NORTH CAROLINA HOUSING FINANCE AGENCY DISCLOSURE REPORT AS OF JUNE 30, 2007

SINGLE FAMILY REVENUE BONDS (1985 RESOLUTION) PAGE NO. 1-1985IIJJ SERIES II/JJ SERIES DATE: 07/01/96 SERIES SOLD: 08/08/96 LOAN PORTFOLIO CHARACTERISTICS (AS A % OF LOANS OUTSTANDING) GENERAL INFORMATION: 12.945.000 Bonds Outstanding: New Construction: 12 31% Bond Yield 6.15% Existing Home: 87.69% Private 18.66% Mortgage Loan Prin Outstanding 12.072.510 Total 100.00% FHA 78.73% Mortgage Rate(s) 6.75% - 8.30% VA 0.00% Outstanding Commitments: 0 Self Insured 0.00% Guaranty Fund Uncommitted Lendable Funds: 0 0.00% 100.00% Other Fixed Rate Mortgages Average Purchase Price: 61,413 Graduated Pmt Mtgs (less than 80.00 LTV) 0.00% 2.61% Average Original Loan Amount: 59,210 Growing Equity Mtgs 0.00% Total 100.00% Total No. of Loans Originated: 1,616 Variable Rate Mtgs 0.00% Total No. of Loans Paid Off: 1,347 Total 100.00% Total No. of Loans Outstanding: 268 Effective May 1, 2006 Trustee: The Bank of New York Trust Company, NA Type of Housing: Breakdown of Private Mortgage Insurers 10161 Centurion Parkway (List by % of total portfolio): Jacksonville, FL 32256 Single Family Detached 90.67% (904) 645-1956 Condos/Townhouses 8.21% 1985II/JJ Contact: Christine Boyd Manufactured/Duplexes 1.12% GEMICO 3.36% Total 100.00% RMIC 0.75% VEREX 14.55% Program: P.O. Box 28066 Total 18.66% Raleigh, NC 27611-8066 (919) 877-5700 Contact Sharon Drewyor, Director of Home Ownership Lending (919) 877-5621 Elizabeth I. Rozakis, Chief Financial Officer (919) 877-5687 POOL INSURANCE COVERAGE (DOLLARS IN THOUSANDS): Maximum Pool Coverage: Pool Insurer: Claims to Date: Remaining Pool Coverage \$ N/A N/A N/A N/A N/A SELF-INSURANCE COVERAGE: Current Funding Requirements: (data is for 1985 Series II/JJ only): Total Dollar Amount (\$000) Note 1 As % of Initial Principal Amount Name of Self-Insurance Fund: Mortgage Deficiency Fund 1985 Series D through WW (excluding Series U/V) of Mortgage Loans Purchased Series of Bonds Covered: Note 1 Claims to Date 0 Maximum level of funding required over the life of the bonds (\$000) Note 1 DELINQUENCY STATISTICS (AS A % OF LOANS OUTSTANDING): (AS % OF PRINCIPAL BALANCE OUTSTANDING): 60 days 1 87% 5 2 49% 300,705 90 days 1.12% 3 1 38% 166 252 In Foreclosure 0.37% 0.48% 58.301 No. of Loans Foreclosed to Date since 1/1/87 Real Estate Owned Not available Foreclosed (Loss)/Gain to Date 0 Not available Number of Loans Net of Insurance Proceeds (\$000) Outstanding Mtg Amount Not available At time of Default \$0

MORTGAGE LOAN SERVICERS:		MORTGAGE LOAN RATES (BY BOND SERIES):			
Servicer	# of Loans	% of Portfolio	Series	# of Loans	Mtg Rate
BB&T Marsh RBC Centura	113 74 71	42.16% 27.61% 26.49%	1985 SERIES II/JJ	211 <u>57</u>	6.75% 8.30%
Bank of America	<u>10</u>	<u>3.73%</u>	Total	<u>268</u>	
TOTAL	<u>268</u>	<u>100.00%</u>			

Current Balance

\$0

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

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INDENTURE: SINGLE FAMILY REVENUE BONDS (1985 RESOLUTION)
BOND SERIES: SERIES II/JJ

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LIST OF BONDS BY MATURITY:

CUSIP	Maturity	Bond	Interest	Original	Principal	Principal	Principal B	ond Call
Number	Date	Type	Rate	Amount	Matured	Redemptions	Outstanding S	equence (Note 1)
65820ELX6	09/01/99	Serial	5.00%	\$595.000	\$545,000	\$50,000	\$0	2
65820ELY4	03/01/00	Serial	5.10%	610,000	555,000	55,000	0	2
65820ELZ1	09/01/00	Serial	5.10%	625,000	550,000	75,000	0	2
				·			-	
65820EMA5	03/01/01	Serial	5.20%	645,000	570,000	75,000	0	2
65820EMB3	09/01/01	Serial	5.20%	665,000	580,000	85,000	0	2
65820EMC1	03/01/02	Serial	5.30%	680,000	565,000	115,000	0	2
65820EMD9	09/01/02	Serial	5.30%	695,000	545,000	150,000	0	2
65820EME7	03/01/03	Serial	5.40%	720,000	530,000	190,000	0	2
65820EMF4	09/01/03	Serial	5.40%	740,000	510,000	230,000	0	2
65820EMG2	03/01/04	Serial	5.55%	765,000	490,000	275,000	0	2
65820EMH0	09/01/04	Serial	5.55%	780,000	400,000	380,000	0	2
65820EMJ6	03/01/05	Serial	5.65%	810,000	390,000	420,000	0	2
65820EMK3	09/01/05	Serial	5.65%	830,000	350,000	480,000	0	2
65820EML1	03/01/06	Serial	5.75%	855,000	350,000	505,000	0	2
65820EMM9	09/01/06	Serial	5.75%	885,000	335,000	550,000	0	2
65820EMN7	03/01/07	Serial	5.85%	910,000	300,000	610,000	0	2
65820EMP2	09/01/07	Serial	5.85%	935,000		640,000	295,000	2
65820EMQ0	03/01/11	Term (Note 2)	6.15%	7,215,000		4,925,000	2,290,000	2
65820ELV0	03/01/16	Term (Note 3)	6.20%	14,235,000		9,700,000	4,535,000	2
65820ELW8	09/01/17	Term (Note 4)	6.20%	3,295,000		2,250,000	1,045,000	1
65820EMR8	03/01/23	Term (Note 5)	5.75%	12,140,000		12,140,000	0	2
65820EMS6	09/01/27	Term (Note 6)	6.45%	13,630,000		9,970,000	3,660,000	2
65820EMT4	09/01/28	Term (Note 7)	6.45%	4,270,000		3,150,000	1,120,000	2
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	Te	otal 1985 Series II/JJ	ı	\$67,530,000	\$7,565,000	\$47,020,000	\$12,945,000	

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

Note 2: Sinking fund redemption begins March 1, 2008.

Note 3: Sinking fund redemption begins March 1, 2011.

Note 4: Sinking fund redemption begins September 1, 2016.

Note 5: Sinking fund redemption begins March 1, 2018.

Note 6: Sinking fund redemption begins September 1, 2023.

Note 7: Sinking fund redemption begins March 1, 2028.

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INDENTURE: SINGLE FAMILY REVENUE BONDS (1985 RESOLUTION)
BOND SERIES: SERIES II/JJ

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LIST OF UNSCHEDULED REDEMPTIONS:

Call Date	Call Amount	Type of Call	Source Of Funds
Call Date	Call Amount	Type of Call	Source Of Funds
12/01/96	\$860,000	Pro rata	Prepayments
06/01/97	685,000	Supersinker	Prepayments
09/01/97	270,000	Supersinker	Prepayments
01/01/98	1,005,000	Supersinker	Prepayments
03/01/98	210,000	Supersinker	Prepayments
03/01/98	740,000	Pro rata	Prepayments
07/01/98	1,085,000	Supersinker	Prepayments
01/01/99	1,635,000	Supersinker	Prepayments
01/01/99	765,000	Pro rata	Prepayments
05/01/99	1,855,000	Pro rata	Prepayments
07/01/99	1,390,000	Supersinker	Prepayments
07/01/99	25,000	Pro rata	Debt Service Reserve
09/01/99	270,000	Supersinker	Prepayments
09/01/99	415,000	Pro rata	Prepayments
09/01/99	25,000	Pro rata	Debt Service Reserve
12/15/99	1,410,000	Supersinker	Prepayments
12/15/99	40,000	Pro rata	Debt Service Reserve
05/01/00	375,000	Supersinker	Prepayments
05/01/00	1,350,000	Pro rata	Prepayments
05/01/00	70,000	Pro rata	Debt Service Reserve
07/01/00	705,000	Supersinker	Prepayments
07/01/00	20,000	Pro rata	Debt Service Reserve
01/01/01	2,160,000	Supersinker	Prepayments
01/01/01	65,000	Pro rata	Debt Service Reserve
06/01/01	940,000	Supersinker	Prepayments
06/01/01	705,000	Pro rata	Prepayments
06/01/01	60,000	Pro rata	Debt Service Reserve
10/01/01	1,995,000	Pro rata	Prepayments
10/01/01	90,000	Pro rata	Debt Service Reserve
01/01/02	1,510,000	Pro rata	Prepayments
01/01/02	75,000	Pro rata	Debt Service Reserve
04/15/02	1,270,000	Pro rata	Prepayments
04/15/02	55,000	Pro rata	Debt Service Reserve
07/01/02	1,645,000	Pro rata	Prepayments
07/01/02	80,000	Pro rata	Debt Service Reserve
01/01/03	300,000	Pro rata	Prepayments
06/01/03	2,080,000	Pro rata	Prepayments
06/01/03	120,000	Pro rata	Debt Service Reserve
06/01/03	305,000	Pro rata	Prepayments
10/01/03 10/01/03	2,095,000 120,000	Pro rata Pro rata	Prepayments Debt Service Reserve
10/01/03	385,000	Pro rata	Prepayments
01/01/04	4,525,000	Pro rata	
05/01/04	1,535,000	Pro rata	Prepayments
09/01/04	1,810,000	Pro rata	Prepayments Prepayments
09/01/04	410,000	Pro rata	Debt Service Reserve
01/01/05	1,775,000	Pro rata	Prepayments
01/01/05	90,000	Pro rata	Debt Service Reserve
05/01/05	1,025,000	Pro rata	Prepayments
05/01/05	55,000	Pro rata	Debt Service Reserve
10/01/05	370,000	Pro rata	Prepayments
04/01/06	1,700,000	Pro rata	Prepayments
04/01/06	105,000	Pro rata	Debt Service Reserve
08/01/06	465,000	Pro rata	Prepayments
08/01/06	30,000	Pro rata	Debt Service Reserve
01/01/07	1,490,000	Pro rata	Prepayments
01/01/07	85,000	Pro rata	Debt Service Reserve
05/01/07	275,000	Pro rata	Prepayments
05/01/07	15,000	Pro rata	Debt Service Reserve
TOTAL	10,000		DODE GOLVIDE RESERVE

TOTAL \$47,020,000

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INDENTURE: SINGLE FAMILY REVENUE BONDS (1985 RESOLUTION)	PAGE NO.
BOND SERIES SERIES IIJJ	

Bond Call Information:

Special Redemption

The 1985 Series II and JJ 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) excess revenues transferred from the revenue reserve fund,
- (iii) prepayments of mortgage loans financed with the proceeds of the Series II and JJ bonds,
- (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 subsequent to the Series D bonds other than the Series II and JJ bonds 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 II and JJ bonds, shall first be allpied to the redemption or purchase of Series JJ Term bonds due March 1, 2023 during the operiods up to the scheduled principal amounts set forth int eh series resolution.

Moneys in excess of the debt service reserve requirement shall be applied to the redemption of the series II and JJ bonds in any manner. Moneys to be applied to redemption from excess revenues in the revenue reserve fund, from prepayments in excess of the scheduled principal amounts or from cross call redemption sources, 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 seath flow expertise.

Optional Redemption

The Series II and JJ bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after March 1, 2006, in whole or in part, on any date, at the following redemption prices, plus accrued interest to the date of redemption:

(Expressed as a Percentage)		
102.00%		
101.00%		
100.00%		