

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

**INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)
BOND SERIES: 26**

GENERAL MORTGAGE LOAN INFORMATION

Mortgage Loan Prin Outstanding: \$46,141,601
Mortgage Rates: 5.125% - 6.125%

Average Purchase Price: \$121,098
Average Original Loan Amount: \$115,746

Total No. of Loans Originated: 547
Total No. of Loans Paid Off: 106
Total No. of Loans Outstanding: 441

PROGRAM

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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>	<u>Private Mortgage Insurers:</u>	<u># of Loans</u>	<u>%</u>	<u>New/Existing:</u>	<u># of Loans</u>	<u>%</u>
CONV	269	61.00%	GENWORTH	110	24.94%	New Construction	124	28.12%
FHA	55	12.47%	MGIC	82	18.59%	Existing Home	317	71.88%
VA	29	6.58%	RMIC	29	6.58%	Total	441	100.00%
USDA	27	6.12%	RADIAN GUARANTY INC.	2	0.45%	<u>Type of Housing:</u>		
HUD-184	0	0.00%	AIG-UGIC	33	7.48%	Single Family Detached	329	74.60%
Guaranty Fund	0	0.00%	PMI MTG. INS. CO.	9	2.04%	Condominium	31	7.03%
Other (< 80%LTV)	61	13.83%	CMG MTG INS CO	2	0.45%	Townhouse	76	17.24%
Total	441	100.00%	TRIAD	2	0.45%	Manufactured Home	5	1.13%
			Total	269	61.00%	Total	441	100.00%

DELINQUENCY STATISTICS

<u>Loans Outstanding:</u>	<u># of Loans</u>	<u>%</u>	<u>Principal Outstanding:</u>	<u>\$ of Loans</u>	<u>%</u>
60 days	7	1.59%	60 days	\$597,815	1.30%
90 days	7	1.59%	90 days	\$786,117	1.70%
In Foreclosure	9	2.04%	In Foreclosure	\$869,938	1.89%
REO (Conv, USDA)	5	1.13%	REO (Conv, USDA)	\$573,539	1.24%
Total	28		Total	\$2,827,410	

SERVICER AND MORTGAGE LOAN DATA

<u>Servicers:</u>	<u># of Loans</u>	<u>%</u>	<u>Mortgage Rates (%):</u>	<u># of Loans</u>
Marsh Associates Inc.	178	40.36%	6.125	6
PNC	140	31.75%	5.875	7
BB&T	108	24.49%	5.75	43
RBC Bank	5	1.13%	5.625	170
State Employees Credit Union	8	1.82%	5.5	212
Bank of America	2	0.45%	5.125	3
Total	441	100.00%	Total	441

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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 26	Total Dollar Amount (\$000)	\$710
	As % of Initial Principal Amount	
	of Mortgage Loans Purchased	1.54%
	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)
658207DA0	07/01/08	Serial	3.40%	170,000	170,000	0	0	2
658207CJ2	01/01/09	Serial	3.80%	500,000	500,000	0	0	2
658207CK9	07/01/09	Serial	3.85%	510,000	510,000	0	0	2
658207CL7	01/01/10	Serial	3.90%	520,000	520,000	0	0	2
658207CM5	07/01/10	Serial	3.90%	280,000	280,000	0	0	2
658207DB8	07/01/10	Serial	3.50%	250,000	250,000	0	0	2
658207CN3	01/01/11	Serial	3.95%	295,000	295,000	0	0	2
658207DC6	01/01/11	Serial	3.55%	250,000	250,000	0	0	2
658207CP8	07/01/11	Serial	3.95%	555,000	535,000	20,000	0	2
658207DD4	01/01/12	Serial	3.60%	565,000	0	25,000	540,000	2
658207CQ6	07/01/12	Serial	4.00%	580,000	0	25,000	555,000	2
658207CR4	01/01/13	Serial	4.05%	590,000	0	25,000	565,000	2
658207CS2	07/01/13	Serial	4.05%	605,000	0	25,000	580,000	2
658207CT0	01/01/14	Serial	4.10%	615,000	0	25,000	590,000	2
658207CU7	07/01/14	Serial	4.10%	630,000	0	25,000	605,000	2
658207DE2	01/01/15	Serial	3.75%	645,000	0	25,000	620,000	2
658207DF9	07/01/15	Serial	3.75%	660,000	0	25,000	635,000	2
658207DG7	01/01/16	Serial	3.80%	675,000	0	25,000	650,000	2
658207DH5	07/01/16	Serial	3.80%	690,000	0	25,000	665,000	2
658207DJ1	01/01/17	Serial	3.85%	705,000	0	25,000	680,000	2
658207DK8	07/01/17	Serial	3.85%	720,000	0	25,000	695,000	2
658207CV5	07/01/22	Term (Note 2)	4.55%	5,505,000	0	225,000	5,280,000	2
658207CW3	07/01/28	Term (Note 3)	4.60%	8,385,000	0	315,000	8,070,000	2
658207CX1	07/01/32	Term (Note 4)	4.65%	7,280,000	0	265,000	7,015,000	2
658207CY9	01/01/38	Term (Note 5)	5.50%	19,500,000	0	10,970,000	8,530,000	2
658207CZ6	07/01/38	Term (Note 6)	4.70%	13,320,000	0	790,000	12,530,000	2
Total 1998 Series 26				\$65,000,000	\$3,310,000	\$12,885,000	\$48,805,000	

Note 1: See optional and special redemption provisions page 4-1998-26. (i.e. "*" denotes first call priority from prepayments).
 Note 2: Sinking fund redemptions begin January 1, 2018.
 Note 3: Sinking fund redemptions begin January 1, 2023.
 Note 4: Sinking fund redemptions begin January 1, 2029.
 Note 5: Sinking fund redemptions begin July 1, 2018. AMT PAC bonds were sold at a premium with a coupon rate of 5.50% and a yield of 5.084%.
 Note 6: Sinking fund redemptions begin January 1, 2033.

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LIST OF UNSCHEDULED REDEMPTIONS:

Call Date	Call Amount	Type of Call	Source Of Funds
7/1/2008	\$550,000	Supersinker	Prepayments
1/1/2009	\$1,060,000	Supersinker	Prepayments
1/1/2009	\$45,000	Pro rata	Debt Service Reserve
7/1/2009	\$1,245,000	Supersinker	Prepayments
7/1/2009	\$35,000	Pro rata	Debt Service Reserve
1/1/2010	\$1,560,000	Supersinker	Prepayments
1/1/2010	\$45,000	Pro rata	Debt Service Reserve
6/1/2010	\$1,700,000	Supersinker	Prepayments
6/1/2010	\$30,000	Pro rata	Debt Service Reserve
12/1/2010	\$1,685,000	Supersinker	Prepayments
12/1/2010	\$45,000	Pro rata	Debt Service Reserve
6/1/2011	\$1,615,000	Supersinker	Prepayments
6/1/2011	\$1,270,000	Pro rata	Prepayments
6/1/2011	\$70,000	Pro rata	Debt Service Reserve
12/1/2011	\$1,555,000	Supersinker	Prepayments
12/1/2011	\$325,000	Pro rata	Prepayments
12/1/2011	<u>\$50,000</u>	Pro rata	Debt Service Reserve
	<u>\$12,885,000</u>		

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

- The 1998 Series 26 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 26, 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 26 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 26 bonds shall first be applied to the redemption or purchase of Series 26 term bonds due January 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 26 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 26 bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after January 1, 2016, in whole, or in part, at the principal amount thereof plus accrued interest to the date of redemption, without premium.