

**NORTH CAROLINA HOUSING FINANCE AGENCY  
DISCLOSURE REPORT  
AS OF MARCH 31, 2012**

**INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)  
BOND SERIES: 03**

**GENERAL MORTGAGE LOAN INFORMATION**

Mortgage Loan Prin Outstanding: \$16,513,408  
Mortgage Rates: 5.750% - 6.950%

Average Purchase Price: \$82,086  
Average Original Loan Amount: \$79,888

Total No. of Loans Originated: 777  
Total No. of Loans Paid Off: 506  
Total No. of Loans Outstanding: 271

**PROGRAM**

P.O. Box 28066  
Raleigh, NC 27611-8066  
(919) 877-5700  
Contacts:  
Rob Ruscak, Manager of Home Ownership Production  
Elizabeth Rozakis, Chief Financial Officer

**TRUSTEE**

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

**LOAN PORTFOLIO CHARACTERISTICS (AS OF PERCENTAGE OF LOANS OUTSTANDING)**

All loans are 30-year fixed-rate loans.

| <u>Loan Type:</u> | <u># of Loans</u> | <u>%</u>       |
|-------------------|-------------------|----------------|
| CONV              | 2                 | 0.74%          |
| FHA               | 243               | 89.66%         |
| VA                | 6                 | 2.22%          |
| USDA              | 20                | 7.38%          |
| HUD-184           | 0                 | 0.00%          |
| Guaranty Fund     | 0                 | 0.00%          |
| Other (< 80%LTV)  | 0                 | 0.00%          |
| <b>Total</b>      | <b>271</b>        | <b>100.00%</b> |

| <u>Private Mortgage Insurers:</u> | <u># of Loans</u> | <u>%</u>     |
|-----------------------------------|-------------------|--------------|
| MGIC                              | 1                 | 0.37%        |
| RMIC                              | 1                 | 0.37%        |
| <b>Total</b>                      | <b>2</b>          | <b>0.74%</b> |

| <u>New/Existing:</u> | <u># of Loans</u> | <u>%</u>       |
|----------------------|-------------------|----------------|
| New Construction     | 76                | 28.04%         |
| Existing Home        | 195               | 71.96%         |
| <b>Total</b>         | <b>271</b>        | <b>100.00%</b> |

| <u>Type of Housing:</u> | <u># of Loans</u> | <u>%</u>       |
|-------------------------|-------------------|----------------|
| Single Family Detached  | 254               | 93.73%         |
| Condominium             | 9                 | 3.32%          |
| Townhouse               | 7                 | 2.58%          |
| Manufactured Home       | 1                 | 0.37%          |
| <b>Total</b>            | <b>271</b>        | <b>100.00%</b> |

**DELINQUENCY STATISTICS**

| <u>Loans Outstanding:</u> | <u># of Loans</u> | <u>%</u> |
|---------------------------|-------------------|----------|
| 60 days                   | 9                 | 3.32%    |
| 90 days                   | 3                 | 1.11%    |
| In Foreclosure            | 2                 | 0.74%    |
| REO (Conv, USDA)          | 0                 | 0.00%    |
| <b>Total</b>              | <b>14</b>         |          |

| <u>Principal Outstanding:</u> | <u>\$ of Loans</u> | <u>%</u> |
|-------------------------------|--------------------|----------|
| 60 days                       | \$593,427          | 3.59%    |
| 90 days                       | \$218,862          | 1.33%    |
| In Foreclosure                | \$117,315          | 0.71%    |
| REO (Conv, USDA)              | \$0                | 0.00%    |
| <b>Total</b>                  | <b>\$929,604</b>   |          |

**SERVICER AND MORTGAGE LOAN DATA**

| <u>Servicers:</u>     | <u># of Loans</u> | <u>%</u>       |
|-----------------------|-------------------|----------------|
| BB&T                  | 64                | 23.62%         |
| PNC                   | 114               | 42.06%         |
| Bank of America       | 9                 | 3.32%          |
| Marsh Associates Inc. | 80                | 29.52%         |
| US Bank Home Mortgage | 4                 | 1.48%          |
| <b>Total</b>          | <b>271</b>        | <b>100.00%</b> |

| <u>Mortgage Rates (%):</u> | <u># of Loans</u> |
|----------------------------|-------------------|
| 6.95                       | 4                 |
| 6.65                       | 67                |
| 5.99                       | 6                 |
| 5.75                       | 194               |
| <b>Total</b>               | <b>271</b>        |

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INDEPENDENT SINGLE FAMILY REVENUE BONDS 1998 RESOLUTION  
BOND SERIES SERIES 03

PAGE NO. 2-1998-03

POOL INSURANCE COVERAGE (DOLLARS IN THOUSANDS) None

SELF-INSURANCE COVERAGE: Name of Self-Insurance Fund: Insurance Reserve Fund  
Series of Bonds Covered: 1998 Series 03

Current Funding Requirements:  
Total Dollar Amount (\$000) \$285  
As % of Initial Principal Amount  
of Mortgage Loans Purchased 1.73%  
Claims to Date 0

Maximum level of funding required over the life of the bonds (\$000) \$775

**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) |
|---------------------|---------------|---------------|---------------|-----------------|-------------------|-----------------------|-----------------------|-----------------------------|
| 65820EXK1           | 01/01/01      | Serial        | 3.600%        | \$520,000       | \$520,000         | \$0                   | 0                     | 2                           |
| 65820EXL9           | 07/01/01      | Serial        | 3.600%        | 535,000         | 535,000           | 0                     | 0                     | 2                           |
| 65820EXM7           | 01/01/02      | Serial        | 3.800%        | 540,000         | 540,000           | 0                     | 0                     | 2                           |
| 65820EXN5           | 07/01/02      | Serial        | 3.800%        | 555,000         | 555,000           | 0                     | 0                     | 2                           |
| 65820EXP0           | 01/01/03      | Serial        | 3.900%        | 565,000         | 565,000           | 0                     | 0                     | 2                           |
| 65820EXQ8           | 07/01/03      | Serial        | 3.900%        | 575,000         | 575,000           | 0                     | 0                     | 2                           |
| 65820EXR6           | 01/01/04      | Serial        | 4.000%        | 595,000         | 595,000           | 0                     | 0                     | 2                           |
| 65820EXS4           | 07/01/04      | Serial        | 4.000%        | 595,000         | 595,000           | 0                     | 0                     | 2                           |
| 65820EXT2           | 01/01/05      | Serial        | 4.100%        | 610,000         | 560,000           | 50,000                | 0                     | 2                           |
| 65820EXU9           | 07/01/05      | Serial        | 4.100%        | 625,000         | 565,000           | 60,000                | 0                     | 2                           |
| 65820EXV7           | 01/01/06      | Serial        | 4.200%        | 640,000         | 540,000           | 100,000               | 0                     | 2                           |
| 65820EXW5           | 07/01/06      | Serial        | 4.200%        | 650,000         | 490,000           | 160,000               | 0                     | 2                           |
| 65820EXX3           | 01/01/07      | Serial        | 4.300%        | 665,000         | 480,000           | 185,000               | 0                     | 2                           |
| 65820EYB0           | 07/01/07      | Serial        | 4.100%        | 665,000         | 445,000           | 220,000               | 0                     | 2                           |
| 65820EYC8           | 01/01/08      | Serial        | 4.250%        | 675,000         | 420,000           | 255,000               | 0                     | 2                           |
| 65820EYD6           | 07/01/08      | Serial        | 4.250%        | 695,000         | 420,000           | 275,000               | 0                     | 2                           |
| 65820EYE4           | 01/01/09      | Serial        | 4.350%        | 705,000         | 420,000           | 285,000               | 0                     | 2                           |
| 65820EYF1           | 07/01/09      | Serial        | 4.350%        | 720,000         | 405,000           | 315,000               | 0                     | 2                           |
| 65820EYG9           | 01/01/10      | Serial        | 4.450%        | 735,000         | 400,000           | 335,000               | 0                     | 2                           |
| 65820EYH7           | 07/01/10      | Serial        | 4.450%        | 755,000         | 380,000           | 375,000               | 0                     | 2                           |
| 65820EYJ3           | 01/01/11      | Serial        | 4.550%        | 770,000         | 380,000           | 390,000               | 0                     | 2                           |
| 65820EYK0           | 07/01/11      | Serial        | 4.550%        | 785,000         | 360,000           | 425,000               | 0                     | 2                           |
| 65820EY1            | 01/01/19      | Term (Note 2) | 5.150%        | 14,700,000      | 365,000           | 8,115,000             | 6,220,000             | 2                           |
| 65820EXZ8           | 01/01/24      | Term (Note 3) | 4.550%        | 13,255,000      | 0                 | 13,255,000            | 0                     | 1                           |
| 65820EYL8           | 07/01/26      | Term (Note 4) | 5.200%        | 6,870,000       | 0                 | 3,840,000             | 3,030,000             | 2                           |
| 65820EYA2           | 07/01/30      | Term (Note 5) | 5.200%        | 16,000,000      | 0                 | 9,330,000             | 6,670,000             | 2                           |
| Total 1998 Series 3 |               |               |               | \$65,000,000    | \$11,110,000      | \$37,970,000          | \$15,920,000          |                             |

Note 1: See optional and special redemption provisions page 4-98-03, (i.e. "\*" denotes first call priority from prepayments).

Note 2: Sinking fund redemptions begin January 1, 2019.

Note 3: Sinking fund redemptions begin January 1, 2024.

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

Note 5: Sinking fund redemptions begin July 1, 2030.

NORTH CAROLINA HOUSING FINANCE AGENCY  
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INDENTURE: . . . . . SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION) . . . . .  
BOND SERIES: . . . . . SERIES D3 . . . . .

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LIST OF UNSCHEDULED REDEMPTIONS: . . . . .

| Call Date | Call Amount         | Type of Call | Source Of Funds      |
|-----------|---------------------|--------------|----------------------|
| 05/01/00  | \$100,000           | Supersinker  | Prepayments          |
| 05/01/00  | 10,000              | Pro rata     | Debt Service Reserve |
| 01/01/01  | 775,000             | Supersinker  | Prepayments          |
| 01/01/01  | 15,000              | Pro rata     | Debt Service Reserve |
| 06/01/01  | 425,000             | Supersinker  | Prepayments          |
| 06/01/01  | 30,000              | Pro rata     | Debt Service Reserve |
| 10/01/01  | 680,000             | Supersinker  | Prepayments          |
| 10/01/01  | 15,000              | Pro rata     | Debt Service Reserve |
| 01/01/02  | 1,005,000           | Supersinker  | Prepayments          |
| 01/01/02  | 30,000              | Pro rata     | Debt Service Reserve |
| 04/15/02  | 140,000             | Supersinker  | Prepayments          |
| 04/15/02  | 5,000               | Pro rata     | Debt Service Reserve |
| 07/01/02  | 510,000             | Supersinker  | Prepayments          |
| 07/01/02  | 20,000              | Pro rata     | Debt Service Reserve |
| 01/01/03  | 1,485,000           | Supersinker  | Prepayments          |
| 06/01/03  | 2,115,000           | Supersinker  | Prepayments          |
| 10/01/03  | 10,000              | Supersinker  | Prepayments          |
| 10/01/03  | 95,000              | Pro rata     | Debt Service Reserve |
| 10/01/03  | 1,600,000           | Supersinker  | Prepayments          |
| 01/01/04  | 1,550,000           | Supersinker  | Prepayments          |
| 05/01/04  | 480,000             | Supersinker  | Prepayments          |
| 05/01/04  | 3,270,000           | Pro rata     | Prepayments          |
| 09/01/04  | 1,015,000           | Supersinker  | Prepayments          |
| 09/01/04  | 435,000             | Pro rata     | Prepayments          |
| 09/01/04  | 195,000             | Pro rata     | Debt Service Reserve |
| 01/01/05  | 1,365,000           | Supersinker  | Prepayments          |
| 01/01/05  | 840,000             | Pro rata     | Prepayments          |
| 01/01/05  | 45,000              | Pro rata     | Debt Service Reserve |
| 05/01/05  | 2,760,000           | Pro rata     | Prepayments          |
| 05/01/05  | 70,000              | Pro rata     | Debt Service Reserve |
| 10/01/05  | 335,000             | Pro rata     | Prepayments          |
| 04/01/06  | 3,875,000           | Pro rata     | Prepayments          |
| 04/01/06  | 95,000              | Pro rata     | Debt Service Reserve |
| 08/01/06  | 1,120,000           | Pro rata     | Prepayments          |
| 08/01/06  | 35,000              | Pro rata     | Debt Service Reserve |
| 01/01/07  | 2,155,000           | Pro rata     | Prepayments          |
| 01/01/07  | 55,000              | Pro rata     | Debt Service Reserve |
| 05/01/07  | 1,020,000           | Pro rata     | Prepayments          |
| 05/01/07  | 30,000              | Pro rata     | Debt Service Reserve |
| 11/01/07  | 1,190,000           | Pro rata     | Prepayments          |
| 11/01/07  | 35,000              | Pro rata     | Debt Service Reserve |
| 02/01/08  | 675,000             | Pro rata     | Prepayments          |
| 02/01/08  | 15,000              | Pro rata     | Debt Service Reserve |
| 07/01/08  | 250,000             | Pro rata     | Prepayments          |
| 01/01/09  | 1,385,000           | Pro rata     | Prepayments          |
| 01/01/09  | 55,000              | Pro rata     | Debt Service Reserve |
| 07/01/09  | 555,000             | Pro rata     | Prepayments          |
| 07/01/09  | 20,000              | Pro rata     | Debt Service Reserve |
| 01/01/10  | 1,045,000           | Pro rata     | Prepayments          |
| 01/01/10  | 30,000              | Pro rata     | Debt Service Reserve |
| 06/01/10  | 710,000             | Pro rata     | Prepayments          |
| 06/01/10  | 15,000              | Pro rata     | Debt Service Reserve |
| 12/01/10  | 620,000             | Pro rata     | Prepayments          |
| 12/01/10  | 20,000              | Pro rata     | Debt Service Reserve |
| 06/01/11  | 935,000             | Pro rata     | Prepayments          |
| 06/01/11  | 30,000              | Pro rata     | Debt Service Reserve |
| 12/01/11  | 560,000             | Pro rata     | Prepayments          |
| 12/01/11  | <u>15,000</u>       | Pro rata     | Debt Service Reserve |
| TOTAL     | <u>\$37,970,000</u> |              |                      |

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INDEPENDENT SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION) SERIES 3

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Bond Call Information

Special Redemption

- The 1998 Series 3 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 3, and
  - (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 3 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 3 bonds shall first be applied to the redemption or purchase of Series 3 Term bonds due January 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 and from excess revenues in the revenue reserve fund shall be applied to the redemption of the Series 3 bonds in any manner. Moneys to be applied to redemption 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 3 bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after January 1, 2009, either as a whole, on any date, or in part, on any interest payment date, at the following redemption prices, plus accrued interest to the date of redemption.

| Period<br>(Both Dates Inclusive)    | Redemption Price<br>(Expressed as a Percentage) |
|-------------------------------------|---|
| January 1, 2009 - December 31, 2009 | 101.00%   |
| January 1, 2010 and thereafter      | 100.00%   |