NORTH CAROLINA HOUSING FINANCE AGENCY DISCLOSURE REPORT AS OF SEPTEMBER 30, 2007

| SERIES DATE: 05/15/96 SERIES SOLD: 06/20/96 GENERAL INFORMATION: LOAN PORTFOLIO CHARACTERISTICS (AS A % OF LOANS OUTSTANDING) Bond Solustanding: 7,225,000 New Construction: 11.11% Bond Yield 6.06% Existing Home: 88.89% Mortgage Loan Prin Outstanding 6,372,231 Total 100.00% VIA Outstanding Commitments: 0 VA Outstanding Commitments: 0 Self Insured Uncommitted Lendable Funds: 0 Fixed Rate Mortgages 100.00% Average Original Loan Amount: 63,637 Growing Equity Mtgs 0.00% Average Original Loan Amount: 63,637 Growing Equity Mtgs 0.00% Total No. of Loans Difficitated: 438 Variable Rate Mtgs 0.00% Total No. of Loans Paid Off: 312 Total 100.00% Total No. of Loans Outstanding: 126 Effective May 1,2006 Breakdown of Private Mortga (List by % of total portfolio) Jacksonville, FL 32256 Single Family Detached 91.27% GetMICO 0.00% Jacksonville, FL 32256 Condos/Townhouses 8.73% 1985GG/HH 100.00% Jacksonville, FL 32256 Condos/Townhouses 8.73% 1985GG/HH Jacksonville, FL 32256< | 0.00% 100.00% 0.00% 0.00% 0.00% <u>0.00%</u> <u>100.00%</u> |
|---|---|
| Bonds Outstanding: 7,225,000 New Construction: 11.11% Bond Yield 6.06% Existing Home: <u>88.89%</u> Private Mortgage Loan Prin Outstanding 6,372,231 Total <u>100.00%</u> FHA Mortgage Rate(s) 6.75% - 7.25% VA Outstanding Commitments: 0 Uncommitted Lendable Funds: 0 Uncommitted Lendable Funds: 0 Uncommitted Lendable Funds: 0 Va Average Purchase Price: 64,814 Graduated Pmt Mtgs 0.00% (less than 80.00 LTV) Average Original Loan Amount: 63,637 Growing Equity Mtgs 0.00% Total No. of Loans Originated: 438 Variable Rate Mtgs <u>0.00%</u> Total No. of Loans Outstanding: 126 Trustee: The Bank of New York Trust Company, NA 10161 Centurion Parkway Jacksonville, FL 32256 (904) 645-1956 Contact: Christine Boyd VA Total No. Of Loans Duts Company, NA Contact: Christine Boyd Total <u>00.00%</u> Total No.00% Total <u>00.00%</u> Total <u>100.00%</u> Contact: Christine Boyd Company, NA Total <u>00.00%</u> Total <u>100.00%</u> RMIC 0.009 | 100.00% 0.00% 0.00% 0.00% <u>0.00%</u> |
| Bond Yield 6.06% Existing Home: 88.89% Private Mortgage Loan Prin Outstanding 6.372,231 Total 100.00% FHA Mortgage Rate(s) 6.75% - 7.25% VA VA Outstanding Commitments: 0 Self Insured Guaranty Fund Uncommitted Lendable Funds: 0 Fixed Rate Mortgages 100.00% (less than 80.00 LTV) Average Purchase Price: 64,814 Graduated Print Mtgs 0.00% (less than 80.00 LTV) Average Original Loan Amount: 63,637 Growing Equity Mtgs 0.00% Total Total No. of Loans Originated: 438 Variable Rate Mtgs 0.00% Total Total No. of Loans Outstanding: 126 Total 100.00% Total Effective May 1, 2006 Trustee: The Bank of New York Trust Company, NA Type of Housing: Ulst by % of total portfolio) Jacksonville, FL 32256 Single Family Detached 91.27% 1985GG/HH (904) 645-1956 Condos/Townhouses 8.73% 1985GG/HH Gound: Christine Boyd Manufactured/Duplexes 0.00% GEMICO 0.00% | 100.00% 0.00% 0.00% 0.00% <u>0.00%</u> |
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| Contact: Christine Boyd Manufactured/Duplexes 0.00% GEMICO 0.009 Total 100.00% RMIC 0.009 | |
| | 6 |
| UG 0.009 | 6 |
| | 6 |
| Program P.O. Box 28066 VEREX 0.009 | <u>6</u> |
| Raleigh, NC 27611-8066 | |
| (919) 877-5700 <u>0.009</u> Contact: | <u>o</u> |
| Contact. Sharon Drewyor, Director of Home Ownership Lending (919) 877-5621 | |
| Elizabeth I. Rozakis, Chief Financial Officer (919) 877-5687 | |
| POOL INSURANCE COVERAGE (DOLLARS IN THOUSANDS): None | |
| SELF-INSURANCE COVERAGE: (data is for 1985 Series GG. Total Dollar Amount (\$000) Note 1 | 'HH only): |
| 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 Note 1 | |
| Claims to Date 0 | |
| Maximum level of funding required over the life of the bonds (\$000) Note 1 | |
| DELINQUENCY STATISTICS (AS A % OF LOANS OUTSTANDING): % # % % \$ | |
| 60 days 5.56% 7 5.70% 362,908 | |
| 90 days 3.17% 4 3.44% 219,238 | |
| In Foreclosure 0.00% 0 0.00% 0 | |
| No. of Loans Foreclosed to Date since 1/1/87 Not available Real Estate Owned | |
| Toreclosed (Loss)/Gain to Date in the Annual Not available Number of Loans 0 | |
| Net of Insurance Proceeds (\$000) Not available Outstanding Mtg Amount | |
| At time of Default \$0 Current Balance \$0 | |
| MORTGAGE LOAN SERVICERS | |
| Servicer # of Loans % of Portfolio Series # of Loans | Mtg Rate |
| | 0.750 |
| BB&T 52 41.27% 1985 SERIES GG/HH 33 Marsh 35 27.78% 56 | |
| RBC Centura 35 27.78% 64 | |
| Bank of America <u>4</u> <u>3.17%</u> | |
| | |

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

NORTH CAROLINA HOUSING FINANCE AGENCY DISCLOSURE REPORT AS OF SEPTEMBER 30, 2007

INDENTURE: SINGLE FAMILY REVENUE BONDS (1985 RESOLUTION) BOND SERIES: SERIES GG/HH LIST OF BONDS BY MATURITY:

PAGE NO. 2-1985GGHH

| CUSIP | Maturity | Bond | Interest | Original | Principal | Principal | Principal B | ond Call |
|-----------|----------|-----------------------|----------|--------------|-------------|--------------|---------------|------------------|
| Number | Date | Туре | Rate | Amount | Matured | Redemptions | Outstanding S | equence (Note 1) |
| 65820EKX7 | 03/01/99 | Serial | 4.60% | \$200,000 | \$200,000 | \$0 | \$0 | 2 |
| 65820EKY5 | 09/01/99 | Serial | 4.60% | 210,000 | 210,000 | 0 | 0 | 2 |
| 65820EKZ2 | 03/01/00 | Serial | 4.80% | 210,000 | 210,000 | 0 | 0 | 2 |
| 65820ELA6 | 09/01/00 | Serial | 4.80% | 220,000 | 215,000 | 5,000 | 0 | 2 |
| 65820ELB4 | 03/01/01 | Serial | 5.00% | 220,000 | 215,000 | 5,000 | 0 | 2 |
| 65820ELC2 | 09/01/01 | Serial | 5.00% | 230,000 | 225,000 | 5,000 | 0 | 2 |
| 65820ELD0 | 03/01/02 | Serial | 5.20% | 230,000 | 220,000 | 10,000 | 0 | 2 |
| 65820ELE8 | 09/01/02 | Serial | 5.20% | 240,000 | 215,000 | 25,000 | 0 | 2 |
| 65820ELF5 | 03/01/03 | Serial | 5.35% | 245,000 | 205,000 | 40,000 | 0 | 2 |
| 65820ELG3 | 09/01/03 | Serial | 5.35% | 255,000 | 195,000 | 60,000 | 0 | 2 |
| 65820ELH1 | 03/01/04 | Serial | 5.45% | 255,000 | 180,000 | 75,000 | 0 | 2 |
| 65820ELJ7 | 09/01/04 | Serial | 5.45% | 265,000 | 150,000 | 115,000 | 0 | 2 |
| 65820ELK4 | 03/01/05 | Serial | 5.55% | 270,000 | 150,000 | 120,000 | 0 | 2 |
| 65820ELL2 | 09/01/05 | Serial | 5.55% | 280,000 | 140,000 | 140,000 | 0 | 2 |
| 65820ELM0 | 03/01/06 | Serial | 5.65% | 285,000 | 140,000 | 145,000 | 0 | 2 |
| 65820ELN8 | 09/01/06 | Serial | 5.65% | 295,000 | 135,000 | 160,000 | 0 | 2 |
| 65820ELP3 | 03/01/07 | Serial | 5.75% | 300,000 | 125,000 | 175,000 | 0 | 2 |
| 65820ELQ2 | 09/01/07 | Serial | 5.75% | 305,000 | 120,000 | 185,000 | 0 | 2 |
| 65820EKS8 | 03/01/08 | Serial | 5.60% | 320,000 | | 195,000 | 125,000 | 2 |
| 65820EKT6 | 09/01/08 | Serial | 5.60% | 325,000 | | 200,000 | 125,000 | 2 |
| 65820EKU3 | 03/01/09 | Serial | 5.70% | 340,000 | | 205,000 | 135,000 | 2 |
| 65820EKV1 | 09/01/09 | Serial | 5.70% | 345,000 | | 210,000 | 135,000 | 2 |
| 65820EKW9 | 03/01/13 | Term (Note 2) | 5.90% | 2,370,000 | | 1,430,000 | 940,000 | 2 |
| 65820ELR9 | 03/01/18 | Term (Note 3) | 6.20% | 5,285,000 | | 3,225,000 | 2,060,000 | 2 |
| 65820ELS7 | 09/01/22 | Term (Note 4) | 5.63% | 5,855,000 | | 5,855,000 | 0 | 1 |
| 65820ELT5 | 03/01/26 | Term (Note 5) | 6.30% | 5,720,000 | | 3,650,000 | 2,070,000 | 2 |
| 65820ELU2 | 09/01/28 | Term (Note 6) | 6.30% | 4,925,000 | | 3,290,000 | 1,635,000 | 2 |
| | Te | otal 1985 Series GG/ł | н | \$30,000,000 | \$3,250,000 | \$19,525,000 | \$7,225,000 | |

Note 1: See optional and special redemption provisions beginning on page 4-1985GGHH. (i.e. "1" denotes first call priority from prepayments.)

Note 2: Sinking fund redemption begins March 1, 2010.

Note 3: Sinking fund redemption begins March 1, 2013.

Note 4: Sinking fund redemption begins September 1, 2018.

Note 5: Sinking fund redemption begins March 1, 2023.

Note 6: Sinking fund redemption begins September 1, 2026.

NORTH CAROLINA HOUSING FINANCE AGENCY DISCLOSURE REPORT AS OF SEPTEMBER 30, 2007

PAGE NO. 3-1985GGHH

INDENTURE: SINGLE FAMILY REVENUE BONDS (1985 RESOLUTION) BOND SERIES: SERIES GG/HH

| 0011001 | I CO OFOFICT | ~*!A | |
|-------------|--------------|------|--|
| SCHEDL | LED REDEMPTI | INS | |
| | | | |

| Call Date | Call Amount | Type of Call | Source Of Funds |
|-----------|-------------|--------------|----------------------|
| 06/01/97 | \$75,000 | Supersinker | Prepayments |
| 09/01/97 | 100,000 | Supersinker | Prepayments |
| 01/01/98 | 55,000 | Supersinker | Prepayments |
| 03/01/98 | 80,000 | Supersinker | Prepayments |
| 07/01/98 | 235,000 | Supersinker | Prepayments |
| 01/01/99 | 930.000 | Supersinker | Prepayments |
| 05/01/99 | 320,000 | Supersinker | Prepayments |
| 05/01/99 | 10,000 | Pro rata | Prepayments |
| 05/01/99 | 5,000 | Pro rata | Debt Service Reserve |
| 07/01/99 | 340,000 | Supersinker | Prepayments |
| 09/01/99 | 360,000 | Supersinker | Prepayments |
| 12/15/99 | 780,000 | Supersinker | Prepayments |
| 05/01/00 | 165,000 | Supersinker | Prepayments |
| 05/01/00 | 550,000 | Pro rata | Prepayments |
| 05/01/00 | 25,000 | Pro rata | Debt Service Reserve |
| 07/01/00 | 625,000 | Supersinker | Prepayments |
| 01/01/01 | 870,000 | Supersinker | Prepayments |
| 06/01/01 | 615,000 | Supersinker | Prepayments |
| | | - | |
| 10/01/01 | 305,000 | Supersinker | Prepayments |
| 10/01/01 | 700,000 | Pro rata | Prepayments |
| 10/01/01 | 35,000 | Pro rata | Debt Service Reserve |
| 01/01/02 | 1,160,000 | Pro rata | Prepayments |
| 01/01/02 | 55,000 | Pro rata | Debt Service Reserve |
| 04/15/02 | 420,000 | Pro rata | Prepayments |
| 04/15/02 | 25,000 | Pro rata | Debt Service Reserve |
| 07/01/02 | 525,000 | Pro rata | Prepayments |
| 07/01/02 | 25,000 | Pro rata | Debt Service Reserve |
| 01/01/03 | 355,000 | Pro rata | Prepayments |
| 06/01/03 | 1,005,000 | Pro rata | Prepayments |
| 06/01/03 | 70,000 | Pro rata | Debt Service Reserve |
| 06/01/03 | 310,000 | Pro rata | Prepayments |
| 10/01/03 | 880,000 | Pro rata | Prepayments |
| 10/01/03 | 60,000 | Pro rata | Debt Service Reserve |
| 10/01/03 | 340,000 | Pro rata | Prepayments |
| 01/01/04 | 2,195,000 | Pro rata | Prepayments |
| 05/01/04 | 705,000 | Pro rata | Prepayments |
| 05/01/04 | 170,000 | Pro rata | Debt Service Reserve |
| 09/01/04 | 360,000 | Pro rata | Prepayments |
| 09/01/04 | 30,000 | Pro rata | Debt Service Reserve |
| 01/01/05 | 910,000 | Pro rata | Prepayments |
| 01/01/05 | 45,000 | Pro rata | Debt Service Reserve |
| 05/01/05 | 455,000 | Pro rata | Prepayments |
| 05/01/05 | 25,000 | Pro rata | Debt Service Reserve |
| 10/01/05 | 200,000 | Pro rata | Prepayments |
| 04/01/06 | 870,000 | Pro rata | Prepayments |
| 04/01/06 | 55,000 | Pro rata | Debt Service Reserve |
| 08/01/06 | 100,000 | Pro rata | Prepayments |
| 08/01/06 | 10,000 | Pro rata | Debt Service Reserve |
| 01/01/07 | 645,000 | Pro rata | Prepayments |
| 01/01/07 | 35,000 | Pro rata | Debt Service Reserve |
| 05/01/07 | 290,000 | Pro rata | Prepayments |
| 05/01/07 | 15,000 | Pro rata | Debt Service Reserve |
| 03/01/07 | 13,000 | FIUIALA | Dept Service Reserve |
| | | | |

| INDENTURE: SINC | GLE FAMILY REVENUE BON | NDS (1985 RESOLUTION) | |
|-----------------|------------------------|-----------------------|--|
| BOND SERIES SER | IES GG/HH | | |
| | | | |
| | | | |

Bond Call Information:

Special Redemption

The 1985 Series GG and HH 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,
- prepayments of mortgage loans financed with the proceeds of the Series GG and HH bonds, (iii)
- moneys withdrawn from the debt service reserve fund in connection with an excess over the debt service reserve requirement, and (iv)
- from prepayments of mortgage loans financed with proceeds from series of bonds issued subsequent to the Series D bonds other than the (v) Series GG and HH 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 GG and HH bonds, shall first be applied to the redemption or purchase of Series HH Term bonds due September 1, 2022 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 GG and HH 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 GG and HH 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 March 1, 2007 to February 29, 2008 March 1, 2008 and thereafter

102 00% 101.00% 100.00% PAGE NO. 4-1985GGHH