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

SINGLE FAMILY REVENUE BONDS (1985 RESOLUTION) INDENTURE: PAGE NO. 1-1985YZ BOND SERIES: SERIES DATE: 7/28/94 SERIES SOLD: 09/08/94 LOAN PORTFOLIO CHARACTERISTICS (AS A % OF LOANS OUTSTANDING) GENERAL INFORMATION: Bonds Outstanding: 5,685,000 17.21% New Construction: Existing Home: Total Bond Yield 6.33% 82.79% Private 0.00% Mortgage Loan Prin Outstanding 5,520,433 FHA 100.00% 100.00% Mortgage Rate(s)
Outstanding Commitments: 7.30% VA Self Insured 0.00% 0.00% 0 Uncommitted Lendable Funds: 0 Guaranty Fund 0.00% Fixed Rate Mortgages 100.00% Other 0.00% Average Purchase Price: 60 527 Graduated Pmt Mtgs (less than 80.00 LTV) 0.00% Average Original Loan Amount: 58.737 Growing Equity Mtgs Total 100.00% Total No. of Loans Originated: 572 Variable Rate Mtgs 0.00% Total No. of Loans Paid Off: 450 100.00% Total Total No. of Loans Outstanding Effective May 1, 2006 Trustee: The Bank of New York Trust Company, NA 10161 Centurion Parkway Type of Housing: Breakdown of Private Mortgage Insurers (List by % of total portfolio): Jacksonville, FL 32256 (904) 645-1956 Single Family Detached Condos/Townhouses 86.07% 12.29% 1985Y/Z Contact: Christine Boyd Manufactured/Duplexes 1.64% GEMICO 0.00% Total RMIC 0.00% 100.00% UG VEREX 0.00% Program: P.O. Box 28066 0.00% Raleigh, NC 27611-8066 (919) 877-5700 0.00% 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): None SELF-INSURANCE COVERAGE: Current Funding Requirements: (data is for 1985 Series Y/Z only): Total Dollar Amount (\$000) Note 1 Name of Self-Insurance Fund: Mortgage Deficiency Fund As % of Initial Principal Amount of Mortgage Loans Purchased 1985 Series D through WW (excluding Series U/V) Series of Bonds Covered: Note 1 Claims to Date Maximum level of funding required over the life of the bonds (\$000 DELINQUENCY STATISTICS (AS A % OF LOANS OUTSTANDING): (AS % OF PRINCIPAL BALANCE OUTSTANDING): % 60 days 5.74% 6.67% 367,990 0.82% 0.99% 54,675 174,834 90 days In Foreclosure 2.46% 3.17% No. of Loans Foreclosed to Date since 1/1/87 Not available Real Estate Owned Foreclosed (Loss)/Gain to Date Net of Insurance Proceeds (\$000) Not available Not available Number of Loans Outstanding Mtg Amount 0 At time of Default \$0 Current Balance MORTGAGE LOAN SERVICERS: MORTGAGE LOAN RATES (BY BOND SERIES): Servicer # of Loans % of Portfolio Series # of Loans Mtg Rate BB&T 37.70% 1985 SERIES Y/Z 7.30% 122 Marsh RBC Centura 27.87% 24.59% 34 30 Total 122 Bank of America 12 9.84% TOTAL 122 100.00%

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

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

SINGLE FAMILY REVENUE BONDS (1985 RESOLUTION) SERIES Y/Z INDENTURE: BOND SERIES: PAGE NO. 2-1985YZ

LIST OF BONDS BY MATURITY:

CUSIP	Maturity	Bond	Interest	Original	Principal	Principal	Principal B	ond Call
Number	Date	Type	Rate	Amount	Matured	Redemptions		Sequence (Note 1)
		**				•	ŭ	
65820EAP5	09/01/96	Serial	4.50%	\$250,000	\$230,000	\$20,000	\$0	1
65820EAQ3	03/01/97	Serial	4.75%	260,000	240,000	20,000	0	1
65820EAR1	09/01/97	Serial	4.75%	265,000	245,000	20,000	0	1
65820EAS9	03/01/98	Serial	5.00%	270,000	250,000	20,000	0	1
65820EAT7	09/01/98	Serial	5.00%	275,000	255,000	20,000	0	1
65820EAU4	03/01/99	Serial	5.15%	285,000	245,000	40,000	0	1
65820EAV2	09/01/99	Serial	5.15%	290,000	235,000	55,000	0	1
65820EAW0	03/01/00	Serial	5.30%	300,000	235,000	65,000	0	1
65820EAX8	09/01/00	Serial	5.30%	305,000	225,000	80,000	0	1
65820EAY6	03/01/01	Serial	5.45%	310,000	200,000	110,000	0	1
65820EAZ3	09/01/01	Serial	5.45%	320,000	190,000	130,000	0	1
65820EBA7	03/01/02	Serial	5.55%	330,000	175,000	155,000	0	1
65820EBB5	09/01/02	Serial	5.55%	335,000	165,000	170,000	0	1
65820EBC3	03/01/03	Serial	5.65%	345,000	155,000	190,000	0	1
65820EBD1	09/01/03	Serial	5.65%	355,000	145,000	210,000	0	1
65820EBE9	03/01/04	Serial	5.75%	365,000	130,000	235,000	0	1
65820EBF6	09/01/04	Serial	5.75%	375,000	95,000	280,000	0	1
65820EBG4	03/01/05	Serial	5.85%	385,000	90,000	295,000	0	1
65820EBH2	09/01/05	Serial	5.85%	395,000	70,000	325,000	0	1
65820EBJ8	03/01/06	Serial	5.95%	410,000	60,000	350,000	0	1
65820EBK5	09/01/06	Serial	5.95%	100,000	25,000	75,000	0	1
65820EBS8	03/01/11	Term (Note 2)	6.40%	4,835,000	135,000	3,725,000	975,000	2
65820EAM2	09/01/15	Term (Note 3)	6.30%	5,560,000		4,210,000	1,350,000	2
65820EAN0	03/01/18	Term (Note 4)	6.35%	3,440,000		2,615,000	825,000	2
65820EBU3	09/01/25	Term (Note 5)	6.10%	7,700,000		7,700,000	0	1
65820EBV1	09/01/26	Term (Note 6)	6.60%	11,940,000		9,405,000	2,535,000	2
	_							
	Т	otal 1985 Series Y/Z		\$40,000,000	\$3,795,000	\$30,520,000	\$5,685,000	

Note 1: See optional and special redemption provisions on page 4-1985YZ. (i.e. "1" denotes first call priority from prepayments.)
Note 2: Sinking fund redemption begins September 1, 2006.
Note 3: Sinking fund redemption begins September 1, 2011.
Note 4: Sinking fund redemption begins March 1, 2016.
Note 5: Sinking fund redemption begins March 1, 2014.
Note 6: Sinking fund redemption begins March 1, 2014.

PAGE NO. 3-1985YZ

SINGLE FAMILY REVENUE BONDS (1985 RESOLUTION) SERIES Y/Z INDENTURE: BOND SERIES:

LIST OF UNSCHEDULED REDEMPTIONS:

Call Date	Call Amount	Type of Call	Source Of Funds
07/01/95	\$10,000	Supersinker	Prepayments
01/01/96	65,000	Supersinker	Prepayments
01/01/96	90,000	Pro rata	Debt Service Reserve
01/01/96 07/01/96	2,265,000	Pro rata	Unexpended Proceeds Prepayments
07/01/96	595,000 115,000	Supersinker Pro rata	Prepayments Prepayments
07/01/96	340,000	Pro rata	Unexpended Proceeds
07/01/96	15,000	Pro rata	Debt Service Reserve
12/01/96	270,000	Supersinker	Prepayments
12/01/96	300,000	Pro rata	Prepayments
12/01/96 02/01/97	35,000 270,000	Pro rata Supersinker	Debt Service Reserve Prepayments
02/01/97	5,000	Pro rata	Debt Service Reserve
06/01/97	390,000	Supersinker	Prepayments
06/01/97	10,000	Pro rata	Debt Service Reserve
09/01/97	30,000	Pro rata	Prepayments
09/01/97	170,000	Supersinker	Prepayments
09/01/97 01/01/98	5,000 120,000	Pro rata Pro rata	Debt Service Reserve Prepayments
01/01/98	690,000	Supersinker	Prepayments
01/01/98	10,000	Pro rata	Debt Service Reserve
03/01/98	85,000	Pro rata	Prepayments
03/01/98	500,000	Supersinker	Prepayments
03/01/98	5,000	Pro rata	Debt Service Reserve
07/01/98 07/01/98	115,000	Pro rata	Prepayments
07/01/98	700,000 5,000	Supersinker Pro rata	Prepayments Debt Service Reserve
01/01/99	140,000	Pro rata	Prepayments
01/01/99	905,000	Supersinker	Prepayments
05/01/99	125,000	Pro rata	Prepayments
05/01/99	875,000	Supersinker	Prepayments
07/01/99	125,000	Pro rata	Prepayments
07/01/99 09/01/99	850,000 45,000	Supersinker Pro rata	Prepayments Prepayments
09/01/99	315,000	Supersinker	Prepayments
12/15/99	140,000	Pro rata	Prepayments
12/15/99	690,000	Supersinker	Prepayments
12/15/99	365,000	Pro rata	Prepayments
12/15/99 05/01/00	15,000 85,000	Pro rata Pro rata	Debt Service Reserve Prepayments
05/01/00	720,000	Pro rata	Prepayments
05/01/00	45,000	Pro rata	Debt Service Reserve
07/01/00	410,000	Pro rata	Prepayments
07/01/00	20,000	Pro rata	Debt Service Reserve
01/01/01	100,000	Supersinker	Prepayments
01/01/01 01/01/01	960,000 55,000	Pro rata Pro rata	Prepayments Debt Service Reserve
06/01/01	85,000	Supersinker	Prepayments
06/01/01	885,000	Pro rata	Prepayments
06/01/01	55,000	Pro rata	Debt Service Reserve
10/01/01	195,000	Supersinker	Prepayments
10/01/01	950,000	Pro rata	Prepayments
10/01/01 01/01/02	70,000 60,000	Pro rata Pro rata	Debt Service Reserve Prepayments
01/01/02	700,000	Pro rata	Prepayments
01/01/02	40,000	Pro rata	Debt Service Reserve
04/15/02	595,000	Pro rata	Prepayments
04/15/02	35,000	Pro rata	Debt Service Reserve
07/01/02	735,000	Pro rata	Prepayments
07/01/02 01/01/03	45,000 1,180,000	Pro rata Pro rata	Debt Service Reserve Prepayments
06/01/03	45,000	Pro rata	Prepayments
06/01/03	735,000	Pro rata	Prepayments
06/01/03	100,000	Pro rata	Debt Service Reserve
06/01/03	35,000	Pro rata	Prepayments
06/01/03	620,000	Pro rata	Prepayments
10/01/03 10/01/03	25,000 400,000	Pro rata Pro rata	Prepayments Prepayments
10/01/03	65,000	Pro rata	Debt Service Reserve
10/01/03	50,000	Pro rata	Prepayments
10/01/03	1,005,000	Pro rata	Prepayments
01/01/04	40,000	Pro rata	Prepayments
01/01/04	770,000 95,000	Pro rata Pro rata	Prepayments Prepayments
05/01/04 05/01/04	2,390,000	Pro rata	Prepayments
05/01/04	235,000	Pro rata	Debt Service Reserve
09/01/04	25,000	Serial	Prepayments
09/01/04	675,000	Pro rata	Prepayments
09/01/04	55,000	Pro rata	Debt Service Reserve
01/01/05 01/01/05	15,000 515,000	Serial Pro rata	Prepayments Prepayments
01/01/05	30,000	Pro rata	Debt Service Reserve
05/01/05	15,000	Serial	Prepayments
05/01/05	710,000	Pro rata	Prepayments
05/01/05	50,000	Pro rata	Debt Service Reserve
10/01/05	10,000	Serial	Prepayments
10/01/05 04/01/06	490,000	Pro rata Pro rata	Prepayments Prepayments
04/01/06	370,000 40,000	Pro rata Pro rata	Prepayments Debt Service Reserve
08/01/06	400,000	Pro rata	Prepayments
08/01/06	15,000	Pro rata	Debt Service Reserve
01/01/07	495,000	Pro rata	Prepayments
01/01/07	20,000	Pro rata	Debt Service Reserve
05/04/07	450.000		
05/01/07 05/01/07	150,000 5,000	Pro rata Pro rata	Prepayments Debt Service Reserve
05/01/07 05/01/07	150,000 <u>5,000</u>	Pro rata Pro rata	Debt Service Reserve

Total \$30,520,000

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

SINGLE FAMILY REVENUE BONDS (1985 RESOLUTION) SERIES Y/Z INDENTURE PAGE NO. 4-1985YZ BOND SERIES:

Bond Call Information:

Special Redemption

The 1985 Series Y and Z 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:

- unexpended proceeds, excess revenues transferred from the revenue reserve fund,
- prepayments of mortgage loans financed with the proceeds of the Series Y and Z bonds, moneys withdrawn form the debt service revenue fund in connection with an excess over the debt service requirement, and
- from prepayments of mortgage loans financed with proceeds from series of bonds issued subsequent to the Series D bonds other than the Series Y and Z 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 Y and Z bonds, shall first be applied to the redemption or purchases of Series Z serial bonds and Series Z term bonds due September 1, 2025 during the periods up to the scheduled principal amounts set forth in the series resolution.

Moneys from unexpended proceeds shall be applied to the redemption of the Series Y and Z bonds on a pro rata basis.

Moneys in excess of the debt service reserve requirement shall be applied to the redemption of the series Y and Z 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 cash flow certificate

Optional Redemption

The Series Y and Z bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after September 1, 2004, in whole or in part, on any date, at the following redemption prices, plus accrued interest to te date of redemption:

Period	Redemption Price			
(Both Dates Inclusive)	(Expressed as a Percentage)			
September 1, 2004 - August 31, 2005	102.00%			
September 1, 2005 - August 31, 2006	101.00%			
September 1, 2006 and thereafter	100.00%			