

NORTH CAROLINA HOUSING FINANCE AGENCY

**DISCLOSURE REPORT
AS OF DECEMBER 31, 2009**

**INDENTURE: SINGLE FAMILY REVENUE BONDS (1985 RESOLUTION)
BOND SERIES: D**

GENERAL MORTGAGE LOAN INFORMATION

Mortgage Loan Prin Outstanding: \$1,197,887
Mortgage Rates: 4.950% - 8.600%

Average Purchase Price: \$63,428
Average Original Loan Amount: \$60,384

Total No. of Loans Originated: 388
Total No. of Loans Paid Off: 358
Total No. of Loans Outstanding: 30

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> |
|-------------------|-------------------|----------------|
| CONV | 2 | 6.67% |
| FHA | 26 | 86.67% |
| VA | 1 | 3.33% |
| USDA | 0 | 0.00% |
| HUD-184 | 0 | 0.00% |
| Guaranty Fund | 0 | 0.00% |
| Other (< 80%LTV) | 1 | 3.33% |
| Total | 30 | 100.00% |

| <u>Private Mortgage Insurers:</u> | <u># of Loans</u> | <u>%</u> |
|-----------------------------------|-------------------|--------------|
| GENWORTH | 2 | 6.67% |
| Total | 2 | 6.67% |

| <u>New/Existing:</u> | <u># of Loans</u> | <u>%</u> |
|----------------------|-------------------|----------------|
| New Construction | 5 | 16.67% |
| Existing Home | 25 | 83.33% |
| Total | 30 | 100.00% |

| <u>Type of Housing:</u> | <u># of Loans</u> | <u>%</u> |
|-------------------------|-------------------|----------------|
| Single Family Detached | 29 | 96.67% |
| Condominium | 1 | 3.33% |
| Townhouse | 0 | 0.00% |
| Manufactured Home | 0 | 0.00% |
| Total | 30 | 100.00% |

DELINQUENCY STATISTICS

| <u>Loans Outstanding:</u> | <u># of Loans</u> | <u>%</u> |
|---------------------------|-------------------|----------|
| 60 days | 2 | 6.67% |
| 90 days | 3 | 10.00% |
| In Foreclosure | 1 | 3.33% |
| REO (Conv, USDA) | 0 | 0.00% |
| Total | 6 | |

| <u>Principal Outstanding:</u> | <u>\$ of Loans</u> | <u>%</u> |
|-------------------------------|--------------------|----------|
| 60 days | \$86,441 | 7.22% |
| 90 days | \$192,546 | 16.07% |
| In Foreclosure | \$26,694 | 2.23% |
| REO (Conv, USDA) | \$0 | 0.00% |
| Total | \$305,681 | |

SERVICER AND MORTGAGE LOAN DATA

| <u>Servicers:</u> | <u># of Loans</u> | <u>%</u> |
|-----------------------|-------------------|----------------|
| BB&T | 13 | 43.34% |
| RBC Bank | 7 | 23.33% |
| Marsh Associates Inc. | 10 | 33.33% |
| Total | 30 | 100.00% |

| <u>Mortgage Rates (%):</u> | <u># of Loans</u> |
|----------------------------|-------------------|
| 8.6 | 22 |
| 6.1 | 1 |
| 5.75 | 1 |
| 5.25 | 1 |
| 5.125 | 4 |
| 4.95 | 1 |
| Total | 30 |

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BOND SERIES: SERIES D

PAGE NO. 2-1985D

POOL INSURANCE COVERAGE (DOLLARS IN THOUSANDS): None

| | | | |
|------------------------------|---|----------------------------------|-----------------------------------|
| SELF-INSURANCE COVERAGE: | | Current Funding Requirements: | (data is for 1985 Series D only): |
| | | Total Dollar Amount (\$000) | N/A |
| Name of Self-Insurance Fund: | Mortgage Deficiency Fund | As % of Initial Principal Amount | |
| Series of Bonds Covered: | 1985 Series D through WW (excluding Series U/V) | of Mortgage Loans Purchased | N/A |
| | | Claims to Date | 0 |

Maximum level of funding required over the life of the bonds (\$000) \$478

LIST OF BONDS BY MATURITY:

| CUSIP Number | Maturity Date | Bond Type | Interest Rate | Original Amount | Principal Matured | Principal Redemptions | Principal Outstanding | Bond Call |
|---------------------|---------------|---------------|---------------|-----------------|-------------------|-----------------------|-----------------------|-----------|
| 658200TD2 | 09/01/89 | Serial | 5.600% | \$215,000 | \$215,000 | | \$0 | |
| 658200TF7 | 09/01/90 | Serial | 5.900% | 235,000 | 235,000 | | 0 | |
| 658200TH3 | 09/01/91 | Serial | 6.100% | 245,000 | 245,000 | | 0 | |
| 658200TK6 | 09/01/92 | Serial | 6.300% | 265,000 | 265,000 | | 0 | |
| 658200TM2 | 09/01/93 | Serial | 6.500% | 275,000 | 275,000 | | 0 | |
| 658200TP5 | 09/01/94 | Serial | 6.700% | 295,000 | 250,000 | 45,000 | 0 | |
| 658200TR1 | 09/01/95 | Serial | 6.900% | 320,000 | 260,000 | 60,000 | 0 | 2 |
| 658200TT7 | 09/01/96 | Serial | 7.050% | 335,000 | 235,000 | 100,000 | 0 | 2 |
| 658200TV2 | 09/01/97 | Serial | 7.200% | 365,000 | 185,000 | 180,000 | 0 | 2 |
| 658200TW0 | 09/01/98 | Serial | 7.350% | 385,000 | 50,000 | 335,000 | 0 | 2 |
| 658200TX8 | 09/01/99 | Serial | 7.450% | 420,000 | | 420,000 | 0 | 2 |
| 658200TY6 | 09/01/00 | Serial | 7.600% | 445,000 | | 445,000 | 0 | 2 |
| 658200TZ3 | 09/01/01 | Serial | 7.750% | 480,000 | | 480,000 | 0 | 2 |
| 658200UA6 | 09/01/02 | Serial | 7.900% | 520,000 | | 520,000 | 0 | 2 |
| 658200UB4 | 09/01/07 | Term (Note 2) | 8.200% | 3,300,000 | | 3,300,000 | 0 | 2 |
| 658200TU4 | 09/01/16 | Term (Note 3) | 7.750% | 9,990,000 | | 9,990,000 | 0 | 1 |
| 658200UD0 | 09/01/17 | Term (Note 4) | 8.300% | 1,890,000 | | 1,890,000 | 0 | 2 |
| Total 1985 Series D | | | | \$19,980,000 | \$2,215,000 | \$17,765,000 | \$0 | |

Note 1: See optional and special redemption provisions on page 4-1985D, (i.e. "1" denotes first call priority from prepayments).
 Note 2: Sinking fund redemptions begin September 1, 2003.
 Note 3: Sinking fund redemptions begin September 1, 2008.
 Note 4: Sinking fund redemptions begin March 1, 2017.

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AS OF DECEMBER 31, 2009

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BOND SERIES: SERIES D

PAGE NO. 3-1985D

| Call Date | Call Amount | Type of Call | Source Of Funds |
|-----------|---------------------|--------------|------------------------|
| 01/01/90 | \$245,000 | Supersinker | Prepayments |
| 01/01/90 | 10,000 | Pro rata | Debt Service Reserve |
| 07/01/90 | 240,000 | Supersinker | Prepayments |
| 07/01/90 | 10,000 | Pro rata | Debt Service Reserve |
| 01/01/91 | 170,000 | Supersinker | Prepayments |
| 01/01/91 | 5,000 | Pro rata | Debt Service Reserve |
| 07/01/91 | 190,000 | Supersinker | Prepayments |
| 01/01/92 | 665,000 | Supersinker | Prepayments |
| 07/01/92 | 595,000 | Supersinker | Prepayments |
| 01/01/93 | 490,000 | Supersinker | Prepayments |
| 06/01/93 | 655,000 | Supersinker | Prepayments |
| 10/01/93 | 890,000 | Supersinker | Prepayments |
| 03/01/94 | 1,010,000 | Supersinker | Prepayments |
| 03/01/94 | 720,000 | Pro rata | Prepayments |
| 07/01/94 | 370,000 | Supersinker | Prepayments |
| 07/01/94 | 580,000 | Pro rata | Prepayments |
| 10/01/94 | 350,000 | Supersinker | Prepayments |
| 10/01/94 | 95,000 | Pro rata | Prepayments |
| 07/01/95 | 330,000 | Supersinker | Prepayments |
| 07/01/95 | 570,000 | Pro rata | Prepayments |
| 07/01/95 | 80,000 | Pro rata | Debt Service Reserve |
| 01/01/96 | 315,000 | Supersinker | Prepayments |
| 01/01/96 | 615,000 | Pro rata | Prepayments |
| 01/01/96 | 85,000 | Pro rata | Debt Service Reserve |
| 07/01/96 | 185,000 | Pro rata | Prepayments |
| 07/01/96 | 280,000 | Supersinker | Prepayments |
| 07/01/96 | 25,000 | Pro rata | Debt Service Reserve |
| 12/01/96 | 725,000 | Pro rata | Prepayments |
| 12/01/96 | 2,000,000 | Targeted | Revenue Reserve Excess |
| 12/01/96 | 100,000 | Pro rata | Debt Service Reserve |
| 02/01/97 | 220,000 | Supersinker | Prepayments |
| 02/01/97 | 260,000 | Pro rata | Debt Service Reserve |
| 06/01/97 | 295,000 | Supersinker | Prepayments |
| 06/01/97 | 135,000 | Pro rata | Prepayments |
| 06/01/97 | 775,000 | Targeted | Revenue Reserve Excess |
| 06/01/97 | 110,000 | Pro rata | Debt Service Reserve |
| 09/01/97 | 245,000 | Pro rata | Prepayments |
| 09/01/97 | 5,000 | Pro rata | Debt Service Reserve |
| 01/01/98 | 210,000 | Supersinker | Prepayments |
| 01/01/98 | 455,000 | Pro rata | Prepayments |
| 01/01/98 | 40,000 | Pro rata | Debt Service Reserve |
| 03/01/98 | 190,000 | Supersinker | Prepayments |
| 03/01/98 | 95,000 | Pro rata | Prepayments |
| 03/01/98 | 10,000 | Pro rata | Debt Service Reserve |
| 07/01/98 | 190,000 | Supersinker | Prepayments |
| 07/01/98 | 285,000 | Pro rata | Prepayments |
| 07/01/98 | 15,000 | Pro rata | Debt Service Reserve |
| 01/01/99 | 175,000 | Supersinker | Prepayments |
| 01/01/99 | 345,000 | Pro rata | Prepayments |
| 01/01/99 | 40,000 | Pro rata | Debt Service Reserve |
| 05/01/99 | 170,000 | Supersinker | Prepayments |
| 05/01/99 | 120,000 | Pro rata | Prepayments |
| 05/01/99 | 25,000 | Pro rata | Debt Service Reserve |
| 07/01/99 | 80,000 | Supersinker | Prepayments |
| 07/01/99 | 10,000 | Pro rata | Debt Service Reserve |
| 09/01/99 | 140,000 | Supersinker | Prepayments |
| 09/01/99 | 10,000 | Pro rata | Debt Service Reserve |
| 12/15/99 | 165,000 | Supersinker | Prepayments |
| 12/15/99 | 10,000 | Pro rata | Prepayments |
| 12/15/99 | 15,000 | Pro rata | Debt Service Reserve |
| 05/01/00 | 230,000 | Supersinker | Prepayments |
| 05/01/00 | 20,000 | Pro rata | Debt Service Reserve |
| 07/01/00 | 65,000 | Supersinker | Prepayments |
| 07/01/00 | <u>10,000</u> | Pro rata | Debt Service Reserve |
| Total | <u>\$17,765,000</u> | | |

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PAGE NO. 4-1985D

**Bond Call Information:
Special Redemption**

The 1985 Series D bonds may be redeemed in whole or in part (by lot if within a single maturity except that the 1985 Series D Resolution provides for redemption other than by lot with respect to the 2016 Term bonds as discussed below) on any date at the principal amount thereof plus accrued interest to the date of redemption, from:

- (i) unexpended proceeds of bonds,
- (ii) excess revenues transferred from the revenue reserve fund,
- (iii) prepayments of mortgage loans purchased with the proceeds of sale of bonds or moneys derived therefrom, and
- (iv) moneys withdrawn from the debt service fund pursuant to a decrease in the debt service reserve requirement caused by a special redemption of bonds..

Prepayments of mortgage loans financed with the proceeds of the 1985 Series D bonds shall first be applied to purchase or redeem the 2016 Term bonds, up to the scheduled amounts set forth in the series resolution.

Moneys to be applied to a redemption from prepayments in excess of the schedule principal amounts shall be applied pro rata in proportion to the amount of bonds outstanding in each maturity, except for the 2016 term bonds. 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 D bonds are redeemable at the option of the Agency on or after September 1, 1997 either as a whole, on any date, or in part (by lot if within a single maturity), on any interest payment date, at the following redemption prices expressed as a percentage, plus accrued interest to the date of redemption.

| Period (Both Dates Inclusive) | Redemption Price (Expressed As A Percentage) |
|--|---|
| September 1, 1997 - August 31, 1998 | 102.00% |
| September 1, 1998 - August 31, 1999 | 101.50% |
| September 1, 1999 - August 31, 2000 | 101.00% |
| September 1, 2000 - August 31, 2001 | 100.50% |
| September 1, 2000 and thereafter | 100.00% |