

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF DECEMBER 31, 2008**

INDENTURE: SINGLE FAMILY REVENUE BONDS (1985 RESOLUTION)
BOND SERIES: SERIES P/Q

PAGE NO. 1-1985PQ

SERIES DATE: 06/01/91

SERIES SOLD: 06/05/91

GENERAL INFORMATION:

Bonds Outstanding: 0
Bond Yield: 7.35%
Mortgage Loan Prin Outstanding: 2,950,484
Mortgage Rate(s): 8.10%
Outstanding Commitments: 0
Uncommitted Lendable Funds: 0

Average Purchase Price: 49,915
Average Original Loan Amount: 50,018
Total No. of Loans Originated: 802
Total No. of Loans Paid Off: 714
Total No. of Loans Outstanding: 88

LOAN PORTFOLIO CHARACTERISTICS (AS A % OF LOANS OUTSTANDING)

New Construction: 7.95%
Existing Home: 92.05%
Total: 100.00%

Fixed Rate Mortgages: 100.00%
Graduated Pmt Mtgs: 0.00%
Growing Equity Mtgs: 0.00%
Variable Rate Mtgs: 0.00%
Total: 100.00%

Private: 0.00%
FHA: 100.00%
VA: 0.00%
Self Insured: 0.00%
Guaranty Fund: 0.00%
Other: (less than 80.00 LTV) 0.00%
Total: 100.00%

Effective May 1, 2006

Trustee: The Bank of New York Mellon
10161 Centurion Parkway
Jacksonville, FL 32256
(904) 645-1956
Contact: Christine Boyd

Type of Housing:
Single Family Detached: 94.32%
Condos/Townhouses: 3.41%
Manufactured/Duplexes: 2.27%
Total: 100.00%

**Breakdown of Private Mortgage Insurers
(List by % of total portfolio):**

1985P/Q
GEMICO: 0.00%
MGIC: 0.00%
UG: 0.00%
VEREX: 0.00%
Total: 0.00%

Program: P.O. Box 28066
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):

None

SELF-INSURANCE COVERAGE:

Name of Self-Insurance Fund: Mortgage Deficiency Fund
Series of Bonds Covered: 1985 Series D through WW (excluding Series U/V)

Current Funding Requirements: (data is for 1985 Series P/Q only):

Total Dollar Amount (\$000): N/A
As % of Initial Principal Amount of Mortgage Loans Purchased: N/A
Claims to Date: 0

Maximum level of funding required over the life of the bonds (\$000) \$1,363

DELINQUENCY STATISTICS (AS A % OF LOANS OUTSTANDING):

	%	#
60 days	3.41%	3
90 days	1.14%	1
In Foreclosure	0.00%	0

(AS % OF PRINCIPAL BALANCE OUTSTANDING):

	%	\$
	3.65%	107,725
	0.71%	21,041
	0.00%	0

No. of Loans Foreclosed to Date since 1/1/87: Not available
Foreclosed (Loss)/Gain to Date: Not available
Net of Insurance Proceeds (\$000): Not available

Real Estate Owned
Number of Loans: 0
Outstanding Mtg Amount
At time of Default: \$0
Current Balance: \$0

MORTGAGE LOAN SERVICERS:

Servicer	# of Loans	% of Portfolio
BB&T	33	37.50%
Marsh	29	32.96%
RBC Centura	19	21.59%
Bank of America	7	7.95%
TOTAL	88	100.00%

MORTGAGE LOAN RATES (BY BOND SERIES):

Series	# of Loans	Mtg Rate
1985 SERIES P/Q	88	8.10%
Total	88	

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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)
658200ZH6	09/01/93	Serial	5.250%	\$295,000	\$235,000	\$60,000	\$0	
658200ZJ2	03/01/94	Serial	5.500%	205,000	165,000	40,000	0	
658200ZK9	09/01/94	Serial	5.500%	305,000	245,000	60,000	0	2
658200ZL7	03/01/95	Serial	5.700%	175,000	140,000	35,000	0	2
658200ZM5	09/01/95	Serial	5.700%	185,000	150,000	35,000	0	2
658200ZN3	03/01/96	Serial	5.900%	190,000	150,000	40,000	0	2
658200ZP8	09/01/96	Serial	5.900%	195,000	155,000	40,000	0	2
658200ZQ6	03/01/97	Serial	6.000%	205,000	165,000	40,000	0	2
658200ZR4	09/01/97	Serial	6.000%	220,000	175,000	45,000	0	2
658200ZS2	03/01/98	Serial	6.100%	235,000	180,000	55,000	0	2
658200ZT0	09/01/98	Serial	6.100%	230,000	170,000	60,000	0	2
658200ZU7	03/01/99	Serial	6.200%	240,000	175,000	65,000	0	2
658200ZV5	09/01/99	Serial	6.200%	250,000	130,000	120,000	0	2
658200ZW3	03/01/00	Serial	6.300%	255,000	125,000	130,000	0	2
658200ZX1	09/01/00	Serial	6.300%	260,000	90,000	170,000	0	2
658200ZY9	03/01/01	Serial	6.400%	275,000	90,000	185,000	0	2
658200ZZ6	09/01/01	Serial	6.400%	280,000		280,000	0	2
658200A26	03/01/02	Serial	6.500%	295,000		295,000	0	2
658200A34	09/01/02	Serial	6.500%	305,000		305,000	0	2
658200A42	03/01/03	Serial	6.600%	315,000		315,000	0	2
658200A59	09/01/03	Serial	6.600%	325,000		325,000	0	2
658200B58	03/01/12	Term (Note 2)	6.625%	15,925,000	400,000	15,525,000	0	1
658200B74	03/01/18	Term (Note 3)	Note A	13,880,000		13,880,000	0	2
658200C24	09/01/23	Term (Note 4)	Note B	22,000,000		22,000,000	0	2
Total 1985 Series P/Q				\$57,045,000	\$2,940,000	\$54,105,000	\$0	

Note A - Bearing interest at the rate of 6.125% in the period June 1, 1991 up to but not including September 1, 1992 and at the rate of 8.00% thereafter.

Note B - Bearing interest at the rate of 5.875% in the period June 1, 1991 up to but not including September 1, 1992 and at the rate of 7.75% thereafter.

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

Note 2: Sinking fund redemption begins March 1, 1994.

Note 3: Sinking fund redemption begins September 1, 2012.

Note 4: Sinking fund redemption begins March 1, 2018.

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LIST OF UNSCHEDULED REDEMPTIONS:

Call Date	Call Amount	Type of Call	Source Of Funds
09/01/92	\$9,750,000	Pro rata	Unexpended Proceeds
09/01/92	405,000	Pro rata	Debt Service Reserve
01/01/93	50,000	Supersinker	Prepayments
01/01/93	20,000	Pro rata	Debt Service Reserve
05/01/93	1,100,000	Pro rata	Unexpended Proceeds
05/01/93	45,000	Pro rata	Debt Service Reserve
06/01/93	245,000	Supersinker	Prepayments
06/01/93	50,000	Pro rata	Debt Service Reserve
10/01/93	565,000	Supersinker	Prepayments
03/01/94	1,230,000	Supersinker	Prepayments
07/01/94	545,000	Supersinker	Prepayments
10/01/94	1,250,000	Supersinker	Prepayments
07/01/95	1,600,000	Supersinker	Prepayments
01/01/96	1,170,000	Supersinker	Prepayments
07/01/96	1,540,000	Supersinker	Prepayments
12/01/96	1,700,000	Supersinker	Prepayments
02/01/97	640,000	Supersinker	Prepayments
06/01/97	1,165,000	Supersinker	Prepayments
09/01/97	725,000	Supersinker	Prepayments
09/01/97	190,000	Pro rata	Prepayments
01/01/98	1,515,000	Pro rata	Prepayments
01/01/98	60,000	Pro rata	Debt Service Reserve
03/01/98	765,000	Pro rata	Prepayments
03/01/98	50,000	Pro rata	Debt Service Reserve
07/01/98	1,105,000	Pro rata	Prepayments
07/01/98	75,000	Pro rata	Debt Service Reserve
01/01/99	1,440,000	Pro rata	Prepayments
01/01/99	3,750,000	Targeted	Revenue Reserve
01/01/99	360,000	Cross Call	Series EF Prepayments
01/01/99	225,000	Cross Call	Series EF Debt Service Reserve
01/01/99	125,000	Pro rata	Debt Service Reserve
05/01/99	2,485,000	Pro rata	Prepayments
05/01/99	2,000,000	Targeted	Revenue Reserve
05/01/99	930,000	Cross Call	Series EF Prepayments
05/01/99	1,745,000	Cross Call	Series GH Prepayments
05/01/99	390,000	Cross Call	Series I Prepayments
05/01/99	250,000	Pro rata	Debt Service Reserve
07/01/99	1,440,000	Pro rata	Prepayments
07/01/99	165,000	Pro rata	Debt Service Reserve
09/01/99	660,000	Pro rata	Prepayments
09/01/99	80,000	Pro rata	Debt Service Reserve
12/15/99	1,505,000	Pro rata	Prepayments
12/15/99	155,000	Pro rata	Debt Service Reserve
05/01/00	1,350,000	Pro rata	Prepayments
05/01/00	185,000	Pro rata	Debt Service Reserve
05/01/00	1,310,000	Cross Call	Series WW Prepayment
07/01/00	135,000	Pro rata	Prepayments
07/01/00	700,000	Cross Call	Series EF Prepayment
07/01/00	750,000	Cross Call	Series WW Prepayments
07/01/00	300,000	Pro rata	Debt Service Reserve
01/01/01	705,000	Pro rata	Prepayments
01/01/01	505,000	Cross Call	Series EF Prepayments
01/01/01	1,745,000	Cross Call	Series WW Prepayment
01/01/01	310,000	Pro rata	Debt Service Reserve
06/01/01	580,000	Pro rata	Prepayments
06/01/01	120,000	Pro rata	Debt Service Reserve
06/01/01	150,000	Cross Call	Series WW Prepayment
Total	\$54,105,000		

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Bond Call Information

Special Redemption

The 1985 Series P and Q 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 P and Q bonds, and
- (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 P and Q 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 P and Q bonds shall first be applied to the redemption or purchase of Series Q Term bonds due March 1, 2012 during the periods up to the scheduled principal amounts set forth in the series resolution.

Moneys in excess of the debt service reserve requirement shall be applied to the redemption of the series P and Q bonds in any manner. Moneys to be applied to a 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 P and Q bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after September 1, 2002, either as a whole, on any date, or in part, on any interest payment date, at the following redemption prices, plus accrued interest to the date of redemption:

Period (Both Dates Inclusive)	Redemption Price (Expressed as a Percentage)
September 1, 2002 - August 31, 2003	102.00%
September 1, 2003 - August 31, 2004	101.00%
September 1, 2004 and thereafter	100.00%