

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

**INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)
BOND SERIES: 10**

GENERAL MORTGAGE LOAN INFORMATION

Mortgage Loan Prin Outstanding: \$16,518,105
Mortgage Rates: 4.750% - 8.375%

Average Purchase Price: \$89,904
Average Original Loan Amount: \$83,566

Total No. of Loans Originated: 968
Total No. of Loans Paid Off: 695
Total No. of Loans Outstanding: 273

PROGRAM

P.O. Box 28066
Raleigh, NC 27611-8066
(919) 877-5700
Contacts:
Rob Rusczak, 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	7	2.56%
FHA	249	91.21%
VA	4	1.47%
USDA	8	2.93%
HUD-184	0	0.00%
Guaranty Fund	0	0.00%
Other (< 80%LTV)	5	1.83%
Total	273	100.00%

<u>Private Mortgage Insurers:</u>	<u># of Loans</u>	<u>%</u>
GENWORTH	6	2.20%
RADIAN GUARANTY INC.	1	0.37%
Total	7	2.56%

<u>New/Existing:</u>	<u># of Loans</u>	<u>%</u>
New Construction	71	26.01%
Existing Home	202	73.99%
Total	273	100.00%

<u>Type of Housing:</u>	<u># of Loans</u>	<u>%</u>
Single Family Detached	240	87.91%
Condominium	16	5.86%
Townhouse	11	4.03%
Manufactured Home	6	2.20%
Total	273	100.00%

DELINQUENCY STATISTICS

<u>Loans Outstanding:</u>	<u># of Loans</u>	<u>%</u>
60 days	10	3.66%
90 days	7	2.56%
In Foreclosure	2	0.73%
REO (Conv, USDA)	0	0.00%
Total	19	

<u>Principal Outstanding:</u>	<u>\$ of Loans</u>	<u>%</u>
60 days	\$603,027	3.65%
90 days	\$323,707	1.96%
In Foreclosure	\$106,370	0.64%
REO (Conv, USDA)	\$0	0.00%
Total	\$1,033,103	

SERVICER AND MORTGAGE LOAN DATA

<u>Servicers:</u>	<u># of Loans</u>	<u>%</u>
Marsh Associates Inc.	85	31.14%
BB&T	87	31.87%
Bank of America	17	6.23%
PNC	79	28.93%
NC Housing Finance Agency	1	0.37%
US Bank Home Mortgage	4	1.46%
Total	273	100.00%

<u>Mortgage Rates (%):</u>	<u># of Loans</u>
8.375	62
8.15	81
7.9	18
6.25	4
6	9
5.99	87
5.875	2
4.75	10
Total	273

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POD INSURANCE COVERAGE (DOLLARS IN THOUSANDS): None

SELF-INSURANCE COVERAGE: Name of Self-Insurance Fund: Insurance Reserve Fund
Series of Bonds Covered: 1998 Series 10

Current Funding Requirements:
Total Dollar Amount (\$000) \$0
As % of Initial Principal Amount
of Mortgage Loans Purchased 0.00%
Claims to Date 0

NOTE: Funded by Ambac surety bond for \$745,000

Maximum level of funding required over the life of the bonds (\$000) \$745

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)
65820EQ52	07/01/03	Serial	3.45%	\$770,000	\$675,000	\$95,000	\$0	2
65820EQ60	07/01/04	Serial	3.60%	1,605,000	1,300,000	305,000	0	2
65820EQ78	07/01/05	Serial	3.70%	1,700,000	1,235,000	465,000	0	2
65820EQ86	07/01/06	Serial	3.80%	1,795,000	1,190,000	605,000	0	2
65820EQ94	07/01/07	Serial	3.95%	1,905,000	1,270,000	635,000	0	2
65820ER28	07/01/08	Serial	4.05%	2,015,000	1,320,000	695,000	0	2
65820ER36	07/01/09	Serial	4.15%	2,130,000	1,335,000	795,000	0	2
65820ER44	07/01/10	Serial	4.25%	2,255,000	1,300,000	955,000	0	2
65820ER51	07/01/11	Serial	4.35%	2,390,000	1,235,000	1,155,000	0	2
65820ER69	07/01/12	Serial	4.50%	2,530,000	0	1,355,000	1,175,000	2
65820ER77	07/01/15	Term (Note 2)	4.90%	7,145,000	0	3,930,000	3,215,000	2
65820EQ29	01/01/20	Term (Note 3)	4.30%	17,210,000	0	17,210,000	0	1
65820EQ37	07/01/32	Term (Note 4)	5.40%	11,550,000	0	6,920,000	4,630,000	2
65820EQ45	01/01/33	Term (Note 5)	5.40%	5,000,000	0	3,510,000	1,490,000	2
Total 1998 Series 10				\$60,000,000	\$10,860,000	\$38,630,000	\$10,510,000	

Note 1: See optional and special redemption provisions page 4-1998-10, (i.e. "1" denotes first call priority from prepayments).

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

Note 3: Sinking fund redemptions begin July 1, 2015.

Note 4: Sinking fund redemptions begin July 1, 2020.

Note 5: Sinking fund redemptions begin July 1, 2020.

OPTIONAL REFUNDING TRANSACTION:

Home Ownership Revenue Bonds (1998 Resolution) on April 26, 2001 purchased 170 loans with a principal balance of \$7,125,225 from Single Family Revenue Bonds (1985 Resolution) Series J/K, 313 loans with a principal balance of \$13,780,817 from Series L/M, and 277 loans with a principal balance of 12,150,501 from Series N/O.

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LIST OF UNSCHEDULED REDEMPTIONS:

Call Date	Call Amount	Type of Call	Source Of Funds
10/01/01	\$1,035,000	Supersinker	Prepayments
10/01/01	840,000	Pro rata	Prepayments
01/01/02	1,865,000	Pro rata	Prepayments
04/15/02	2,305,000	Pro rata	Prepayments
07/01/02	1,040,000	Supersinker	Prepayments
07/01/02	70,000	Pro rata	Prepayments
01/01/03	1,125,000	Supersinker	Prepayments
01/01/03	695,000	Pro rata	Prepayments
06/01/03	435,000	Pro rata	Prepayments
06/01/03	2,125,000	Pro rata	Prepayments
10/01/03	475,000	Supersinker	Prepayments
10/01/03	785,000	Supersinker	Prepayments
10/01/03	580,000	Pro rata	Prepayments
01/01/04	1,395,000	Supersinker	Prepayments
01/01/04	645,000	Pro rata	Prepayments
05/01/04	895,000	Supersinker	Prepayments
05/01/04	2,475,000	Pro rata	Prepayments
09/01/04	615,000	Supersinker	Prepayments
09/01/04	1,275,000	Pro rata	Prepayments
01/01/05	1,585,000	Supersinker	Prepayments
01/01/05	145,000	Pro rata	Prepayments
05/01/05	1,560,000	Supersinker	Prepayments
05/01/05	495,000	Pro rata	Prepayments
10/01/05	720,000	Pro rata	Prepayments
04/01/06	1,500,000	Supersinker	Prepayments
04/01/06	1,460,000	Pro rata	Prepayments
08/01/06	735,000	Supersinker	Prepayments
01/01/07	1,735,000	Supersinker	Prepayments
05/01/07	760,000	Supersinker	Prepayments
11/01/07	890,000	Supersinker	Prepayments
11/01/07	420,000	Pro rata	Prepayments
02/01/08	825,000	Supersinker	Prepayments
07/01/08	255,000	Supersinker	Prepayments
07/01/08	280,000	Pro rata	Prepayments
01/01/09	440,000	Pro rata	Prepayments
07/01/09	475,000	Pro rata	Prepayments
01/01/10	700,000	Pro rata	Prepayments
06/01/10	325,000	Pro rata	Prepayments
12/01/10	210,000	Pro rata	Prepayments
06/01/11	1,375,000	Pro rata	Prepayments
12/01/11	<u>1,065,000</u>	Pro rata	Prepayments
TOTAL	<u>\$38,630,000</u>		

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Bond Call Information:

Special Redemption:

The 1998 Series 10 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 10, and
- (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 10 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 10 bonds shall first be applied to the redemption or purchase of Series 10 Term bonds due January 1, 2020 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 10 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 10 bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after July 1, 2010, either as a whole, on any date, or in part, at the principal amount thereof plus accrued interest to the date of redemption, without premium.

Additional Information

The Trust Agreement provides that the Debt Service Reserve Fund and the Insurance Reserve Fund may be funded by cash, investment obligations or a "Reserve Alternative Instrument". The Trust Agreement defines a "Reserve Alternative Instrument" as an insurance policy, surety bond, irrevocable letter of credit, guaranty or similar instrument of a provider that is, at the time the Reserve Alternative Instrument is delivered to the Trustee (a) an insurer whose long term debt or claims paying ability has been assigned a rating by each Rating Agency in one of the two highest rating categories (without regard to gradations, such as "plus" or "minus," of such categories), or (b) a commercial bank, insurance company or other financial institution the bonds payable or guaranteed by which are assigned a rating by each Rating Agency in one of the two highest rating categories (without regard gradations such as "plus" or "minus" of such categories). The portion of the Debt Service Reserve Fund for the Series 10 Bonds, the Series 12 Bonds and the Series 14 Bonds was provided by surety bond insurance policies issued by Ambac Assurance Corporation ("Ambac Assurance"). As of June 30, 2008, the coverage provided by such surety bonds is equal to 2% of the outstanding principal of each respective Series of Bonds and equals \$2,076,300. In addition, the Insurance Reserve Requirement for the Series 9 Bonds, the Series 10 Bonds, the Series 11 Bonds and the Series 14 Bonds was provided by separate surety bond insurance policies issued by Ambac Assurance. As of June 30, 2008, the coverage provided by such surety bonds was \$1,339,000.

At the time the respective surety bond insurance policies referenced above were issued, Ambac Assurance had credit ratings meeting the requirements of the Trust Agreement, thus in any event the surety bond insurance policies issued by Ambac will continue to meet the requirements of the Trust Agreement.

On November 5, 2008, Moody's Investors Service announced that it had downgraded the insurance financial strength of Ambac Assurance from Aa3 to Baa1. Ambac's insurance financial strength is now rated CC with negative outlook by Standard & Poor's. Any explanation of the significance of such ratings may be obtained from Moody's Investor Service or Standard & Poor's.