

NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF SEPTEMBER 30, 2009

INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)
BOND SERIES: 26

GENERAL MORTGAGE LOAN INFORMATION
Mortgage Loan Prin Outstanding: \$56,623,216
Mortgage Rates: 5.13% - 6.25%

Average Purchase Price: \$120,402
Average Original Loan Amount: \$115,224

Total No. of Loans Originated: 550
Total No. of Loans Paid Off: 31
Total No. of Loans Outstanding: 519

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>	<u>Private Mortgage Insurers:</u>	<u># of Loans</u>	<u>%</u>	<u>New/Existing:</u>	<u># of Loans</u>	<u>%</u>
CONV	324	62.52%	GENWORTH	147	28.32%	New Construction	145	28.04%
FHA	60	11.66%	MGIC	91	17.63%	Existing Home	373	71.96%
VA	44	8.48%	AIG-UGIC	37	7.13%	Total	519	100.00%
USDA	36	6.94%	RMIC	33	6.36%			
HUD-184	0	0.00%	PMI MTG. INS. CO.	9	1.73%	<u>Type of Housing:</u>	<u># of Loans</u>	<u>%</u>
Guaranty Fund	0	0.00%	TRIAD	2	0.39%	Single Family Detached	392	75.63%
Other (< 80%LTV)	54	10.41%	RADIAN GUARANTY INC.	2	0.39%	Condominium	35	6.74%
Total	519	100.00%	CMG MTG INS CO	3	0.58%	Townhouse	86	16.67%
			Total	324	62.52%	Manufactured Home	5	0.96%
						Total	519	100.00%

DELINQUENCY STATISTICS

<u>Loans Outstanding:</u>	<u># of Loans</u>	<u>%</u>	<u>Principal Outstanding:</u>	<u>\$ of Loans</u>
60 days	10	1.93%	60 days	\$919,933
90 days	16	3.08%	90 days	\$1,805,279
In Foreclosure	3	0.58%	In Foreclosure	\$171,427
REO (Conv, USDA)	3	0.58%	REO (Conv, USDA)	\$355,607
Total	32		Total	\$3,252,246

SERVICER AND MORTGAGE LOAN DATA

<u>Servicers:</u>	<u># of Loans</u>	<u>%</u>	<u>Mortgage Rates (%):</u>	<u># of Loans</u>
Bank of America	1	0.29%	6.25	4
Marsh Associates Inc.	223	43.06%	6.13	7
RBC Centura Bank	161	31.02%	6	1
BB&T	123	23.70%	5.99	1
State Employees Credit Union	10	1.93%	5.88	7
Total	519	100.00%	5.75	53
			5.63	195
			5.5	246
			5.38	1
			5.13	3
			Total	519

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POOL INSURANCE COVERAGE (DOLLARS IN THOUSANDS): None

SELF-INSURANCE COVERAGE:	Name of Self-Insurance Fund:	Insurance Reserve Fund	Current Funding Requirements:	
	Series of Bonds Covered:	1998 Series 26	Total Dollar Amount (\$000)	\$710
			As % of Initial Principal Amount	
			of Mortgage Loans Purchased	1.25%
			Claims to Date	0

Maximum level of funding required over the life of the bonds (\$000) \$710

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)
658207DA0	07/01/08	Serial	3.40%	170,000	170,000	0	0	2
658207CJ2	01/01/09	Serial	3.80%	500,000	500,000	0	0	2
658207CK9	07/01/09	Serial	3.85%	510,000	510,000	0	0	2
658207CL7	01/01/10	Serial	3.90%	520,000	0	0	520,000	2
658207CM5	07/01/10	Serial	3.90%	280,000	0	0	280,000	2
658207DB8	07/01/10	Serial	3.50%	250,000	0	0	250,000	2
658207CN3	01/01/11	Serial	3.95%	295,000	0	0	295,000	2
658207DC6	01/01/11	Serial	3.55%	250,000	0	0	250,000	2
658207CP8	07/01/11	Serial	3.95%	555,000	0	0	555,000	2
658207DD4	01/01/12	Serial	3.60%	565,000	0	0	565,000	2
658207CQ6	07/01/12	Serial	4.00%	580,000	0	0	580,000	2
658207CR4	01/01/13	Serial	4.05%	590,000	0	0	590,000	2
658207CS2	07/01/13	Serial	4.05%	605,000	0	0	605,000	2
658207CT0	01/01/14	Serial	4.10%	615,000	0	0	615,000	2
658207CU7	07/01/14	Serial	4.10%	630,000	0	0	630,000	2
658207DE2	01/01/15	Serial	3.75%	645,000	0	0	645,000	2
658207DF9	07/01/15	Serial	3.75%	660,000	0	0	660,000	2
658207DG7	01/01/16	Serial	3.80%	675,000	0	0	675,000	2
658207DH5	07/01/16	Serial	3.80%	690,000	0	0	690,000	2
658207DJ1	01/01/17	Serial	3.85%	705,000	0	0	705,000	2
658207DK8	07/01/17	Serial	3.85%	720,000	0	0	720,000	2
658207CV5	07/01/22	Term (Note 2)	4.55%	5,505,000	0	0	5,505,000	2
658207CW3	07/01/28	Term (Note 3)	4.60%	8,385,000	0	0	8,385,000	2
658207CX1	07/01/32	Term (Note 4)	4.65%	7,280,000	0	0	7,280,000	2
658207CY9	01/01/38	Term (Note 5)	5.50%	19,500,000	0	2,855,000	16,645,000	2
658207CZ6	07/01/38	Term (Note 6)	4.70%	13,320,000	0	80,000	13,240,000	2
Total 1998 Series 26				\$65,000,000	\$1,180,000	\$2,935,000	\$60,885,000	

Note 1: See optional and special redemption provisions page 4-1998-26. (i.e. "1" denotes first call priority from prepayments).
 Note 2: Sinking fund redemptions begin January 1, 2018.
 Note 3: Sinking fund redemptions begin January 1, 2023.
 Note 4: Sinking fund redemptions begin January 1, 2029.
 Note 5: Sinking fund redemptions begin July 1, 2018. AMT PAC bonds were sold at a premium with a coupon rate of 5.50% and a yield of 5.084%.
 Note 6: Sinking fund redemptions begin January 1, 2033.

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LIST OF UNSCHEDULED REDEMPTIONS:

Call Date	Call Amount	Type of Call	Source Of Funds
7/1/2008	\$550,000	Supersinker	Prepayments
1/1/2009	\$1,060,000	Supersinker	Prepayments
1/1/2009	\$45,000	Pro rata	Debt Service Reserve
7/1/2009	\$1,245,000	Supersinker	Prepayments
7/1/2009	<u>\$35,000</u>	Pro rata	Debt Service Reserve
	<u>\$2,935,000</u>		

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Bond Call Information:

Special Redemption

The 1998 Series 26 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 26, 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 26 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 26 bonds shall first be applied to the redemption or purchase of Series 26 term bonds due January 1, 2038 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 26 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 26 bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after January 1, 2016, in whole, or in part, at the principal amount thereof plus accrued interest to the date of redemption, without premium.