

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF SEPTEMBER 30, 2011**

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

GENERAL MORTGAGE LOAN INFORMATION

Mortgage Loan Prin Outstanding: \$23,539,928
Mortgage Rates: 5.990% - 5.990%

Average Purchase Price: \$88,548
Average Original Loan Amount: \$85,940

Total No. of Loans Originated: 708
Total No. of Loans Paid Off: 377
Total No. of Loans Outstanding: 331

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	39	11.78%
FHA	213	64.36%
VA	15	4.53%
USDA	34	10.27%
HUD-184	0	0.00%
Guaranty Fund	0	0.00%
Other (< 80%LTV)	30	9.06%
Total	331	100.00%

<u>Private Mortgage Insurers:</u>	<u># of Loans</u>	<u>%</u>
GENWORTH	28	8.46%
AIG-UGIC	4	1.21%
MGIC	2	0.60%
RADIAN GUARANTY INC.	4	1.21%
RMIC	1	0.30%
Total	39	11.90%

<u>New/Existing:</u>	<u># of Loans</u>	<u>%</u>
New Construction	107	32.33%
Existing Home	224	67.67%
Total	331	100.00%

<u>Type of Housing:</u>	<u># of Loans</u>	<u>%</u>
Single Family Detached	277	83.69%
Condominium	20	6.04%
Townhouse	25	7.55%
Manufactured Home	9	2.72%
Total	331	100.00%

DELINQUENCY STATISTICS

<u>Loans Outstanding:</u>	<u># of Loans</u>	<u>%</u>
60 days	10	3.02%
90 days	7	2.11%
In Foreclosure	3	0.91%
REO (Conv, USDA)	1	0.30%
Total	21	

<u>Principal Outstanding:</u>	<u>\$ of Loans</u>	<u>%</u>
60 days	\$707,672	3.01%
90 days	\$490,278	2.08%
In Foreclosure	\$242,155	1.03%
REO (Conv, USDA)	\$46,371	0.20%
Total	\$1,486,477	

SERVICER AND MORTGAGE LOAN DATA

<u>Servicers:</u>	<u># of Loans</u>	<u>%</u>
BB&T	64	19.34%
RBC Bank	128	38.67%
Marsh Associates Inc.	118	35.65%
Bank of America	18	5.43%
US Bank Home Mortgage	3	0.91%
Total	331	100.00%

<u>Mortgage Rates (%):</u>	<u># of Loans</u>
5.99	331
Total	331

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF SEPTEMBER 30, 2011**

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

PAGE NO. 2-1998-11

POD 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 3.10%
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	675,000	210,000	0	2
65820ES68	07/01/10	Serial	4.45%	1,015,000	745,000	270,000	0	2
65820ES76	07/01/11	Serial	4.60%	1,340,000	905,000	435,000	0	2
65820ES84	07/01/12	Serial	4.70%	1,410,000	0	460,000	950,000	2
65820ES92	07/01/15	Term (Note 2)	5.00%	4,685,000	0	1,605,000	3,080,000	2
65820ET26	07/01/20	Term (Note 3)	5.25%	9,680,000	0	3,230,000	6,450,000	1
65820ET34	07/01/21	Term (Note 4)	5.25%	2,255,000	0	755,000	1,500,000	2
65820ET42	07/01/28	Term (Note 5)	4.35%	19,085,000	0	19,085,000	0	2
65820ET59	07/01/31	Term (Note 6)	5.33%	10,000,000	0	3,250,000	6,750,000	2
65820ET67	01/01/33	Term (Note 7)	5.38%	585,000	0	445,000	140,000	2
65820ET75	07/01/33	Term (Note 8)	5.38%	8,025,000	0	2,915,000	5,110,000	2
Total 1998 Series 11				\$65,000,000	\$7,705,000	\$33,315,000	\$23,980,000	

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.

NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF SEPTEMBER 30, 2011

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

PAGE NO. 3-1998-11

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	\$25,000	Pro rata	Debt Service Reserve
01/01/10	\$760,000	Supersinker	Prepayments
01/01/10	\$30,000	Pro rata	Debt Service Reserve
06/01/10	\$1,135,000	Pro rata	Prepayments
06/01/10	\$25,000	Pro rata	Debt Service Reserve
12/01/10	\$880,000	Pro rata	Prepayments
12/01/10	\$395,000	Pro rata	Debt Service Reserve
06/01/11	\$1,305,000	Pro rata	Prepayments
06/01/11	\$25,000	Pro rata	Debt Service Reserve
	<u>\$33,315,000</u>		

NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF SEPTEMBER 30, 2011

PAGE NO. 4-1998-11

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

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.