

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF DECEMBER 31, 2011**

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

GENERAL MORTGAGE LOAN INFORMATION

Mortgage Loan Prin Outstanding: \$3,371,147
Mortgage Rates: 4.950% - 9.500%

Average Purchase Price: \$70,915
Average Original Loan Amount: \$66,372

Total No. of Loans Originated: 1,348
Total No. of Loans Paid Off: 1,272
Total No. of Loans Outstanding: 76

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	2	2.63%
FHA	39	51.31%
VA	1	1.32%
USDA	4	5.26%
HUD-184	0	0.00%
Guaranty Fund	0	0.00%
Other (< 80%LTV)	30	39.48%
Total	76	100.00%

<u>Private Mortgage Insurers:</u>	<u># of Loans</u>	<u>%</u>
GENWORTH	2	2.63%
Total	2	2.63%

<u>New/Existing:</u>	<u># of Loans</u>	<u>%</u>
New Construction	24	31.58%
Existing Home	52	68.42%
Total	76	100.00%

<u>Type of Housing:</u>	<u># of Loans</u>	<u>%</u>
Single Family Detached	73	96.05%
Condominium	1	1.32%
Townhouse	2	2.63%
Manufactured Home	0	0.00%
Total	76	100.00%

DELINQUENCY STATISTICS

<u>Loans Outstanding:</u>	<u># of Loans</u>	<u>%</u>
60 days	1	1.32%
90 days	1	1.32%
In Foreclosure	1	1.32%
REO (Conv, USDA)	0	0.00%
Total	3	

<u>Principal Outstanding:</u>	<u>\$ of Loans</u>	<u>%</u>
60 days	\$11,162	0.33%
90 days	\$52,565	1.56%
In Foreclosure	\$22,655	0.67%
REO (Conv, USDA)	\$0	0.00%
Total	\$86,382	

SERVICER AND MORTGAGE LOAN DATA

<u>Servicers:</u>	<u># of Loans</u>	<u>%</u>
Marsh Associates Inc.	41	53.95%
RBC Bank	13	17.10%
BB&T	16	21.06%
NC Housing Finance Agency	1	1.32%
Bank of America	5	6.57%
Total	76	100.00%

<u>Mortgage Rates (%):</u>	<u># of Loans</u>
9.5	23
7.375	1
7.25	3
6.95	8
6.65	5
6.45	14
5.99	1
5.875	1
5.75	1
5.625	1
5.25	1
5.125	9
4.95	8
Total	76

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BOND SERIES : : : : SERIES B : : : :

PAGE NO. 2-1985B

POOL INSURANCE COVERAGE (DOLLARS IN THOUSANDS) : : : : : None
SELF INSURANCE COVERAGE : : : : : None

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)
658200NX4	03/01/87	Serial	6.000%	\$680,000	\$435,000	\$245,000	\$0	
658200NY2	09/01/87	Serial	6.000%	965,000	610,000	355,000	0	
658200NZ9	03/01/88	Serial	6.500%	995,000	620,000	375,000	0	
658200PA2	09/01/88	Serial	6.500%	1,030,000	640,000	390,000	0	
658200PB0	03/01/89	Serial	6.800%	1,065,000	665,000	400,000	0	
658200PC8	09/01/89	Serial	6.800%	1,100,000	690,000	410,000	0	
658200PD6	03/01/90	Serial	7.100%	1,140,000	710,000	430,000	0	
658200PE4	09/01/90	Serial	7.100%	1,180,000	730,000	450,000	0	
658200PF1	03/01/91	Serial	7.500%	1,225,000	770,000	455,000	0	
658200PG9	09/01/91	Serial	7.500%	1,270,000	795,000	475,000	0	
658200PH7	03/01/92	Serial	7.750%	1,320,000	825,000	495,000	0	
658200PJ3	09/01/92	Serial	7.750%	1,370,000	855,000	515,000	0	
658200PK0	03/01/93	Serial	8.000%	1,425,000	885,000	540,000	0	
658200PL8	09/01/93	Serial	8.000%	1,485,000	875,000	610,000	0	
658200PM6	03/01/94	Serial	8.200%	1,545,000	920,000	625,000	0	
658200PN4	09/01/94	Serial	8.200%	1,605,000	550,000	1,055,000	0	3
658200PP9	03/01/95	Serial	8.400%	1,675,000	490,000	1,185,000	0	3
658200PQ7	09/01/95	Serial	8.400%	1,745,000	330,000	1,415,000	0	3
658200PR5	03/01/96	Serial	8.600%	1,820,000		1,820,000	0	3
658200PS3	09/01/96	Muni Serial	9.000%	729,410		729,410	0	3
658200PT1	03/01/97	Serial	8.750%	1,900,000		1,900,000	0	3
658200PU8	09/01/97	Muni Serial	9.250%	678,294		678,294	0	3
658200PV6	03/01/98	Serial	8.900%	1,990,000		1,990,000	0	3
658200PW4	09/01/98	Muni Serial	9.500%	629,637		629,637	0	3
658200PX2	03/01/99	Serial	9.000%	2,080,000		2,080,000	0	3
658200PY0	09/01/99	Muni Serial	9.600%	592,144		592,144	0	3
658200QA1	09/01/01	Muni Term (Note 2)	9.875%	1,750,322		1,750,322	0	3
658200QB9	09/01/05	Term (Note 2)	9.250%	21,545,000		21,545,000	0	3
658200QC7	09/01/09	Term (Note 3)	7.875%	7,510,000		7,510,000	0	1
658200PZ7	09/01/10	Term (Note 4)	8.500%	32,540,000		32,540,000	0	2
658200NW6	09/01/14	Muni Term (Note 5)	10.500%	499,968		499,968	0	4
658200QD5	03/01/17	Muni Term (Note 5)	10.750%	3,039,316		3,039,316	0	4
Total 1985 Series B				\$100,124,091	\$12,395,000	\$87,729,091	\$0	

Note 1: See optional and special redemption provisions on page 4-1985B, (i.e. "1" denotes first call priority from prepayments).
 Note 2: Sinking fund redemptions begin March 1, 2000.
 Note 3: Sinking fund redemptions begin March 1, 2003.
 Note 4: Sinking fund redemptions begin March 1, 2006.
 Note 5: Sinking fund redemptions begin March 1, 2011.

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BOND SERIES: SERIES B

PAGE NO. 3-1985B

LIST OF UNSCHEDULED REDEMPTIONS:

Call Date	Call Amount	Type of Call	Source Of Funds
09/01/86	\$33,635,074	Pro rata	Unexpended Proceeds
09/01/86	100,000	Supersinker	Prepayments
09/01/86	3,067,014	Pro rata	Debt Service Reserve
07/01/87	665,000	Supersinker	Prepayments
07/01/87	45,000	Pro rata	Debt Service Reserve
01/01/88	1,085,000	Supersinker	Prepayments
01/01/88	95,000	Pro rata	Debt Service Reserve
07/01/88	1,910,000	Supersinker	Prepayments
07/01/88	163,457	Pro rata	Debt Service Reserve
01/01/89	1,580,000	Supersinker	Prepayments
01/01/89	137,822	Pro rata	Debt Service Reserve
07/01/89	1,440,000	Supersinker	Prepayments
07/01/89	131,740	Pro rata	Debt Service Reserve
01/01/90	1,865,000	Supersinker	Prepayments
01/01/90	170,028	Pro rata	Debt Service Reserve
07/01/90	2,000,000	Supersinker	Prepayments
07/01/90	94,157	Pro rata	Debt Service Reserve
01/01/91	2,210,000	Supersinker	Prepayments
01/01/91	198,635	Pro rata	Debt Service Reserve
07/01/91	1,820,000	Supersinker	Prepayments
01/01/92	1,680,000	Supersinker	Prepayments
07/01/92	2,680,000	Supersinker	Prepayments
01/01/93	4,410,000	Supersinker	Prepayments
06/01/93	2,781,299	Supersinker	Prepayments
10/01/93	4,480,000	Pro rata(except muni terms)	Prepayments
03/01/94	5,622,680	Pro rata(except muni terms)	Prepayments
07/01/94	1,800,040	Pro rata(except muni terms)	Prepayments
10/01/94	1,513,866	Pro rata(except muni terms)	Prepayments
07/01/95	1,099,108	Pro rata(except muni terms)	Revenue Reserve Excess
07/01/95	1,501,056	Pro rata(except muni terms)	Prepayments
01/01/96	4,210,401	Pro rata(except muni terms)	Revenue Reserve Excess
01/01/96	365,378	Pro rata(except muni terms)	Prepayments
01/01/96	51,138	Pro rata	Debt Service Reserve
07/01/96	390,555	Pro rata	Prepayments
07/01/96	1,176,077	Pro rata	Debt Service Reserve
12/01/96	216,415	Pro rata	Prepayments
12/01/96	1,337,964	Pro rata	Debt Service Reserve
09/01/97	<u>187</u>	Pro rata	Prepayments
Total	<u>\$87,729,091</u>		

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PAGE NO. 4-1985B

Bond Call Information:

: Special Redemption:

The 1985 Series B bonds may be redeemed in whole or in part (by lot if within a single maturity except that the 1985 Series B Resolution provides for redemption other than by lot with respect to the 2010 Term Bonds as discussed below) on any date at the principal amount thereof plus accrued interest to the date of redemption, or in the case of the municipal multiplier bonds at the compounded amount 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.

Moneys referred to in clauses (ii) and (iii) will be applied to the redemption of municipal multiplier term bonds only after all other bonds have been redeemed.

Prepayments of mortgage loans financed with the proceeds of the 1985 Series B bonds shall be applied to the redemption of the 2009 Term bonds, during the period and up to the respective amounts for each year set forth in the series resolution.

Following the redemption of all of the 2009 Term bonds, prepayments shall then be applied to purchase or redeem the 2010 Term bonds during the periods and in the amounts set forth in the series resolution.

Moneys to be applied to a redemption from prepayments in excess of the scheduled amounts shall be applied pro rata, except the municipal multiplier bonds will be called last. The Agency may call bonds 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 1985 Series B current interest paying serial and term bonds are redeemable at the option the Agency on or after September 1, 1995 either as a whole, on any date, or in part (by lot if within a single maturity), on any interest payment, 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, 1995 - August 31, 1996	102.00%
September 1, 1996 - August 31, 1997	101.50%
September 1, 1997 - August 31, 1998	101.00%
September 1, 1998 - August 31, 1999	100.50%
September 1, 1999 and thereafter	100.00%

The municipal multiplier bonds are not subject to optional redemption.