

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

**INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)  
BOND SERIES: 18**

**GENERAL MORTGAGE LOAN INFORMATION**

Mortgage Loan Prin Outstanding: \$28,149,323  
Mortgage Rates: 4.625% - 5.875%

Average Purchase Price: \$42,995  
Average Original Loan Amount: \$40,763

Total No. of Loans Originated: 514  
Total No. of Loans Paid Off: 181  
Total No. of Loans Outstanding: 333

**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	91	27.33%
FHA	131	39.34%
VA	16	4.80%
USDA	43	12.91%
HUD-184	0	0.00%
Guaranty Fund	0	0.00%
Other (< 80%LTV)	52	15.62%
<b>Total</b>	<b>333</b>	<b>100.00%</b>

<u>Private Mortgage Insurers:</u>	<u># of Loans</u>	<u>%</u>
GENWORTH	62	18.62%
RADIAN GUARANTY INC.	9	2.70%
RMIC	8	2.40%
AIG-UGIC	3	0.90%
PMI MTG. INS. CO.	3	0.90%
MGIC	6	1.80%
<b>Total</b>	<b>91</b>	<b>27.39%</b>

<u>New/Existing:</u>	<u># of Loans</u>	<u>%</u>
New Construction	88	26.43%
Existing Home	245	73.57%
<b>Total</b>	<b>333</b>	<b>100.00%</b>

<u>Type of Housing:</u>	<u># of Loans</u>	<u>%</u>
Single Family Detached	317	95.20%
Condominium	7	2.10%
Townhouse	9	2.70%
Manufactured Home	0	0.00%
<b>Total</b>	<b>333</b>	<b>100.00%</b>

**DELINQUENCY STATISTICS**

<u>Loans Outstanding:</u>	<u># of Loans</u>	<u>%</u>
60 days	5	1.50%
90 days	6	1.80%
In Foreclosure	4	1.20%
REO (Conv, USDA)	1	0.30%
<b>Total</b>	<b>16</b>	

<u>Principal Outstanding:</u>	<u>\$ of Loans</u>	<u>%</u>
60 days	\$399,675	1.42%
90 days	\$451,374	1.60%
In Foreclosure	\$445,254	1.58%
REO (Conv, USDA)	\$134,608	0.48%
<b>Total</b>	<b>\$1,430,911</b>	

**SERVICER AND MORTGAGE LOAN DATA**

<u>Servicers:</u>	<u># of Loans</u>	<u>%</u>
Marsh Associates Inc.	177	53.15%
RBC Bank	89	26.73%
BB&T	59	17.72%
Bank of America	6	1.80%
State Employees Credit Union	2	0.60%
<b>Total</b>	<b>333</b>	<b>100.00%</b>

<u>Mortgage Rates (%):</u>	<u># of Loans</u>
5.875	1
5.75	7
5.625	49
5.5	98
5.375	28
5.25	11
5.125	123
4.625	16
<b>Total</b>	<b>333</b>

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INDENTURE: . . . . . SINGLE-FAMILY REVENUE BONDS (1998 RESOLUTION) . . . . .  
BOND SERIES: . . . . . SERIES 18 . . . . .

PAGE NO. 2-1998-18

POOL INSURANCE COVERAGE (DOLLARS IN THOUSANDS): . . . . . None

SELF-INSURANCE COVERAGE: . . . . . Name of Self-Insurance Fund: Insurance Reserve Fund  
Series of Bonds Covered: 1998 Series 18

Current Funding Requirements:  
Total Dollar Amount (\$000) \$550  
As % of Initial Principal Amount  
of Mortgage Loans Purchased 1.95%  
Claims to Date 0

Maximum level of funding required over the life of the bonds (\$000) \$550

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)
65821FAD8	07/01/05	Serial	1.10%	\$740,000	\$740,000	\$0	\$0	2
65821FAE6	01/01/06	Serial	1.20%	745,000	745,000	0	0	2
65821FAF3	07/01/06	Serial	1.35%	755,000	730,000	25,000	0	2
65821FAG1	01/01/07	Serial	1.60%	765,000	740,000	25,000	0	2
65821FAH9	07/01/07	Serial	1.70%	770,000	720,000	50,000	0	2
65821FAJ5	01/01/08	Serial	1.90%	780,000	665,000	115,000	0	2
65821FAK2	07/01/08	Serial	2.00%	450,000	380,000	70,000	0	2
65821FAL0	01/01/09	Serial	2.20%	455,000	385,000	70,000	0	2
65821FAM8	07/01/09	Serial	2.30%	460,000	385,000	75,000	0	2
65821FAN6	01/01/10	Serial	2.45%	470,000	380,000	90,000	0	2
65821FAP1	07/01/10	Serial	2.50%	475,000	380,000	95,000	0	2
65821FAQ9	01/01/11	Serial	2.70%	485,000	385,000	100,000	0	2
65821FAR7	07/01/11	Serial	2.75%	490,000	340,000	150,000	0	2
65821FAS5	01/01/12	Serial	3.00%	500,000	0	145,000	355,000	2
65821FAT3	07/01/12	Serial	3.00%	410,000	0	120,000	290,000	2
65821FAU0	01/01/13	Serial	3.10%	265,000	0	85,000	180,000	2
65821FAA4	07/01/24	Term (Note 2)	4.45%	6,985,000	0	2,335,000	4,650,000	2
65821FAB2	01/01/25	Term (Note 3)	4.45%	6,000,000	0	1,910,000	4,090,000	1
65821FAC0	07/01/34	Term (Note 4)	5.00%	8,000,000	0	8,000,000	0	2
	01/01/35	(Note 5)	Variable	20,000,000	380,000	1,620,000	18,000,000	
Total 1998 Series 18				\$50,000,000	\$7,355,000	\$15,080,000	\$27,565,000	

Note 1: See optional and special redemption provisions page 4-1998-18, (i.e. "\*" denotes first call priority from prepayments).  
 Note 2: Sinking fund redemptions begin January 1, 2013.  
 Note 3: Sinking fund redemptions begin January 1, 2013.  
 Note 4: Sinking fund redemptions begin July 1, 2012. AMT PAC bonds were sold at a premium with a coupon rate of 5.00% and a yield of 4.516%.  
 Note 5: Variable rate loans associated with swap - Bank of America

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DISCLOSURE REPORT  
AS OF SEPTEMBER 30, 2011

INDENTURE: . . . . . SINGLE-FAMILY REVENUE BONDS (1498-RESOLUTION) . . . . .  
BOND SERIES: . . . . . SERIES-B . . . . .

PAGE NO. 3-1998-18

LIST OF UNSCHEDULED REPAYMENTS: . . . . .

Call Date	Call Amount	Type of Call	Source Of Funds
05/01/05	\$185,000	Supersinker	Prepayments
10/01/05	\$125,000	Pro rata	Prepayments
04/01/06	\$370,000	Supersinker	Prepayments
04/01/06	\$680,000	Pro rata	Debt Service Reserve
04/01/06	\$40,000	Pro rata	Prepayments
08/01/06	\$155,000	Supersinker	Prepayments
08/01/06	\$20,000	Pro rata	Debt Service Reserve
01/01/07	\$1,205,000	Supersinker	Prepayments
01/01/07	\$830,000	Pro rata	Prepayments
01/01/07	\$55,000	Pro rata	Debt Service Reserve
05/01/07	\$950,000	Supersinker	Prepayments
05/01/07	\$360,000	Pro rata	Prepayments
05/01/07	\$40,000	Pro rata	Debt Service Reserve
11/01/07	\$1,295,000	Pro rata	Prepayments
11/01/07	\$40,000	Pro rata	Debt Service Reserve
02/01/08	\$995,000	Supersinker	Prepayments
02/01/08	\$260,000	Pro rata	Prepayments
02/01/08	\$25,000	Pro rata	Debt Service Reserve
07/01/08	\$970,000	Supersinker	Prepayments
01/01/09	\$940,000	Supersinker	Prepayments
01/01/09	\$65,000	Pro rata	Debt Service Reserve
07/01/09	\$915,000	Supersinker	Prepayments
07/01/09	\$30,000	Pro rata	Debt Service Reserve
01/01/10	\$585,000	Supersinker	Prepayments
01/01/10	\$20,000	Pro rata	Debt Service Reserve
06/01/10	\$435,000	Supersinker	Prepayments
06/01/10	\$15,000	Pro rata	Debt Service Reserve
12/01/10	\$825,000	Swap call	Prepayments
12/01/10	\$25,000	Pro rata	Debt Service Reserve
06/01/11	\$795,000	Swap call	Prepayments
06/01/11	\$1,770,000	Pro rata	Prepayments
06/01/11	\$60,000	Pro rata	Debt Service Reserve
	<u>\$15,080,000</u>		

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

PAGE NO. 4-1998-18

INDENTURE . . . . . SINGLE-FAMILY REVENUE BONDS (1998 RESOLUTION) . . . . .  
BOND SERIES . . . . . SERIES-18 . . . . .

Bond Call Information . . . . .  
Special Redemption . . . . .

The 1998 Series 18 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 18, including the existing mortgage loans,
- (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 18 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 18 bonds shall first be applied to the redemption or purchase of Series 18 Term bonds due July 1, 2034 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 18 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 18 bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after July 1, 2013, in whole, or in part, at the principal amount thereof plus accrued interest to the date of redemption, without premium.

Material Events . . . . .

On August 8, 2011, Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("Standard & Poor's") changed the long-term credit rating on the Agency's Variable Rate Home Ownership Revenue Bonds, (1998 Trust Agreement), Series 15-C, dated May 8, 2003; Variable Rate Home Ownership Revenue Bonds, (1998 Trust Agreement), Series 16-C, dated September 16, 2003; Variable Rate Home Ownership Revenue Bonds, (1998 Trust Agreement), Series 17-C, dated December 11, 2003, and Variable Rate Home Ownership Revenue Bonds, (1998 Trust Agreement), Series 18-C, dated April 19, 2004 from "AAA" to "AA+". Such rating changes were made in connection with changes to the ratings of Fannie Mae and Freddie Mac. Explanations of the significance of such ratings may be obtained only from Standard & Poor's.