

NORTH CAROLINA HOUSING FINANCE AGENCY  
DISCLOSURE REPORT  
AS OF SEPTEMBER 30, 2009

INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)  
BOND SERIES: 11

**GENERAL MORTGAGE LOAN INFORMATION**  
Mortgage Loan Prin Outstanding: \$28,086,622  
Mortgage Rates: 5.99% - 5.99%

Average Purchase Price: \$88,521  
Average Original Loan Amount: \$86,050

Total No. of Loans Originated: 708  
Total No. of Loans Paid Off: 329  
Total No. of Loans Outstanding: 379

**PROGRAM**  
P.O. Box 28066  
Raleigh, NC 27611-8066  
(919) 877-5700

Contacts:  
Sharon Drewyor, Director of Home Ownership Lending  
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	61	16.10%
FHA	244	64.42%
VA	17	4.42%
USDA	41	10.91%
HUD-184	0	0.00%
Guaranty Fund	0	0.00%
Other (< 80%LTV)	16	4.16%
<b>Total</b>	<b>379</b>	<b>100.00%</b>

<u>Private Mortgage Insurers:</u>	<u># of Loans</u>	<u>%</u>
GENWORTH	39	10.39%
MGIC	2	0.52%
AIG-UGIC	7	1.82%
RMIC	7	1.82%
RADIAN GUARANTY INC.	6	1.56%
<b>Total</b>	<b>61</b>	<b>16.10%</b>

<u>New/Existing:</u>	<u># of Loans</u>	<u>%</u>
New Construction	121	31.94%
Existing Home	258	68.06%
<b>Total</b>	<b>379</b>	<b>100.00%</b>

  

<u>Type of Housing:</u>	<u># of Loans</u>	<u>%</u>
Single Family Detached	315	83.11%
Condominium	22	5.71%
Townhouse	30	7.79%
Manufactured Home	12	3.12%
<b>Total</b>	<b>379</b>	<b>100.00%</b>

**DELINQUENCY STATISTICS**

<u>Loans Outstanding:</u>	<u># of Loans</u>	<u>%</u>
60 days	14	3.64%
90 days	6	1.56%
In Foreclosure	3	0.78%
REO (Conv, USDA)	0	0.00%
<b>Total</b>	<b>23</b>	

<u>Principal Outstanding:</u>	<u>\$ of Loans</u>
60 days	\$1,011,868
90 days	\$435,379
In Foreclosure	\$169,654
REO (Conv, USDA)	\$0
<b>Total</b>	<b>\$1,616,901</b>

**SERVICER AND MORTGAGE LOAN DATA**

<u>Servicers:</u>	<u># of Loans</u>	<u>%</u>
Bank of America	18	4.67%
Marsh Associates Inc.	135	35.58%
RBC Centura Bank	149	39.21%
BB&T	74	19.48%
US Bank Home Mortgage	3	0.79%
<b>Total</b>	<b>379</b>	<b>100.00%</b>

<u>Mortgage Rates (%):</u>	<u># of Loans</u>
5.99	379
<b>Total</b>	<b>379</b>

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POOL INSURANCE COVERAGE (DOLLARS IN THOUSANDS): None

SELF-INSURANCE COVERAGE: Name of Self-Insurance Fund: Insurance Reserve Fund  
Series of Bonds Covered: 1998 Series 11

Current Funding Requirements:  
Total Dollar Amount (\$000) \$730  
As % of Initial Principal Amount  
of Mortgage Loans Purchased 2.60%  
Claims to Date 0

NOTE: Funded by Ambac surety bond for \$730,000

Maximum level of funding required over the life of the bonds (\$000) **\$730**

**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)
65820ES27	07/01/04	Serial	3.45%	\$995,000	\$995,000	\$0	\$0	2
65820ES35	07/01/05	Serial	3.70%	1,040,000	1,035,000	5,000	0	2
65820ES43	07/01/06	Serial	3.90%	1,085,000	1,035,000	50,000	0	2
65820ES50	07/01/07	Serial	4.10%	560,000	485,000	75,000	0	2
65820ET83	01/01/08	Serial	4.00%	1,150,000	900,000	250,000	0	2
65820ET91	01/01/09	Serial	4.13%	1,205,000	930,000	275,000	0	2
65820EU24	01/01/10	Serial	4.25%	885,000	0	210,000	675,000	2
65820ES68	07/01/10	Serial	4.45%	1,015,000	0	240,000	775,000	2
65820ES76	07/01/11	Serial	4.60%	1,340,000	0	305,000	1,035,000	2
65820ES84	07/01/12	Serial	4.70%	1,410,000	0	320,000	1,090,000	2
65820ES92	07/01/15	Term (Note 2)	5.00%	4,685,000	0	1,140,000	3,545,000	2
65820ET26	07/01/20	Term (Note 3)	5.25%	9,680,000	0	2,275,000	7,405,000	1
65820ET34	07/01/21	Term (Note 4)	5.25%	2,255,000	0	535,000	1,720,000	2
65820ET42	07/01/28	Term (Note 5)	4.35%	19,085,000	0	18,325,000	760,000	2
65820ET59	07/01/31	Term (Note 6)	5.33%	10,000,000	0	2,200,000	7,800,000	2
65820ET67	01/01/33	Term (Note 7)	5.38%	585,000	0	435,000	150,000	2
65820ET75	07/01/33	Term (Note 8)	5.38%	8,025,000	0	2,120,000	5,905,000	2
Total 1998 Series 11				\$65,000,000	\$5,380,000	\$28,760,000	\$30,860,000	

Note 1: See optional and special redemption provisions page 4-1998-11, (i.e. "1" denotes first call priority from prepayments).

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

Note 3: Sinking fund redemptions begin January 1, 2016.

Note 4: Sinking fund redemptions begin January 1, 2021.

Note 5: Sinking fund redemptions begin January 1, 2022.

Note 6: Sinking fund redemptions begin January 1, 2029.

Note 7: Sinking fund redemptions begin July 1, 2031.

Note 8: Sinking fund redemptions begin July 1, 2031.

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LIST OF UNSCHEDULED REDEMPTIONS:

Call Date	Call Amount	Type of Call	Source Of Funds
04/15/02	\$85,000	Pro rata	Prepayments
06/01/03	\$415,000	Supersinker	Prepayments
10/01/03	\$245,000	Supersinker	Prepayments
10/01/03	\$480,000	Supersinker	Prepayments
01/01/04	\$1,075,000	Supersinker	Prepayments
05/01/04	\$175,000	Supersinker	Prepayments
05/01/04	\$175,000	Pro rata	Prepayments
09/01/04	\$1,240,000	Supersinker	Prepayments
09/01/04	\$85,000	Pro rata	Debt Service Reserve
01/01/05	\$1,665,000	Supersinker	Prepayments
01/01/05	\$35,000	Pro rata	Debt Service Reserve
05/01/05	\$1,680,000	Supersinker	Prepayments
05/01/05	\$35,000	Pro rata	Debt Service Reserve
10/01/05	\$340,000	Pro rata	Prepayments
04/01/06	\$1,625,000	Supersinker	Prepayments
04/01/06	\$1,420,000	Pro rata	Prepayments
04/01/06	\$90,000	Pro rata	Debt Service Reserve
08/01/06	\$1,560,000	Supersinker	Prepayments
08/01/06	\$3,300,000	Pro rata	Prepayments
08/01/06	\$100,000	Pro rata	Debt Service Reserve
01/01/07	\$1,500,000	Supersinker	Prepayments
01/01/07	\$10,000	Pro rata	Prepayments
01/01/07	\$50,000	Pro rata	Debt Service Reserve
05/01/07	\$1,440,000	Supersinker	Prepayments
05/01/07	\$30,000	Pro rata	Debt Service Reserve
11/01/07	\$3,790,000	Pro rata	Prepayments
11/01/07	\$85,000	Pro rata	Debt Service Reserve
02/01/08	\$1,385,000	Supersinker	Prepayments
02/01/08	\$645,000	Pro rata	Prepayments
02/01/08	\$45,000	Pro rata	Debt Service Reserve
07/01/08	\$1,130,000	Supersinker	Prepayments
01/01/09	\$1,480,000	Pro rata	Prepayments
01/01/09	\$90,000	Pro rata	Debt Service Reserve
07/01/09	\$1,230,000	Supersinker	Prepayments
07/01/09	<u>\$25,000</u>	Pro rata	Debt Service Reserve
	<u>\$28,760,000</u>		

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Bond Call Information:

Special Redemption

The 1998 Series 11 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 11, 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 11 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 11 bonds shall first be applied to the redemption or purchase of Series 11 Term bonds due July 1, 2028 during the periods up to the scheduled principal amounts set forth in the series resolution.

Moneys in excess of the debt service reserve requirement, from excess revenues in the revenue reserve fund and from cross call redemption sources shall be applied to the redemption of the Series 11 bonds in any manner. Moneys to be applied to redemption from prepayments in excess of the scheduled principal amounts 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 11 bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after July 1, 2010, in whole, 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.