

Housing Financing Fund – Auction 10, 2007

The Housing Financing Fund has decided to auction HFF150914, HFF150224, HFF150434 and HFF150644. In this auction The Housing Financing Fund aims to accept bids up to ISK 5.000.000.000 at nominal value. The Housing Financing Fund reserves the right to increase the amount accepted and accept any bid or reject them all. According to primary dealership agreement between the Housing Financing Fund and Kaupthing, Glitnir Bank, Landsbanki Íslands, Straumur – Burðarás Investment Bank, MP Investment Bank and Saga Capital Investment Bank, these members will only have the right to bid in the auction.

Bids are hereby requested by the Housing Financing Fund in accordance with the following:

Issue amount:	5.000.000.000.
Min. bids:	See primary dealership agreement issued 14/6/2007
Maturity:	See prospectus issued 2004/06/28 and 2004/11/12
Date of issue:	See prospectus issued 2004/06/28 and 2004/11/12
Coupon dates:	See prospectus issued 2004/06/28 and 2004/11/12
Nominal interest rate:	Fixed 3,75%
Base index:	See prospectus issued 2004/06/28 and 2004/11/12
Unit value:	ISK 1 dematerialized bond in each issue.
Commission:	The Housing Financing Fund pays a commission of 0,15%
Price:	Bids should state the price with and without commission, the total amount, commission (in percentage) and yield.
Auction method:	The bids will be accepted in accordance with the American auction method.
Settlement of sales:	Settlement is December 19th, 2007

Bids shall be submitted to the Finance Division of the Housing Financing Fund, Höfðaborg, Borgartún 21, Reykjavík, Iceland before 09:00 hrs. on Thursday December 13th, 2007. All bids will be answered before 09.45 hrs. on Thursday December 13th, 2007.

Bids shall be submitted to the Housing Financing Fund enclosed in a sealed envelope. Bids may also be submitted by e-mail to fjarstyring@ils.is or by fax to (+354) 569-6890 on the bidding day after prior confirmation by telephone call to the Housing Financing Fund's Finance Division on tel. (+354) 569-6990.