

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF SEPTEMBER 30, 2006**

INDENTURE: SINGLE FAMILY REVENUE BONDS (1985 RESOLUTION)
BOND SERIES: SERIES S/T

PAGE NO. 1-1985ST

SERIES DATE: 12/01/91

SERIES SOLD: 12/19/91

NOTE: Refunded (1985 Single Family Resolution Series R) See page 2.

GENERAL INFORMATION:

Bonds Outstanding: 0
Bond Yield 6.84%
Mortgage Loan Prin Outstanding 7,387,765
Mortgage Rate(s) 6.95%
Outstanding Commitments: 0
Uncommitted Lendable Funds: 0

Average Purchase Price: 58,621
Average Original Loan Amount: 57,451
Total No. of Loans Originated: 1,919
Total No. of Loans Paid Off: 1,741
Total No. of Loans Outstanding: 178

LOAN PORTFOLIO CHARACTERISTICS (AS A % OF LOANS OUTSTANDING)

New Construction: 23.60%
Existing Home: 76.40%
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 100.00%
VA 0.00%
Self Insured 0.00%
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 Trust Company, NA
10161 Centurion Parkway
Jacksonville, FL 32256
(904) 645-1956
Contact: Christine Boyd

Type of Housing:
Single Family Detached 88.77%
Condos/Townhouses 10.11%
Manufactured/Duplexes 1.12%
Total 100.00%

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

1985R/S/T
GEMICO 0.00%
RMIC 0.00%
MGIC 0.00%
VEREX 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 RST only):
Total Dollar Amount (\$000) \$721
As % of Initial Principal Amount of Mortgage Loans Purchased 1.125%
Claims to Date 0

Maximum level of funding required over the life of the bonds (\$000) \$1,451

DELINQUENCY STATISTICS (AS A % OF LOANS OUTSTANDING):

	%	#
60 days	2.25%	4
90 days	0.56%	1
In Foreclosure	0.00%	0

(AS % OF PRINCIPAL BALANCE OUTSTANDING):

	%	\$
	2.38%	176,154
	0.56%	41,564
	0.00%	0

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	94	52.81%
Marsh	57	32.02%
Bank of America	27	15.17%
TOTAL	178	100.00%

MORTGAGE LOAN RATES (BY BOND SERIES):

Series	# of Loans	Mtg Rate
1985 SERIES R/S/T	178	6.95%
Total	178	

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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)
65820C32	03/01/93	Serial	4.90%	\$520,000	\$520,000		\$0	
65820C40	09/01/93	Serial	4.90%	530,000	530,000		0	
65820C57	03/01/94	Serial	5.20%	545,000	530,000	15,000	0	
65820C65	09/01/94	Serial	5.20%	560,000	545,000	15,000	0	2
65820C73	03/01/95	Serial	5.40%	570,000	555,000	15,000	0	2
65820C81	09/01/95	Serial	5.40%	585,000	570,000	15,000	0	2
65820C99	03/01/96	Serial	5.60%	605,000	590,000	15,000	0	2
65820D23	09/01/96	Serial	5.60%	620,000	595,000	25,000	0	2
65820D31	03/01/97	Serial	5.70%	635,000	590,000	45,000	0	2
65820D49	09/01/97	Serial	5.70%	655,000	605,000	50,000	0	2
65820D56	03/01/98	Serial	5.85%	675,000	595,000	80,000	0	2
65820D64	09/01/98	Serial	5.85%	695,000	600,000	95,000	0	2
65820D72	03/01/99	Serial	6.00%	715,000	595,000	120,000	0	2
65820D80	09/01/99	Serial	6.00%	735,000	535,000	200,000	0	2
65820D98	03/01/00	Serial	6.10%	760,000	530,000	230,000	0	2
65820E22	09/01/00	Serial	6.10%	780,000	520,000	260,000	0	2
65820E30	03/01/01	Serial	6.20%	805,000	530,000	275,000	0	2
65820E48	09/01/01	Serial	6.20%	830,000	535,000	295,000	0	2
65820E55	03/01/02	Serial	6.30%	855,000	520,000	335,000	0	2
65820E63	09/01/02	Serial	6.30%	880,000		880,000	0	2
65820E71	03/01/03	Serial	6.35%	910,000		910,000	0	2
65820E89	09/01/03	Serial	6.35%	940,000		940,000	0	2
65820F62	03/01/10	Term (Note 2)	6.50%	14,460,000		14,460,000	0	1
65820F70	03/01/17	Term (Note 3)	6.95%	25,800,000		25,800,000	0	2
65820F88	09/01/20	Term (Note 4)	7.05%	18,855,000		18,855,000	0	2
65820F54	09/01/23	Term (Note 5)	6.95%	20,480,000		20,480,000	0	2
Total 1985 Series R/S/T				\$95,000,000	\$10,590,000	\$84,410,000	\$0	

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

Note 2: Sinking fund redemption begins March 1, 2004.

Note 3: Sinking fund redemption begins March 1, 2008.

Note 4: Sinking fund redemption begins March 1, 2017.

Note 5: Sinking fund redemption begins September 1, 2020.

OPTIONAL REFUNDING TRANSACTION:

Single Family Revenue Bonds (1985 Resolution) Series RST was optionally refunded at 102.0% on December 20, 2001 from bond proceeds issued under the Home Ownership Revenue Bonds (1998 Resolution) Series 12 which settled on December 20, 2001. Home Ownership Revenue Bonds (1998 Resolution) Series 12 on December 20, 2001 purchased 373 loans with a principal balance of \$10,949,932.

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LIST OF UNSCHEDULED REDEMPTIONS:

Call Date	Call Amount	Type of Call	Source Of Funds
07/01/92	\$280,000	Supersinker/Pro rata	Prepayments
07/01/92	190,000	Pro rata	Debt Service Reserve
01/01/93	280,000	Supersinker	Prepayments
01/01/93	5,000	Pro rata	Debt Service Reserve
06/01/93	310,000	Supersinker	Prepayments
10/01/93	440,000	Supersinker	Prepayments
12/01/93	2,145,000	Pro rata	Unexpended Proceeds
12/01/93	85,000	Pro rata	Debt Service Reserve
03/01/94	655,000	Supersinker	Prepayments
03/01/94	5,000	Pro rata	Debt Service Reserve
07/01/94	520,000	Supersinker	Prepayments
10/01/94	1,115,000	Supersinker	Prepayments
07/01/95	1,780,000	Supersinker	Prepayments
01/01/96	3,610,000	Supersinker	Prepayments
07/01/96	2,110,000	Supersinker	Prepayments
07/01/96	1,230,000	Pro rata	Prepayments
07/01/96	60,000	Pro rata	Debt Service Reserve
12/01/96	2,505,000	Pro rata	Prepayments
12/01/96	120,000	Pro rata	Debt Service Reserve
02/01/97	895,000	Supersinker	Prepayments
02/01/97	10,000	Pro rata	Debt Service Reserve
06/01/97	1,835,000	Supersinker	Prepayments
09/01/97	350,000	Supersinker	Prepayments
09/01/97	1,255,000	Pro rata	Prepayments
09/01/97	65,000	Pro rata	Debt Service Reserve
01/01/98	2,185,000	Pro rata	Prepayments
01/01/98	115,000	Pro rata	Debt Service Reserve
03/01/98	1,680,000	Pro rata	Prepayments
03/01/98	90,000	Pro rata	Debt Service Reserve
07/01/98	2,325,000	Pro rata	Prepayments
07/01/98	120,000	Pro rata	Debt Service Reserve
01/01/99	3,345,000	Pro rata	Prepayments
01/01/99	175,000	Pro rata	Debt Service Reserve
05/01/99	2,635,000	Pro rata	Prepayments
05/01/99	145,000	Pro rata	Debt Service Reserve
07/01/99	1,630,000	Pro rata	Prepayments
07/01/99	90,000	Pro rata	Debt Service Reserve
09/01/99	1,165,000	Pro rata	Prepayments
09/01/99	60,000	Pro rata	Debt Service Reserve
12/15/99	1,680,000	Pro rata	Prepayments
12/15/99	90,000	Pro rata	Debt Service Reserve
05/01/00	445,000	Pro rata	Prepayments
05/01/00	20,000	Pro rata	Debt Service Reserve
07/01/00	95,000	Pro rata	Prepayments
07/01/00	5,000	Pro rata	Debt Service Reserve
01/01/01	610,000	Pro rata	Prepayments
01/01/01	35,000	Pro rata	Debt Service Reserve
06/01/01	1,430,000	Pro rata	Prepayments
06/01/01	75,000	Pro rata	Debt Service Reserve
10/01/01	1,875,000	Pro rata	Prepayments
10/01/01	780,000	Cross Call	Series EF Prepayments
10/01/01	295,000	Cross Call	Series JK Prepayments
10/01/01	770,000	Cross Call	Series LM Prepayments
10/01/01	470,000	Cross Call	Series NO Prepayments
10/01/01	635,000	Cross Call	Series PQ Prepayments
10/01/01	1,850,000	Cross Call	Series WW Prepayments
10/01/01	100,000	Pro rata	Debt Service Reserve
1/01/02	2,300,000	Pro rata	Prepayments
1/01/02	627,000	Cross Call	Series EF Prepayments
1/01/02	1,005,000	Cross Call	Series PQ Prepayments
1/01/02	1,478,000	Cross Call	Series WW Prepayments
1/01/02	8,500,000	Pro rata	Excess Revenue Reserve
1/01/02	1,770,000	Pro rata	Debt Service Reserve
3/01/02	<u>19,855,000</u>	Pro rata	Optional Redemption
Total	<u>\$84,410,000</u>		

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Bond Call Information:

Special Redemption

The 1985 Series R, S and T 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 R, S, and T 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 R, S and T 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 R, S and T bonds, including prepayments on the 1981 mortgage loans but excluding prepayments on 1980 FHA and VA loans, shall first be applied to the redemption or purchase of Series T Term bonds due March 1, 2010 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 R, S and T bonds in any manner. Moneys to be applied to a 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 R, S and T bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after March 1, 2002, 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:

(Both Dates Inclusive)	Redemption Price (Expressed as a Percentage)
March 1, 2002 - February 28, 2003	102.00%
March 1, 2003 - February 29, 2004	101.00%
March 1, 2004 and thereafter	100.00%