

**NORTH CAROLINA HOUSING FINANCE
DISCLOSURE REPORT
AS OF JUNE 30, 2009**

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

GENERAL MORTGAGE LOAN INFORMATION		PROGRAM	TRUSTEE
Mortgage Loan Prin Outstanding:	\$9,586,173	P.O. Box 28066	The Bank of New York Mellon
Mortgage Rates:	6.75% - 8.30%	Raleigh, NC 27611-8066 (919) 877-5700	10161 Centurion Parkway Jacksonville, FL 32256 (904) 645-1956
Average Purchase Price:	\$61,105	Contacts:	Contact: Christine Boyd
Average Original Loan Amount:	\$59,015	Sharon Drewyor, Director of Home Ownership Lending Elizabeth Rozakis, Chief Financial Officer	
Total No. of Loans Originated:	1,616		
Total No. of Loans Paid Off:	1,389		
Total No. of Loans Outstanding:	227		

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	44	19.38%	GENWORTH	43	18.94%	New	26	11.45%
FHA	179	78.85%	RMIC	1	0.44%	Existing	201	88.55%
VA	0	0.00%	Total	44	19.38%	Total	227	100.00%
USDA	0	0.00%				<u>Type of Housing:</u>		
HUD-184	0	0.00%				Single Family Detached	206	90.75%
Guaranty Fund	0	0.00%				Condominium	18	7.93%
Other (< 80%LTV)	4	1.76%				Townhouse	0	0.00%
Total	227	100.00%				Manufactured Home	3	1.32%
						Total	227	100.00%

DELINQUENCY STATISTICS

<u>Loans Outstanding:</u>	<u># of Loans</u>	<u>%</u>	<u>Principal Outstanding:</u>	<u>\$ of Loans</u>
60 days	7	3.08%	60 days	\$327,065
90 days	4	1.76%	90 days	\$196,951
In Foreclosure	1	0.44%	In Foreclosure	\$45,740
REO (Conv, USDA)	1	0.44%	REO (Conv, USDA)	\$24,844
Total	13			

SERVICER AND MORTGAGE LOAN DATA

<u>Servicers:</u>	<u># of Loans</u>	<u>%</u>	<u>Mortgage Rates:</u>	<u># of Loans</u>	<u>%</u>
Marsh Associates Inc.	67	29.52%	8.30 %	48	21.15%
BB&T	98	43.17%	6.75	179	78.85%
RBC Centura Bank	53	23.35%	Total	227	100.00%
Bank of America	9	3.96%			
Total	227	100.00%			

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POOL INSURANCE COVERAGE (DOLLARS IN THOUSANDS):

Pool Insurer:	Maximum Pool Coverage:	Claims to Date:	Remaining Pool Coverage:
N/A	N/A	# N/A # N/A	N/A

SELF-INSURANCE COVERAGE:

<p>Name of Self-Insurance Fund: Mortgage Deficiency Fund Series of Bonds Covered: 1985 Series D through WW (excluding Series U/V)</p>	<p>Current Funding Requirements: Total Dollar Amount (\$000) As % of Initial Principal Amount of Mortgage Loans Purchased Claims to Date</p>	<p>(data is for 1985 Series II/JJ only): Note 1 Note 1 0 0</p>
Maximum level of funding required over the life of the bonds (\$000)		Note 1

Note 1: The provisions of the Mortgage Deficiency Fund were extended to Series II and JJ Bonds. However, additional funding was not required in consequence of the extension of such provisions.

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)
65820ELX6	09/01/99	Serial	5.00%	\$595,000	\$545,000	\$50,000	\$0	2
65820ELY4	03/01/00	Serial	5.10%	610,000	555,000	55,000	0	2
65820ELZ1	09/01/00	Serial	5.10%	625,000	550,000	75,000	0	2
65820EMA5	03/01/01	Serial	5.20%	645,000	570,000	75,000	0	2
65820EMB3	09/01/01	Serial	5.20%	665,000	580,000	85,000	0	2
65820EMC1	03/01/02	Serial	5.30%	680,000	565,000	115,000	0	2
65820EMD9	09/01/02	Serial	5.30%	695,000	545,000	150,000	0	2
65820EME7	03/01/03	Serial	5.40%	720,000	530,000	190,000	0	2
65820EMF4	09/01/03	Serial	5.40%	740,000	510,000	230,000	0	2
65820EMG2	03/01/04	Serial	5.55%	765,000	490,000	275,000	0	2
65820EMH0	09/01/04	Serial	5.55%	780,000	400,000	380,000	0	2
65820EMJ6	03/01/05	Serial	5.65%	810,000	390,000	420,000	0	2
65820EMK3	09/01/05	Serial	5.65%	830,000	350,000	480,000	0	2
65820EML1	03/01/06	Serial	5.75%	855,000	350,000	505,000	0	2
65820EMM9	09/01/06	Serial	5.75%	885,000	335,000	550,000	0	2
65820EMN7	03/01/07	Serial	5.85%	910,000	300,000	610,000	0	2
65820EMP2	09/01/07	Serial	5.85%	935,000	295,000	640,000	0	2
65820EMQ0	03/01/11	Term (Note 2)	6.15%	7,215,000	570,000	5,505,000	1,140,000	2
65820ELV0	03/01/16	Term (Note 3)	6.20%	14,235,000		10,410,000	3,825,000	2
65820ELW8	09/01/17	Term (Note 4)	6.20%	3,295,000		2,400,000	895,000	1
65820EMR8	03/01/23	Term (Note 5)	5.75%	12,140,000		12,140,000	0	2
65820EMS6	09/01/27	Term (Note 6)	6.45%	13,630,000		10,585,000	3,045,000	2
65820EMT4	09/01/28	Term (Note 7)	6.45%	4,270,000		3,350,000	920,000	2
Total 1985 Series II/JJ				\$67,530,000	\$8,430,000	\$49,275,000	\$9,825,000	

Note 1: See optional and special redemption provisions beginning on page 4-1985IIJJ. (i.e. "1" denotes first call priority from prepayments.)
 Note 2: Sinking fund redemption begins March 1, 2008.
 Note 3: Sinking fund redemption begins March 1, 2011.
 Note 4: Sinking fund redemption begins September 1, 2016.
 Note 5: Sinking fund redemption begins March 1, 2018.
 Note 6: Sinking fund redemption begins September 1, 2023.
 Note 7: Sinking fund redemption begins March 1, 2028.

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LIST OF UNSCHEDULED REDEMPTIONS:

Call Date	Call Amount	Type of Call	Source Of Funds
12/01/96	\$860,000	Pro rata	Prepayments
06/01/97	685,000	Supersinker	Prepayments
09/01/97	270,000	Supersinker	Prepayments
01/01/98	1,005,000	Supersinker	Prepayments
03/01/98	210,000	Supersinker	Prepayments
03/01/98	740,000	Pro rata	Prepayments
07/01/98	1,085,000	Supersinker	Prepayments
01/01/99	1,635,000	Supersinker	Prepayments
01/01/99	765,000	Pro rata	Prepayments
05/01/99	1,855,000	Pro rata	Prepayments
07/01/99	1,390,000	Supersinker	Prepayments
07/01/99	25,000	Pro rata	Debt Service Reserve
09/01/99	270,000	Supersinker	Prepayments
09/01/99	415,000	Pro rata	Prepayments
09/01/99	25,000	Pro rata	Debt Service Reserve
12/15/99	1,410,000	Supersinker	Prepayments
12/15/99	40,000	Pro rata	Debt Service Reserve
05/01/00	375,000	Supersinker	Prepayments
05/01/00	1,350,000	Pro rata	Prepayments
05/01/00	70,000	Pro rata	Debt Service Reserve
07/01/00	705,000	Supersinker	Prepayments
07/01/00	20,000	Pro rata	Debt Service Reserve
01/01/01	2,160,000	Supersinker	Prepayments
01/01/01	65,000	Pro rata	Debt Service Reserve
06/01/01	940,000	Supersinker	Prepayments
06/01/01	705,000	Pro rata	Prepayments
06/01/01	60,000	Pro rata	Debt Service Reserve
10/01/01	1,995,000	Pro rata	Prepayments
10/01/01	90,000	Pro rata	Debt Service Reserve
01/01/02	1,510,000	Pro rata	Prepayments
01/01/02	75,000	Pro rata	Debt Service Reserve
04/15/02	1,270,000	Pro rata	Prepayments
04/15/02	55,000	Pro rata	Debt Service Reserve
07/01/02	1,645,000	Pro rata	Prepayments
07/01/02	80,000	Pro rata	Debt Service Reserve
01/01/03	300,000	Pro rata	Prepayments
06/01/03	2,080,000	Pro rata	Prepayments
06/01/03	120,000	Pro rata	Debt Service Reserve
06/01/03	305,000	Pro rata	Prepayments
10/01/03	2,095,000	Pro rata	Prepayments
10/01/03	120,000	Pro rata	Debt Service Reserve
10/01/03	385,000	Pro rata	Prepayments
01/01/04	4,525,000	Pro rata	Prepayments
05/01/04	1,535,000	Pro rata	Prepayments
09/01/04	1,810,000	Pro rata	Prepayments
09/01/04	410,000	Pro rata	Debt Service Reserve
01/01/05	1,775,000	Pro rata	Prepayments
01/01/05	90,000	Pro rata	Debt Service Reserve
05/01/05	1,300,000	Pro rata	Prepayments
05/01/05	55,000	Pro rata	Debt Service Reserve
10/01/05	370,000	Pro rata	Prepayments
04/01/06	1,700,000	Pro rata	Prepayments
04/01/06	105,000	Pro rata	Debt Service Reserve
08/01/06	465,000	Pro rata	Prepayments
08/01/06	30,000	Pro rata	Debt Service Reserve
01/01/07	1,490,000	Pro rata	Prepayments
01/01/07	85,000	Pro rata	Debt Service Reserve
05/01/07	275,000	Pro rata	Prepayments
05/01/07	15,000	Pro rata	Debt Service Reserve
11/01/07	600,000	Pro rata	Prepayments
11/01/07	35,000	Pro rata	Debt Service Reserve
02/01/08	280,000	Pro rata	Prepayments
02/01/08	15,000	Pro rata	Debt Service Reserve
07/01/08	545,000	Pro rata	Prepayments
01/01/09	445,000	Pro rata	Prepayments
01/01/09	<u>60,000</u>	Pro rata	Debt Service Reserve
TOTAL	<u>\$49,275,000</u>		

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Bond Call Information:

Special Redemption

The 1985 Series II and JJ 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 II and JJ bonds,
- (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 II and JJ 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 II and JJ bonds, shall first be applied to the redemption or purchase of Series JJ Term bonds due March 1, 2023 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 II and JJ bonds in any manner. Moneys to be applied to 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 II and JJ bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after March 1, 2006, in whole or in part, on any date, at the following redemption prices, plus accrued interest to the date of redemption:

Period (Both Dates Inclusive)	Redemption Price (Expressed as a Percentage)
March 1, 2006 to February 28, 2007	102.00%
March 1, 2007 to February 29, 2008	101.00%
March 1, 2008 and thereafter	100.00%