

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF SEPTEMBER 30, 2011**

**INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)
BOND SERIES: 28**

GENERAL MORTGAGE LOAN INFORMATION

Mortgage Loan Prin Outstanding: \$50,501,512
Mortgage Rates: 4.750% - 5.990%

Average Purchase Price: \$103,702
Average Original Loan Amount: \$99,045

Total No. of Loans Originated: 557
Total No. of Loans Paid Off: 88
Total No. of Loans Outstanding: 469

PROGRAM

P.O. Box 28066
Raleigh, NC 27611-8066
(919) 877-5700
Contacts:
Rob Rusczak, 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	324	69.08%
FHA	50	10.66%
VA	26	5.55%
USDA	22	4.69%
HUD-184	0	0.00%
Guaranty Fund	0	0.00%
Other (< 80%LTV)	47	10.02%
Total	469	100.00%

<u>Private Mortgage Insurers:</u>	<u># of Loans</u>	<u>%</u>
RADIAN GUARANTY INC.	1	0.21%
GENWORTH	173	36.89%
MGIC	70	14.93%
AIG-UGIC	43	9.17%
PMI MTG. INS. CO.	5	1.07%
TRIAD	7	1.49%
RMIC	24	5.12%
CMG MTG INS CO	1	0.21%
Total	324	69.10%

<u>New/Existing:</u>	<u># of Loans</u>	<u>%</u>
New Construction	101	21.54%
Existing Home	368	78.46%
Total	469	100.00%

<u>Type of Housing:</u>	<u># of Loans</u>	<u>%</u>
Single Family Detached	359	76.55%
Condominium	44	9.38%
Townhouse	58	12.36%
Manufactured Home	8	1.71%
Total	469	100.00%

DELINQUENCY STATISTICS

<u>Loans Outstanding:</u>	<u># of Loans</u>	<u>%</u>
60 days	6	1.28%
90 days	10	2.13%
In Foreclosure	8	1.71%
REO (Conv, USDA)	12	2.56%
Total	36	

<u>Principal Outstanding:</u>	<u>\$ of Loans</u>	<u>%</u>
60 days	\$621,999	1.23%
90 days	\$1,187,843	2.35%
In Foreclosure	\$899,992	1.78%
REO (Conv, USDA)	\$1,390,852	2.75%
Total	\$4,100,686	

SERVICER AND MORTGAGE LOAN DATA

<u>Servicers:</u>	<u># of Loans</u>	<u>%</u>
Marsh Associates Inc.	185	39.45%
RBC Bank	126	26.87%
BB&T	146	31.12%
State Employees Credit Union	11	2.35%
US Bank Home Mortgage	1	0.21%
Bank of America	0	0.00%
Total	469	100.00%

<u>Mortgage Rates (%):</u>	<u># of Loans</u>
5.99	13
5.875	37
5.75	42
5.625	271
5.5	105
4.75	1
Total	469

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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 28	Total Dollar Amount (\$000)	\$725
	As % of Initial Principal Amount	
	of Mortgage Loans Purchased	1.44%
	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)
658207EB7	07/01/08	Serial	3.50%	210,000	210,000	0	0	2
658207DM4	07/01/09	Serial	3.80%	495,000	495,000	0	0	2
658207DN2	01/01/10	Serial	3.90%	505,000	505,000	0	0	2
658207DP7	07/01/10	Serial	3.90%	515,000	515,000	0	0	2
658207EC5	01/01/11	Serial	3.55%	525,000	525,000	0	0	2
658207ED3	07/01/11	Serial	3.55%	250,000	245,000	5,000	0	2
658207DQ5	07/01/11	Serial	3.95%	285,000	280,000	5,000	0	2
658207EE1	01/01/12	Serial	3.60%	545,000	0	5,000	540,000	2
658207DR3	07/01/12	Serial	4.00%	560,000	0	5,000	555,000	2
658207DS1	01/01/13	Serial	4.05%	570,000	0	5,000	565,000	2
658207EF8	07/01/13	Serial	3.65%	255,000	0	5,000	250,000	2
658207DT9	07/01/13	Serial	4.05%	330,000	0	5,000	325,000	2
658207DU6	01/01/14	Serial	4.10%	595,000	0	5,000	590,000	2
658207DV4	07/01/14	Serial	4.10%	610,000	0	5,000	605,000	2
658207EG6	01/01/15	Serial	3.75%	620,000	0	5,000	615,000	2
658207EH4	07/01/15	Serial	3.75%	635,000	0	5,000	630,000	2
658207EJ0	01/01/16	Serial	3.80%	650,000	0	10,000	640,000	2
658207EK7	07/01/16	Serial	3.80%	665,000	0	10,000	655,000	2
658207EL5	01/01/17	Serial	3.85%	680,000	0	10,000	670,000	2
658207EM3	07/01/17	Serial	3.85%	695,000	0	10,000	685,000	2
658207DW2	07/01/23	Term (Note 2)	4.65%	6,640,000	0	70,000	6,570,000	2
658207DX0	07/01/29	Term (Note 3)	4.70%	8,305,000	0	105,000	8,200,000	2
658207DY8	07/01/33	Term (Note 4)	4.75%	7,195,000	0	85,000	7,110,000	2
658207DZ5	07/01/38	Term (Note 5)	5.50%	19,500,000	0	8,400,000	11,100,000	2
658207EA9	01/01/39	Term (Note 6)	4.80%	13,165,000	0	345,000	12,820,000	2
Total 1998 Series 28				\$65,000,000	\$2,775,000	\$9,100,000	\$53,125,000	

Note 1: See optional and special redemption provisions page 4-1998-28. (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, 2024.
 Note 4: Sinking fund redemptions begin January 1, 2030.
 Note 5: Sinking fund redemptions begin January 1, 2019. AMT PAC bonds were sold at a premium with a coupon rate of 5.50% and a yield of 4.92%.
 Note 6: Sinking fund redemptions begin January 1, 2034.

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BOND SERIES: SERIES 2B

LIST OF UNSCHEDULED REDEMPTIONS:

Call Date	Call Amount	Type of Call	Source Of Funds
7/1/2008	\$335,000	Supersinker	Prepayments
1/1/2009	\$645,000	Supersinker	Prepayments
1/1/2009	\$20,000	Pro rata	Debt Service Reserve
7/1/2009	\$335,000	Supersinker	Prepayments
7/1/2009	\$20,000	Pro rata	Debt Service Reserve
1/1/2010	\$1,210,000	Supersinker	Prepayments
1/1/2010	\$35,000	Pro rata	Debt Service Reserve
6/1/2010	\$1,485,000	Supersinker	Prepayments
6/1/2010	\$35,000	Pro rata	Debt Service Reserve
12/1/2010	\$2,515,000	Supersinker	Prepayments
12/1/2010	\$60,000	Pro rata	Debt Service Reserve
6/1/2011	\$1,675,000	Supersinker	Prepayments
6/1/2011	\$475,000	Pro rata	Prepayments
6/1/2011	<u>\$55,000</u>	Pro rata	Debt Service Reserve
	<u>\$9,100,000</u>		

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Bond Call Information: . . .
Special Redemption: . . .

The 1998 Series 28 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 28, 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 28 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 28 bonds shall first be applied to the redemption or purchase of Series 28 term bonds due July 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 28 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 28 bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after January 1, 2017, in whole, or in part, at the principal amount thereof plus accrued interest to the date of redemption, without premium.