

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

**INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)  
BOND SERIES: 16**

**GENERAL MORTGAGE LOAN INFORMATION**

Mortgage Loan Prin Outstanding: \$24,574,937  
Mortgage Rates: 5.125% - 5.750%

Average Purchase Price: \$99,310  
Average Original Loan Amount: \$96,572

Total No. of Loans Originated: 521  
Total No. of Loans Paid Off: 219  
Total No. of Loans Outstanding: 302

**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	80	26.49%
FHA	127	42.06%
VA	16	5.30%
USDA	43	14.23%
HUD-184	0	0.00%
Guaranty Fund	0	0.00%
Other (< 80%LTV)	36	11.92%
<b>Total</b>	<b>302</b>	<b>100.00%</b>

<u>Private Mortgage Insurers:</u>	<u># of Loans</u>	<u>%</u>
GENWORTH	55	18.21%
RMIC	8	2.65%
AIG-UGIC	4	1.32%
PMI MTG. INS. CO.	4	1.32%
RADIAN GUARANTY INC.	9	2.98%
<b>Total</b>	<b>80</b>	<b>26.49%</b>

<u>New/Existing:</u>	<u># of Loans</u>	<u>%</u>
New Construction	91	30.13%
Existing Home	211	69.87%
<b>Total</b>	<b>302</b>	<b>100.00%</b>

<u>Type of Housing:</u>	<u># of Loans</u>	<u>%</u>
Single Family Detached	278	92.05%
Condominium	11	3.64%
Townhouse	9	2.98%
Manufactured Home	3	1.00%
Duplex	1	0.33%
<b>Total</b>	<b>302</b>	<b>100.00%</b>

**DELINQUENCY STATISTICS**

<u>Loans Outstanding:</u>	<u># of Loans</u>	<u>%</u>
60 days	7	2.32%
90 days	4	1.32%
In Foreclosure	2	0.66%
REO (Conv, USDA)	1	0.33%
<b>Total</b>	<b>14</b>	

<u>Principal Outstanding:</u>	<u>\$ of Loans</u>	<u>%</u>
60 days	\$598,816	2.44%
90 days	\$325,368	1.32%
In Foreclosure	\$176,838	0.72%
REO (Conv, USDA)	\$80,660	0.33%
<b>Total</b>	<b>\$1,181,682</b>	

**SERVICER AND MORTGAGE LOAN DATA**

<u>Servicers:</u>	<u># of Loans</u>	<u>%</u>
RBC Bank	89	29.47%
Marsh Associates Inc.	170	56.29%
BB&T	33	10.93%
State Employees Credit Union	5	1.66%
Bank of America	4	1.32%
US Bank Home Mortgage	1	0.33%
<b>Total</b>	<b>302</b>	<b>100.00%</b>

<u>Mortgage Rates (%):</u>	<u># of Loans</u>
5.75	2
5.625	3
5.5	43
5.375	99
5.25	105
5.125	50
<b>Total</b>	<b>302</b>

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INDENTURE: . . . . . SINGLE-FAMILY REVENUE BONDS (1998 RESOLUTION) . . . . .  
BOND SERIES: . . . . . SERIES 16 . . . . .

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

SELF-INSURANCE COVERAGE: . . . . . Name of Self-Insurance Fund: Insurance Reserve Fund  
Series of Bonds Covered: 1998 Series 16

Current Funding Requirements:  
Total Dollar Amount (\$000) \$484  
As % of Initial Principal Amount  
of Mortgage Loans Purchased 1.97%  
Claims to Date 0

Maximum level of funding required over the life of the bonds (\$000) \$585

**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)
65820E5C0	01/01/05	Serial	1.55%	\$470,000	\$470,000	\$0	\$0	2
65820E5D8	07/01/05	Serial	1.60%	475,000	475,000	0	0	2
65820E5E6	01/01/06	Serial	2.15%	480,000	480,000	0	0	2
65820E5F3	07/01/06	Serial	2.20%	485,000	485,000	0	0	2
65820E5G1	01/01/07	Serial	2.63%	490,000	480,000	10,000	0	2
65820E5H9	07/01/07	Serial	2.65%	495,000	480,000	15,000	0	2
65820E5J5	01/01/08	Serial	3.00%	505,000	490,000	15,000	0	2
65820E5K2	07/01/08	Serial	3.00%	515,000	400,000	115,000	0	2
65820E5L0	01/01/09	Serial	3.35%	520,000	445,000	75,000	0	2
65820E5M8	07/01/09	Serial	3.35%	530,000	450,000	80,000	0	2
65820E5N6	01/01/10	Serial	3.70%	540,000	455,000	85,000	0	2
65820E5P1	07/01/10	Serial	3.70%	550,000	455,000	95,000	0	2
65820E5Q9	01/01/11	Serial	3.95%	560,000	465,000	95,000	0	2
65820E5R7	07/01/11	Serial	3.95%	575,000	430,000	145,000	0	2
65820E5S5	01/01/12	Serial	4.13%	585,000	0	165,000	420,000	2
65820E5T3	07/01/12	Serial	4.13%	600,000	0	180,000	420,000	2
65820E5U0	01/01/13	Serial	4.25%	610,000	0	190,000	420,000	2
65820E5V8	07/01/13	Serial	4.25%	535,000	0	160,000	375,000	2
65820E4T4	07/01/13	Serial	4.60%	90,000	0	30,000	60,000	2
65820E4U1	01/01/14	Serial	4.75%	640,000	0	200,000	440,000	2
65820E4V9	07/01/14	Serial	4.75%	655,000	0	210,000	445,000	2
65820E4W7	01/01/15	Serial	4.88%	670,000	0	215,000	455,000	2
65820E4X5	07/01/15	Serial	4.88%	685,000	0	220,000	465,000	2
65820E4Y3	01/01/23	Term (Note 2)	5.38%	2,960,000	0	865,000	2,095,000	2
65820E4Z0	07/01/23	Term (Note 3)	5.38%	4,205,000	0	1,300,000	2,905,000	1
65820E5A4	01/01/25	Term (Note 4)	5.40%	1,275,000	0	580,000	695,000	2
65820E5B2	01/01/32	Term (Note 5)	5.38%	9,300,000	0	9,300,000	0	2
	07/01/32	(Note 6)	Variable	20,000,000	4,745,000	0	15,255,000	
Total 1998 Series 16				\$50,000,000	\$6,460,000	\$14,345,000	\$24,450,000	

Note 1: See optional and special redemption provisions page 4-1998-16, (i.e. "\*" denotes first call priority from prepayments).  
 Note 2: Sinking fund redemptions begin January 1, 2016.  
 Note 3: Sinking fund redemptions begin January 1, 2016.  
 Note 4: Sinking fund redemptions begin January 1, 2024.  
 Note 5: Sinking fund redemptions begin January 1, 2025. AMT PAC bonds were sold at a premium with a coupon rate of 5.375% and a yield of 4.969%.  
 Note 6: Variable rate loans associated with swap - Bank of America

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BOND SERIES: . . . . . SERIES 1B . . . . .

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LIST OF UNSCHEDULED REPAYMENTS: . . . . .

Call Date	Call Amount	Type of Call	Source Of Funds
05/01/05	\$610,000	Supersinker	Prepayments
05/01/05	20,000	Pro rata	Debt Service Reserve
10/01/05	365,000	Pro rata	Prepayments
04/01/06	590,000	Supersinker	Prepayments
04/01/06	95,000	Pro rata	Prepayments
04/01/06	30,000	Pro rata	Debt Service Reserve
08/01/06	760,000	Supersinker	Prepayments
08/01/06	30,000	Pro rata	Debt Service Reserve
01/01/07	890,000	Supersinker	Prepayments
05/01/07	900,000	Supersinker	Prepayments
05/01/07	70,000	Pro rata	Debt Service Reserve
11/01/07	1,270,000	Pro rata	Prepayments
11/01/07	45,000	Pro rata	Debt Service Reserve
02/01/08	860,000	Supersinker	Prepayments
02/01/08	985,000	Pro rata	Prepayments
02/01/08	40,000	Pro rata	Debt Service Reserve
07/01/08	815,000	Supersinker	Prepayments
01/01/09	780,000	Supersinker	Prepayments
01/01/09	80,000	Pro rata	Prepayments
07/01/09	735,000	Supersinker	Prepayments
07/01/09	35,000	Pro rata	Prepayments
01/01/10	705,000	Supersinker	Prepayments
01/01/10	200,000	Pro rata	Prepayments
01/01/10	35,000	Pro rata	Debt Service Reserve
06/01/10	665,000	Supersinker	Prepayments
06/01/10	100,000	Pro rata	Prepayments
06/01/10	30,000	Pro rata	Debt Service Reserve
12/01/10	630,000	Supersinker	Prepayments
12/01/10	15,000	Pro rata	Debt Service Reserve
06/01/11	365,000	Supersinker	Prepayments
06/01/11	1,060,000	Pro rata	Prepayments
06/01/11	50,000	Pro rata	Debt Service Reserve
12/01/11	460,000	Pro rata	Prepayments
12/01/11	<u>25,000</u>	Pro rata	Debt Service Reserve
	<u>\$14,345,000</u>		

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BOND SERIES . . . . . SERIES 16 . . . . .

Bond Call Information . . .  
Special Redemption . . .

The 1998 Series 16 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 16, 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 16 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 16 bonds shall first be applied to the redemption or purchase of Series 16 Term bonds due January 1, 2032 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 16 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 16 bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after January 1, 2013, in whole, or in part, at the principal amount thereof plus accrued interest to the date of redemption, without premium.

Material Events

On August 8, 2011, Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("Standard & Poor's") changed the long-term credit rating on the Agency's Variable Rate Home Ownership Revenue Bonds, (1998 Trust Agreement), Series 15-C, dated May 8, 2003; Variable Rate Home Ownership Revenue Bonds, (1998 Trust Agreement), Series 16-C, dated September 16, 2003; Variable Rate Home Ownership Revenue Bonds, (1998 Trust Agreement), Series 17-C, dated December 11, 2003, and Variable Rate Home Ownership Revenue Bonds, (1998 Trust Agreement), Series 18-C, dated April 19, 2004 from "AAA" to "AA+". Such rating changes were made in connection with changes to the ratings of Fannie Mae and Freddie Mac. Explanations of the significance of such ratings may be obtained only from Standard & Poor's.