

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF DECEMBER 31, 2010**

**INDENTURE: SINGLE FAMILY REVENUE BONDS (1985 RESOLUTION)
BOND SERIES: AABB**

GENERAL MORTGAGE LOAN INFORMATION

Mortgage Loan Prin Outstanding: \$5,750,188
Mortgage Rates: 6.750% - 7.350%

Average Purchase Price: \$63,679
Average Original Loan Amount: \$61,766

Total No. of Loans Originated: 764
Total No. of Loans Paid Off: 630
Total No. of Loans Outstanding: 134

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 | 0 | 0.00% |
| FHA | 134 | 100.00% |
| VA | 0 | 0.00% |
| USDA | 0 | 0.00% |
| HUD-184 | 0 | 0.00% |
| Guaranty Fund | 0 | 0.00% |
| Other (< 80%LTV) | 0 | 0.00% |
| Total | 134 | 100.00% |

| <u>Private Mortgage Insurers:</u> | <u># of Loans</u> | <u>%</u> |
|-----------------------------------|-------------------|--------------|
| Total | 0 | 0.00% |

| <u>New/Existing:</u> | <u># of Loans</u> | <u>%</u> |
|----------------------|-------------------|----------------|
| New Construction | 25 | 18.66% |
| Existing Home | 109 | 81.34% |
| Total | 134 | 100.00% |

| <u>Type of Housing:</u> | <u># of Loans</u> | <u>%</u> |
|-------------------------|-------------------|----------------|
| Single Family Detached | 119 | 88.81% |
| Condominium | 8 | 5.97% |
| Townhouse | 3 | 2.24% |
| Manufactured Home | 4 | 2.98% |
| Total | 134 | 100.00% |

DELINQUENCY STATISTICS

| <u>Loans Outstanding:</u> | <u># of Loans</u> | <u>%</u> |
|---------------------------|-------------------|----------|
| 60 days | 6 | 4.48% |
| 90 days | 5 | 3.73% |
| In Foreclosure | 1 | 0.75% |
| REO (Conv, USDA) | 0 | 0.00% |
| Total | 12 | |

| <u>Principal Outstanding:</u> | <u>\$ of Loans</u> | <u>%</u> |
|-------------------------------|--------------------|----------|
| 60 days | \$238,428 | 4.15% |
| 90 days | \$231,570 | 4.03% |
| In Foreclosure | \$44,018 | 0.77% |
| REO (Conv, USDA) | \$0 | 0.00% |
| Total | \$514,016 | |

SERVICER AND MORTGAGE LOAN DATA

| <u>Servicers:</u> | <u># of Loans</u> | <u>%</u> |
|-----------------------|-------------------|----------------|
| Bank of America | 9 | 6.72% |
| Marsh Associates Inc. | 41 | 30.60% |
| RBC Bank | 35 | 26.12% |
| BB&T | 49 | 36.56% |
| Total | 134 | 100.00% |

| <u>Mortgage Rates (%):</u> | <u># of Loans</u> |
|----------------------------|-------------------|
| 7.35 | 1 |
| 7.125 | 132 |
| 6.75 | 1 |
| Total | 134 |

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BOND SERIES: Series AA/BB

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POOL INSURANCE COVERAGE (DOLLARS IN THOUSANDS): None

SELF-INSURANCE COVERAGE:

| | | | |
|------------------------------|---|----------------------------------|---------------------------------------|
| Name of Self-Insurance Fund: | Mortgage Deficiency Fund | Current Funding Requirements: | (data is for 1985 Series AA/BB only): |
| Series of Bonds Covered: | 1985 Series D through WW (excluding Series U/V) | Total Dollar Amount (\$000) | Note 1 |
| | | As % of Initial Principal Amount | |
| | | of Mortgage Loans Purchased | Note 1 |
| | | Claims to Date | 0 |

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

Note 1: The provisions of the Mortgage Deficiency Fund were extended to Series AA and BB Bonds. However, additional funding was not required in consequence of the extension of such provisions.

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) |
|-------------------------|---------------|---------------|---------------|-----------------|-------------------|-----------------------|-----------------------|-----------------------------|
| 65820EBW9 | 03/01/97 | Serial | 4.65% | \$380,000 | \$330,000 | \$50,000 | \$0 | 2 |
| 65820EBX7 | 09/01/97 | Serial | 4.65% | 395,000 | 340,000 | 55,000 | 0 | 2 |
| 65820EBY5 | 03/01/98 | Serial | 4.80% | 405,000 | 350,000 | 55,000 | 0 | 2 |
| 65820EBZ2 | 09/01/98 | Serial | 4.80% | 410,000 | 350,000 | 60,000 | 0 | 2 |
| 65820ECA6 | 03/01/99 | Serial | 5.00% | 425,000 | 365,000 | 60,000 | 0 | 2 |
| 65820ECB4 | 09/01/99 | Serial | 5.00% | 435,000 | 360,000 | 75,000 | 0 | 2 |
| 65820ECC2 | 03/01/00 | Serial | 5.15% | 445,000 | 370,000 | 75,000 | 0 | 2 |
| 65820ECD0 | 09/01/00 | Serial | 5.15% | 455,000 | 365,000 | 90,000 | 0 | 2 |
| 65820ECE8 | 03/01/01 | Serial | 5.30% | 470,000 | 375,000 | 95,000 | 0 | 2 |
| 65820ECF5 | 09/01/01 | Serial | 5.30% | 480,000 | 360,000 | 120,000 | 0 | 2 |
| 65820ECG3 | 03/01/02 | Serial | 5.40% | 490,000 | 350,000 | 140,000 | 0 | 2 |
| 65820ECH1 | 09/01/02 | Serial | 5.40% | 510,000 | 355,000 | 155,000 | 0 | 2 |
| 65820ECJ7 | 03/01/03 | Serial | 5.50% | 520,000 | 345,000 | 175,000 | 0 | 2 |
| 65820ECK4 | 09/01/03 | Serial | 5.50% | 535,000 | 315,000 | 220,000 | 0 | 2 |
| 65820ECL2 | 03/01/04 | Serial | 5.60% | 550,000 | 300,000 | 250,000 | 0 | 2 |
| 65820ECM0 | 09/01/04 | Serial | 5.60% | 560,000 | 240,000 | 320,000 | 0 | 2 |
| 65820ECN8 | 03/01/05 | Serial | 5.70% | 585,000 | 220,000 | 365,000 | 0 | 2 |
| 65820ECP3 | 09/01/05 | Serial | 5.70% | 595,000 | 195,000 | 400,000 | 0 | 2 |
| 65820ECQ1 | 03/01/06 | Serial | 5.80% | 615,000 | 185,000 | 430,000 | 0 | 2 |
| 65820ECS7 | 09/01/06 | Serial | 5.80% | 630,000 | 160,000 | 470,000 | 0 | 2 |
| 65820ECT5 | 03/01/07 | Serial | 5.90% | 650,000 | 150,000 | 500,000 | 0 | 2 |
| 65820ECU2 | 09/01/07 | Serial | 5.90% | 670,000 | 150,000 | 520,000 | 0 | 2 |
| 65820ECV0 | 03/01/08 | Serial | 6.00% | 690,000 | 160,000 | 530,000 | 0 | 2 |
| 65820ECW8 | 09/01/08 | Serial | 6.00% | 710,000 | 140,000 | 570,000 | 0 | 2 |
| 65820ECZ1 | 03/01/12 | Term (Note 2) | 6.25% | 5,090,000 | 535,000 | 4,240,000 | 315,000 | 2 |
| 65820ECR9 | 03/01/17 | Term (Note 3) | 6.25% | 11,020,000 | | 9,335,000 | 1,685,000 | 2 |
| 65820EDB3 | 03/01/21 | Term (Note 4) | 6.05% | 11,010,000 | | 11,010,000 | 0 | 1 |
| 65820EDC1 | 09/01/26 | Term (Note 5) | 6.50% | 20,270,000 | | 20,270,000 | 0 | 2 |
| Total 1985 Series AA/BB | | | | \$60,000,000 | \$7,365,000 | \$50,635,000 | \$2,000,000 | |

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

Note 2: Sinking fund redemption begins March 1, 2009.

Note 3: Sinking fund redemption begins March 1, 2012.

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

Note 5: Sinking fund redemption begins September 1, 2021.

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LIST OF UNSCHEDULED REDEMPTIONS:

| Call Date | Call Amount | Type of Call | Source Of Funds |
|-----------|---------------------|--------------|----------------------|
| 01/01/96 | \$290,000 | Pro rata | Debt Service Reserve |
| 01/01/96 | 7,705,000 | Pro rata | Unexpected Proceeds |
| 07/01/96 | 190,000 | Supersinker | Prepayments |
| 07/01/96 | 5,000 | Pro rata | Debt Service Reserve |
| 12/01/96 | 265,000 | Supersinker | Prepayments |
| 12/01/96 | 230,000 | Pro rata | Prepayments |
| 12/01/96 | 10,000 | Pro rata | Debt Service Reserve |
| 02/01/97 | 290,000 | Supersinker | Prepayments |
| 06/01/97 | 645,000 | Supersinker | Prepayments |
| 09/01/97 | 465,000 | Supersinker | Prepayments |
| 01/01/98 | 1,230,000 | Supersinker | Prepayments |
| 03/01/98 | 65,000 | Supersinker | Prepayments |
| 03/01/98 | 620,000 | Pro rata | Prepayments |
| 03/01/98 | 25,000 | Pro rata | Debt Service Reserve |
| 07/01/98 | 640,000 | Supersinker | Prepayments |
| 07/01/98 | 5,000 | Pro rata | Debt Service Reserve |
| 01/01/99 | 1,825,000 | Supersinker | Prepayments |
| 05/01/99 | 370,000 | Supersinker | Prepayments |
| 05/01/99 | 855,000 | Pro rata | Prepayments |
| 05/01/99 | 35,000 | Pro rata | Debt Service Reserve |
| 07/01/99 | 885,000 | Supersinker | Prepayments |
| 07/01/99 | 5,000 | Pro rata | Debt Service Reserve |
| 09/01/99 | 515,000 | Supersinker | Prepayments |
| 12/15/99 | 1,470,000 | Supersinker | Prepayments |
| 05/01/00 | 195,000 | Supersinker | Prepayments |
| 05/01/00 | 1,330,000 | Pro rata | Prepayments |
| 05/01/00 | 65,000 | Pro rata | Debt Service Reserve |
| 07/01/00 | 495,000 | Supersinker | Prepayments |
| 07/01/00 | 90,000 | Pro rata | Prepayments |
| 07/01/00 | 10,000 | Pro rata | Debt Service Reserve |
| 01/01/01 | 1,350,000 | Pro rata | Prepayments |
| 01/01/01 | 70,000 | Pro rata | Debt Service Reserve |
| 06/01/01 | 1,095,000 | Pro rata | Prepayments |
| 06/01/01 | 60,000 | Pro rata | Debt Service Reserve |
| 10/01/01 | 1,625,000 | Pro rata | Prepayments |
| 10/01/01 | 85,000 | Pro rata | Debt Service Reserve |
| 01/01/02 | 940,000 | Pro rata | Prepayments |
| 01/01/02 | 50,000 | Pro rata | Debt Service Reserve |
| 04/15/02 | 545,000 | Pro rata | Prepayments |
| 04/15/02 | 35,000 | Pro rata | Debt Service Reserve |
| 07/01/02 | 885,000 | Pro rata | Prepayments |
| 07/01/02 | 45,000 | Pro rata | Debt Service Reserve |
| 01/01/03 | 795,000 | Pro rata | Prepayments |
| 06/01/03 | 1,140,000 | Pro rata | Prepayments |
| 06/01/03 | 105,000 | Pro rata | Debt Service Reserve |
| 06/01/03 | 900,000 | Pro rata | Prepayments |
| 10/01/03 | 1,295,000 | Pro rata | Prepayments |
| 10/01/03 | 120,000 | Pro rata | Debt Service Reserve |
| 10/01/03 | 755,000 | Pro rata | Prepayments |
| 01/01/04 | 3,310,000 | Pro rata | Prepayments |
| 05/01/04 | 1,545,000 | Pro rata | Prepayments |
| 09/01/04 | 1,750,000 | Pro rata | Prepayments |
| 09/01/04 | 440,000 | Pro rata | Debt Service Reserve |
| 01/01/05 | 865,000 | Pro rata | Prepayments |
| 01/01/05 | 55,000 | Pro rata | Debt Service Reserve |
| 05/01/05 | 590,000 | Pro rata | Prepayments |
| 05/01/05 | 40,000 | Pro rata | Debt Service Reserve |
| 10/01/05 | 1,085,000 | Pro rata | Prepayments |
| 04/01/06 | 1,475,000 | Pro rata | Prepayments |
| 04/01/06 | 145,000 | Pro rata | Debt Service Reserve |
| 08/01/06 | 625,000 | Pro rata | Prepayments |
| 08/01/06 | 40,000 | Pro rata | Debt Service Reserve |
| 01/01/07 | 755,000 | Pro rata | Prepayments |
| 01/01/07 | 45,000 | Pro rata | Debt Service Reserve |
| 05/01/07 | 190,000 | Pro rata | Prepayments |
| 05/01/07 | 15,000 | Pro rata | Debt Service Reserve |
| 11/01/07 | 330,000 | Pro rata | Prepayments |
| 11/01/07 | 20,000 | Pro rata | Debt Service Reserve |
| 02/01/08 | 665,000 | Pro rata | Prepayments |
| 02/01/08 | 40,000 | Pro rata | Debt Service Reserve |
| 07/01/08 | 305,000 | Pro rata | Prepayments |
| 01/01/09 | 150,000 | Pro rata | Prepayments |
| 01/01/09 | 20,000 | Pro rata | Debt Service Reserve |
| 07/01/09 | 90,000 | Pro rata | Prepayments |
| 07/01/09 | 10,000 | Pro rata | Debt Service Reserve |
| 01/01/10 | 375,000 | Pro rata | Prepayments |
| 01/01/10 | 20,000 | Pro rata | Debt Service Reserve |
| 06/01/10 | 70,000 | Pro rata | Prepayments |
| 06/01/10 | 110,000 | Pro rata | Debt Service Reserve |
| 06/01/10 | 2,680,000 | Pro rata | Prepayments |
| 12/01/10 | 50,000 | Pro rata | Prepayments |
| 12/01/10 | <u>10,000</u> | Pro rata | Debt Service Reserve |
| TOTAL | <u>\$50,635,000</u> | | |

