third party vendors from whom DTC licenses software and hardware, and third party vendors on whom DTC relies for information or other provision of services including telecommunication and electrical utility service providers, among others. DTC has informed the Industry that it is contacting (and will continue to contact) third party vendors from whom DTC acquires services to: (i) impress upon them the importance of such services being Year 2000 compliant; and (ii) determine the extent of their efforts for Year 2000 remediation (and, as appropriate, testing) of their services. In addition, DTC is in the process of developing such contingency plans as it deems appropriate.

According to DTC, the foregoing information with respect to DTC has been provided to the Industry for informational purposes only and is not intended to serve as a representation, warranty, or contract modification of any kind.

None of the Trustee, any paying agent or the NIFA has any responsibility or obligations to the DTC Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any DTC Participant; (b) the payment by DTC of any amount due to any Direct DTC Participant or the payment by any Direct or Indirect DTC Participant of any amount due to any Beneficial Owner in respect of the principal of and premium, if any, and interest on the Series 2000-9 Bonds; (c) the delivery or timeliness of delivery by DTC of any notice to any Direct DTC Participant or the delivery or timeliness of delivery by any Direct or Indirect DTC Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Indenture to be given to owners of the Series 2000-9 Bonds; (d) the selection of the Beneficial Owners to receive payments in the event of any partial redemption of the Series 2000-9 Bonds; or (e) any consent given or other action taken by DTC, or its nominee, Cede & Co., as registered owner. The Beneficial Owners of the Series 2000-9 Bonds will rely on Direct and Indirect DTC Participants for timely payments and other notices and for otherwise making available to the Beneficial Owner the rights of a Bondholder. No assurances can be provided that, in the event of bankruptcy or insolvency of DTC, a Direct or Indirect DTC Participant through which a Beneficial Owner holds beneficial interests in the Series 2000-9 Bonds, payment will be made by DTC, or the DTC Participant on a timely basis.

Stated Maturity

The Series 2000-9 Bonds will mature on the date set forth on the front cover hereof (the "Maturity Date").

Interest—General

Interest on the Series 2000-9 Bonds will accrue from the date of issuance and will be payable in arrears, commencing on September 1, 2000 and on each March 1 and September 1 thereafter. The Regular Record Date for each Interest Payment Date with respect to the Series 2000-9 Bonds will be the date 15 days next preceding such Interest Payment Date. The Series 2000-9 Bonds will bear interest at the rate set forth on the front cover hereof. Interest on the Series 2000-9 Bonds shall be calculated on the basis of a 30-day month and a 360-day year. Principal and interest on the Series 2000-9 Bonds shall be payable on the Maturity Date.

Any payment of principal or interest will be made only on a “Business Day,” and, if the specified payment date is not a Business Day, payment shall be made on the next succeeding Business Day. As used herein, “Business Day” means any day other than April 14, April 15, December 30, December 31, a Saturday, Sunday or other day on which the New York Stock Exchange or banks are authorized or obligated by law or executive order to close in New York, New York or in any city in which the principal corporate trust office of the Trustee is located.

Redemption Provisions

The Series 2000-9 Bonds are not subject to redemption prior to maturity.

SECURITY FOR THE BONDS

Pledge of the General Indenture

All the Bonds are equally secured under the General Indenture. The Bonds are general obligations of the NIFA, payable from any revenues, assets or moneys of the NIFA, subject only to agreements made with holders of other notes and bonds and obligations of the NIFA pledging particular revenues, assets or moneys for the payment thereof. **THE BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR GENERAL OBLIGATION OF THE STATE OF NEBRASKA OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEBRASKA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS.**

As security for the Bonds, pursuant to the General Indenture, the NIFA grants to the Trustee a pledge of and security interest in all moneys and securities, including Bond proceeds (other than proceeds deposited in trust for the retirement of outstanding Bonds or otherwise expended) from time to time held by the Trustee under and subject to the terms of the General Indenture or any Supplemental Indenture (except Excess Earnings) and any and all other real or personal property of every name and nature from time to time by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the General Indenture by the NIFA, or by anyone on its behalf or with its written consent, to the Trustee which is authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture. *However, it is not expected that the Trustee will at any time hold significant assets specifically pledged under the General Indenture to secure the Bonds; thus, the primary source of revenues to pay debt service on the Bonds will be the general unencumbered funds and assets of the NIFA (specific reference is made to the footnotes to the NIFA’s financial statements in Appendix A hereto for information about the NIFA’s Operating Fund).*

Debt Service Reserve Fund

The General Indenture authorizes the establishment of a Debt Service Reserve Fund with respect to the Bonds. The Debt Service Reserve Requirement is defined in the General Indenture to mean, as of any particular date of calculation, the aggregate of the amounts specified, if any, as the Debt Service Reserve Requirement in each Supplemental Indenture.

The Debt Service Reserve Requirement with respect to the Series 2000-9 Bonds is set at \$-0-. None of the Supplemental Indentures to date have specified a dollar amount as the corresponding Debt Service Reserve Requirement. There are currently no funds on deposit in the Debt Service Reserve Fund.

Failure to maintain amounts in the Debt Service Reserve Fund at the Debt Service Reserve Requirement shall not result in or constitute an Event of Default under the General Indenture. Any amounts on deposit in the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement may be transferred, at the option of the NIFA, to the NIFA free and clear of the lien of the General Indenture.

If there is not a sufficient amount in the Debt Service Fund to provide for the payment when due of principal of and interest on the Bonds and any Sinking Fund Installments, the Trustee shall withdraw from the Debt Service Reserve Fund and pay into the Debt Service Fund the amount of the deficiency then remaining.

Interest and other income from the investment or deposit of amounts in the Debt Service Reserve Fund shall remain in the Debt Service Reserve Fund unless directed by an Authorized Officer of the NIFA to be transferred to the NIFA free and clear of the lien of the General Indenture.

The Debt Service Reserve Requirement with respect to the applicable Series of Bonds may be funded through Cash Equivalents, which could include a mortgage pool insurance policy, letter of credit or other facility. In connection with any reference in the Indenture to “moneys” on deposit in or held for the credit of the Debt Service Reserve Fund, “moneys” shall be deemed to include such Cash Equivalents.

Additional Bonds

The General Indenture provides that the NIFA may issue obligations and create additional indebtedness secured by an equal charge or lien on the Funds and other pledged property and which will be payable from any of the foregoing pursuant to the conditions set forth in the General Indenture. Any Bonds so issued (including the Series 2000-9 Bonds) will be issued only upon compliance with the conditions set forth in the General Indenture. Any additional Bonds issued under the General Indenture will be on a parity with the outstanding Bonds issued under the General Indenture and will be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the General Indenture. See “THE INDENTURE—Provisions for Issuance of Bonds.” The NIFA may, however, issue evidences of indebtedness (i) secured by a pledge of specific revenues or assets or (ii) not issued under the Indenture.

THE INDENTURE

The following is a summary of certain provisions and defined terms of the Indenture. This summary does not purport to be comprehensive or definitive and is subject to all of the terms and provisions of, and definitions set forth in, the Indenture, to which reference is hereby made and copies of which are available from the NIFA or the Trustee.

Certain Definitions

“*Accountant’s Certificate*” means an opinion signed by any certified public accountant or firm of certified public accountants (who may be the accountant or firm that regularly audits the books and accounts of the NIFA) from time to time selected by the NIFA and acceptable to the Trustee.

“*Authorized Officer*” means the Chairperson, Vice Chairperson or Executive Director of the NIFA or any other person authorized by resolution of the NIFA to perform an act or sign a document.

“*Bond Year*” means, for a particular Series of Bonds, the period of 12 calendar months, as set forth in the corresponding Supplemental Indenture.

“*Cash Equivalent*” means a letter of credit, insurance policy, surety, guarantee or other security arrangement (as defined and provided for in a Supplemental Indenture), which Cash Equivalent shall have such terms as are necessary to maintain the Rating Quality on the Bonds.

“*Counsel*” means any attorney or firm of attorneys (who may be employed by or of counsel to the NIFA or an attorney or firm of attorneys retained by it in other connections) licensed to practice in the state in which he/she

or it maintains an office (and if the opinion is with respect to an interpretation of federal tax laws or regulations or with respect to the issuance of an additional Series of Bonds or interpretation or application of the General Indenture, is also a nationally recognized attorney or firm of attorneys experienced in such matters), selected or employed by the NIFA and satisfactory to the Trustee.

“*Counsel’s Opinion*” means an opinion signed by any Counsel.

“*Date of Original Issuance*” means, with respect to a particular Series of Bonds, the date on which the NIFA initially issues such Series of Bonds.

“*Debt Service Reserve Requirement*” means, as of any particular date of calculation, the aggregate of the amounts specified, if any, as the Debt Service Reserve Requirement in each Supplemental Indenture.

“*Excess Earnings*” means excess investment earnings, net of any credits or offsets thereto, which must be rebated to the United States of America pursuant to Section 143(g) of the Code.

“*Fiscal Year*” means the period of 12 calendar months, commencing on July 1 in any calendar year and ending on June 30 of the following year.

“*Funds*” or “*Accounts*” means any of the Funds or Accounts, including subaccounts, established by the General Indenture or any Supplemental Indenture.

“*Interest Payment Date*” means any date upon which interest on the Bonds is payable in accordance with their terms and the terms of the General Indenture or any Supplemental Indenture.

“*Outstanding*” or “*Bonds Outstanding*” means all Bonds which have been authenticated and delivered by the Trustee under the General Indenture, except:

(a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Bonds for the payment or redemption of which cash funds or Federal Obligations or any combination thereof shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds), provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee;

(c) Bonds in lieu of which other Bonds have been executed and delivered under the General Indenture; and

(d) Bonds otherwise specified in a Supplemental Indenture.

“*Permitted Investments*” means, to the extent authorized by law for investment of moneys of the NIFA, such of the following as shall mature, or shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates when the moneys will be required for the purposes intended: (i) direct obligations of the United States or other obligations the timely payment of principal and interest of which is fully and unconditionally guaranteed by the United States (“Federal Obligations”); (ii) obligations of any state of the United States of America or any political subdivision of such a state (such obligations of which are rated “AAA” by S&P); (iii) bonds, debentures or other obligations issued by the Federal National Mortgage Association (excluding interest-only securities and stripped mortgage-backed securities valued greater than par), the Federal Home Loan Mortgage Corporation (senior debt obligations which guarantee timely payment of principal and interest) or the Government National Mortgage Association; (iv) any other obligations of any agency controlled or supervised by and acting as an instrumentality of the United States Government pursuant to authority granted by the Congress of the United States whose timely payment is unconditionally guaranteed by the United States of America; (v) time

deposits, certificates of deposit or any other deposit with federally or state-chartered banks (including the Trustee and its affiliates), the deposits of which are fully insured by the FDIC, with capital, surplus and undivided profits of not less than \$100 million, provided the unsecured obligations of any such institution (or its parent if such institution is the lead bank and the parent has unconditionally guaranteed the obligations of the lead bank) are rated by S&P as follows: if such deposit has a term to maturity equal to or less than one year— “A-1” by S&P; and if such deposit has a term of more than one year— “A+” by S&P; (vi) repurchase agreements (of which S&P has been given prior notification of the terms thereof) collateralized by securities described in (i) above with any registered broker/dealer subject to the Securities Investors’ Protection Corporation (“SIPC”) liquidation in the event of insolvency or any commercial bank insured by the FDIC, if the unsecured debt of such broker/dealer or bank is rated as follows: if the repurchase agreement has a term to maturity equal to or less than one year— “A-1” by S&P; and if such repurchase agreement has a term of more than one year — “A+” by S&P; or, if not so rated, which provide: (a) the repurchase obligation is collateralized by the securities themselves, (b) such investments have on the date of the repurchase agreement and at all times thereafter a fair market value equal to at least the percentage of the amount of the repurchase obligation of the institution, including principal and interest, set forth in any applicable repurchase agreement collateral tables for S&P in effect on the date the repurchase agreement is entered into in accordance with the maturity, the rating (which must be equal to at least to the rating on the Bonds) and the valuation frequency, (c) the Trustee either holds the securities themselves or the Trustee has written evidence that the investments are being held by a Federal Reserve Bank or a commercial bank with combined capital, surplus and undivided profits of not less than \$50 million acting as agent for the Trustee, (d) a perfected security interest under the Uniform Commercial Code or book-entry procedures prescribed in 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such investments, is created for the benefit of the Trustee, (e) if the repurchase agreement is with the bank serving as Trustee or any related party, the third party holding such investments holds them as agent for the benefit of the Trustee as fiduciary for the holders of the Bonds and not as agent for the bank in its commercial capacity or serving as trustee, agent or other fiduciary for any other party, (f) the collateral is free and clear of third-party liens and, in the case of SIPC brokers, was not acquired pursuant to a repurchase or reverse repurchase, (g) failure to maintain requisite collateral will cause the Trustee to liquidate collateral, (h) the cure and other provisions comply with the standards required by S&P on the date the repurchase agreement is entered into, (i) the repurchase agreement matures not later than the thirtieth day prior to the date such funds are required hereunder, (j) there is or will be a written agreement governing every repurchase transaction, (k) the transferee of any securities subject to a repurchase agreement shall represent that it has no knowledge of any fraud involved in the repurchase transaction and (l) such repurchase agreement will not adversely affect the Rating Quality of the Bonds; (vii) investment agreements with a financial institution which has unsecured obligations rated as follows: if the investment agreement has a term to maturity equal to or less than one year— “A-1” by S&P; and if such agreement has a term of more than one year— “A+” by S&P, provided that (1) such agreement shall provide that it is not subordinated to any other obligations of such financial institution and (2) the Trustee shall receive an Opinion of Counsel that such agreement is an enforceable obligation of such financial institution; (viii) commercial paper rated “A-1+” by S&P; (ix) shares of a money market mutual fund or other collective investment fund registered under the Investment Company Act of 1940, as amended, whose shares are registered under the Securities Act of 1933, as amended, having assets of at least \$100 million, having a rating of “AAAm” or “AAAm-G” from S&P; and (x) any other investment that will not adversely affect the Rating Quality of the Outstanding Bonds, provided that it is expressly understood that this definition of Permitted Investments shall be, and be deemed to be, expanded, or new definitions and related provisions shall be added to the General Indenture by a Supplemental Indenture, thus permitting investments with different characteristics from those permitted above which the NIFA deems from time to time to be in the interests of the NIFA to include as Permitted Investments if at the time of inclusion such inclusion will not, in and of itself, adversely affect the Rating Quality of the Outstanding Bonds.

“*Rating Quality*” means, with respect to any Series of Bonds, having terms, conditions and/or a credit quality such that the item stated to be of “*Rating Quality*” will not, as confirmed in writing received by the Trustee from the Rating Agency, impair the ability of the NIFA to obtain the rating or ratings initially anticipated to be received from the Rating Agency with respect to such Bonds as described in the related Supplemental Indenture and, if any of the Bonds have been rated, will not cause the Rating Agency to lower or withdraw the rating it has assigned to any of the Bonds.

“*Series Program Accounts*” means the Accounts so designated which are established pursuant to each Supplemental Indenture.

“S&P” means Standard & Poor’s Ratings Services, A Division of The McGraw-Hill Companies, Inc., and its successors and assigns, or, if S&P shall no longer be maintaining a rating on the Bonds, then another nationally recognized rating agency designated by the NIFA.

“State” means the State of Nebraska.

“Supplemental Indenture” means any supplement to the General Indenture entered into pursuant to the terms thereof authorizing and specifying the terms of a Series of Bonds.

Indenture Constitutes Contract

The provisions of the Indenture constitute a contract of the NIFA with the Trustee for the benefit of the holders of the Bonds, and the pledge, covenants and agreements set forth in the Indenture to be performed by and on behalf of the NIFA are for the equal benefit, protection and security of the holders of any and all of the Bonds.

Pledge Effected by the Indenture

For the payment of the principal of, premium, if any, and interest on the Bonds, and the Sinking Fund Installments for the retirement thereof, the NIFA has pledged to the Trustee, and granted a security interest in, in accordance with the provisions of the Indenture, all proceeds of the sale of the Bonds (other than proceeds deposited in trust for the retirement of Outstanding Bonds), until paid out of Funds or Accounts held under the Indenture, and Permitted Investments made or purchased from such proceeds, and all money and other assets and income held in and receivable by the Funds and Accounts established by or pursuant to the Indenture, but excluding Excess Earnings, all subject to the right of the NIFA to direct withdrawals of amounts from said Funds and Accounts upon the conditions set forth in the Indenture, which pledge constitutes a first lien on such pledged moneys and revenues.

Provisions for Issuance of Bonds

The General Indenture authorizes Bonds to be issued from time to time in one or more Series of Bonds without limitations as to amount except as may be provided by law.

Each Series of Bonds shall be issued by the NIFA under the General Indenture and the corresponding Supplemental Indenture, delivered to the Trustee for authentication and, upon authentication by the Trustee, delivered to the NIFA or its order, but only upon receipt by the Trustee of, among other things:

(a) A Counsel’s Opinion, dated the date of delivery thereof, to the effect that: (i) the NIFA is a body politic and corporate, not a state agency, but an independent instrumentality with the powers, among others, to issue the Bonds and to perform its obligations under the General Indenture and the applicable Supplemental Indenture; (ii) the Bonds are valid general obligations of the NIFA for which its full faith and credit are pledged and are payable from any of the NIFA’s revenues, assets or moneys, subject only to agreements made with the holders of notes and bonds, other than the Bonds, pledging particular revenues, moneys or assets for the payment thereof; and (iii) the General Indenture and the applicable Supplemental Indenture have been validly authorized, executed and delivered and create an assignment and pledge of and lien on the moneys pledged under the Indenture, except that (y) no opinion need be expressed as to the effect upon such enforceability of bankruptcy, insolvency, reorganization, moratorium and other similar laws enacted for the relief of debtors and (z) no opinion need be expressed as to the availability of the remedy of specific performance, mandamus, injunctive relief or any other equitable remedy;

(b) A certificate from the NIFA directing that the Trustee authenticate and deliver such Bonds and containing instructions as to the delivery of such Bonds and the purchase price therefor;

(c) A copy of the Supplemental Indenture authorizing such Bonds, which shall specify the terms and purposes thereof;

(d) A Certificate from the NIFA stating that the NIFA is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Indenture; and

(e) Written verification from the Rating Agency that the issuance of such Series of Bonds will not, in and of itself, adversely affect the Rating Quality of any Outstanding Bonds of any prior Series of Bonds.

Establishment of Funds and Accounts

The NIFA, by the General Indenture, has established the following Funds and Accounts for the Bonds:

- (a) Program Fund;
- (b) Debt Service Fund;
- (c) Debt Service Reserve Fund; and
- (d) Rebate Fund.

The Trustee may also establish from time to time such additional funds or accounts as the NIFA may direct or as the Trustee shall determine may be reasonably required to carry out its duties under the Indenture.

There is established, pursuant to the General Indenture, in each Fund a separate Account for each Series of Bonds. Except as otherwise provided in a Supplemental Indenture, the proceeds of a particular Series of Bonds issued under a Supplemental Indenture and the earnings on investments of moneys in the Funds or Accounts relating to a particular Series of Bonds, when required to be deposited in any Fund, shall be deposited or credited to the Account established therein for that particular Series of Bonds. Withdrawals from Funds and Accounts in connection with a particular Series of Bonds may be made and used (including for purposes of redemption) for any other Series of Bonds unless specifically prohibited in a related Supplemental Indenture. For purposes of investment, the Trustee and the NIFA may consolidate the Accounts required to be established in a particular Fund into one Fund so long as adequate records are maintained as to the amounts held in each such Fund allocable to each Series of Bonds.

Each of the above-designated Funds and Accounts shall be held by the Trustee or other fiduciary in the name of the Trustee, except the Operating Fund, which shall be held by the NIFA or its designee.

Program Fund

The Trustee shall from time to time pay out money from the Program Fund, at the direction of an Authorized Officer of the NIFA, for any purpose set forth in a Supplemental Indenture.

Debt Service Fund

The Trustee shall deposit accrued interest, if any, on the Series 2000-9 Bonds in the Series 2000-9 Account of the Debt Service Fund. On or before the last business day preceding each Interest Payment Date and other date on which principal of or interest on the Bonds is due (including, but not limited to, the Maturity Date), the NIFA shall transfer to the Trustee for deposit to the Debt Service Fund an amount sufficient to pay the interest, principal (if any) and Sinking Fund Installment due (if any) on such Interest Payment Date or other date.

The Trustee shall withdraw from the Debt Service Fund, on each Interest Payment Date and any other date on which interest on the Bonds is payable, an amount equal to the unpaid interest due on the Bonds on that date, and on any redemption date or purchase date pursuant to the Indenture, an amount equal to the unpaid interest due on the Bonds to be paid, redeemed or purchased, and shall cause it to be applied to the payment of said interest when due, or shall transmit it to one or more Paying Agents, who shall apply it to such payment.

The Trustee shall withdraw from the Debt Service Fund on each date on which principal of the Bonds is payable (a) an amount equal to the principal amount of the Outstanding Bonds, if any, due (whether by maturity, redemption or otherwise) on that date, which shall be applied to the payment or purchase of the principal of said Bonds when due or transmitted to one or more Paying Agents who shall apply it to such payment and (b) an amount equal to the Sinking Fund Installment, if any, due on that date, which shall be applied to the redemption of Bonds to be redeemed on that date or transmitted to one or more Paying Agents who shall apply it to such redemption.

Unless other dates are specified in the Supplemental Indenture authorizing a Series of Bonds, on or before the thirty-first day, but not earlier than the thirty-third day, prior to each such date on which a Sinking Fund Installment is due, the Trustee shall proceed to select for redemption in the manner provided in the Indenture from all Outstanding Bonds subject to redemption from such Sinking Fund Installment an amount of such Bonds, equal to the aggregate principal amount of such Bonds redeemable with such Sinking Fund Installment, and shall call such Bonds for redemption from such Sinking Fund Installment on the next succeeding date for redemption, and give notice of such call in accordance with the Indenture. On or before the thirty-third day next preceding any date on which a Sinking Fund Installment is due, the NIFA, by a certificate of an Authorized Officer, may (a) deliver to the Trustee for cancellation, Bonds which are subject to redemption from such Sinking Fund Installment, or portions thereof, in any aggregate principal amount desired or (b) receive a credit in respect of its Sinking Fund Installment obligation for any such Bonds, which prior to said date have been delivered to the Trustee for cancellation or redeemed (otherwise than through redemption from a Sinking Fund Installment) and canceled by the Trustee and not theretofore applied as a credit against any Sinking Fund Installment obligation. Each Bond or portion thereof so delivered or previously redeemed shall be credited by the Trustee at the principal amount thereof on the obligation of the NIFA with respect to such Sinking Fund Installments as the certificate of an Authorized Officer shall direct and the principal amount of such Bonds to be redeemed by such Sinking Fund Installment shall be accordingly reduced.

Unless other dates are specified in a Supplemental Indenture authorizing a Series of Bonds, on or before the thirty-third day preceding each date on which a Sinking Fund Installment is due, the Trustee, if directed by a certificate of an Authorized Officer, shall apply moneys in the Debt Service Fund held for such Sinking Fund Installment to the purchase of Outstanding Bonds subject to redemption from such Sinking Fund Installment in the manner hereinafter provided, and upon such purchase such Bonds shall be canceled and the amount of such Sinking Fund Installment shall thereupon be reduced by the principal amount of such Bonds so purchased and canceled, provided that no such Bonds shall be so purchased within the 33 days next preceding the date on which such Sinking Fund Installment is to be used to redeem Bonds. The price paid by the Trustee (excluding accrued interest, but including any brokerage and other charges) for any Bond purchased pursuant to the Indenture shall not exceed the redemption price applicable on the next date on which such Bond could be redeemed in accordance with its terms from a Sinking Fund Installment. Subject to the limitations set forth and referred to in the Indenture, the Trustee shall purchase Bonds at such times, for such prices, in such amounts and in such manner (whether after advertisement for tenders or otherwise) as the Trustee may be so directed by the NIFA and as may be possible with the amount of money available in the Debt Service Fund.

Any investment earnings on moneys held in the Debt Service Fund shall be credited by the Trustee to the NIFA upon receipt.

In the event that the amount in the Debt Service Fund on any Interest Payment Date or other date on which principal of or interest on the Bonds is payable, or otherwise, is insufficient to pay in full interest when due, or is insufficient to pay in full principal and Sinking Fund Installments when due, the Trustee shall withdraw the amount of such deficiency from the following funds in the following order: (i) any amounts in any capitalized interest account established pursuant to a Supplemental Indenture, (ii) the Program Fund, to the extent available therein, and (iii) the Debt Service Reserve Fund.

Debt Service Reserve Fund

There shall be deposited into the Debt Service Reserve Fund, from the proceeds of the sale of the Bonds or such other sources as specified by a direction of an Authorized Officer of the NIFA, the amounts specified by each Supplemental Indenture, provided that, as a result of such deposit, the amount on deposit in the Debt Service Reserve Fund shall be at least equal to the Debt Service Reserve Requirement.

If there is not a sufficient amount in the Debt Service Fund to provide for the payment when due of principal of, premium, if any, and interest on the Bonds and any Sinking Fund Installments, the Trustee shall withdraw from the Debt Service Reserve Fund (after withdrawing any amounts in any capitalized interest account established pursuant to a Supplemental Indenture or the Program Fund, to the extent of amounts available therein) and pay into the Debt Service Fund the amount of the deficiency then remaining.

Interest and other income from the investment or deposit of amounts in the Debt Service Reserve Fund shall remain in the Debt Service Reserve Fund unless directed by an Authorized Officer of the NIFA to be transferred to the NIFA. Any balance in the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement shall, at the option of the NIFA and upon the direction of an Authorized Officer of the NIFA, be transferred to the NIFA at such times as directed by such Authorized Officer.

The Debt Service Reserve Requirement with respect to the applicable Series of Bonds may be funded through Cash Equivalents. In connection with any discussion in the Indenture of “moneys” on deposit in or held for the credit of the Debt Service Reserve Fund, “moneys” shall be deemed to include said Cash Equivalents.

Rebate Fund

Amounts deposited and held in the Rebate Fund shall not be subject to the pledge of the Indenture; however, such amounts are held to make payments to the United States of America to the extent necessary to comply with Section 148 of the Code. Investment earnings on any moneys in the Rebate Fund shall be retained therein.

Investment of Funds and Accounts Held by the Trustee

Except as otherwise provided in the Indenture, the NIFA may direct the Trustee to, and in the absence of direction the Trustee shall, invest moneys in the Funds and Accounts held by the Trustee in Permitted Investments, the maturity or redemption date at the option of the holder of which shall not exceed the date or dates on which moneys in said Fund or Account for which the investments were made are expected to be required for the purposes provided in the Indenture.

Obligations purchased as an investment of moneys in any Fund or Account held by the Trustee under the provisions of the Indenture shall be deemed at all times to be a part of such Fund or Account (and of each Series subaccount thereof), and except as otherwise expressly provided in the Indenture, the income or interest earned by, or the increment to, a Fund or Account (other than the Rebate Fund and Debt Service Reserve Fund) due to the investment thereof shall be transferred to the NIFA as received. Amounts representing the income or interest earned by, or the increment to, the Debt Service Reserve Fund due to the investment thereof shall be transferred to the NIFA only if directed by an Authorized Officer of the NIFA. Moneys in separate Funds and Accounts may be commingled for the purpose of investment or deposit, subject to instructions from an Authorized Officer, to the extent possible in conformity with the provisions of the Indenture.

In computing the amount in any Fund or Account held by the Trustee under the provisions of the Indenture, obligations purchased by the Trustee or transferred by the NIFA to the Trustee as an investment of moneys therein shall be valued at the amortized value, plus the amount of accrued interest, except that securities covered by repurchase agreements shall be valued at market price. Where market prices for obligations held by the Trustee are not readily available, the Trustee may determine the market price for such obligations in such manner as it deems reasonable. To the extent that moneys are invested pursuant to an Investment Agreement, such Investment Agreement shall be valued at par.

The Trustee shall sell outright or pursuant to a repurchase agreement at the best price obtainable, or present for redemption, any obligation purchased by it as an investment whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the Fund or Account for which such investment was made or as otherwise directed by the NIFA. When transferring moneys from one Fund or Account to another, investments need not be liquidated, and all or a portion of such invested moneys may be credited to a particular Fund or Account from

another. The Trustee shall check the accuracy of all calculations of investment earnings on all Permitted Investments.

At the direction of an Authorized Officer of the NIFA, the Trustee may sell Permitted Investments and purchase any Permitted Investments in exchange therefor.

Payment of Bonds

The NIFA covenants to duly and punctually pay or cause to be paid (from any of the NIFA's revenues, assets or moneys, subject only to agreements made with holders of notes and bonds, other than the Bonds, pledging particular revenues, moneys or assets for the payment thereof) the principal amount of and interest on the Bonds, at the dates and places and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, and shall duly and punctually pay or cause to be paid (from any of the NIFA's revenues, assets or moneys, subject only to agreements made with holders of notes and bonds, other than the Bonds, pledging particular revenues, moneys or assets for the payment thereof) to the Trustee any part of any and all Sinking Fund Installments required pursuant to any provision of this Indenture and the related Supplemental Indentures.

Personnel and Servicing of Programs

The NIFA covenants that at all times it shall appoint, retain and employ competent personnel for the purpose of carrying out its respective programs and shall establish and enforce reasonable rules, regulations, tests and standards governing the employment of such personnel at reasonable compensation, salaries, fees and charges, and all persons employed by the NIFA shall be qualified for their respective positions.

Arbitrage and Tax Covenant

The NIFA covenants that it shall take no action which may cause interest on the Bonds to be included in gross income for federal income tax purposes and shall do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the NIFA on the Bonds shall not be includable in gross income for federal income tax purposes.

No moneys on deposit in any Fund or Account in connection with the Bonds shall at any time be used in a manner which would cause such Bonds to be "arbitrage bonds" as defined in the Code.

Accounts and Reports

The Trustee has been directed by the NIFA to keep proper books of record and account in which complete and accurate entries shall be made of its transactions relating to the Bonds and all Funds and Accounts established by or pursuant to the Indenture, which shall at all reasonable times be subject to the inspection of the NIFA or the holders (or Beneficial Owners who have filed their names and addresses with the Trustee) of an aggregate of not less than 5% in principal amount of Bonds then outstanding or their representatives duly authorized in writing.

Events of Default

Each of the following events is an Event of Default under the General Indenture:

- (a) interest on any of the Bonds is not paid by the NIFA on any date when due or the principal of any Bond is not paid by the NIFA at maturity or the redemption price of any Bond is not paid by the NIFA at a Redemption Date at which such Bond has been called for redemption;
- (b) if there is a default in the performance or observance of any other of the covenants, agreements or conditions on the part of the NIFA contained in the General Indenture, in any Supplemental Indenture or in the Bonds and such default is not remedied within 60 days after receipt by the NIFA of written notice thereof from the Trustee or the holders of not less than 25% in aggregate principal amount of all Outstanding Bonds, provided that such a default will not be considered an Event of Default if it cannot

be corrected within such 60 days and the NIFA has instituted corrective action within such period and diligently pursues the same until the default is corrected;

(c) if the NIFA shall file any petition seeking relief under the federal bankruptcy laws or under any other applicable law or statute of the United States of America or of the State; or

(d) if the State has limited or altered the rights of the NIFA pursuant to the Act, as in force on the date of the General Indenture and, as of the date of each Supplemental Indenture thereto, to fulfill the terms of any agreements made with holders of Bonds or in any way impaired or diminished the rights or security (including, but not limited to, assets pledged to secure the Bonds) or remedies of holders of Bonds while any Bonds are Outstanding.

Remedies

Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy under the Act, at law or in equity to enforce the payment of the principal and interest on the Bonds then Outstanding, including, without limitation, the following:

(a) the Trustee may declare the principal of all Bonds Outstanding and the interest accrued thereon to be immediately due and payable, whereupon such principal amount and interest thereupon shall become immediately due and payable if an Event of Default described in paragraph (a) above under the caption "Events of Default" has occurred;

(b) the books of record and account of the NIFA and all records relating to the Bonds shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys; and

(c) the NIFA, whenever the Trustee shall demand, will account as if it were the trustee of an express trust for all moneys, securities and Funds and Accounts pledged or held under the Indenture for such period as shall be stated in such demand.

If an Event of Default shall have occurred and, if requested so to do by the holders of not less than 25% in aggregate principal amount of Bonds then Outstanding and indemnified as provided in the General Indenture, the Trustee shall be obligated to exercise one or more of the rights and powers conferred above, as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Bondholders.

In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then in every such case the NIFA, the Trustee and the holders of all Bonds shall be restored to their former positions and rights under the Indenture, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

No remedy conferred upon or reserved to the Trustee or to holders of Bonds in the Indenture is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or the Bondholders under the Indenture or existing at law or in equity or by statute.

Priority of Payments After Default

All moneys received by the Trustee pursuant to any right given or action taken upon the occurrence of an Event of Default shall (in the case of a default described in paragraph (a) above under the caption "Events of Default," after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee and of any related expenses necessary to maintain the security for the Bonds) be deposited in the Debt Service Fund and all moneys in the Debt Service Fund (other than moneys held for redemption of Bonds duly called for redemption) shall be applied as follows:

(a) Unless the principal amount of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST, to the payment to the persons entitled thereto of all interest then due on the Bonds, in the order of the maturity of such interest and, if the amount available shall not be sufficient to pay in full said amount, then to the payment ratably, according to the amounts due to the persons entitled thereto, without any discrimination or privilege;

SECOND, to the payment to the persons entitled thereto of the unpaid principal amount of any of the Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they became due at the rate borne by the Bonds and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege; and

THIRD, to be held for the payment to the persons entitled thereto as the same shall become due of the principal amount of and interest on the Bonds which may thereafter become due either at maturity or upon call for redemption prior to maturity and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with interest then due and owing thereon, payment shall be made ratably according to the amount of principal due on such date to the persons entitled thereto without any discrimination or privilege.

(b) If the principal amount of all the Bonds shall have become or shall have been declared due, all such moneys shall be applied to the payment of the principal amount and interest then due and unpaid upon the Bonds, without preference or priority of principal amount over interest or of interest over principal amount, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal amount and interest, to the persons entitled thereto without any discrimination or privilege.

(c) If the principal amount of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of the Indenture, then, subject to the provisions of the preceding paragraph (b) in the event that the principal amount of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) above.

Whenever moneys are to be applied as described above, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the principal amount to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all principal amounts of and interest on all Bonds have been paid as described above and all fees, expenses and charges of the Trustee and any Paying Agent have been paid, any balance remaining in the Debt Service Fund shall be paid to the NIFA.

Restrictions on Bondholder's Action

No holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any provision of the Indenture or for the execution of any trust thereunder or for the appointment

of a receiver or for any other remedy thereunder, unless (a) a default has occurred of which the Trustee has been notified as provided in the Indenture, or of which by the Indenture it is deemed to have notice, (b) such default shall have become an Event of Default and the owners of not less than 50% in aggregate principal amount of Bonds then Outstanding or, if such Event of Default is an Event of Default described in clause (a) under the caption "Events of Default" aforesaid, the owners of not less than 50% in aggregate principal amount of Bonds then Outstanding of the Series with respect to which such Event of Default has happened shall have given written notice to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers granted pursuant to the Indenture or to institute such action, suit or proceeding in their own name or names, (c) such Bondholders have offered to the Trustee indemnity as provided in the Indenture and (d) the Trustee shall thereafter fail or refuse to exercise the powers granted pursuant to the Indenture or to institute such action, suit or proceeding in its own name. Such notification, request and offer of indemnity are in every case at the option of the Trustee condition precedent to the execution of the powers and trusts of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy thereunder.

No one or more holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by such holder's action or to enforce any right thereunder except in the manner therein provided. All proceedings at law or in equity shall be instituted, had and maintained in the manner therein provided and for the equal and ratable benefit of the holders of all Bonds then Outstanding, subject to the provisions of the Indenture.

Supplemental Indentures

For any one or more of the following purposes and at any time or from time to time, a supplemental indenture of the NIFA supplementing the General Indenture may be adopted, which supplemental indenture, upon filing with the Trustee of a copy thereof certified by an Authorized Officer, shall be fully effective in accordance with its terms:

(a) to close the General Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the General Indenture on, the delivery of Bonds or the issuance of other evidences of indebtedness;

(b) to authorize Bonds of a Series and, in connection therewith, specify and determine the matters and things referred to in the General Indenture, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds;

(c) (i) to add to the covenants or agreements of the NIFA in the Indenture other covenants or agreements to be observed by the NIFA which are not contrary to or inconsistent with the Indenture as theretofore in effect or (ii) to make any change which, in the judgment of the Trustee (in reliance upon evidence that such change will not adversely affect the Rating Quality of the Bonds), is not to the material prejudice of the Bondholders;

(d) to add to the limitations or restrictions in the Indenture other limitations or restrictions to be observed by the NIFA which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(e) to surrender any right, power or privilege reserved to or conferred upon the NIFA by the Indenture;

(f) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Indenture of any other money, securities, Funds or Accounts; and

(g) to modify any of the provisions of the Indenture in any respect whatever, provided that (i) such modifications shall be, and be expressed to be, effective only after all Bonds of any Series

Outstanding at the date of the adoption of such Supplemental Indenture shall cease to be Outstanding and (ii) such Supplemental Indenture shall be specifically referred to in the text of all Bonds of any Series delivered after the date of the adoption of such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof.

For any one or more of the following purposes and at any time or from time to time, a supplemental indenture, amending or supplementing the General Indenture, may be approved and entered into by the NIFA, which, upon (a) filing with the Trustee of a copy thereof certified by an Authorized Officer and (b) filing with the Trustee and the NIFA of an instrument in writing made by the Trustee consenting to such supplemental indenture, shall be fully effective in accordance with its terms:

(i) to cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision in the Indenture; or

(ii) to insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not contrary to or inconsistent with the Indenture as theretofore in effect.

Exclusive of the supplemental indentures covered above, the General Indenture provides that (a) the holders of not less than two-thirds in aggregate principal amount of the Bonds then Outstanding at the time such consent is given and (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, the holders of not less than two-thirds in aggregate principal amount of the Bonds of the particular Series Outstanding affected at the time such consent is given shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the NIFA and the Trustee of such indentures supplemental to the Indenture as shall be deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any supplemental indentures. Nothing shall permit, or be construed as permitting, without the consent of the holders of all Bonds Outstanding, (a) an extension of the maturity or mandatory sinking fund redemption date of the principal or of the time for payment of the interest on any Bond issued thereunder, (b) a reduction in the principal amount of any Bond or the rate of interest (except as otherwise provided in a Supplemental Indenture), or sinking fund redemption requirements, thereon, (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, (d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture, (e) the creation of any lien other than a lien ratably securing all of the Bonds at any time outstanding thereunder or (f) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee without the written consent of the Trustee.

For the purposes of the above, Bonds of any particular Series shall be deemed to be affected by a modification or amendment of the Indenture if the same adversely affects or diminishes the rights of the holders of Bonds of such Series. The Trustee, relying upon Counsel's opinion, may determine whether or not, in accordance with the foregoing powers of amendment, Bonds of any particular Series or maturity would be affected by a modification or amendment of the Indenture, and any such determination shall be binding and conclusive on the NIFA and all holders of Bonds.

The Indenture and the rights and obligations of the NIFA and the holders of the Bonds may be modified or amended in any respect upon the execution by the NIFA and filing in accordance with the provisions of the General Indenture of a supplemental indenture of the NIFA making such modification or amendment and the consent to such supplemental indenture by the holders of all of the Bonds then Outstanding, such consent to be given and proved as provided in the General Indenture. No such modification or amendment shall change or modify any of the rights or obligations of the Trustee without the Trustee's written assent thereto.

In addition, the NIFA may enter into an agreement with any Bondholder restricting one or more rights of such Bondholder, provided that such agreement shall affect only such Bondholder (or assigns), and such agreement shall not grant such Bondholder any rights or privileges not afforded other Bondholders.

Defeasance

If the NIFA shall pay or cause to be paid, or there shall otherwise be paid or provision for payment made, to the holders of the Bonds the principal amount of, premium, if any, and interest due or to become due thereon at the times and in the manner stipulated therein, then unless there shall be delivered to the Trustee a certificate of an Authorized Officer to the contrary, the presents and the estate and rights granted by the Indenture shall cease, determine and be void, whereupon the Trustee shall cancel and discharge the lien of the Indenture, and execute and deliver to the NIFA such instruments in writing as shall be requisite to release the lien of the Indenture, and reconvey, release, assign and deliver unto the NIFA any and all the estate, right, title and interest in and to any and all rights or property assigned or pledged to the Trustee or otherwise subject to the lien of the Indenture, except cash held by the Trustee or any Paying Agent for the payment of the principal amount of, premium, if any, and interest on any Series of Bonds.

Any Bond shall be deemed to be paid for all purposes of the Indenture when payment of the principal amount of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption), either (a) shall have been made or caused to be made in accordance with the terms thereof or (b) shall have been provided by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (i) moneys sufficient to make such payment and/or (ii) Federal Obligations (which may be subject to redemption prior to maturity only if such terms of redemption do not adversely affect the Rating Quality of the Bonds) maturing as to principal and interest in such amount and at such time as will ensure the availability of sufficient moneys to make such payment. At such times as a Bond shall be deemed to be paid under the Indenture, as aforesaid, it shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of any such payment from such moneys or Federal Obligations.

Notwithstanding the above, no deposit under clause (b) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the earlier of: (i) proper notice of redemption of such Bonds shall have been previously given in accordance with the Indenture, or in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, until the NIFA shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions to notify, as soon as practicable, the holders or owners of the Bonds, in accordance with the Indenture, that the deposit required by (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Indenture and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds; or (ii) the maturity of such Bonds.

Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed prior to their stated maturity, no deposit under the second preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the NIFA shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instruction:

- (a) stating the date when the principal amount (and premium, if any) of each such Bond is to be paid, whether at maturity or on a redemption date;
- (b) to call for redemption pursuant to the Indenture (and at such times as notice thereof may be given in accordance with the Indenture) any Bonds to be redeemed prior to maturity pursuant to (i) above; and
- (c) to mail, as soon as practicable, in the manner prescribed by the Indenture, a notice to the holders of such Bonds and to the Rating Agency that the deposit required by (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds as specified in (i) above and, if a maturity date is stated, whether or not such Bonds continue to be subject to redemption.

All moneys so deposited with the Trustee as provided above may at the direction of the NIFA also be invested and reinvested in Federal Obligations, maturing in the amounts and at the times as set forth in the Indenture, and all income from all Federal Obligations in the hands of the Trustee pursuant to the Indenture which is not required for the payment of the Bonds and interest and premium, if any, thereon with respect to which such moneys shall have

been so deposited shall be deposited in the Revenue Fund as and when realized and collected for such application as are other moneys deposited in such Fund.

All moneys or Federal Obligations set aside and held in trust pursuant to the provisions of the Indenture for the payment of Bonds (including interest and premium thereon, if any) shall be applied to and used solely for the payment of the particular Bonds (including interest and premium thereof, if any) with respect to which such moneys and Federal Obligations have been so set aside in trust.

Additional Obligations

So long as any Bonds are Outstanding, the NIFA has covenanted that it will not create or permit the creation of or issue any obligations or create any additional indebtedness (other than additional Series of Bonds) which will be secured by a superior or equal charge or superior or equal lien on the amounts pledged under the Indenture or will be payable, on an equal or superior basis, from any of the Funds or Accounts established and created by or pursuant to the Indenture. The NIFA may, however, issue evidences of indebtedness not issued under the Indenture, including, but not limited to, general obligation indebtedness of the Authority.

Compensation of Trustee

The Trustee shall be entitled to, from time to time, reasonable compensation for services rendered by it under the Indenture and also reimbursement for all its reasonable expenses, charges, legal fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under the Indenture. In an Event of Default under the Indenture, but only upon an Event of Default, the Trustee shall have a lien for its compensation and expenses on any and all funds at any time held by it under the Indenture in the priority described above under the caption "Priority of Payments After Default."

Resignation and Removal of Trustee

The Trustee, or any successor thereof, may at any time resign and be discharged of its duties and obligations created by the Indenture by giving not less than 60 days' written notice to the NIFA and delivering notice thereof to the Bondholders, specifying the date when such resignation shall take effect. The Trustee or any successor thereof, may be removed at any time by the holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the NIFA, or by the NIFA (if the NIFA is not in default under the Indenture), by, in the case of removal by the Bondholders, an instrument or concurrent instruments in writing signed and duly acknowledged by such Bondholders or by their attorneys duly authorized in writing and delivered to the NIFA and by, in the case of removal by the NIFA, notice thereof to the Trustee. The resignation or removal of the Trustee shall not be effective unless a successor Trustee has been appointed and has accepted the duties of the Trustee.

Successor Trustee

In the event the Trustee shall resign or be removed or shall become incapable of acting or shall be adjudged a bankrupt or insolvent or if a receiver, liquidator or conservator of the Trustee or its property be appointed or control of the Trustee shall be taken by any public office or officer, a successor may be appointed by the NIFA or the holders of a majority in principal amount of the Bonds then Outstanding. Pending such appointment, the NIFA shall appoint a fiduciary to fill such vacancy until a successor trustee is appointed by the holders of the Bonds.

Bonds Not an Obligation of the State or Any Political Subdivision Thereof

The Bonds will not constitute a debt of the State of Nebraska or any political subdivision thereof, and neither the State, nor any of its political subdivisions, is liable thereon, nor in any event shall the principal and interest be payable out of any funds or properties other than those of the NIFA as set forth in the Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

RATING OF THE SERIES 2000-9 BONDS

The Series 2000-9 Bonds have been assigned a rating of “A+” by S&P. An explanation of the significance of such rating may be obtained only from the rating agency furnishing the same. The NIFA furnished to such rating agency information and materials relating to the Series 2000-9 Bonds and itself, certain of which information and materials have not been included in this Official Statement. Generally, rating agencies base their ratings on such information and materials and on investigations, studies and assumptions by the rating agencies. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2000-9 Bonds.

TAX EXEMPTION

The Series 2000-9 Bonds and the Series 2000 A/B Single Family Bonds (the “Combined Bonds”) constitute a single bond issue for tax purposes. The Code establishes certain requirements that must be met subsequent to the issuance of the Combined Bonds in order that interest thereon be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Combined Bonds to be includable in gross income retroactive to the date of original issuance of the Combined Bonds. The requirements of the Code include provisions that restrict the yield and set forth other limitations within which the proceeds of the Combined Bonds are to be invested, including mortgage eligibility requirements, and require that certain investment earnings be rebated on a periodic basis to the United States Treasury.

Section 143 of the Code imposes significant limitations on the financing of single-family Mortgage Loans that are applicable to the Combined Bonds. The NIFA will require that all Mortgage Loans financed by the Combined Bonds satisfy these requirements, including, but not limited to, the borrower income and purchase price limitations of Section 143 of the Code.

Under the Code, the following requirements must be met with respect to each Mortgage Loan financed with the proceeds of the Combined Bonds: (i) the residence being financed must reasonably be expected by the NIFA to become the principal residence of the mortgagor within a reasonable time after the financing is provided, must not be intended primarily or expected to be used in a trade or business and may not be used as an investment property or as a recreational home; (ii) at least 95% of the lendable proceeds of an issue, after deducting such proceeds used to make Mortgage Loans in “targeted areas” or in certain federally declared “disaster areas” and for qualified rehabilitation or home improvement, must be used to finance residences of borrowers who have not had a present ownership interest in a principal residence during the three-year period prior to the date on which the mortgage is executed; (iii) the acquisition cost of the residence must not exceed certain limitations; (iv) all mortgages must be made to borrowers whose income does not exceed certain limitations; (v) proceeds may not be applied to acquire or replace an existing mortgage, except for the replacement of temporary initial financing; and (vi) a mortgage may not be assumed unless requirements (i)-(iv) above are met.

An issue of bonds is treated as meeting the mortgage eligibility requirements of the Code only if the issuer in good faith attempts to meet all of the mortgage eligibility requirements before the mortgages are executed and any failure to comply with the mortgage eligibility requirements is corrected within a reasonable period after such failure is first discovered. In addition, 95% or more of the proceeds of the issue used to make loans must be used to finance residences which met all such requirements at the time the loans were executed. In determining whether 95% of the proceeds have been so used, the issuer is entitled to rely on an affidavit of the mortgagor and of the seller and on the mortgagor’s income tax returns filed with the Internal Revenue Service for the three years preceding the date the mortgage is executed even though the relevant information in such affidavits and returns should ultimately prove to be untrue, unless the NIFA or its agent knows or has reason to believe that such information is false. If the relevant information in the affidavits obtained in connection with any loan is discovered to be untrue, however, the correction still must be made within a reasonable period. An issue of bonds is treated as meeting the arbitrage and targeting requirements of the Code if (a) the issuer in good faith attempted to meet all these requirements and (b) any failure to meet such requirements is due to inadvertent error after taking reasonable steps to comply with the requirements.

The NIFA will include provisions in the lender documents and other relevant documents and has established procedures (including receipt of certain affidavits and warranties from lenders, borrowers and others respecting the mortgage eligibility requirements) to ensure compliance with the mortgage eligibility requirements and other requirements relating to nonmortgage investments which must be met subsequent to the date of issuance of the Combined Bonds. The NIFA has covenanted in the General Indenture to do and perform all acts and things necessary or desirable in order to assure that interest paid on the Combined Bonds shall be excludable from gross income for federal income taxes purposes. Under the Code, certain requirements must be met subsequent to the delivery of the Combined Bonds to ensure that interest on the Combined Bonds is not included in gross income.

Agreements, affidavits and other procedures are set forth in the documents relating to the program to comply with the requirements of the Code. The NIFA believes that the procedures and documentation requirements established for the purpose of fulfilling its covenant are sufficient to ensure that the proceeds of the Combined Bonds will be applied in accordance with the Code. (See the caption "THE PROGRAM" in the Series 2000 A/B Single Family Official Statement.)

In the opinion of Kutak Rock LLP, Bond Counsel, delivered on the date of issuance of the Series 2000-9 Bonds, and assuming compliance by the NIFA with covenants in the Indenture, as supplemented, interest on the Series 2000-9 Bonds is not includable in gross income of the owners thereof for federal or Nebraska state income tax purposes, except as hereafter described. The Bond Counsel opinion with respect to the Series 2000-9 Bonds is attached hereto as Appendix C.

Bond Counsel is of the opinion that interest on the Series 2000-9 Bonds is a specific preference item for purposes of the alternative minimum tax provisions imposed on individuals and corporations by the Code.

Although Bond Counsel has rendered an opinion that interest on the Series 2000-9 Bonds will not be included in gross income for federal income tax purposes, the accrual or receipt of interest on the Series 2000-9 Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Purchasers of the Series 2000-9 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions or recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise entitled to claim earned income credit and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations are advised to consult their tax advisors as to the tax consequences of purchasing, holding or selling the Series 2000-9 Bonds.

From time to time, there are legislative proposals in Congress that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Series 2000-9 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Each purchaser of the Series 2000-9 Bonds should consult his or her own tax advisor regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

UNDERWRITING

The Series 2000-9 Bonds are being purchased by the Underwriters set forth on the cover of this Official Statement. The Underwriters have agreed, subject to certain conditions (including receipt of the rating discussed under "RATING OF THE SERIES 2000-9 BONDS"), to purchase the Series 2000-9 Bonds at a price equal to the original principal amount thereof. In connection with the purchase of the Series 2000-9 Bonds, the Underwriters shall be paid a fee of \$5,625 and related expenses estimated to be \$660. The Bond Purchase Agreement provides that the Underwriters will purchase all Series 2000-9 Bonds in the aggregate, if any are purchased. The initial offering price of the Series 2000-9 Bonds may be changed from time to time by the Underwriters.

The Underwriters may offer and sell the Series 2000-9 Bonds to certain dealers (including dealers depositing Bonds into an investment trust) and others at prices lower than the prices stated on the cover page hereof.

LITIGATION

At the time of delivery of and payment for the Series 2000-9 Bonds, NIFA will certify that no litigation or other proceedings are pending or, to the knowledge of NIFA, threatened in any agency, court or tribunal restraining or enjoining or seeking to restrain or enjoin the issuance, sale, execution or delivery of any of the Series 2000-9 Bonds or the Indenture, in any way questioning or affecting the validity of any provision of the Series 2000-9 Bonds, the Indenture and certain related documents, in any way questioning or affecting the validity of any of the proceedings or authority for the authorization, sale, execution or delivery of the Series 2000-9 Bonds, or of any provision, program or transactions made or authorized for their payment, or questioning or affecting the organization or existence of NIFA or the title of any of its officers to their respective offices. NIFA is, however, involved in litigation relating to certain of its bonds as described below.

The NIFA is involved in litigation relating to its \$200,000,000 Agricultural Revenue Bonds, Series 1986A and 1986B (the "1986 Bonds"). Three lawsuits which requested class action certification for persons holding the affected bonds prior to early 1990 were commenced in 1990 naming the NIFA and others as defendants in connection with the \$200,000,000 NIFA Agricultural Revenue Bonds Series 1986A and 1986B (the "1986 Bonds"). The Judicial Panel on Multidistrict Litigation subsequently issued orders transferring those actions to the Eastern District of Louisiana for coordinated or consolidated pretrial proceedings with several actions pending in other jurisdictions arising from taxable municipal bonds issued in 1986 by other entities. Thereafter, pursuant to that court's order, the pending actions related to the 1986 Bonds were consolidated into one Amended Consolidated Complaint, which alleged, among other things, that the Official Statement for the 1986 Bonds misrepresented or omitted material facts relating to, among other things, the use of the proceeds of the 1986 Bonds and the investment of such proceeds in certain guaranteed investment contracts, and sought damages in excess of \$100 million for alleged violations of federal and state securities laws as well as common law. The Amended Consolidated Complaint named as defendants, among others, the NIFA, Kutak Rock and certain underwriters, including one or more of the Underwriters offering the Series 2000-9 Bonds. The parties, including the NIFA, entered into a global settlement in 1994, which the court approved. The litigation was dismissed, and, with the exception of two entities that opted out of the settlement, all claims relating to the 1986 Bonds and any of the other taxable municipal bonds at issue in the consolidated litigation pending before the Louisiana federal court were resolved in exchange for certain payments from defendants and from settlement funds established in related litigation involving parties other than the NIFA. The two individual opt-out claims were transferred to a federal court in New York. The NIFA and all parties to the remaining litigation have recently entered into a settlement agreement pursuant to which all claims have been released and the case is expected to be dismissed.

APPROVAL OF LEGALITY

The approving opinion of Kutak Rock LLP, Bond Counsel and General Counsel to the NIFA, in substantially the form attached to this Official Statement as Appendix C, will be delivered upon the issuance of the Series 2000-9 Bonds. Certain matters will be passed upon for the Underwriters by Baird, Holm, McEachen, Pedersen, Hamann & Strasheim, Omaha, Nebraska, counsel for the Underwriters.

FINANCIAL STATEMENTS

The audited financial statements of the NIFA, with combining supplemental information, as of and for the fiscal years ended June 30, 1999 and June 30, 1998, together with the independent auditor's report dated September 3, 1999 of PricewaterhouseCoopers LLP, are included as Appendix A to this Official Statement.

LEGAL INVESTMENT

The Act provides, in part, that, with respect to entities governed by Nebraska law, the Series 2000-9 Bonds are legal investments in which all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, banking associations, trust companies, savings associations, including savings and loan associations, building and loan associations, investment companies, and all other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and other persons who are now or may be later authorized to invest in bonds or in other obligations of the State, may invest funds, including capital in their control or belonging to them. The Act further provides that the Series 2000-9 Bonds are securities which may

be deposited with and received by all public officers and bodies of the State or any agency or political subdivision of the State and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of the State is now or may be later authorized by law.

UNDERTAKING TO PROVIDE ONGOING DISCLOSURE

Pursuant to the terms of a Continuing Disclosure Agreement with respect to the Series 2000-9 Bonds (the "Disclosure Agreement"), the NIFA will agree for the benefit of the holders of the Series 2000-9 Bonds to send certain financial information and operating data to certain information repositories annually and to provide notice to the Municipal Securities Rulemaking Board of certain events, pursuant to the requirements of Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, § 240.15c2-12) (the "Rule"). A copy of the Continuing Disclosure Agreement, in substantially the form expected to be executed by the NIFA, is attached to this Official Statement as Appendix D.

TRUSTEE YEAR 2000 COMPLIANCE

In order to assure that its information systems are able to properly process data on and after December 31, 1999, the Trustee, Norwest Bank Minnesota, National Association ("Norwest"), has conducted a detailed inventory and assessment of all of its computer hardware, software systems and imbedded chip technology ("Information Systems") and of its business and operations and have found the Information Systems to be operating and running normally. All information is current and all systems are available.

ADDITIONAL INFORMATION

All of the foregoing summaries of the Act and the Indenture are made subject to all of the provisions of the Act and such documents and these summaries do not purport to be complete statements of such provisions. Reference is hereby made to the Act and such documents for further information in connection therewith. A copy of the aforementioned documents may be examined at the office of the NIFA in Lincoln, Nebraska.

Pursuant to the General Indenture, the NIFA has covenanted to annually, within 120 days after the close of each Fiscal Year, cause a report of audit of its financial records and an Accountant's Certificate with respect thereto to be made. The report shall show (a) revenues and expenses for the Fiscal Year and (b) assets, liabilities and fund balances at the end of the Fiscal Year, including all Funds and Accounts established by the Indenture (which may be consolidated). A copy of each audit report and Accountant's Certificate shall be mailed by the NIFA to the Underwriters of the Series 2000-9 Bonds and to each Bondholder and Beneficial Owner who shall have filed his name and address with the NIFA for such purpose. Although not required pursuant to the General Indenture, periodic reports with respect to the NIFA and the Program may, in the NIFA's discretion, be prepared and made available by other means to provide information to persons wishing to receive it. Appropriate periodic credit information will be provided to the rating agency rating the Series 2000-9 Bonds.

The agreements of the NIFA with holders of the Series 2000-9 Bonds are fully set forth in the Indenture. This Official Statement is not to be construed as a contract with the purchasers of the Series 2000-9 Bonds. Any statements herein involving matters of opinion or estimates, whether or not expressly so stated, are intended merely as such and not as representations of fact.

**NEBRASKA INVESTMENT FINANCE
AUTHORITY**

By _____
Executive Director

APPENDIX A

**NEBRASKA INVESTMENT FINANCE AUTHORITY AUDITED
FINANCIAL STATEMENTS AS OF AND FOR
THE FISCAL YEARS ENDED JUNE 30, 1999 AND JUNE 30, 1998**

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors

Nebraska Investment Finance Authority

In our opinion, the accompanying combined balance sheets and the related combined statements of revenues, expenses and changes in restricted fund balances and cash flows presents fairly, in all material respects, the financial position of Nebraska Investment Finance Authority (the "Authority") as of June 30, 1999 and 1998, and the results of their operations and their cash flows for the years then ended, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Authority's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Note 2 to the financial statements, Nebraska Investment Finance Authority implemented Statement of the Government Accounting Standards Board (GASB) No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" as of July 1, 1997.

The statements referred to in the foregoing opinion are set forth on pages 2 to 13 inclusive, of this report. Our audit was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The Year 2000 supplementary information on page 22 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because the disclosure criteria specified by Technical Bulletin 98-1, as amended, are not sufficiently specific and, therefore, preclude the prescribed procedures from providing meaningful results. In addition, we do not provide assurance that the Authority is or will become Year 2000 compliant, that the Authority's Year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Authority does business are or will become Year 2000 compliant. The combining information included in this report on pages 14 to 21 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP

Lincoln, Nebraska

September 3, 1999

NEBRASKA INVESTMENT FINANCE AUTHORITY

COMBINED BALANCE SHEETS June 30, 1999 and 1998 (dollars in thousands)

	1999	1998
ASSETS		
Cash and cash equivalents	\$ 473	\$ 740
Investments (Note 4)	299,976	344,456
Loans receivable	1,518,581	1,493,556
Accrued interest receivable	16,339	16,660
Deferred debt financing costs	1,348	2,215
Real estate owned	99	43
Other assets	349	550
	\$1,837,165	\$1,858,220
LIABILITIES AND FUND BALANCES		
Bonds payable (Note 6)	\$1,657,088	\$1,693,031
Accrued interest payable	25,139	24,159
Unearned fee income	1,628	1,687
Other liabilities	3,088	1,659
	1,686,943	1,720,536
Commitments and contingencies (Notes 3, 5 and 9)		
Restricted fund balances	150,222	137,684
	\$1,837,165	\$1,858,220

COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RESTRICTED FUND BALANCES for the years ended June 30, 1999 and 1998 (dollars in thousands)

	1999	1998
REVENUES:		
Interest income:		
Loans	\$ 97,979	\$ 94,378
Investments	16,701	19,451
Fee and other income	953	1,078
Total revenues	115,633	114,907
EXPENSES:		
Interest	98,806	96,501
General and administrative	3,172	2,830
Total expenses	101,978	99,331
Revenues over expenses before net increase (decrease) in fair value of investments and reallocation of grant funds	13,655	15,576
Net increase (decrease) in fair value of investments	(1,117)	1,277
Revenues over expenses before reallocation of grant funds	12,538	16,853
Reallocation of grant funds	0	(22)
Cumulative effect of change in accounting for investments	0	2,476
Restricted fund balances, beginning of year	137,684	118,377
Restricted fund balances, end of year	\$ 150,222	\$ 137,684

COMBINED STATEMENTS OF CASH FLOWS for the years ended June 30, 1999 and 1998 (dollars in thousands)

	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Purchase of loans	\$(197,089)	\$(476,021)
Principal repayments received on loans	175,317	148,702
Interest received:		
Loans	99,194	91,188
Investments	17,038	18,401
Fees received	546	1,090
Interest paid	(96,914)	(91,341)
Mortgage and bond insurance paid	(12)	(248)
Trustee and paying agent fees paid	(250)	(306)
General and administrative costs paid	(2,875)	(1,763)
Net cash used in operating activities	(5,045)	(310,298)
CASH FLOWS FROM INVESTING ACTIVITIES (NOTE 4):		
Proceeds from sales and maturities and calls of investments	445,058	698,297
Return of grant funds	(154)	(2,565)
Purchase of investments	(401,583)	(789,799)
Net cash provided by (used in) investing activities	43,321	(94,067)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from sale of bonds	168,871	609,492
Repayment of bonds	(205,726)	(191,150)
Debt issuance costs paid	(1,533)	(3,356)
Payments on reverse repurchase agreements	0	(11,000)
Payments from (to) lenders and insurers	(155)	302
Net cash provided by (used in) noncapital financing activities	(38,543)	404,288
Net decrease in cash and cash equivalents	(267)	(77)
Cash and cash equivalents, beginning of year	740	817
Cash and cash equivalents, end of year	\$ 473	\$ 740
RECONCILIATION OF REVENUES OVER EXPENSES TO NET CASH USED IN OPERATING ACTIVITIES:		
Revenues over expenses before reallocation of grant funds	\$ 12,538	\$ 16,853
Adjustments to reconcile revenues over expenses to net cash used in operating activities:		
Purchase of loans	(197,089)	(476,021)
Principal repayments received on loans	175,317	148,702
Gain on disposition of investments	0	(137)
Unrealized (gains) losses on investments	1,117	(1,140)
Amortization and other income, net	202	247
(Increase) decrease in unearned fee income and deferred debt financing costs, net	(159)	43
(Increase) decrease in accrued interest receivable	321	(3,100)
Increase in accrued interest payable	980	3,974
(Increase) decrease in prepaid insurance	90	(24)
Decrease in accrued service fees	(6)	(6)
Increase in other liabilities	1,644	311
Net cash used in operating activities	\$ (5,045)	\$(310,298)

The accompanying notes are an integral part of the financial statements.

NOTES TO COMBINED FINANCIAL STATEMENTS

1. Authorizing Legislation and Funds:

Nebraska Investment Finance Authority ("Authority") was created as a non-profit entity on August 26, 1983 by an Act of the Nebraska Legislature. The Authority was established to provide sources of mortgage financing at reduced interest rates to Nebraska residents of low and moderate income levels, agricultural financing at reduced interest rates to Nebraska farmers and other agricultural enterprises and other financing at reduced interest rates to Nebraska business enterprises. The Authority is authorized to invest in loans made for the construction, rehabilitation or purchase of residential housing and certain enterprises, and to make loans to mortgage lenders under terms and conditions requiring the proceeds to be used to provide loans to qualified persons and enterprises. The Authority has been designated as the allocating agency for the federal Low Income Housing Tax Credit Program (the LIHTC Program). The LIHTC program was established to encourage the investment in the construction and rehabilitation of rental housing units for low and moderate income individuals and families. The Authority has no taxing power and is exempt from Federal and state income taxes. The Authority is authorized to issue tax-exempt revenue bonds and other obligations, the proceeds of which are to be utilized to fulfill the aforementioned purposes. Amounts so issued will not be deemed to constitute a debt of the State of Nebraska or any political subdivision thereof. Any assets remaining upon dissolution of the Authority will be transferred to the State of Nebraska.

2. Accounting Policies:

The following is a summary of the significant accounting and financial reporting policies followed in the preparation of these combined financial statements.

Basis of Presentation and Accounting

The Authority maintains its accounting records and prepares the accompanying combined financial statements on the accrual method of accounting and on the basis of generally accepted accounting principles. The Authority reports its activities by applying Standards of Governmental Accounting and Financial Reporting, as promulgated by the Governmental Accounting Standards Board (GASB). The Authority has adopted GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," which requires the application of either all applicable GASB pronouncements and, in addition, all FASB (Financial Accounting Standards Board) pronouncements issued before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, or the application of all applicable GASB and FASB pronouncements. Based on the nature of the Authority's activities, the Authority has elected to apply all GASB pronouncements as well as FASB pronouncements which date prior to November 30, 1989.

Fund Accounting

The Authority's accounts are organized as funds, each of which includes accounts for the assets, liabilities, fund balances, revenues, and expenses of the Authority's programs and operating fund (see Note 8).

Combined Financial Statements

The combined financial statements contain the totals of several funds. Since the assets of the several funds are restricted by the related resolutions, the totaling of the accounts,

including assets therein, is for convenience only and does not indicate that the combined assets are available in any manner other than that provided for in the resolutions for the separate funds.

Cash and Cash Equivalents

Cash equivalents include investments with original maturities of three months or less when acquired and various other investments such as money market mutual fund shares. All short-term U.S. Treasury and U.S. Agency securities and repurchase agreements are considered to be investments.

Investments

Effective July 1, 1997, the Authority adopted GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." GASB 31 requires the Authority's investments to be recorded at fair value with the changes in fair value of the investments reported as revenue in the operating statement. The effect of the change as of July 1, 1997 is reported in the combined statements of revenues, expenses and changes in restricted fund balances as "cumulative effect of change in accounting for investments" of \$2.476 million. The current year net appreciation is included in "net increase in fair value of investments." Prior to July 1, 1997, investments were carried at the lower of aggregate cost or fair value.

Provision for Possible Loan Losses

Provisions for possible loan losses are made when the Authority does not have insurance or guarantees on its loans as described in Note 5.

Debt Refunding

Gains or losses from debt refundings are deferred and amortized over the shorter of the remaining life of the prior bonds or the estimated life of the refunding bonds. Gains or losses associated with nonmandatory early redemption of bonds that are not refunded are recorded as extraordinary items in the period in which the retirement takes place.

Debt Financing Costs and Fee Income

Debt financing costs and fees collected for the purpose of securing the Authority's commitment to purchase loans from lenders are deferred and amortized or accreted to income over the life of the related bond issue or loan.

Real Estate Owned

Real estate acquired through foreclosure is recorded at the lower of the investment in the loan or estimated fair market value.

3. Asset Restrictions:

Substantially all assets are restricted and pledged to the payment of principal, interest, sinking fund installments and other purposes in accordance with the terms of the bond and note resolutions.

Single family mortgage revenue bonds issued subsequent to December 31, 1981 include provisions whereby specified outstanding mortgage balances are subject to forgiveness contingent upon a number of conditions. As of June 30, 1999, loans of approximately \$27 million have specific forgiveness provisions but currently, no loans have met these conditions.

Specified investment income in excess of the underlying bond yield is required to be rebated to the United States Government or mortgagors. The reserve for excess income is included in other liabilities.

NOTES TO COMBINED FINANCIAL STATEMENTS

4. Investments:

Substantially all investments are restricted and pledged to the payment of principal, interest, sinking fund installments and other purposes in accordance with the terms of the bond and note resolutions. Investment of funds within each bond issue is restricted to investments specified in the applicable indentures to meet the requirements of the rating agency providing the rating on the respective issue.

The Authority's investments are categorized to give an indication of the level of risk assumed by the Authority at June 30, 1999. Category 1 includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the Authority's name.

Fair values of investments are summarized as follows:

	June 30, 1999			June 30, 1998	
	"1"	Category "2"	"3"	Fair Value	Fair Value
	(dollars in thousands)				
Money Market	\$ 4,456	\$ 0	\$ 0	\$ 4,456	\$ 4,379
Repurchase agreements	6,180	0	0	6,180	4,039
U.S. Government and Agency Securities	42,126	0	0	42,126	77,961
Investment contracts	<u>0</u>	<u>245,503</u>	<u>0</u>	<u>245,503</u>	<u>256,057</u>
Total	<u>\$ 52,762</u>	<u>\$245,503</u>	<u>\$ 0</u>	298,265	342,436
Other investments (not subject to categorization):					
NRDA Bond				1,711	2,020
Total investments				<u>\$ 299,976</u>	<u>\$ 344,456</u>

During the years ended June 30, 1999 and 1998, the Authority realized a net gain of \$-0- and \$137,000, respectively, from the sale of investments. The calculation of realized gains is independent of the calculation of the net increase (decrease) in the fair value of investments. The net increase (decrease) in fair value of investments during 1999 and 1998 was approximately (\$1.1 million) and \$1.3 million, respectively. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized gain on investments held at June 30, 1999 and 1998 was approximately \$2.3 million and \$3.6 million, respectively.

NOTES TO COMBINED FINANCIAL STATEMENTS

5. Loans Receivable:

Loans receivable consist of single family mortgages, single family GNMA I mortgage-backed pass-through certificates and single family FNMA mortgage-backed pass-through certificates in which the Authority has 100% of the beneficial interest in a pool of single family mortgage loans which were originated pursuant to the Authority's single family program, multifamily construction loans and mortgages on completed projects, agricultural, manufacturing, industrial, commercial and health care industry loans.

The Single Family Mortgage Program requires that all mortgage loans upon which the loan to value ratio is greater than specified percentages be (a) insured by FHA, (b) guaranteed by VA, (c) guaranteed by the successor entity to the Farmers Home Administration, Rural Development acting through the United States Department of Agriculture ("the USDA/RD"), or (d) insured by an approved private mortgage insurer under a policy which provides coverage on the outstanding principal balance of the mortgage loan in excess of specified percentages of the original fair market value of the property. The Authority has obtained pool insurance on certain mortgage loans covering certain losses. Single family GNMA I and FNMA mortgage-backed pass-through certificates are backed by the guarantee of GNMA or FNMA, respectively, of monthly payments on the underlying pool of single family mortgage loans which were originated pursuant to the Authority's single family program. Since GNMA is a wholly-owned corporate instrumentality of the United States, the full faith and credit of the United States is pledged to the payment of all amounts due under such guarantee. The obligations of FNMA under such guarantees are obligations solely of FNMA and are not backed by, nor entitled to, the faith and credit of the United States of America. If FNMA were unable to satisfy such obligations, distributions to the Authority would consist solely of payments and other recoveries on the underlying mortgage loans. Under the Multifamily Program, publicly financed mortgages are insured by various sources. Agricultural and Development Finance loans have been assigned to applicable bondholders as collateral for the related bonds.

In connection with its single family program the Authority offers a Homebuyer Assistance Program (the "HBA Program") whereby, in exchange for paying a higher interest rate on a single family first mortgage, a qualified borrower can receive down payment and closing cost assistance from the Authority in the form of a second mortgage loan. The second mortgage bears no interest and is forgivable if the borrower performs all obligations under the related first mortgage for a period of eleven years. Repayment of the second mortgage is required on a graduating scale if the borrower pays off the first mortgage prior to the expiration of the eleven years. Included in loans receivable at June 30, 1999 and 1998 are HBA second mortgage balances totaling \$8.8 million and \$5.0 million respectively.

As of June 30, 1999 and 1998, the Authority had committed to purchase additional Single Family mortgage loans totaling \$95 million and \$92 million, respectively. The commitments represent amounts reserved with the Authority by participating lenders for loans which have not been delivered to the Trustee for purchase into the Single Family Program.

As of June 30, 1999 and 1998, the Authority had allocated no private activity volume cap for other Multifamily, Agricultural and Industrial Development loans.

6. Bonds Payable:

All general obligations of the Authority are collateralized by the income and assets of the Authority, subject to the provisions of individual resolutions adopted pledging particular income or assets to specific notes or bonds. All special or limited obligations of the Authority are collateralized solely by the income and assets of the related funds. Provisions of the Internal Revenue Code limit on an aggregate basis the amount of certain tax exempt bonds the Authority and political subdivisions of the State of Nebraska may issue.

At June 30, 1999 and 1998, bonds outstanding were as follows (net of unamortized discount or premium, where applicable):

Program Title	Aggregate Principal Amount (dollars in thousands)		Interest Rate or Yield	Interest Payable	Principal Maturity	Early Redemption
	1999	1998				
Single Family Mortgage Revenue Bonds						
1983 Series A (G.O.)	\$ 9,906	\$ 11,760	10.00 - 10.51%	Semiannually on January 15 and July 15	Maturing in scheduled semiannual installments through January 15, 2015, including mandatory semiannual sinking fund payments which began in 1995.	Began in 1993, at prices from 103 to 100. Under certain conditions, redemption must be made from excess funds.
1983 Series 1 (G.O.)	109	1,939	10.50%	At maturity (capital appreciation bonds)	Maturing on December 15, 2013 including mandatory semiannual sinking fund payments beginning in 2001.	Under certain conditions, redemptions must be made from excess funds.

NOTES TO COMBINED FINANCIAL STATEMENTS

6. Bonds Payable (continued)

Program Title	Aggregate Principal Amount (dollars in thousands)		Interest Rate or Yield	Interest Payable	Principal Maturity	Early Redemption
	1999	1998				
Single Family Mortgage Revenue Bonds, (continued)						
1985 Series A (Ltd. Rev.)	\$ 0	\$ 2,550	8.70 - 9.10%	Semiannually on May 15 and November 15	Maturing in scheduled semiannual installments through November 15, 2006, including mandatory semiannual sinking fund payments beginning in 2001.	Began in 1995, at prices from 103 to 100. Under certain conditions, redemptions must be made from excess funds.
1985 Series B (Ltd. Rev.)	8,395	9,275	9.125%	Semiannually on May 15 and November 15	Maturing in scheduled semiannual installments through November 15, 2006, including mandatory semiannual sinking fund payments which began in 1995.	Began in 1995, at prices from 103 to 100. Under certain conditions, redemptions must be made from excess funds.
1986 Series A (Ltd. Rev.)	1,130	1,945	7.60 - 8.00%	Semiannually on January 15 and July 15	Maturing in scheduled semiannual installments through July 15, 2017, including mandatory semiannual sinking fund payments beginning in 2002.	Began in 1996, at prices from 103 to 100. Under certain conditions, redemptions must be made from excess funds.
1988 Series A (Ltd. Rev.)	4,430	6,435	8.35%	Semiannually on January 1 and July 1	Maturing in scheduled semiannual installments through July 1, 2019, including mandatory semiannual sinking fund payments beginning in 2004.	Began in 1998 at prices from 103 to 100. Under certain conditions, redemptions must be made from excess funds.
1988 Series B & C (Ltd. Rev.)	11,920	16,225	7.25 - 8.00%	Semiannually on January 15 and July 15	Maturing in scheduled semiannual installments through July 15, 2017, including mandatory semiannual sinking fund payments beginning in 2002.	Began in 1995, at prices from 103 to 100. Under certain conditions, redemptions must be made from excess funds.
1989 Series A & B (Ltd. Rev.)	912	1,349	7.33 - 8.90%	At maturity (capital appreciation bonds)	Series B matures on April 15, 2012 and Series A matures on July 10, 2014.	Begins in 1999 or earlier if bonds outstanding drop to specified levels, at prices of 100. Under certain conditions, redemptions must be made from excess funds.
1990 Series A, B, & C (Ltd. Rev.)	36,810	52,645	6.80 - 7.55%	Every 35 days except Series C which is semiannually on March 15 and September 15	Series C: Maturing in scheduled semiannual installments through September 15, 2003. Series A & B have mandatory semiannual sinking fund payments beginning in 2004.	Begins in 2000, at prices from 104 to 100. Under certain conditions, redemptions must be made from excess funds.
1990 Series 1, 2 & 3 (Ltd. Rev.)	47,605	65,430	7.50 - 7.631%	Every 35 days except Series 3 which is semiannually on March 15 and September 15	Series 3 has mandatory semiannual sinking fund payments beginning in 2001. Series 1 & 2 have mandatory semiannual sinking fund payments beginning in 2015.	Begins in 2000, at prices from 104 to 100. Under certain conditions, redemptions must be made from excess funds.

NOTES TO COMBINED FINANCIAL STATEMENTS

6. Bonds Payable (continued)

Program Title	Aggregate Principal Amount (dollars in thousands)		Interest Rate or Yield	Interest Payable	Principal Maturity	Early Redemption
	1999	1998				
Single Family Mortgage Revenue Bonds, (continued)						
1991 Series A, B, C & D (Ltd. Rev.)	\$ 53,525	\$ 65,765	6.30 - 7.025%	Every 35 days except Series C and D which are semiannually on March 15 and September 15	Series C and D have mandatory semiannual sinking fund payments beginning in 2007. Series A and B have mandatory semiannual sinking fund payments beginning in 2015.	Begins in 2002, at prices from 104 to 100. Under certain conditions, redemptions must be made from excess funds.
1992 Series A, B, C & D (Ltd. Rev.)	60,585	72,514	5.70 - 9.00%	Series A and B: Semiannually on the first Wednesday on or immediately succeeding March 15 and September 15; Series C and D: semiannually on March 15 and September 15	Series C and D have mandatory semiannual sinking fund payments beginning in 2015 and 2008, respectively. Series A and B have mandatory semiannual sinking fund payments beginning in 2018.	Begins in 2002, at prices from 104 to 100. Under certain conditions, redemptions must be made from excess funds.
1994 Series A, B, C & D (Ltd. Rev.)	49,505	57,748	5.977%	Every 35 days	Series B has mandatory sinking fund payments beginning in 2016.	Begins in 2009, at prices from 104 to 100. Under certain conditions, redemptions must be made from excess funds.
1994 Series A-1 & B-1 (Ltd. Rev.)	34,910	40,425	4.90 - 6.65%	Semiannually on March 1 and September 1	Maturing in scheduled semiannual installments through March 1, 2026, including mandatory semiannual sinking fund payments beginning in 2010.	Begins in 2004, at prices from 102 to 100. Under certain conditions, redemptions must be made from excess funds.
1994 Series C-1 & D-1 (Ltd. Rev.)	27,635	32,620	5.90 - 7.30%	Semiannually on March 1 and September 1	Maturing in scheduled semiannual installments through September 1, 2026, including mandatory semiannual sinking fund payments beginning in 2010.	Begins in 2005, at prices from 102 to 100. Under certain conditions, redemptions must be made from excess funds.
1995 Series A (Ltd. Rev.)	48,980	49,340	5.40 - 6.80%	Semiannually on March 1 and September 1	Maturing in scheduled semiannual installments through March 1, 2035, including mandatory semiannual sinking fund payments beginning in 2011.	Begins in 2005, at prices from 101.5 to 100. Under certain conditions, redemptions must be made from excess funds.
1995 Series B (Ltd. Rev.)	48,910	49,295	4.95 - 6.45%	Semiannually on March 1 and September 1	Maturing in scheduled semiannual installments through March 1, 2035, including mandatory semiannual sinking fund payments beginning in 2011.	Begins in 2005, at prices from 101.5 to 100. Under certain conditions, redemptions must be made from excess funds.
1996 Series A (Ltd. Rev.)	43,362	47,730	4.30 - 6.75%	Semiannually on March 1 and September 1	Maturing in scheduled semiannual installments through September 1, 2027, including mandatory semiannual sinking fund payments beginning in 2011.	Begins in 2006 at prices from 101.5 to 100. Under certain conditions, redemptions must be made from excess funds.

NOTES TO COMBINED FINANCIAL STATEMENTS

6. Bonds Payable (continued)

Program Title	Aggregate Principal Amount (dollars in thousands)		Interest Rate or Yield	Interest Payable	Principal Maturity	Early Redemption
	1999	1998				
Single Family Mortgage Revenue Bonds, (continued)						
1996 Series B (Ltd. Rev.)	\$ 44,320	\$ 47,925	4.65 - 6.30%	Semiannually on March 1 and September 1	Maturing in scheduled semiannual installments through September 1, 2027 including mandatory semiannual sinking fund payments beginning in 2012.	Begins in 2006 at prices from 101.5 to 100. Under certain conditions, redemptions must be made from excess funds.
1996 Series C (Ltd. Rev.)	49,065	49,695	4.70 - 6.30%	Semiannually March 1 and September 1	Maturing in scheduled semiannual installments through September 1, 2028 including mandatory semiannual sinking fund payments beginning in 2013.	Begins in 2007 at prices from 101.5 to 100. Under certain conditions redemptions must be made from excess funds.
1996 Series D (Ltd. Rev.)	45,200	48,285	4.90 - 6.45%	Semiannually on March 1 and September 1	Maturing in scheduled semiannual installments through September 1, 2028 including mandatory semiannual sinking fund payments beginning in 2010.	Begins in 2006 at prices from 101.5 to 100. Under certain conditions redemptions must be made from excess funds.
1996 Series E (Ltd. Rev.)	46,327	49,697	4.60 - 7.20%	Semiannually on March 1 and September 1	Maturing in scheduled semiannual installments through September 1, 2028 including mandatory semiannual sinking fund payments beginning in 2012.	Begins in 2006 at prices from 101.5 to 100. Under certain conditions redemptions must be made from excess funds.
1997 Series A (Ltd. Rev.)	47,935	49,955	4.20 - 5.90%	Semiannually on March 1 and September 1	Maturing in scheduled semiannual installments through September 1, 2028 including mandatory semiannual sinking fund payments beginning in 2013.	Begins in 2007 at prices from 101.5 to 100. Under certain conditions redemptions must be made from excess funds.
1997 Series B (Ltd. Rev.)	48,710	50,000	4.10 - 5.85%	Semiannually on March 1 and September 1	Maturing in scheduled semiannual installments through September 1, 2028 including mandatory semiannual sinking fund payments beginning in 2011.	Begins in 2007 at prices from 101.5 to 100. Under certain conditions redemptions must be made from excess funds.
1997 Series C (Ltd. Rev.)	0	50,000	3.90%	Payable September 1, 1997, March 1, 1998 and July 1, 1998 (subject to mandatory tender on July 1, 1998)	Nominal maturity of July 1, 1998, subject to mandatory tender and remarketing on that date as short-term bonds maturing on a designated subsequent remarketing date or permanent rate bonds maturing in semiannual installments.	Begins 10 years after permanent remarketing date at prices from 101.5 to 100. Under certain conditions subsequent to permanent remarketing date, redemptions must be made from excess funds.
1997 Series D (Ltd. Rev.)	49,240	50,000	4.20 - 5.85%	Semiannually on March 1 and September 1	Maturing in scheduled semiannual installments through September 1, 2028 including mandatory semiannual sinking fund payments beginning in 2011.	Begins in 2007 at prices from 101.5 to 100. Under certain conditions redemptions must be made from excess funds.

NOTES TO COMBINED FINANCIAL STATEMENTS

6. Bonds Payable (continued)

Program Title	Aggregate Principal Amount (dollars in thousands)		Interest Rate or Yield	Interest Payable	Principal Maturity	Early Redemption
	1999	1998				
Single Family Mortgage Revenue Bonds, (continued)						
1998 Series A & B (Ltd. Rev.)	\$ 69,275	\$ 70,000	5.50 - 6.60%	Semiannually on March 1 and September 1	Maturing in scheduled semi-annual installments through September 1, 2029 including mandatory semiannual sinking fund payments beginning in 2008.	Begins in 2007 at prices from 101.5 to 100. Under certain conditions redemptions must be made from excess funds.
1998 Series C, D, E & F (Ltd. Rev.)	129,550	139,685	Series C, D & F: 5.375 - 6.41% Series E: A weekly adjusted rate based on the Bond Market Association Municipal Swap Index plus .58%	Series C, D & F: Semiannually on March 1 and September 1 Series E: Monthly on the first day of the month.	Series C, D & F: Maturing in scheduled semi-annual installments through March 1, 2029 including mandatory semiannual sinking fund payments beginning in 1999. 1998 Series F has no sinking fund redemption. Series E: Maturing on September 1, 2020 subject to mandatory redemption requirements.	Series C, D & F: Begins in 2007 at prices from 101.5 to 100. Under certain conditions redemptions must be made from excess funds. Series E: Redeemable at option of the NIFA on any business day.
1998 Series G & H	70,000	0	3.55% - 5.47%	Semiannually on March 1 and September 1	Maturing in scheduled semi-annual installments through September 1, 2029 including mandatory semiannual sinking fund payments beginning in 1999.	Begins in 2008 at prices from 101 to 100. Under certain conditions, redemptions must be made from excess funds.
1999 Series A, B & C	70,000	0	Series A & B: 3.50% - 6.06% Series C: A weekly adjustment rate based on the Bond Market Assn Municipal Swap Index plus .62%.	Semiannually on March 1 and September 1	Maturing in scheduled semi-annual installments through September 1, 2030 including mandatory semiannual sinking fund payments beginning in 2000.	Series A & B begins in 2009 at prices from 101 to 100. Under certain conditions, redemptions must be made from excess funds. Series C redeemable at option of the NIFA on any business day.
	<u>1,158,251</u>	<u>1,190,232</u>				

NOTES TO COMBINED FINANCIAL STATEMENTS

6. Bonds Payable (continued)

Program Title	Aggregate Principal Amount (dollars in thousands)		Interest Rate or Yield	Interest Payable	Principal Maturity	Early Redemption
	1999	1998				
Housing-General Fund Bonds						
1998 Series G.O. 1	\$ 915	\$ 871	5.002%	At maturity (capital appreciation bonds)	Matures on March 1, 2008.	None.
1998 Series G.O. 2	460	460	5.625%	Monthly on the fifteenth day of each month	Begins on the second interest payment date following the last conversion date to occur with respect to the four projects and payable monthly on the fifteenth thereafter.	Redeemable at option of the NIFA.
1998 Series G.O. 3	1,688	1,607	5.00%	At maturity (capital appreciation bonds)	Matures on March 1, 2008.	None.
1998 Series G.O. 4	1,549	0	4.50%	At maturity (capital appreciation bonds)	Matures on September 1, 2008.	None.
1999 Series G.O. 5	1,613	0	4.50%	At maturity (capital appreciation bonds)	Matures on March 1, 2009.	None.
	6,225	2,938				
	1,164,476	1,193,170				
Multifamily Revenue Bonds						
Various limited obligation bonds	<u>198,550</u>	<u>186,648</u>	3.80 - 8.50%	Various dates	Varying terms of maturities from one to 20 years.	Various.
Agriculture Finance Revenue Bonds						
Various limited obligation bonds	<u>34,717</u>	<u>35,312</u>	4.44 - 11.00%	Various dates	Varying terms of maturities from one to 20 years.	Various.
Development Finance Revenue Bonds						
Hospital Depreciable Assets Revenue Bonds, 1985 Series A (Ltd. Rev.)	0	11,400	A weekly adjusted rate based on prevailing financial market conditions until a potential conversion to a money market municipal rate or a fixed rate.	Monthly on the first Wednesday of each month	Maturing on December 1, 2015 subject to mandatory redemption requirements.	Prior to conversion to a fixed rate at a price of 100 with the consent of the bond insurer. Under certain conditions, redemptions must be made from excess funds.

NOTES TO COMBINED FINANCIAL STATEMENTS

6. Bonds Payable (continued)

Program Title	Aggregate Principal Amount (dollars in thousands)		Interest Rate or Yield	Interest Payable	Principal Maturity	Early Redemption
	1999	1998				
Development Finance Revenue Bonds, (continued)						
Various health care development revenue bonds	\$239,167	\$240,520	4.85 - 10.50%	Various dates	Varying terms of maturities from one to twenty years.	Various.
Various industrial development revenue bonds	20,178	25,981	4.15 - 8.50%	Various dates	Varying terms of maturities from one to twenty years.	Various.
	<u>259,345</u>	<u>277,901</u>				
	<u>\$1,657,088</u>	<u>\$1,693,031</u>				

Bonds maturing during the five years subsequent to June 30, 1999 are as follows:

Fiscal Years Ending:	(dollars in thousands)
2000	\$31,234
2001	44,083
2002	43,532
2003	43,359
2004	50,116

7. Advanced Refunding:

On June 4, 1998, the Authority issued Single Family Housing Revenue Bonds 1998 Series E totaling \$20 million and bearing interest at a variable rate (which resets weekly based on a prescribed index and may not be less than 1% per annum and may not exceed the lesser of 8.25% per annum or the maximum rate permitted by applicable law) and 1998 Series F totaling \$44.685 million and bearing interest at 5.60%, together (the "1998 Bonds") to advance refund \$64.815 million of outstanding 1988 Series 1 Single Family Mortgage Revenue Bonds (the "1988 Bonds"). The proceeds of the 1998 Bonds plus an additional \$3.15 million representing a portion of reserve fund and sinking fund monies held under the 1988 Indenture were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide funds sufficient to redeem the 1988 Bonds in whole on August 15, 1998. As a result, the 1988 Bonds were considered to be defeased and the liability for those bonds was removed from the financial statements at June 30, 1998.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the 1988 Bonds of \$1.4 million. This difference has been deferred and will be amortized to income over the life of

the 1998 Bonds. The Authority completed the advance refunding to reduce its total debt service payments over the remaining life of the 1998 Bonds by an amount ranging up to \$7 million and to obtain an economic gain (difference between the present value of the old debt service payments and new debt service payments) in an amount ranging up to \$6.3 million. The actual amount of reduction in debt service payments and economic gain cannot be determined with certainty and there is no assurance that there will be any savings as it will be impacted by (a) the prepayment speed of the underlying mortgages which serve as collateral for the bonds and (b) the actual interest rates on the 1998 Series E Bonds which reset weekly. The amounts have been estimated based on a historical prepayment speed on the mortgages and an interest rate on the 1998 Series E variable rate bonds ranging from 1% to 8.25%. On June 4, 1998, the interest rate on the 1998 Series E Bonds was 4.08%. All of the economic gain resulting from the refunding will be restricted as to its permitted uses in accordance with the terms of the underlying indenture.

NOTES TO COMBINED FINANCIAL STATEMENTS

8. Segment Financial Data:

The following describes the divisions established by the Authority, all of which conform with the authorizing legislation and bond and note resolutions.

Operating Fund

The fund was established by the enabling legislation to account for the operating expenses of the Authority.

Housing Finance Division

Single Family - These funds were established under resolutions adopted for each series of Single Family Mortgage Revenue Bonds to account for the proceeds of the bonds and the related purchase of mortgage loans for eligible persons with low and moderate income levels on owner occupied property.

Home Improvement - These funds were established under resolutions adopted to account for the proceeds of the Home Improvement Loan Revenue Bonds and related purchase of home improvement mortgage loans made to eligible persons with low and moderate income on owner occupied properties.

Multifamily - These funds were established under resolutions adopted to account for the proceeds of Construction Loan Notes and Bonds and the related construction and permanent financing of eligible multifamily rental housing developments.

Agricultural Finance Division

These funds were established under resolutions adopted to account for the proceeds of Agricultural Revenue Bonds and the related financing of eligible agricultural borrowers.

Development Finance Division

Health Care - These funds were established under resolutions adopted to account for the proceeds of Health Care Revenue Bonds and related purchase of loans made to eligible health care institutions to finance, refinance or reimburse the cost of depreciable assets.

Industrial Development - These funds were established under resolutions adopted to account for the proceeds of Industrial Development Revenue Bonds and the related purchase of industrial development loans for eligible projects.

Selected financial data of the Authority's Operating Fund and finance divisions, as described above, are presented below:

	1999	1998
	(dollars in thousands)	
Financial data:		
Total assets:		
Single Family	\$ 1,281,167	\$ 1,302,096
Home Improvement	0	154
Housing General Fund	6,230	2,954
Multifamily	200,471	188,397
Agricultural	35,718	36,344
Health Care	241,591	254,887
Industrial Development	20,468	26,311
Operating Fund	51,520	47,077
	\$ 1,837,165	\$ 1,858,220

	1999	1998
	(dollars in thousands)	
Fund balances:		
Single Family	\$ 99,739	\$ 91,346
Health Care	0	442
Operating Fund	50,483	45,896
	\$ 150,222	\$ 137,684

Operating data:

Revenues:		
Single Family	\$ 82,377	\$ 84,869
Home Improvement	0	27
Housing General Fund	214	34
Multifamily	12,240	10,979
Agricultural	2,668	2,608
Health Care	13,302	11,071
Industrial Development	1,209	1,421
Operating Fund	3,623	3,898
	\$ 115,633	\$ 114,907

Interest expense:

Single Family	\$ 70,321	\$ 71,583
Housing General Fund	209	34
Multifamily	11,374	10,134
Agricultural	2,606	2,468
Health Care	13,090	10,759
Industrial Development	1,206	1,411
Operating Fund	0	112
	\$ 98,806	\$ 96,501

Revenues over expenses before net increase in fair value of investments and reallocation of grant funds:

Single Family	\$ 11,669	\$ 12,731
Home Improvement	0	22
Multifamily	866	845
Agricultural	41	92
Health Care	19	248
Industrial Development	3	10
Operating Fund	1,057	1,628
	\$ 13,655	\$ 15,576

NOTES TO COMBINED FINANCIAL STATEMENTS

9. Litigation:

On April 11, 1991, Executive Life Insurance Company of California ("Executive") was seized by insurance regulators in the State of California and placed in court ordered conservatorship. Despite the presence of substantial assets at Executive, the regulators imposed a moratorium on the payment of certain benefits and periodic payments including all payments on investment contracts (originally totaling \$197.6 million) entered into for the \$200 million Nebraska Investment Finance Authority Agricultural Revenue Bonds Series 1986A and 1986B (the "1986 Bonds") and others. As a result of that moratorium, Executive defaulted on subsequent interest payments on the investment contracts. This resulted in a default on subsequent bond interest payments since the investment contracts represented the substantial source for repayment for the bonds in these issues at the time of the moratorium.

The California Superior Court approved a modified Plan of Rehabilitation of Executive, but in February 1994, the Indenture Trustee elected to opt-out of the Plan. Since that date, interim and opt-out payments totaling \$216 million have been transferred to the Indenture Trustee. After withholding trustee fees and expenses, the Indenture Trustee has distributed the funds, together with interest earnings thereon, to bondholders in partial payments totaling \$213.8 million.

Three class action lawsuits were filed, naming the Authority, among others, as a defendant in connection with the 1986 Bonds. The complaints in these actions alleged violations of federal and/or state securities laws and common law claims arising from the sale of the 1986 Bonds and contain numerous factual allegations including that the Official Statement for the 1986 Bonds misrepresented or omitted material facts relating to, among other things, the use of the proceeds of the 1986 Bonds and the investment of such proceeds in certain investment contracts. During 1990, the three actions were transferred to the Eastern District of Louisiana for coordinated pretrial proceedings with several actions pending in other jurisdictions arising from taxable municipal bonds

issued by other entities. Thereafter, pursuant to that court's order, the pending actions were consolidated into one Amended Consolidated Complaint. Merits, class and expert discovery were completed and the parties entered into a settlement agreement that resolved all claims except those related to two class members who opted out of the settlement. Pursuant to the terms of the settlement, the Authority made a settlement payment in exchange for a full release with respect to all claims by settling bondholders.

The two individual opt-out claims have been transferred to a federal court in New York. That court recently dismissed certain claims on summary judgment but has allowed the securities fraud claims to remain for trial. No trial date has yet been scheduled. Counsel to the Authority has indicated that the Authority has substantive defenses to the claims but that it is not possible at this time to determine the likelihood of success of any defenses.

Management intends to actively defend the interests of the Authority against these claims but is unable to predict what effect if any, an adverse judgment or settlement of the claims would have on the future financial position, results of operations, or cash flows of the Authority. Accordingly, additional adjustments, if any, that might result from the resolution of these matters have not been reflected in the financial statements at June 30, 1999 or 1998.

10. Subsequent Events:

On September 1, 1999, the Authority issued \$70 million of 1999 Series D Single Family Housing Revenue Bonds along with \$1.5 million of 1999 Series G.O.-6 General Obligation Bonds. The proceeds of the issues will be used to make funds available to acquire, purchase or finance mortgage loans, mortgage-backed securities or forgivable second mortgage loans expected to be made to finance down payment and closing costs of qualified homebuyers.

NEBRASKA INVESTMENT FINANCE AUTHORITY

COMBINING BALANCE SHEETS

June 30, 1999 and 1998 (dollars in thousands)

	Division				Combined	
	Housing Finance	Agricultural Finance	Development Finance	Operating Fund	1999	1998
ASSETS						
Cash	\$ 348	\$ 0	\$ 0	\$ 125	\$ 473	\$ 740
Investments	261,319	0	0	38,657	299,976	344,456
Loans receivable	1,212,800	34,717	259,345	11,719	1,518,581	1,493,556
Accrued interest receivable	11,957	1,001	2,714	667	16,339	16,660
Deferred debt financing costs	1,348	0	0	0	1,348	2,215
Real estate owned	31	0	0	68	99	43
Other assets	65	0	0	284	349	550
	<u>\$1,487,868</u>	<u>\$35,718</u>	<u>\$262,059</u>	<u>\$51,520</u>	<u>\$1,837,165</u>	<u>\$1,858,220</u>
LIABILITIES AND FUND BALANCES						
Bonds payable	\$1,363,026	\$ 34,717	\$ 259,345	\$ 0	\$ 1,657,088	\$ 1,693,031
Accrued interest payable	21,424	1,001	2,714	0	25,139	24,159
Unearned fee income	1,628	0	0	0	1,628	1,687
Other liabilities	2,051	0	0	1,037	3,088	1,659
Total liabilities	1,388,129	35,718	262,059	1,037	1,686,943	1,720,536
Fund balances	99,739	0	0	50,483	150,222	137,684
	<u>\$1,487,868</u>	<u>\$35,718</u>	<u>\$262,059</u>	<u>\$51,520</u>	<u>\$1,837,165</u>	<u>\$1,858,220</u>

Housing Finance Division

COMBINING BALANCE SHEETS

June 30, 1999 and 1998 (dollars in thousands)

	Multifamily		Combined	
	Single Family	Direct Placements	1999	1998
ASSETS				
Cash	\$ 348	\$ 0	\$ 348	\$ 533
Investments	261,319	0	261,319	303,608
Loans receivable	1,014,250	198,550	1,212,800	1,174,978
Accrued interest receivable	10,036	1,921	11,957	12,172
Deferred debt financing costs	1,348	0	1,348	2,056
Real estate owned	31	0	31	10
Other assets	65	0	65	244
	<u>\$1,287,397</u>	<u>\$ 200,471</u>	<u>\$1,487,868</u>	<u>\$ 1,493,601</u>
LIABILITIES AND FUND BALANCES				
Bonds payable	\$ 1,164,476	\$ 198,550	\$ 1,363,026	\$1,379,818
Accrued interest payable	19,503	1,921	21,424	20,301
Unearned fee income	1,628	0	1,628	1,687
Other liabilities	2,051	0	2,051	449
Total liabilities	1,187,658	200,471	1,388,129	1,402,255
Fund balances	99,739	0	99,739	91,346
	<u>\$ 1,287,397</u>	<u>\$ 200,471</u>	<u>\$ 1,487,868</u>	<u>\$ 1,493,601</u>

NEBRASKA INVESTMENT FINANCE AUTHORITY

Housing Finance Division

COMBINING BALANCE SHEETS

June 30, 1999 and 1998 (dollars in thousands)

ASSETS	Single Family							Subtotal, Continued
	1983 Series A	1983 Series 1	1985 Series A	1985 Series B	1986 Series A	1988 Series A	1988 Series B & C	
Cash	\$ 0	\$ 0	\$ 11	\$ 2	\$ 0	\$ 319	\$ 0	\$ 332
Investments	8,889	3,667	3,907	10,767	1,313	107	3,882	32,532
Loans receivable	3,370	3,449	5,280	1,376	1,034	4,747	9,859	29,115
Accrued interest receivable	405	247	70	142	21	35	153	1,073
Deferred debt financing costs	0	0	0	0	0	0	0	0
Real estate owned	0	0	0	0	0	0	0	0
Other assets	4	3	26	17	2	0	2	54
	<u>\$ 12,668</u>	<u>\$ 7,366</u>	<u>\$ 9,294</u>	<u>\$ 12,304</u>	<u>\$ 2,370</u>	<u>\$ 5,208</u>	<u>\$ 13,896</u>	<u>\$ 63,106</u>
LIABILITIES AND FUND BALANCES								
Bonds payable	\$ 9,906	\$ 109	\$ 0	\$ 8,395	\$ 1,130	\$ 4,430	\$ 11,920	\$ 35,890
Accrued interest payable	77	0	0	98	41	185	432	833
Unearned fee income	0	0	0	45	0	0	0	45
Other liabilities	9	54	24	22	2	5	0	116
Total liabilities	9,992	163	24	8,560	1,173	4,620	12,352	36,884
Fund balances	2,676	7,203	9,270	3,744	1,197	588	1,544	26,222
	<u>\$ 12,668</u>	<u>\$ 7,366</u>	<u>\$ 9,294</u>	<u>\$ 12,304</u>	<u>\$ 2,370</u>	<u>\$ 5,208</u>	<u>\$ 13,896</u>	<u>\$ 63,106</u>

Housing Finance Division

COMBINING BALANCE SHEETS

June 30, 1999 and 1998 (dollars in thousands)

ASSETS	Subtotal, Continued	Single Family							Subtotal, Continued
		1989 Series A & B	1990 Series A, B & C	1990 Series 1, 2 & 3	1991 Series A, B, C & D	1992 Series A, B, C & D	1994 Series A, B, C & D	1994 Series A1-B1	
Cash	\$ 332	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 332
Investments	32,532	4,945	6,730	8,008	5,883	7,968	3,953	8,711	78,730
Loans receivable	29,115	9,053	33,506	43,491	49,530	55,229	47,115	34,312	301,351
Accrued interest receivable	1,073	161	217	298	318	398	250	352	3,067
Deferred debt financing costs	0	0	0	0	0	0	0	0	0
Real estate owned	0	31	0	0	0	0	0	0	31
Other assets	54	5	0	0	0	0	0	0	59
	<u>\$ 63,106</u>	<u>\$14,195</u>	<u>\$ 40,453</u>	<u>\$ 51,797</u>	<u>\$ 55,731</u>	<u>\$ 63,595</u>	<u>\$ 51,318</u>	<u>\$ 43,375</u>	<u>\$ 383,570</u>
LIABILITIES AND FUND BALANCES									
Bonds payable	\$ 35,890	\$ 912	\$ 36,810	\$ 47,605	\$ 53,525	\$ 60,585	\$ 49,505	\$ 34,910	\$ 319,742
Accrued interest payable	833	1	311	361	466	1,188	283	735	4,178
Unearned fee income	45	0	0	0	0	0	0	0	45
Other liabilities	116	34	0	0	0	0	0	0	150
Total liabilities	36,884	947	37,121	47,966	53,991	61,773	49,788	35,645	324,115
Fund balances	26,222	13,248	3,332	3,831	1,740	1,822	1,530	7,730	59,455
	<u>\$ 63,106</u>	<u>\$14,195</u>	<u>\$ 40,453</u>	<u>\$ 51,797</u>	<u>\$ 55,731</u>	<u>\$ 63,595</u>	<u>\$ 51,318</u>	<u>\$ 43,375</u>	<u>\$ 383,570</u>

NEBRASKA INVESTMENT FINANCE AUTHORITY

Housing Finance Division COMBINING BALANCE SHEETS

June 30, 1999 and 1998 (dollars in thousands)

ASSETS	Subtotal, Continued	Single Family							Subtotal, Continued
		1994 Series C1-D1	1995 Series A	1995 Series B	1996 Series A	1996 Series B	1996 Series C	1996 Series D	
Cash	\$ 332	\$ 0	\$ 3	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2	\$ 337
Investments	78,730	7,046	8,457	7,703	5,374	2,887	3,265	4,000	117,462
Loans receivable	301,351	26,090	47,340	47,103	42,519	43,069	49,069	43,367	599,908
Accrued interest receivable	3,067	299	441	429	304	266	311	300	5,417
Deferred debt financing costs	0	0	0	0	0	0	0	0	0
Real estate owned	31	0	0	0	0	0	0	0	31
Other assets	59	0	0	0	0	0	0	0	59
	<u>\$ 383,570</u>	<u>\$ 33,435</u>	<u>\$ 56,241</u>	<u>\$ 55,235</u>	<u>\$ 48,197</u>	<u>\$ 46,222</u>	<u>\$ 52,645</u>	<u>\$ 47,669</u>	<u>\$ 723,214</u>
LIABILITIES AND FUND BALANCES									
Bonds payable	\$ 319,742	\$ 27,635	\$ 48,980	\$ 48,910	\$ 43,362	\$ 44,320	\$ 49,065	\$ 45,200	\$ 627,214
Accrued interest payable	4,178	655	1,080	1,030	817	888	996	930	10,574
Unearned fee income	45	0	0	0	0	0	0	0	45
Other liabilities	150	0	14	22	0	0	0	0	186
Total liabilities	324,115	28,290	50,074	49,962	44,179	45,208	50,061	46,130	638,019
Fund balances	59,455	5,145	6,167	5,273	4,018	1,014	2,584	1,539	85,195
	<u>\$ 383,570</u>	<u>\$ 33,435</u>	<u>\$ 56,241</u>	<u>\$ 55,235</u>	<u>\$ 48,197</u>	<u>\$ 46,222</u>	<u>\$ 52,645</u>	<u>\$ 47,669</u>	<u>\$ 723,214</u>

Housing Finance Division COMBINING BALANCE SHEETS

June 30, 1999 and 1998 (dollars in thousands)

ASSETS	Subtotal, Continued	Single Family				Subtotal, Continued
		1996 Series E	1997 Series A	1997 Series B	1997 Series D	
Cash	\$ 337	\$ 0	\$ 2	\$ 0	\$ 2	\$ 341
Investments	117,462	3,439	2,961	10,366	2,691	136,919
Loans receivable	599,908	45,492	46,976	41,550	49,053	782,979
Accrued interest receivable	5,417	298	280	441	290	6,726
Deferred debt financing costs	0	0	0	74	0	74
Real estate owned	31	0	0	0	0	31
Other assets	59	0	3	0	0	62
	<u>\$ 723,214</u>	<u>\$ 49,229</u>	<u>\$ 50,222</u>	<u>\$ 52,431</u>	<u>\$ 52,036</u>	<u>\$ 927,132</u>
LIABILITIES AND FUND BALANCES						
Bonds payable	\$ 627,214	\$ 46,327	\$ 47,935	\$ 48,710	\$ 49,240	\$ 819,426
Accrued interest payable	10,574	944	893	877	885	14,173
Unearned fee income	45	0	0	0	0	45
Other liabilities	186	0	0	317	47	550
Total liabilities	638,019	47,271	48,828	49,904	50,172	834,194
Fund balances	85,195	1,958	1,394	2,527	1,864	92,938
	<u>\$ 723,214</u>	<u>\$ 49,229</u>	<u>\$ 50,222</u>	<u>\$ 52,431</u>	<u>\$ 52,036</u>	<u>\$ 927,132</u>

NEBRASKA INVESTMENT FINANCE AUTHORITY

Housing Finance Division

COMBINING BALANCE SHEETS

June 30, 1999 and 1998 (dollars in thousands)

ASSETS	Subtotal Continued	Single Family					Combined	
		1998 Series A & B	1998 Series C, D, E & F	1998 Series G & H	1999 Series A, B & C	Housing General Fund	1999	1998
Cash	\$ 341	\$ 4	\$ 2	\$ 1	\$ 0	\$ 0	\$ 348	\$ 533
Investments	136,919	3,394	35,266	13,232	72,504	4	261,319	303,608
Loans receivable	782,979	69,213	101,565	60,033	0	460	1,014,250	988,178
Accrued interest receivable	6,726	416	1,332	991	570	1	10,036	10,421
Deferred debt financing costs	74	0	431	121	722	0	1,348	2,056
Real estate owned	31	0	0	0	0	0	31	10
Other assets	62	0	3	0	0	0	65	244
Due to/Due from	0	(915)	(1,688)	(1,549)	(1,613)	5,765	0	0
	<u>\$927,132</u>	<u>\$72,112</u>	<u>\$136,911</u>	<u>\$ 72,829</u>	<u>\$72,183</u>	<u>\$ 6,230</u>	<u>\$ 1,287,397</u>	<u>\$1,305,050</u>
LIABILITIES AND FUND BALANCES								
Bonds payable	\$819,426	\$69,275	\$129,550	\$ 70,000	\$ 70,000	\$ 6,225	\$ 1,164,476	\$1,193,170
Accrued interest payable	14,173	1,360	2,170	1,204	595	1	19,503	18,552
Unearned fee income	45	0	445	0	1,138	0	1,628	1,687
Other liabilities	550	7	1,393	86	11	4	2,051	295
Total liabilities	834,194	70,642	133,558	71,290	71,744	6,230	1,187,658	1,213,704
Fund balances	92,938	1,470	3,353	1,539	439	0	99,739	91,346
	<u>\$927,132</u>	<u>\$72,112</u>	<u>\$136,911</u>	<u>\$ 72,829</u>	<u>\$72,183</u>	<u>\$ 6,230</u>	<u>\$ 1,287,397</u>	<u>\$1,305,050</u>

Development Finance Division

COMBINING BALANCE SHEETS

June 30, 1999 and 1998 (dollars in thousands)

ASSETS	Health Care Direct Placements	Industrial Development Direct Placements	Combined	
			1999	1998
Investments	\$ 0	\$ 0	\$ 0	\$ 10,318
Loans receivable	239,167	20,178	259,345	267,860
Accrued interest receivable	2,424	290	2,714	2,839
Deferred debt financing costs	0	0	0	159
Other assets	0	0	0	22
	<u>\$ 241,591</u>	<u>\$ 20,468</u>	<u>\$ 262,059</u>	<u>\$ 281,198</u>
LIABILITIES AND FUND BALANCES				
Bonds payable	\$ 239,167	\$ 20,178	\$ 259,345	\$ 277,901
Accrued interest payable	2,424	290	2,714	2,826
Other liabilities	0	0	0	29
Total liabilities	241,591	20,468	262,059	280,756
Fund balances	0	0	0	442
	<u>\$ 241,591</u>	<u>\$ 20,468</u>	<u>\$ 262,059</u>	<u>\$ 281,198</u>

NEBRASKA INVESTMENT FINANCE AUTHORITY

COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES for the years ending June 30, 1999 and 1998 (dollars in thousands)

	Division				Combined	
	Housing Finance	Agricultural Finance	Development Finance	Operating Fund	1998	1997
Revenues:						
Interest income:						
Loans	\$ 79,668	\$ 2,606	\$ 14,249	\$ 1,456	\$ 97,979	\$ 94,378
Investments	14,292	0	247	2,162	16,701	19,451
Fee and other income	871	62	15	5	953	1,078
Total revenues	<u>94,831</u>	<u>2,668</u>	<u>14,511</u>	<u>3,623</u>	<u>115,633</u>	<u>114,907</u>
Expenses:						
Interest	81,904	2,606	14,296	0	98,806	96,501
General and administrative	392	21	193	2,566	3,172	2,830
Total expenses	<u>82,296</u>	<u>2,627</u>	<u>14,489</u>	<u>2,566</u>	<u>101,978</u>	<u>99,331</u>
Revenues over expenses before net increase (decrease) in fair value of investments, interfund transfers and reallocation of grant funds	12,535	41	22	1,057	13,655	15,576
Net increase (decrease) in fair value of investments	(290)	0	0	(827)	(1,117)	1,277
Revenues over (under) expenses	12,245	41	22	230	12,538	16,853
Interfund transfers	(3,852)	(41)	(464)	4,357	0	0
Reallocation of grant funds	0	0	0	0	0	(22)
Cumulative effect of change in accounting for investments	0	0	0	0	0	2,476
Fund balances, beginning of year	<u>91,346</u>	<u>0</u>	<u>442</u>	<u>45,896</u>	<u>137,684</u>	<u>118,377</u>
Fund balances, end of year	<u><u>\$99,739</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$50,483</u></u>	<u><u>\$150,222</u></u>	<u><u>\$137,684</u></u>

Housing Finance Division

COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES June 30, 1999 and 1998 (dollars in thousands)

	Single Family	Multifamily Direct Placements	Combined	
			1999	1998
Revenues:				
Interest income:				
Loans	\$ 68,294	\$ 11,374	\$ 79,668	\$ 78,129
Investments	14,292	0	14,292	16,935
Fee and other income	5	866	871	845
Total revenues	<u>82,591</u>	<u>12,240</u>	<u>94,831</u>	<u>95,909</u>
Expenses:				
Interest	70,530	11,374	81,904	81,751
General and administrative	392	0	392	560
Total expenses	<u>70,922</u>	<u>11,374</u>	<u>82,296</u>	<u>82,311</u>
Revenues over expenses before net increase (decrease) in fair value of investment, interfund transfers and reallocation of grant funds	11,669	866	12,535	13,598
Net increase (decrease) in fair value of investments	(290)	0	(290)	754
Revenues over (under) expenses	11,379	866	12,245	14,352
Interfunds transfers	(2,986)	(866)	(3,852)	884
Reallocation of grant funds	0	0	0	(22)
Cumulative effect of change in accounting for investments	0	0	0	642
Fund balances, beginning of year	<u>91,346</u>	<u>0</u>	<u>91,346</u>	<u>75,490</u>
Fund balances, end of year	<u><u>\$ 99,739</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 99,739</u></u>	<u><u>\$ 91,346</u></u>

NEBRASKA INVESTMENT FINANCE AUTHORITY

Housing Finance Division

COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

for the years ending June 30, 1999 and 1998 (dollars in thousands)

	Single Family							Subtotal, Continued
	1983 Series A	1983 Series 1	1985 Series A	1985 Series B	1986 Series A	1988 Series A	1988 Series B & C	
Revenues:								
Interest income:								
Loans	\$ 431	\$ 411	\$ 656	\$ 163	\$ 118	\$ 487	\$ 991	\$ 3,257
Investments	<u>847</u>	<u>376</u>	<u>212</u>	<u>1,011</u>	<u>40</u>	<u>21</u>	<u>227</u>	<u>2,734</u>
Total revenues	<u>1,278</u>	<u>787</u>	<u>868</u>	<u>1,174</u>	<u>158</u>	<u>508</u>	<u>1,218</u>	<u>5,991</u>
Expenses:								
Interest	1,045	92	86	815	114	428	1,038	3,618
General and administrative	<u>23</u>	<u>20</u>	<u>44</u>	<u>47</u>	<u>20</u>	<u>9</u>	<u>32</u>	<u>195</u>
Total expenses	<u>1,068</u>	<u>112</u>	<u>130</u>	<u>862</u>	<u>134</u>	<u>437</u>	<u>1,070</u>	<u>3,813</u>
Revenues over expenses before net increase (decrease) in fair value of investments, interfund transfers and reallocation of grant funds	210	675	738	312	24	71	148	2,178
Net increase (decrease) in fair value of investments	<u>0</u>	<u>0</u>	<u>(25)</u>	<u>0</u>	<u>(7)</u>	<u>0</u>	<u>(14)</u>	<u>(46)</u>
Revenue over (under) expenses	210	675	713	312	17	71	134	2,132
Interfund transfers	(3)	(2)	692	2	851	(6)	(13)	1,521
Cum. effect of chg. in acctg. for invest.	0	0	0	0	0	0	0	0
Fund balances, beginning of year	<u>2,469</u>	<u>6,530</u>	<u>7,865</u>	<u>3,430</u>	<u>329</u>	<u>523</u>	<u>1,423</u>	<u>22,569</u>
Fund balances, end of year	<u>\$ 2,676</u>	<u>\$ 7,203</u>	<u>\$ 9,270</u>	<u>\$ 3,744</u>	<u>\$ 1,197</u>	<u>\$ 588</u>	<u>\$ 1,544</u>	<u>\$ 26,222</u>

Housing Finance Division

COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

for the years ending June 30, 1999 and 1998 (dollars in thousands)

	Subtotal, Continued	Single Family							Subtotal, Continued
		1989 Series A & B	1990 Series A, B & C	1990 Series 1, 2 & 3	1991 Series A, B, C & D	1992 Series A, B, C & D	1994 Series A, B, C & D	1994 Series A1-B1	
Revenues:									
Interest income:									
Loans	\$ 3,257	\$ 1,176	\$ 3,261	\$ 4,138	\$ 4,093	\$ 4,296	\$ 2,982	\$ 2,510	\$ 25,713
Investments	<u>2,734</u>	<u>258</u>	<u>522</u>	<u>665</u>	<u>411</u>	<u>379</u>	<u>217</u>	<u>509</u>	<u>5,695</u>
Total revenues	<u>5,991</u>	<u>1,434</u>	<u>3,783</u>	<u>4,803</u>	<u>4,504</u>	<u>4,675</u>	<u>3,199</u>	<u>3,019</u>	<u>31,408</u>
Expenses:									
Interest	3,618	79	3,317	4,329	4,147	4,309	3,022	2,357	25,178
General and administrative	<u>195</u>	<u>55</u>	<u>7</u>	<u>9</u>	<u>8</u>	<u>8</u>	<u>5</u>	<u>6</u>	<u>293</u>
Total expenses	<u>3,813</u>	<u>134</u>	<u>3,324</u>	<u>4,338</u>	<u>4,155</u>	<u>4,317</u>	<u>3,027</u>	<u>2,363</u>	<u>25,471</u>
Revenue over expense before net increase (decrease) in fair value of investments, interfund transfers and reallocation of grant funds	2,178	1,300	459	465	349	358	172	656	5,937
Net increase (decrease) in fair value of investments	<u>(46)</u>	<u>(117)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(101)</u>	<u>0</u>	<u>0</u>	<u>(264)</u>
Revenue over (under) expenses	2,132	1,183	459	465	349	257	172	656	5,673
Interfund transfers	1,521	(4,799)	(45)	(55)	(72)	(68)	(11)	(44)	(3,573)
Cum. effect of chg. in acctg. for invest.	0	0	0	0	0	0	0	0	0
Fund balances, beginning of year	<u>22,569</u>	<u>16,864</u>	<u>2,918</u>	<u>3,421</u>	<u>1,463</u>	<u>1,633</u>	<u>1,369</u>	<u>7,118</u>	<u>57,355</u>
Fund balances, end of year	<u>\$ 26,222</u>	<u>\$ 13,248</u>	<u>\$ 3,332</u>	<u>\$ 3,831</u>	<u>\$ 1,740</u>	<u>\$ 1,822</u>	<u>\$ 1,530</u>	<u>\$ 7,730</u>	<u>\$ 59,455</u>

NEBRASKA INVESTMENT FINANCE AUTHORITY

Housing Finance Division

COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

for the years ending June 30, 1999 and 1998 (dollars in thousands)

	Subtotal, Continued	Single Family						Subtotal, Continued	
		1994 Series C1-D1	1995 Series A	1995 Series B	1996 Series A	1996 Series B	1996 Series C		1996 Series D
Revenues:									
Interest income:									
Loans	\$ 25,713	\$ 2,191	\$ 3,188	\$ 3,193	\$ 2,775	\$ 2,876	\$ 3,284	\$ 3,090	\$ 46,310
Investments	5,695	413	688	495	272	143	144	157	8,007
Total revenues	31,408	2,604	3,876	3,688	3,047	3,019	3,428	3,247	54,317
Expenses:									
Interest	25,178	2,106	3,248	3,097	2,559	2,770	2,999	2,867	44,824
General and administrative	293	4	6	6	6	4	5	5	329
Total expenses	25,471	2,110	3,254	3,103	2,565	2,774	3,004	2,872	45,153
Revenue over expense before net increase (decrease) in fair value of investments, interfund transfers and reallocation of grant funds	5,937	494	622	585	482	245	424	375	9,164
Net increase (decrease) in fair value of investments	(264)	0	0	0	0	0	0	0	(264)
Revenue over (under) expenses	5,673	494	622	585	482	245	424	375	8,900
Interfund transfers	(3,573)	(28)	0	(54)	(53)	(55)	42	(55)	(3,776)
Cum. effect of chg. in acctg. for invst.	0	0	0	0	0	0	0	0	0
Fund balances, beginning of year	57,355	4,679	5,545	4,742	3,589	824	2,118	1,219	80,071
Fund balances, end of year	<u>\$ 59,455</u>	<u>\$ 5,145</u>	<u>\$ 6,167</u>	<u>\$ 5,273</u>	<u>\$ 4,018</u>	<u>\$ 1,014</u>	<u>\$ 2,584</u>	<u>\$ 1,539</u>	<u>\$ 85,195</u>

COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

for the year ending June 30, 1999 and 1998 (dollars in thousands)

	Subtotal, Continued	Single Family					Subtotal, Continued
		1996 Series E	1997 Series A	1997 Series B	1997 Series C	1997 Series D	
Revenues:							
Interest income:							
Loans	\$ 46,310	\$ 3,172	\$ 3,031	\$ 2,603	\$ 0	\$ 3,012	\$ 58,128
Investments	8,007	138	115	236	0	116	8,612
Total revenues	54,317	3,310	3,146	2,839	0	3,128	66,740
Expenses:							
Interest	44,824	2,849	2,729	2,662	0	2,644	55,708
General and administrative	329	5	5	4	0	5	348
Total expenses	45,153	2,854	2,734	2,666	0	2,649	56,056
Revenues over expense before net increase (decrease) in fair value of investments, interfund transfers and reallocation of grant funds	9,164	456	412	173	0	479	10,684
Net increase (decrease) in fair value of investments	(264)	0	0	(26)	0	0	(290)
Revenues over (under) expenses	8,900	456	412	147	0	479	10,394
Interfund transfers	(3,776)	(57)	(58)	198	(169)	12	(3,850)
Cum. effect of change in accounting for investments	0	0	0	0	0	0	0
Fund balances, beginning of year	80,071	1,559	1,040	2,182	169	1,373	86,394
Fund balances, end of year	<u>\$ 85,195</u>	<u>\$ 1,958</u>	<u>\$ 1,394</u>	<u>\$ 2,527</u>	<u>\$ 0</u>	<u>\$ 1,864</u>	<u>\$ 92,938</u>

NEBRASKA INVESTMENT FINANCE AUTHORITY

Development Finance Division

COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

for the years ending June 30, 1999 and 1998 (dollars in thousands)

	Subtotal, Continued	Single Family					Combined	
		1998 Series A&B	1998 Series C,D,E&F	1998 Series G&H	1999 Series A,B&C	Housing General Fund	1999	1998
Revenues:								
Interest income:								
Loans	\$ 58,128	\$ 4,280	\$ 5,030	\$ 647	\$ 0	\$ 209	\$ 68,294	\$ 67,981
Investments	8,612	290	2,869	1,961	560	0	14,292	16,922
Fee and other income	0	0	0	0	0	5	5	0
Total revenues	<u>66,740</u>	<u>4,570</u>	<u>7,899</u>	<u>2,608</u>	<u>560</u>	<u>214</u>	<u>82,591</u>	<u>84,903</u>
Expenses:								
Interest	55,708	4,106	7,459	2,489	559	209	70,530	71,617
General and administrative	<u>348</u>	<u>8</u>	<u>25</u>	<u>7</u>	<u>4</u>	<u>0</u>	<u>392</u>	<u>555</u>
Total expenses	<u>56,056</u>	<u>4,114</u>	<u>7,484</u>	<u>2,496</u>	<u>563</u>	<u>209</u>	<u>70,922</u>	<u>72,172</u>
Revenues over expenses before net increase (decrease) in fair value of investments, interfund transfers and reallocation of grant funds	10,684	456	415	112	(3)	5	11,669	12,731
Net increase (decrease) in fair value of investments	<u>(290)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(290)</u>	<u>754</u>
Revenue over (under) expenses	10,394	456	415	112	(3)	5	11,379	13,485
Interfund transfers	(3,850)	(454)	(546)	1,427	442	(5)	(2,986)	1,729
Cum. effect of chg. in acctg. for invest.	0	0	0	0	0	0	0	642
Fund balances, beginning of year	<u>86,394</u>	<u>1,468</u>	<u>3,484</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>91,346</u>	<u>75,490</u>
Fund balances, end of year	<u>\$ 92,938</u>	<u>\$ 1,470</u>	<u>\$ 3,353</u>	<u>\$ 1,539</u>	<u>\$ 439</u>	<u>\$ 0</u>	<u>\$ 99,739</u>	<u>\$ 91,346</u>

Development Finance Division

COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

for the years ending June 30, 1999 and 1998 (dollars in thousands)

	Health Care			Industrial Development Direct Placements	Combined	
	1985 Series A	Direct Placements	Subtotal		1999	1998
Revenues:						
Interest income:						
Loans	\$ 115	\$ 12,928	\$ 13,043	\$ 1,206	\$ 14,249	\$ 11,855
Investments	247	0	247	0	247	545
Fee income	0	12	12	3	15	92
Total revenues	<u>362</u>	<u>12,940</u>	<u>13,302</u>	<u>1,209</u>	<u>14,511</u>	<u>12,492</u>
Expenses:						
Interest	162	12,928	13,090	1,206	14,296	12,170
General and administrative	<u>193</u>	<u>0</u>	<u>193</u>	<u>0</u>	<u>193</u>	<u>64</u>
Total expenses	<u>355</u>	<u>12,928</u>	<u>13,283</u>	<u>1,206</u>	<u>14,489</u>	<u>12,234</u>
Revenues over expenses before interfund transfers	7	12	19	3	22	258
Interfund transfers	(449)	(12)	(461)	(3)	(464)	(178)
Fund balances, beginning of year	<u>442</u>	<u>0</u>	<u>442</u>	<u>0</u>	<u>442</u>	<u>362</u>
Fund balances, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 442</u>

NEBRASKA INVESTMENT FINANCE AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

Year 2000 Project:

The Authority makes extensive use of computer systems, both to administer its programs and to manage its internal corporate activities, as do the Authority's external third-party service providers, such as mortgage originators and servicers, bond trustees and guaranteed investment agreement providers. A committee of the Authority staff (the "Y2K Committee") has been formed to review the Authority's various systems, procedures, software products, vendors, service providers, etc. for Year 2000 compliance.

The Authority's personal computer local area network is used for office productivity systems and for access to a separate computer system on which the Authority's major accounting and control software and data is processed. Hardware for the personal computer local area network, which the manufacturer represents to be Year 2000 compliant, has been acquired and installed by the Authority. The Authority has purchased and installed new software designed to be Year 2000 compliant for its personal computer local area network.

The manufacturer of the Authority's computer hardware on which its major accounting and control software is processed has reviewed its hardware and peripherals for Year 2000 compliance. A report was received from the manufacturer during calendar year 1998 indicating that hardware and peripherals are Year 2000 compliant.

The Authority has received correspondence from the provider of the Authority's major accounting and control software which indicates that all systems provided by such provider are currently Year 2000 compliant.

The Y2K Committee has begun the process of identifying and contacting its major service providers such as trustees, mortgage originators and servicers, investment providers, corporate bankers and payroll processor. Responses have been received from the identified mission critical providers and the Y2K Committee is in the process of evaluating and updating their responses.

It is the opinion of the Authority's management, based upon the results to date of the Authority's internal review, that the Authority should not need to expend significant funds to implement appropriate solutions and measures to remediate any Year 2000 problems in its internal systems. However, the Authority's Year 2000 internal and external third-party service provider reviews are not complete, and unexpected Year 2000 issues may still develop.

1999 BOARD OF DIRECTORS

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Director, Nebraska Department of Economic Development, Lincoln
Ex Officio Member

Bruce Bisson

Chairman, Nebraska Investment Council, Lincoln
Ex Officio Member

Merlyn E. Carlson

Director, Nebraska Department of Agriculture, Lincoln
Ex Officio Member

Rodrigo Lopez

Amerisphere Financial, Omaha
Public at Large

Mary Jo McClurg

Cornhusker Bank, Lincoln
Housing Mortgage Credit

Peter M. Graff (Vice Chairman)

McCook National Bank, McCook
Agricultural Production

Carl R. Brasee

First Mid America, Inc., Grand Island
Investment Banking

Donna Hinkley

Home Real Estate, Lincoln
Licensed Real Estate Broker

Michael Maroney

New Community Development Corp., Omaha
Real Estate Development

Timothy R. Kenny

Executive Director and Secretary of the Board

FINANCIAL AND LEGAL SERVICE PROVIDERS

Managing Underwriters

Lehman Brothers
Ameritas Investment Corp.
Kirkpatrick Pettis
SMITH HAYES Financial Services Corporation

Bond Counsel

Kutak Rock
Omaha, Nebraska

Auditors

PricewaterhouseCoopers LLP
Lincoln, Nebraska

Trustees and Paying Agents

Norwest Bank Minnesota, N.A., Minneapolis
U.S. Bancorp, Minneapolis
UMB Bank, N.A., Kansas City
First National Bank of Chicago

Bond Insurers

Financial Guaranty Insurance Co., New York
Municipal Bond Investors Assurance Corp.
Armonk, NY

Rating Agencies

Standard & Poor's Ratings Group, New York
Moody's Investors Services, New York

APPENDIX B

SCHEDULE OF OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS AND SUMMARY OF SPECIAL OR LIMITED INDEBTEDNESS OF THE NEBRASKA INVESTMENT FINANCE AUTHORITY

The following table illustrates the principal amounts of general obligation indebtedness of the NIFA outstanding as of June 30, 1999.

	Date of Issue	Final Maturity	Amount of Issue and Interest Rate or Yield	Amount Outstanding
Single Family Mortgage Revenue Bonds 1980 Series A	March 1, 1980	March 1, 2012	\$150,000,000 7.50-9.875%	\$5,000 ¹
Single Family Mortgage Revenue Bonds 1980 Series B	Dec. 1, 1980	Dec. 1, 2012	\$50,000,000 8.00-11.30%	\$5,000 ¹
Single Family Mortgage Revenue Bonds 1982 Series A	April 15, 1982	May 15, 2013	437,715,000 7.75-12.75%	\$5,000 ¹
Single Family Mortgage Revenue Bonds 1982 Series B	Aug. 10, 1982	July 15, 2013	\$89,410,000 8.75-13.25%	\$5,000 ¹
Single Family Mortgage Revenue Bonds 1983 Series A	July 15, 1983	Jan. 15, 2015	\$72,685,000 10.00-10.514%	\$9,906,000
Single Family Mortgage Revenue Bonds 1983 Series B	Aug. 15, 1983	Feb. 15, 2015	\$68,480,000 6.00-10.864%	\$532
Single Family Mortgage Revenue Bonds 1983 Series 1	Dec. 15, 1983	Dec. 15, 2013	\$58,715,000 10.50%	\$109,000
General Obligation Bonds 1998 Series G.O.-1	Jan. 8, 1998	March 1, 2008	\$850,000 5.002%	\$915,000 ²
General Obligation Bonds 1998 Series G.O.-2	March 19, 1998	Oct. 15, 2030	\$460,000 5.625%	\$460,000
General Obligation Bonds 1998 Series G.O.-3	June 4, 1998	March 1, 2008	\$1,600,770 5.000%	\$1,688,000 ²
General Obligation Bonds 1998 Series G.O.-4	Oct. 23, 1998	Sept. 1, 2008	\$1,502,654.28 4.50%	\$1,549,000
General Obligation Bonds 1999 Series G.O.-5	May 5, 1998	March 1, 2009	\$1,601,752.64 4.50%	\$1,613,000

¹ On November 14, 1989 and December 19, 1989, the NIFA issued \$88,315,000 original principal amount of its Municipal Refunding Collateralized Mortgage Obligations (MR CMO®) Series 1989A and \$4,537,515.67 initial principal amount of Municipal Collateralized Mortgage Obligation Bonds Series 1989B, the proceeds of which were used to defease and thereafter retire substantially all of the NIFA's Single Family Mortgage Revenue Bonds 1980 Series A, Single Family Mortgage Revenue Bonds 1980 Series B, Single Family Mortgage Revenue Bonds 1982 Series A and Single Family Mortgage Revenue Bonds 1982 Series B.

² Amount includes Compound Accreted Value of Capital Appreciation Bonds.

On September 1, 1999, the NIFA issued \$1,500,000 of its General Obligation Bonds 1999 Series G.O.-6, due September 1, 2009.

On September 28, 1999, the NIFA issued \$1,500,000 of its General Obligation Bonds 1999 Series G.O.-7, due September 1, 2000.

On December 17, 1999, the NIFA issued \$1,100,000 of its General Obligation Bonds 1999 Series G.O.-8, due March 1, 2010.

As of June 30, 1999, the NIFA also had approximately \$1,146,807,000 principal amount outstanding of special or limited obligation indebtedness issued for purposes of financing single-family housing (which dollar amount does not include the corresponding \$1,419,000 unamortized original issue premium).

As of June 30, 1999, the NIFA also had \$34,717,000 principal amount outstanding of special or limited obligation indebtedness issued in connection with its agricultural finance programs, \$20,178,000 principal amount outstanding of special or limited obligation indebtedness issued in connection with its development finance programs (including industrial, manufacturing and commercial), \$198,550,000 principal amount outstanding of special or limited indebtedness issued in connection with its multifamily housing programs and \$239,167,000 principal amount outstanding of special or limited indebtedness issued in connection with its health care finance program.

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

Nebraska Investment Finance Authority
200 Commerce Court
1230 O Street
Lincoln, NE 68508

\$1,500,000
Nebraska Investment Finance Authority
General Obligation Bonds
2000 Series G.O.-9

Dear Authority Members:

We have acted as bond counsel in connection with the issuance and sale by the Nebraska Investment Finance Authority (the "Authority") of \$1,500,000 aggregate principal amount of its General Obligation Bonds 2000 Series G.O.-9 (the "Series 2000-9 Bonds"). The Series 2000-9 Bonds are issuable as fully registered Bonds (as hereafter defined) without coupons dated as provided in the hereinafter-described Indenture in the denominations of \$5,000 (or any integral multiple thereof). The Series 2000-9 Bonds shall be numbered as provided in the Indenture.

The Series 2000-9 Bonds are issued pursuant to the Nebraska Investment Finance Authority Act, Neb. Rev. Stat. § 58-201 et seq. (Reissue 1998), as amended (the "Act"), and pursuant to the General Indenture of Trust dated as of January 1, 1998, as amended (the "General Indenture"), as supplemented by the Supplemental Indenture of Trust dated as of February 1, 2000 (such General Indenture as so supplemented being herein referred to as the "Indenture") between the Authority and Norwest Bank Minnesota, National Association, as trustee. (Capitalized terms used herein but not defined shall have the meanings assigned thereto in the Indenture.) Under certain terms and conditions, the General Indenture permits the issuance of additional series of bonds which are equally and ratably secured by the pledges and covenants in the Indenture. The Series 2000-9 Bonds, all bonds heretofore issued pursuant to the Indenture and any such additional bonds which may hereafter or concurrently be issued under the Indenture are herein referred to as the "Bonds."

The Series 2000-9 Bonds are not subject to redemption prior to maturity. The Series 2000-9 Bonds are general obligations of the Authority, payable from any revenues, assets and moneys of the Authority, subject only to agreements made with holders of other notes and bonds of the Authority pledging particular revenues, assets or moneys for the payment thereof. The Series 2000-9 Bonds do not constitute a debt, liability or general obligation of the State of Nebraska or any political subdivision thereof. Neither the faith and credit nor the taxing power of the State of Nebraska or any political subdivision thereof is pledged to the payment of the principal of or the interest on the Series 2000-9 Bonds.

The Series 2000-9 Bonds are dated, mature and bear interest payable at maturity as provided in the Indenture. The proceeds of the Series 2000-9 Bonds will be used, together with other moneys, to make funds available to acquire, purchase and finance mortgage loans and mortgage-backed securities.

In connection with the issuance of the Series 2000-9 Bonds, we have examined (a) a certified copy of the resolution adopted by the Authority on January 28, 2000 authorizing and confirming the issuance of the Series 2000-9 Bonds, (b) a certified copy of the General Indenture and the Supplemental Indenture and (c) such other opinions, documents, certificates and letters as we deem relevant and necessary in rendering this opinion.

From such examination, we are of the opinion that:

1. The Authority is a body politic and corporate, not a state agency but an independent instrumentality exercising essential public functions, duly organized and existing under the Constitution

and laws of the State of Nebraska, particularly the Act. Pursuant to the Act, the Authority is empowered to issue the Series 2000-9 Bonds for the purpose of making funds available to finance mortgage loans and mortgage-backed securities in order to finance single-family housing in the State of Nebraska for low- and moderate-income persons, and to pledge and grant a security interest in the amounts in the Funds and Accounts established by the Indenture.

2. The Series 2000-9 Bonds have been validly authorized, executed and issued in accordance with the laws of the State of Nebraska and represent valid and binding general obligations of the Authority, payable from any revenues, assets or moneys of the Authority subject only to agreements made with holders of other notes and bonds of the Authority pledging particular revenues, assets or moneys for the payment thereof. Pursuant to the Indenture, the Authority has granted to the Trustee a pledge of and security interest in Bond proceeds, Permitted Investments (as defined in the Indenture) and all money, Permitted Investments and other assets and income (except certain nonmortgage excess earnings) held in and receivable by Funds and Accounts established by or pursuant to the Indenture, all subject to the right of the Authority to direct withdrawals of amounts from said Funds and Accounts upon the conditions set forth in the Indenture.

3. The Indenture has been validly authorized, executed and delivered, is in full force and effect and is valid and binding on the Authority, and the holders of the Series 2000-9 Bonds are entitled to the benefits thereof.

4. Assuming compliance with certain covenants designed to meet the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), under existing laws, regulations, rulings and judicial decisions, interest (including any original issue discount) on the Series 2000-9 Bonds is not includable in gross income of the owners thereof for federal and Nebraska state income tax purposes.

We are further of the opinion that interest on the Series 2000-9 Bonds is a specific preference item for purposes of the alternative minimum tax provisions of the Code applicable to individuals and corporations.

We express no opinion regarding any other consequences affecting the federal income tax liability of a recipient of interest on the Series 2000-9 Bonds.

The obligations of the Authority contained in the Series 2000-9 Bonds and the Indenture, and the enforceability thereof, are subject to general principles of equity which may permit the exercise of judicial discretion, the reasonable exercise in the future by the State of Nebraska and its governmental bodies of the police power inherent in the sovereignty of the State, applicable bankruptcy, insolvency, moratorium or similar laws relating to or affecting creditors' rights generally, and the exercise by the United States of America of the powers delegated to it by the Constitution.

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement"), dated as of February 1, 2000, is executed and delivered by the NEBRASKA INVESTMENT FINANCE AUTHORITY, a body politic and corporate, not a state agency but an independent instrumentality exercising essential public functions organized and existing under the laws of the State of Nebraska (the "Issuer") in connection with the issuance of its \$1,500,000 General Obligation Bonds 2000 Series G.O.-9 (the "Series 2000-9 Bonds"). The Series 2000-9 Bonds are being issued pursuant to an Indenture of Trust dated as of January 1, 1998, as amended (the "General Indenture"), and a Supplemental Indenture of Trust, dated as of February 1, 2000 (the "Supplemental Indenture") (together with the General Indenture, the "Indenture"), each between the NIFA and Norwest Bank Minnesota, National Association, as Trustee (the "Trustee").

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the holders of the Series 2000-9 Bonds and to assist SMITH HAYES Financial Services Corporation, Ameritas Investment Corp. and Kirkpatrick Pettis (the "Participating Underwriters") in complying with Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 C.F.R. § 240.15c2-12) (the "Rule").

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*NRMSIR*" means a nationally recognized municipal securities information repository, as recognized from time to time by the Securities and Exchange Commission for the purposes referred to in the Rule; the NRMSIRs as of the date of this Disclosure Agreement being as follows:

Bloomberg Municipal Repositories
Post Office Box 840
Princeton, NJ 08542-0840
Telephone: (609) 279-3225
Facsimile: (609) 279-5962
Internet: Munis@Bloomberg.com

Standard & Poor's JJ Kenny Repository
55 Water Street, 45th Floor
New York, NY 10041
Telephone: (212) 438-4595
Facsimile: (212) 438-3975

Muller Data
Third Floor
395 Hudson Street
New York, NY 10014
Attention: Municipal Disclosure
Telephone: (212) 807-5001 or (800) 689-8466
Facsimile: (212) 989-2078
Internet: Disclosure@muller.com

DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Telephone: (201) 346-0701
Facsimile: (201) 947-0107
Internet: nrmsir@dpcdata.com

“*SID*” means the state information depository, if any, located in the State of Nebraska.

Section 3. Provision of Annual Financial Information and Operating Data. The Issuer, as the “obligated person” for purposes of the Rule, hereby agrees to provide or cause to be provided at least annually to each NRMSIR and SID, if any, financial information and operating data regarding the Issuer of the type set forth in the Official Statement dated February 11, 2000 with respect to the Series 2000-9 Bonds (the “Official Statement”) under the following captions or in the following Appendices (or portions thereof):

Appendix A—Financial Statements.

Appendix B—Schedule of Outstanding Indebtedness.

The financial and operating information described above will be filed no later than 270 days after the end of the fiscal year of the Issuer and may be provided in one document or in multiple documents. Such information will include audited financial statements prepared in accordance with generally accepted accounting principles as in effect from time to time; provided, however, that if audited financial statements are not available within 270 days after the end of the preceding fiscal year, unaudited financial statements will be provided with audited financial statements to follow when available.

All or a portion of the annual financial and operating information may be provided by way of cross-reference to other documents previously provided to each NRMSIR and to the SID, if any, or filed with the U.S. Securities and Exchange Commission. If the cross-referenced document is a final official statement within the meaning of the Rule, it shall be available from the Municipal Securities Rulemaking Board (the “MSRB”).

Section 4. Failure To File Annual Financial and Operating Information. The Issuer agrees to provide or cause to be provided, in a timely manner, (a) to each NRMSIR or the MSRB and (b) to the SID, if any, notice of a failure by the Issuer to provide the annual financial and operating information described in Section 3 above on or prior to the date specified in Section 3.

Section 5. Material Events. The Issuer agrees to provide or cause to be provided, in a timely manner, (a) to each NRMSIR or the MSRB, and (b) to the SID, if any, notice of the occurrence of any of the following events with respect to the Series 2000-9 Bonds, if material:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) scheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions or events affecting the tax-exempt status of the Series 2000-9 Bonds;
- (vii) modifications to rights of the holders of the Series 2000-9 Bonds;
- (viii) Series 2000-9 Bond calls;

- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Series 2000-9 Bonds; and
- (xi) rating changes.

Each material event notice shall be so captioned and shall prominently state the date, title and (to the extent less than all of the Series 2000-9 Bonds are affected by the related material event) CUSIP numbers of the Series 2000-9 Bonds.

The Issuer may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, but the Issuer does not undertake any commitment to provide such notice of any event except those events listed above.

Section 6. Termination of Reporting Obligation. Pursuant to paragraph (b)(5)(iii) of the Rule, the Issuer's obligation to provide annual financial and operating information and notice of material events, as set forth herein, shall automatically terminate if and when the Issuer no longer remains an obligated person with respect to the Series 2000-9 Bonds, which shall occur upon payment or redemption of the Series 2000-9 Bonds in full or upon the legal defeasance of the Series 2000-9 Bonds in accordance with the Indenture.

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage an agent to assist the Issuer in disseminating information hereunder (the "Dissemination Agent"). The Issuer may discharge any such Dissemination Agent with or without appointing a successor Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, without the consent of the Series 2000-9 Bondholders, under the following conditions:

- (a) The amendment or waiver may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the obligated person or type of business conducted;
- (b) This Disclosure Agreement, as amended or with the provision so waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver does not materially impair the interests of the holders of the Series 2000-9 Bonds, as determined either by parties unaffiliated with the Issuer (such as the Trustee for the Series 2000-9 Bonds or nationally recognized bond counsel), or by approving vote of the holders of the Series 2000-9 Bonds pursuant to the terms of the Indenture at the time of the amendment or waiver.

The Issuer shall provide notice of each amendment or waiver which changes the accounting principles followed by the Issuer in preparation of its annual financial information to each then existing NRMSIR or the MSRB and the SID, if any. The initial annual financial information provided by the Issuer after the amendment or waiver shall explain, in narrative form, the reasons for the amendment or waiver and the effect of the change, if any, in the type of operating data or financial information being provided.

Section 9. Default. This Disclosure Agreement is intended to be for the sole benefit of the holders of the Series 2000-9 Bonds (for such purpose beneficial owners of the Series 2000-9 Bonds shall also be considered holders of the Series 2000-9 Bonds) and shall create no rights in any other person or entity (except the Trustee, and then only as set forth below).

This Disclosure Agreement shall be enforceable by or on behalf of any such holder of the Series 2000-9 Bonds, provided that the right of any Bondholder to challenge the adequacy of the information furnished pursuant to this Disclosure Agreement shall be limited to an action by or on behalf of the holders of the Series 2000-9 Bonds

representing, at least a majority of the aggregate outstanding principal amount of the Series 2000-9 Bonds. This Disclosure Agreement is also enforceable on behalf of the holders of the Series 2000-9 Bonds by the Trustee, and the Trustee may, and upon the written direction of the owners of not less than a majority of the aggregate outstanding principal amount of the Series 2000-9 Bonds shall, proceed, subject to the indemnification and other provisions of the Indenture, to protect and enforce the rights of the owners of the Series 2000-9 Bonds pursuant to this Disclosure Agreement. Any failure by the Issuer to comply with the provisions of this Disclosure Agreement shall not be an Event of Default under the Indenture.

The Series 2000-9 Bondholders' and the Trustee's rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the Issuer's obligations under this Disclosure Agreement and the Issuer, its members, officers and employees shall incur no liability under this Disclosure Agreement by reason of any act or failure to act hereunder. Without limiting the generality of the foregoing and except as otherwise provided in the Indenture with respect to the Trustee, neither the commencement nor the successful completion of an action to compel performance under this Section shall entitle the Trustee or any other person to attorneys' fees, financial damages of any sort or any other relief other than an order or injunction compelling performance.

Section 10. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee and the holders of the Series 2000-9 Bonds (for such purpose beneficial owners of the Series 2000-9 Bonds shall also be considered holders of the Series 2000-9 Bonds) and shall create no rights in any other person or entity.

Section 11. Choice of Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Nebraska, provided that to the extent this Disclosure Agreement addresses matters of federal securities laws, including the Rule, this Disclosure Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

Section 12. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

NEBRASKA INVESTMENT FINANCE AUTHORITY

By _____
Executive Director



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