

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

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

PAGE NO. 1-1998-10

SERIES DATE: 3/15/01

SERIES SOLD: 4/26/01

**NOTE: Refunded (1985 Single Family Resolution) Series J/K, L/M, and N/O. See page 2.**

**GENERAL INFORMATION:**

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

Bonds Outstanding:	26,725,000	New Construction:	26.29%		
Bond Yield	4.84%	Existing Home:	<u>73.71%</u>	Private	7.44%
Mortgage Loan Prin Outstanding	29,292,896	Total	<u>100.00%</u>	FHA	83.09%
Mortgage Rate(s)	5.13% - 8.38%			VA	2.98%
Outstanding Commitments:	0			USDA	5.30%
Uncommitted Lendable Funds:	0			Guaranty Fund	0.00%
		Fixed Rate Mortgages	100.00%	Other	
Average Purchase Price:	24,334	Graduated Pmt Mtgs	0.00%	(less than 80.00 LTV)	<u>1.19%</u>
Average Original Loan Amount:	23,745	Growing Equity Mtgs	0.00%	Total	<u>100.00%</u>
Total No. of Loans Originated:	1,109 *	Variable Rate Mtgs	<u>0.00%</u>		
Total No. of Loans Paid Off:	596	Total	<u>100.00%</u>		
Total No. of Loans Outstanding:	513				

**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	86.79%
Condos/Townhouses	11.04%
Manufactured/Duplexes	<u>2.17%</u>
Total	<u>100.00%</u>

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

1998-10	
GEMICO	5.27%
RMIC	0.90%
UG	0.06%
PMI	0.32%
MGIC	0.05%
TRIAD	0.12%
RADIAN	<u>0.72%</u>
	<u>7.44%</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 10  
Current Funding Requirements:  
Total Dollar Amount (\$000) \$745  
As % of Initial Principal Amount of Mortgage Loans Purchased 1.24%  
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

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

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

	%	#	%	\$
60 days	3.12%	16	2.93%	857,631
90 days	0.78%	4	0.86%	252,212
In Foreclosure	0.97%	5	0.90%	263,890

No. of Loans Foreclosed to Date since 1/1/87	Not available	Real Estate Owned	
Foreclosed (Loss)/Gain to Date	Not available	Number of Loans	0
Net of Insurance Proceeds (\$000)	Not available	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	Series		Mtg Rate
			# of Loans		
Marsh	166	32.25%	1998 SERIES 10	235	5.13% - 5.99%
RBC Centura	161	31.31%		14	6.00%
BB&T	154	29.92%		8	6.25%
Bank of America	27	5.33%		21	7.90%
NCHFA	5	0.97%		135	8.15%
SECU	1	<u>0.22%</u>		<u>100</u>	8.38%
Total	<u>513</u>	<u>100.00%</u>	Total	<u>513</u>	

\* Includes 760 loans purchased from Home Ownership Revenue Bonds (1985 Resolution) Series J/K, L/M, & N/O with a total principal balance of \$33,056,544.50 as of April 26, 2001.

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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)
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	0	635,000	1,270,000	2
65820ER28	07/01/08	Serial	4.05%	2,015,000	0	670,000	1,345,000	2
65820ER36	07/01/09	Serial	4.15%	2,130,000	0	715,000	1,415,000	2
65820ER44	07/01/10	Serial	4.25%	2,255,000	0	745,000	1,510,000	2
65820ER51	07/01/11	Serial	4.35%	2,390,000	0	785,000	1,605,000	2
65820ER69	07/01/12	Serial	4.50%	2,530,000	0	835,000	1,695,000	2
65820ER77	07/01/15	Term (Note 2)	4.90%	7,145,000	0	2,520,000	4,625,000	2
65820EQ29	01/01/20	Term (Note 3)	4.30%	17,210,000	0	12,745,000	4,465,000	1
65820EQ37	07/01/32	Term (Note 4)	5.40%	11,550,000	0	4,790,000	6,760,000	2
65820EQ45	01/01/33	Term (Note 5)	5.40%	5,000,000	0	2,965,000	2,035,000	2
Total 1998 Series 10				\$60,000,000	\$4,400,000	\$28,875,000	\$26,725,000	

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.

**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	<u>735,000</u>	Supersinker	Prepayments
TOTAL	<u>\$28,875,000</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.