

**NORTH CAROLINA HOUSING FINANCE AGENCY  
DISCLOSURE REPORT  
AS OF MARCH 31, 2007**

INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)  
BOND SERIES: SERIES 12

PAGE NO. 1-1998-12

SERIES DATE: 11/15/01

SERIES SOLD: 12/20/01

**NOTE: Refunded (1985 Single Family Resolution) Series RST, and Defeased 1976 Single Family Series A & B. See page 2.**

**GENERAL INFORMATION:**

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

Bonds Outstanding:	42,525,000	New Construction:	22.80%	Private	16.12%
Bond Yield	6.25%	Existing Home:	<u>77.20%</u>	FHA	64.66%
Mortgage Loan Prin Outstanding	28,026,084	Total	<u>100.00%</u>	VA	13.84%
Mortgage Rate(s)	4.99% - 13.00%			USDA	3.09%
Outstanding Commitments:	0			Guaranty Fund	0.00%
Uncommitted Lendable Funds:	0			Other	
		Fixed Rate Mortgages	100.00%	(less than 80.00 LTV)	<u>2.28%</u>
Average Purchase Price:	62,186	Graduated Prnt Mtgs	0.00%	Total	<u>100.00%</u>
Average Original Loan Amount:	60,003	Growing Equity Mtgs	0.00%		
Total No. of Loans Originated:	1,354	Variable Rate Mtgs	<u>0.00%</u>		
Total No. of Loans Paid Off:	740	Total	<u>100.00%</u>		
Total No. of Loans Outstanding:	614				

**Effective May 1, 2006**

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

Type of Housing:

Single Family Detached	93.32%
Condos/Townhouses	5.87%
Manufactured/Duplexes	<u>0.81%</u>
Total	<u>100.00%</u>

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

1998-12	
GEMICO	5.86%
MGIC	3.75%
RMIC	4.56%
UG	0.81%
PMI	0.33%
TRIAD	0.16%
RADIAN	<u>0.65%</u>
	<u>16.12%</u>

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

**POOL INSURANCE COVERAGE (DOLLARS IN THOUSANDS):**

None

**SELF-INSURANCE COVERAGE:**

Name of Self-Insurance Fund: Insurance Reserve Fund  
Series of Bonds Covered: 1998 Series 12

Current Funding Requirements:  
Total Dollar Amount (\$000) \$343  
As % of Initial Principal Amount  
of Mortgage Loans Purchased 2.22%  
Claims to Date 0

Maximum level of funding required over the life of the bonds (\$000) \$705

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

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

	%	#	%	\$
60 days	0.49%	3	0.28%	78,462
90 days	0.81%	5	0.76%	213,161
In Foreclosure	0.65%	4	0.59%	166,191

No. of Loans Foreclosed to Date since 1/1/87 Not available  
Foreclosed (Loss)/Gain to Date Not available  
Net of Insurance Proceeds (\$000) Not available

Real Estate Owned  
Number of Loans 0  
Outstanding Mtg Amount  
At time of Default \$0  
Current Balance \$0

**MORTGAGE LOAN SERVICERS:**

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

Servicer	# of Loans	% of Portfolio
Marsh	249	40.55%
BB&T	177	28.83%
RBC Centura	158	25.73%
Bank of America	26	4.24%
NCHFA	<u>4</u>	<u>0.65%</u>
Total	<u>614</u>	<u>100.00%</u>

Series	# of Loans	Mtg Rate
1998 SERIES 12	183	4.99%-5.99%
	140	6.00%-6.95%
	172	7.00%-7.75%
	103	9.75%
	<u>16</u>	13.00%
Total	<u>614</u>	

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BOND SERIES: SERIES 12

PAGE NO. 2-1998-12

**LIST OF BONDS BY MATURITY:**

CUSIP Number	Maturity Date	Bond Type	Interest Rate	Original Amount	Principal Matured	Principal Redemptions	Principal Outstanding	Bond Call Sequence (Note 1)
65820EU65	07/01/03	Serial	2.55%	\$580,000	\$515,000	\$65,000	\$0	2
65820EU73	07/01/04	Serial	2.90%	610,000	505,000	105,000	0	2
65820EU81	07/01/05	Serial	3.30%	640,000	480,000	160,000	0	2
65820EU99	07/01/06	Serial	3.55%	680,000	455,000	225,000	0	2
65820EV23	07/01/07	Serial	3.80%	710,000	0	265,000	445,000	2
65820EV31	07/01/08	Serial	4.10%	750,000	0	280,000	470,000	2
65820EV49	07/01/09	Serial	4.30%	790,000	0	290,000	500,000	2
65820EV56	07/01/10	Serial	4.45%	840,000	0	305,000	535,000	2
65820EV64	07/01/11	Serial	4.60%	880,000	0	315,000	565,000	2
6580EV72	07/01/12	Serial	4.65%	930,000	0	325,000	605,000	2
65820EV80	07/01/17	Term (Note 2)	5.05%	5,360,000	0	2,200,000	3,160,000	2
65820EU32	01/01/26	Term (Note 3)	4.38%	10,720,000	0	5,930,000	4,790,000	1
65820EU40	07/01/31	Term (Note 4)	5.45%	7,505,000	0	2,845,000	4,660,000	2
65820EU57	01/01/32	Term (Note 5)	5.45%	780,000	0	285,000	495,000	2
65820EV98	07/01/33	Term (Note 6)	5.35%	26,300,000	0	0	26,300,000	2
Total 1998 Series 12				\$58,075,000	\$1,955,000	\$13,595,000	\$42,525,000	

Note 1: See optional and special redemption provisions page 4-1998-12, (i.e. "1" denotes first call priority from prepayments).

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

Note 3: Sinking fund redemptions begin July 1, 2017.

Note 4: Sinking fund redemptions begin July 1, 2026.

Note 5: Sinking fund redemptions begin January 1, 2022.

**OPTIONAL REFUNDING TRANSACTION**

Home Ownership Revenue Bonds (1998 Resolution) on December 20, 2001 purchased 342 loans with a principal balance of \$7,446,181 from Single Family Revenue Bonds (1976 Resolution) Series A, 369 loans with a principal balance of \$8,840,783 from Series B, and loans from (1985 Resolution) Series RST with a principal balance of \$10,949,932 .

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AS OF MARCH 31, 2007**

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BOND SERIES: SERIES 12

PAGE NO. 3-1998-12

**LIST OF UNSCHEDULED REDEMPTIONS:**

Call Date	Call Amount	Type of Call	Source Of Funds
04/15/02	\$2,295,000	Pro rata	Prepayments
10/01/03	\$815,000	Supersinker	Prepayments
01/01/04	\$530,000	Supersinker	Prepayments
01/01/04	\$1,180,000	Pro rata	Prepayments
05/01/04	\$285,000	Supersinker	Prepayments
05/01/04	\$1,380,000	Pro rata	Prepayments
09/01/04	\$370,000	Supersinker	Prepayments
09/01/04	\$320,000	Pro rata	Prepayments
01/01/05	\$715,000	Supersinker	Prepayments
05/01/05	\$660,000	Supersinker	Prepayments
10/01/05	\$220,000	Supersinker	Prepayments
10/01/05	\$1,150,000	Pro rata	Prepayments
04/01/06	\$810,000	Supersinker	Prepayments
04/01/06	\$665,000	Pro rata	Prepayments
08/01/06	\$765,000	Supersinker	Prepayments
01/01/07	\$760,000	Supersinker	Prepayments
01/01/07	<u>\$675,000</u>	Pro rata	Prepayments
	<u>\$13,595,000</u>		

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AS OF MARCH 31, 2007**

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BOND SERIES: SERIES 12

PAGE NO. 4-1998-12

**Bond Call Information:**

**Special Redemption**

The 1998 Series 12 bonds may be redeemed in whole or in part on any date at the principal amount plus accrued interest to the date of redemption, from:

- (i) unexpended proceeds,
- (ii) prepayments of mortgage loans financed with the proceeds of the Series 12, including the existing mortgage loans,
- (iii) excess revenues transferred from the revenue reserve fund,
- (iv) moneys withdrawn from the debt service reserve fund in connection with an excess over the debt service reserve requirement, and
- (v) from prepayments of mortgage loans financed with proceeds from series of bonds issued other than the Series 12 bond and from certain moneys in excess of the debt service reserve requirement on deposit in the debt service reserve Fund ("Cross Call Redemption").

Prepayments on mortgage loans financed with the proceeds of the Series 12 bonds shall first be applied to the redemption or purchase of Series 12 Term bonds due January 1, 2026 during the periods up to the scheduled principal amounts set forth in the series resolution.

Moneys in excess of the debt service reserve requirement, from excess revenues in the revenue reserve fund and from cross call redemption sources shall be applied to the redemption of the Series 12 bonds in any manner. Moneys to be applied to redemption from prepayments in excess of the scheduled principal amounts shall be applied pro rata. However, the Agency may redeem on other than a pro rata basis, if the Agency files a notice with the Trustee together with a cash flow certificate.

**Optional Redemption**

The Series 12 bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after July 1, 2010, in whole, or in part, at the principal amount thereof plus accrued interest to the date of redemption, without premium.