

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF MARCH 31, 2011**

**INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)
BOND SERIES: 12**

GENERAL MORTGAGE LOAN INFORMATION

Mortgage Loan Prin Outstanding: \$26,712,374
Mortgage Rates: 4.990% - 13.000%

Average Purchase Price: \$84,521
Average Original Loan Amount: \$80,321

Total No. of Loans Originated: 1,452
Total No. of Loans Paid Off: 1,054
Total No. of Loans Outstanding: 398

PROGRAM

P.O. Box 28066
Raleigh, NC 27611-8066
(919) 877-5700
Contacts:
Rob Ruscak, 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	53	13.32%
FHA	313	78.64%
VA	8	2.01%
USDA	17	4.27%
HUD-184	0	0.00%
Guaranty Fund	0	0.00%
Other (< 80%LTV)	7	1.76%
Total	398	100.00%

<u>Private Mortgage Insurers:</u>	<u># of Loans</u>	<u>%</u>
GENWORTH	24	6.03%
MGIC	10	2.51%
RMIC	13	3.27%
PMI MTG. INS. CO.	2	0.50%
RADIAN GUARANTY INC.	3	0.75%
AIG-UGIC	1	0.25%
Total	53	13.32%

<u>New/Existing:</u>	<u># of Loans</u>	<u>%</u>
New Construction	107	26.88%
Existing Home	291	73.12%
Total	398	100.00%

<u>Type of Housing:</u>	<u># of Loans</u>	<u>%</u>
Single Family Detached	352	88.44%
Condominium	15	3.77%
Townhouse	25	6.28%
Manufactured Home	6	1.51%
Total	398	100.00%

DELINQUENCY STATISTICS

<u>Loans Outstanding:</u>	<u># of Loans</u>	<u>%</u>
60 days	8	2.01%
90 days	5	1.26%
In Foreclosure	0	0.00%
REO (Conv, USDA)	1	0.25%
Total	14	

<u>Principal Outstanding:</u>	<u>\$ of Loans</u>	<u>%</u>
60 days	\$719,164	2.69%
90 days	\$365,851	1.37%
In Foreclosure	\$0	0.00%
REO (Conv, USDA)	\$75,003	0.28%
Total	\$1,160,019	

SERVICER AND MORTGAGE LOAN DATA

<u>Servicers:</u>	<u># of Loans</u>	<u>%</u>
Bank of America	20	5.03%
Marsh Associates Inc.	111	27.89%
RBC Bank	110	27.64%
BB&T	120	30.14%
NC Housing Finance Agency	1	0.25%
US Bank Home Mortgage	36	9.05%
Total	398	100.00%

<u>Mortgage Rates (%):</u>	<u># of Loans</u>
13	12
9.75	10
7.75	3
7.5	13
7.375	1
7.25	3
7.125	3
7.05	18
7	1
6.95	31
6.65	5
6.5	1
6.45	19
6.375	12
6.25	11
6.125	2
6.1	16
6	4
5.99	110
5.85	28
5.75	48
4.99	47
Total	398

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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 12

Current Funding Requirements:
Total Dollar Amount (\$000) \$294
As % of Initial Principal Amount
of Mortgage Loans Purchased 1.10%
Claims to Date 0

Maximum level of funding required over the life of the bonds (\$000) \$705

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)
65820EU65	07/01/03	Serial	2.55%	\$580,000	\$515,000	\$65,000	\$0	2
65820EU73	07/01/04	Serial	2.90%	610,000	505,000	105,000	0	2
65820EU81	07/01/05	Serial	3.30%	640,000	480,000	160,000	0	2
65820EU99	07/01/06	Serial	3.55%	680,000	455,000	225,000	0	2
65820EV23	07/01/07	Serial	3.80%	710,000	445,000	265,000	0	2
65820EV31	07/01/08	Serial	4.10%	750,000	385,000	365,000	0	2
65820EV49	07/01/09	Serial	4.30%	790,000	405,000	385,000	0	2
65820EV56	07/01/10	Serial	4.45%	840,000	440,000	400,000	0	2
65820EV64	07/01/11	Serial	4.60%	880,000	0	425,000	455,000	2
65820EV72	07/01/12	Serial	4.65%	930,000	0	435,000	495,000	2
65820EV80	07/01/17	Term (Note 2)	5.05%	5,360,000	0	2,870,000	2,490,000	2
65820EU32	01/01/26	Term (Note 3)	4.38%	10,720,000	0	10,505,000	215,000	1
65820EU40	07/01/31	Term (Note 4)	5.45%	7,505,000	0	3,735,000	3,770,000	2
65820EU57	01/01/32	Term (Note 5)	5.45%	780,000	0	375,000	405,000	2
65820EV98	07/01/33	Term (Note 6)	5.35%	26,300,000	0	0	26,300,000	2
Total 1998 Series 12				\$58,075,000	\$3,630,000	\$20,315,000	\$34,130,000	

Note 1: See optional and special redemption provisions page 4-1998-12, (i.e. "1" denotes first call priority from prepayments).

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

Note 3: Sinking fund redemptions begin July 1, 2017.

Note 4: Sinking fund redemptions begin July 1, 2026.

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

Note 6: Sinking fund redemptions begin January 1, 2019.

OPTIONAL REFUNDING TRANSACTION:

Home Ownership Revenue Bonds (1998 Resolution) on December 20, 2001 purchased 342 loans with a principal balance of \$7,446,181 from Single Family Revenue Bonds (1976 Resolution) Series A, 369 loans with a principal balance of \$8,840,783 from Series B, and loans from (1985 Resolution) Series RST with a principal balance of \$10,949,932.

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BOND SERIES: : : : : SERIES 12 : : : : :

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LIST OF UNSCHEDULED REDEMPTIONS: : : : : :

Call Date	Call Amount	Type of Call	Source Of Funds
04/15/02	\$2,295,000	Pro rata	Prepayments
10/01/03	\$815,000	Supersinker	Prepayments
01/01/04	\$530,000	Supersinker	Prepayments
01/01/04	\$1,180,000	Pro rata	Prepayments
05/01/04	\$285,000	Supersinker	Prepayments
05/01/04	\$1,380,000	Pro rata	Prepayments
09/01/04	\$370,000	Supersinker	Prepayments
09/01/04	\$320,000	Pro rata	Prepayments
01/01/05	\$715,000	Supersinker	Prepayments
05/01/05	\$660,000	Supersinker	Prepayments
10/01/05	\$220,000	Supersinker	Prepayments
10/01/05	\$1,150,000	Pro rata	Prepayments
04/01/06	\$810,000	Supersinker	Prepayments
04/01/06	\$665,000	Pro rata	Prepayments
08/01/06	\$765,000	Supersinker	Prepayments
01/01/07	\$760,000	Supersinker	Prepayments
01/01/07	\$675,000	Pro rata	Prepayments
05/01/07	\$715,000	Supersinker	Prepayments
05/01/07	\$800,000	Pro rata	Prepayments
11/01/07	\$1,335,000	Pro rata	Prepayments
02/01/08	\$655,000	Supersinker	Prepayments
07/01/08	\$690,000	Supersinker	Prepayments
07/01/08	\$10,000	Pro rata	Prepayments
01/01/09	\$495,000	Supersinker	Prepayments
07/01/09	\$465,000	Supersinker	Prepayments
01/01/10	\$725,000	Supersinker	Prepayments
06/01/10	\$320,000	Supersinker	Prepayments
12/01/10	<u>\$510,000</u>	Supersinker	Prepayments
	<u>\$20,315,000</u>		

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Direct Call Information: : : :

Special Redemption: : : :

The 1998 Series 12 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 12, 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 12 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 12 bonds shall first be applied to the redemption or purchase of Series 12 Term bonds due January 1, 2026 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 12 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 12 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.