

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF MARCH 31, 2009**

INDENTURE: SINGLE FAMILY REVENUE BONDS (1985 RESOLUTION)
BOND SERIES: SERIES UU/VV

PAGE NO. 1-1985UU/VV

SERIES DATE: 02/01/98

SERIES SOLD: 02/26/98

GENERAL INFORMATION:

Bonds Outstanding: 10,215,000
Bond Yield 5.12%
Mortgage Loan Prin Outstanding 10,232,914
Mortgage Rate(s) 6.15% - 6.65%
Outstanding Commitments: 0
Uncommitted Lendable Funds: 0

Average Purchase Price: 78,862
Average Original Loan Amount: 77,208
Total No. of Loans Originated: 547
Total No. of Loans Paid Off: 380
Total No. of Loans Outstanding: 167

LOAN PORTFOLIO CHARACTERISTICS (AS A % OF LOANS OUTSTANDING)

New Construction: 22.16%
Existing Home: 77.84%
Total 100.00%

Fixed Rate Mortgages 100.00%
Graduated Pmt Mtgs 0.00%
Growing Equity Mtgs 0.00%
Variable Rate Mtgs 0.00%
Total 100.00%

Private 0.00%
FHA 94.61%
VA 0.00%
USDA 5.39%
Guaranty Fund 0.00%
Other (less than 80.00 LTV) 0.00%
Total 100.00%

Effective May 1, 2006

Trustee: The Bank of New York Mellon
10161 Centurion Parkway
Jacksonville, FL 32256
(904) 645-1956
Contact: Christine Boyd

Type of Housing:
Single Family Detached 92.22%
Condos/Townhouses 7.78%
Manufactured/Duplexes 0.00%
Total 100.00%

Breakdown of Private Mortgage Insurers
(List by % of total portfolio):
1985UU/VV
GEMICO 0.00%
RMIC 0.00%
UG 0.00%
VEREX 0.00%
0.00%

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: Mortgage Deficiency Fund
Series of Bonds Covered: 1985 Series D through WW (excluding Series U/V)

Current Funding Requirements: (data is for 1985 Series UU/VV only):
Total Dollar Amount (\$000) Note 1
As % of Initial Principal Amount
of Mortgage Loans Purchased Note 1
Claims to Date 0

Maximum level of funding required over the life of the bonds (\$000) Note 1

DELINQUENCY STATISTICS (AS A % OF LOANS OUTSTANDING):

| | % | # |
|----------------|-------|---|
| 60 days | 0.00% | 0 |
| 90 days | 2.40% | 4 |
| In Foreclosure | 0.60% | 1 |

(AS % OF PRINCIPAL BALANCE OUTSTANDING):

| | % | \$ |
|--|-------|---------|
| | 0.00% | 0 |
| | 2.56% | 261,674 |
| | 0.54% | 55,708 |

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:

| Servicer | # of Loans | % of Portfolio |
|-----------------|------------|-----------------------|
| BB&T | 78 | 46.71% |
| RBC Centura | 56 | 33.53% |
| Marsh | 27 | 16.17% |
| Bank of America | 6 | <u>3.59%</u> |
| TOTAL | 167 | <u>100.00%</u> |

MORTGAGE LOAN RATES (BY BOND SERIES):

| Series | # of Loans | Mtg Rate |
|-------------------|------------|----------|
| 1985 SERIES UU/VV | 163 | 6.15% |
| | 4 | 6.65% |
| Total | 167 | |

Note 1: The provisions of the Mortgage Deficiency Fund were extended to Series UU and VV Bonds. However, additional funding was not required in consequence of the extension of such provisions.

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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) |
|-------------------------|---------------|--------------|---------------|-----------------|-------------------|-----------------------|-----------------------|-----------------------------|
| 65820ETU4 | 03/01/00 | Serial | 4.10% | \$345,000 | \$345,000 | | \$0 | 2 |
| 65820ETV2 | 09/01/00 | Serial | 4.10% | 350,000 | 350,000 | | 0 | 2 |
| 65820ETW0 | 03/01/01 | Serial | 4.20% | 365,000 | 365,000 | | 0 | 2 |
| 65820ETX8 | 09/01/01 | Serial | 4.20% | 365,000 | 365,000 | | 0 | 2 |
| 65820ETY6 | 03/01/02 | Serial | 4.30% | 380,000 | 380,000 | | 0 | 2 |
| 65820ETZ3 | 09/01/02 | Serial | 4.30% | 380,000 | 375,000 | 5,000 | 0 | 2 |
| 65820EUA6 | 03/01/03 | Serial | 4.40% | 395,000 | 390,000 | 5,000 | 0 | 2 |
| 65820EUB4 | 09/01/03 | Serial | 4.40% | 400,000 | 395,000 | 5,000 | 0 | 2 |
| 65820EUC2 | 03/01/04 | Serial | 4.50% | 410,000 | 400,000 | 10,000 | 0 | 2 |
| 65820EUD0 | 09/01/04 | Serial | 4.50% | 420,000 | 390,000 | 30,000 | 0 | 2 |
| 65820EUE8 | 03/01/05 | Serial | 4.60% | 430,000 | 385,000 | 45,000 | 0 | 2 |
| 65820EUF5 | 09/01/05 | Serial | 4.60% | 435,000 | 360,000 | 75,000 | 0 | 2 |
| 65820EUG3 | 03/01/06 | Serial | 4.65% | 450,000 | 370,000 | 80,000 | 0 | 2 |
| 65820EUH1 | 09/01/06 | Serial | 4.65% | 460,000 | 330,000 | 130,000 | 0 | 2 |
| 65820EUJ7 | 03/01/07 | Serial | 4.70% | 470,000 | 270,000 | 200,000 | 0 | 2 |
| 65820EUK4 | 09/01/07 | Serial | 4.70% | 480,000 | 275,000 | 205,000 | 0 | 2 |
| 65820ETL4 | 03/01/08 | Serial | 4.60% | 505,000 | 225,000 | 280,000 | 0 | 2 |
| 65820ETM2 | 09/01/08 | Serial | 4.60% | 520,000 | 220,000 | 300,000 | 0 | 2 |
| 65820ETN0 | 03/01/09 | Serial | 4.70% | 540,000 | 215,000 | 325,000 | 0 | 2 |
| 65820ETP5 | 09/01/09 | Serial | 4.70% | 540,000 | | 325,000 | 215,000 | 2 |
| 65820ETQ3 | 03/01/10 | Serial | 4.75% | 565,000 | | 335,000 | 230,000 | 2 |
| 65820ETR1 | 09/01/10 | Serial | 4.75% | 575,000 | | 345,000 | 230,000 | 2 |
| 65820ETS9 | 03/01/11 | Serial | 4.85% | 590,000 | | 355,000 | 235,000 | 2 |
| 65820ETT7 | 09/01/11 | Serial | 4.85% | 605,000 | | 360,000 | 245,000 | 2 |
| 65820EUL2 | 03/01/17 | Term(Note 2) | 5.25% | 7,475,000 | | 4,520,000 | 2,955,000 | 2 |
| 65820EUM0 | 09/01/22 | Term(Note 3) | 4.60% | 9,625,000 | | 9,625,000 | 0 | 1 |
| 65820EUN8 | 09/01/28 | Term(Note 4) | 5.35% | 14,120,000 | | 9,005,000 | 5,115,000 | 2 |
| 65820EUP3 | 09/01/29 | Term(Note 5) | 5.35% | 2,805,000 | | 1,815,000 | 990,000 | 2 |
| Total 1985 Series UU/VV | | | | \$45,000,000 | \$6,405,000 | \$28,380,000 | \$10,215,000 | |

Note 1: See optional and special redemption provisions beginning on page 4-1985UUVV. (i.e. "1" denotes first call priority from prepayments.)

Note 2: Sinking fund redemption begins March 1, 2012.

Note 3: Sinking fund redemption begins September 1, 2017.

Note 4: Sinking fund redemption begins March 1, 2023.

Note 5: Sinking fund redemption begins March 1, 2029.

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LIST OF UNSCHEDULED REDEMPTIONS:

| Call Date | Call Amount | Type of Call | Source Of Funds |
|--------------|----------------------------|--------------|----------------------|
| 05/01/99 | \$125,000 | Supersinker | Prepayments |
| 12/15/99 | 495,000 | Supersinker | Prepayments |
| 05/01/00 | 405,000 | Supersinker | Prepayments |
| 07/01/00 | 145,000 | Supersinker | Prepayments |
| 01/01/01 | 1,405,000 | Supersinker | Prepayments |
| 06/01/01 | 490,000 | Supersinker | Prepayments |
| 10/01/01 | 1,635,000 | Supersinker | Prepayments |
| 01/01/02 | 1,240,000 | Supersinker | Prepayments |
| 04/15/02 | 140,000 | Supersinker | Prepayments |
| 04/15/02 | 465,000 | Pro rata | Prepayments |
| 04/15/02 | 20,000 | Pro rata | Debt Service Reserve |
| 07/0/02 | 885,000 | Supersinker | Prepayments |
| 01/01/03 | 435,000 | Supersinker | Prepayments |
| 06/01/03 | 1,215,000 | Supersinker | Prepayments |
| 06/01/03 | 150,000 | Pro rata | Prepayments |
| 06/01/03 | 5,000 | Pro rata | Debt Service Reserve |
| 06/01/03 | 260,000 | Pro rata | Prepayments |
| 10/01/03 | 990,000 | Supersinker | Prepayments |
| 10/01/03 | 15,000 | Pro rata | Debt Service Reserve |
| 10/01/03 | 20,000 | Supersinker | Prepayments |
| 10/01/03 | 380,000 | Pro rata | Prepayments |
| 01/01/04 | 470,000 | Pro rata | Prepayments |
| 05/01/04 | 640,000 | Pro rata | Prepayments |
| 09/01/04 | 1,185,000 | Pro rata | Prepayments |
| 09/01/04 | 125,000 | Pro rata | Debt Service Reserve |
| 01/01/05 | 955,000 | Pro rata | Prepayments |
| 01/01/05 | 50,000 | Pro rata | Debt Service Reserve |
| 05/01/05 | 1,020,000 | Pro rata | Prepayments |
| 05/01/05 | 50,000 | Pro rata | Debt Service Reserve |
| 10/01/05 | 335,000 | Pro rata | Prepayments |
| 04/01/06 | 2,760,000 | Pro rata | Prepayments |
| 04/01/06 | 155,000 | Pro rata | Debt Service Reserve |
| 08/01/06 | 3,645,000 | Pro rata | Prepayments |
| 08/01/06 | 195,000 | Pro rata | Debt Service Reserve |
| 01/01/07 | 790,000 | Pro rata | Prepayments |
| 01/01/07 | 50,000 | Pro rata | Debt Service Reserve |
| 05/01/07 | 85,000 | Pro rata | Prepayments |
| 05/01/07 | 5,000 | Pro rata | Debt Service Reserve |
| 11/01/07 | 3,425,000 | Pro rata | Prepayments |
| 11/01/07 | 180,000 | Pro rata | Debt Service Reserve |
| 02/01/08 | 480,000 | Pro rata | Prepayments |
| 02/01/08 | 35,000 | Pro rata | Debt Service Reserve |
| 07/01/08 | 285,000 | Pro rata | Prepayments |
| 1/1/09 | 495,000 | Pro rata | Prepayments |
| 1/1/09 | <u>45,000</u> | Pro rata | Debt Service Reserve |
| TOTAL | <u>\$28,380,000</u> | | |

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Bond Call Information:

Special Redemption

The 1985 Series UU and VV 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) excess revenues transferred from the revenue reserve fund,
- (iii) prepayments of mortgage loans financed with the proceeds of the Series UU and VV bonds,
- (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 subsequent to the Series D bonds other than the Series UU and VV bonds 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 UU and VV bonds, shall first be applied to the redemption or purchase of Series VV Term bonds due September 1, 2024 during the periods up to the scheduled principal amounts set forth in the series resolution.

Moneys in excess of the debt service reserve requirement shall be applied to the redemption of the series UU and VV bonds in any manner. Moneys to be applied to redemption from excess revenues in the revenue reserve fund, from prepayments in excess of the scheduled principal amounts or from cross call redemption sources, 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 UU and VV bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after March 1, 2007, in whole or in part, on any date, at the following redemption prices, plus accrued interest to the date of redemption:

| Period (Both Dates Inclusive) | Redemption Price (Expressed as a Percentage) |
|--|---|
| March 1, 2008 to February 28, 2009 | 101.00% |
| March 1, 2009 to February 28, 2010 | 100.50% |
| March 1, 2010 and thereafter | 100.00% |