

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF SEPTEMBER 30, 2010**

**INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)
BOND SERIES: 28**

GENERAL MORTGAGE LOAN INFORMATION

Mortgage Loan Prin Outstanding: \$55,266,146
Mortgage Rates: 4.750% - 5.990%

Average Purchase Price: \$104,551
Average Original Loan Amount: \$99,875

Total No. of Loans Originated: 557
Total No. of Loans Paid Off: 51
Total No. of Loans Outstanding: 506

PROGRAM

P.O. Box 28066
Raleigh, NC 27611-8066
(919) 877-5700
Contacts:
Sharon Drewyor, Director of Home Ownership Lending
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	352	69.57%
FHA	55	10.87%
VA	33	6.52%
USDA	25	4.94%
HUD-184	0	0.00%
Guaranty Fund	0	0.00%
Other (< 80%LTV)	41	8.10%
Total	506	100.00%

<u>Private Mortgage Insurers:</u>	<u># of Loans</u>	<u>%</u>
RADIAN GUARANTY INC.	1	0.20%
AIG-UGIC	46	9.09%
GENWORTH	189	37.35%
MGIC	76	15.02%
RMIC	26	5.14%
PMI MTG. INS. CO.	6	1.19%
TRIAD	7	1.38%
CMG MTG INS CO	1	0.20%
Total	352	69.57%

<u>New/Existing:</u>	<u># of Loans</u>	<u>%</u>
New Construction	112	22.13%
Existing Home	394	77.87%
Total	506	100.00%

<u>Type of Housing:</u>	<u># of Loans</u>	<u>%</u>
Single Family Detached	387	76.48%
Condominium	45	8.90%
Townhouse	65	12.84%
Manufactured Home	8	1.58%
Duplex	1	0.20%
Total	506	100.00%

DELINQUENCY STATISTICS

<u>Loans Outstanding:</u>	<u># of Loans</u>	<u>%</u>
60 days	8	1.58%
90 days	19	3.75%
In Foreclosure	6	1.19%
REO (Conv, USDA)	2	0.40%
Total	35	

<u>Principal Outstanding:</u>	<u>\$ of Loans</u>	<u>%</u>
60 days	\$984,483	1.78%
90 days	\$2,080,844	3.77%
In Foreclosure	\$528,737	0.96%
REO (Conv, USDA)	\$272,402	0.49%
Total	\$3,866,466	

SERVICER AND MORTGAGE LOAN DATA

<u>Servicers:</u>	<u># of Loans</u>	<u>%</u>
Marsh Associates Inc.	202	39.92%
RBC Bank	136	26.88%
BB&T	156	30.83%
State Employees Credit Union	11	2.17%
US Bank Home Mortgage	1	0.20%
Bank of America	0	0.00%
Total	506	100.00%

<u>Mortgage Rates (%):</u>	<u># of Loans</u>
5.99	13
5.875	41
5.75	48
5.625	292
5.5	111
4.75	1
Total	506

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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 28	Total Dollar Amount (\$000)	\$725
		As % of Initial Principal Amount	
		of Mortgage Loans Purchased	1.31%
		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)
658207EB7	07/01/08	Serial	3.50%	210,000	210,000	0	0	2
658207DM4	07/01/09	Serial	3.80%	495,000	495,000	0	0	2
658207DN2	01/01/10	Serial	3.90%	505,000	505,000	0	0	2
658207DP7	07/01/10	Serial	3.90%	515,000	515,000	0	0	2
658207EC5	01/01/11	Serial	3.55%	525,000	0	0	525,000	2
658207ED3	07/01/11	Serial	3.55%	250,000	0	0	250,000	2
658207DQ5	07/01/11	Serial	3.95%	285,000	0	0	285,000	2
658207EE1	01/01/12	Serial	3.60%	545,000	0	0	545,000	2
658207DR3	07/01/12	Serial	4.00%	560,000	0	0	560,000	2
658207DS1	01/01/13	Serial	4.05%	570,000	0	0	570,000	2
658207EF8	07/01/13	Serial	3.65%	255,000	0	0	255,000	2
658207DT9	07/01/13	Serial	4.05%	330,000	0	0	330,000	2
658207DU6	01/01/14	Serial	4.10%	595,000	0	0	595,000	2
658207DV4	07/01/14	Serial	4.10%	610,000	0	0	610,000	2
658207EG6	01/01/15	Serial	3.75%	620,000	0	0	620,000	2
658207EH4	07/01/15	Serial	3.75%	635,000	0	0	635,000	2
658207EJ0	01/01/16	Serial	3.80%	650,000	0	0	650,000	2
658207EK7	07/01/16	Serial	3.80%	665,000	0	0	665,000	2
658207EL5	01/01/17	Serial	3.85%	680,000	0	0	680,000	2
658207EM3	07/01/17	Serial	3.85%	695,000	0	0	695,000	2
658207DW2	07/01/23	Term (Note 2)	4.65%	6,640,000	0	0	6,640,000	2
658207DX0	07/01/29	Term (Note 3)	4.70%	8,305,000	0	0	8,305,000	2
658207DY8	07/01/33	Term (Note 4)	4.75%	7,195,000	0	0	7,195,000	2
658207DZ5	07/01/38	Term (Note 5)	5.50%	19,500,000	0	4,210,000	15,290,000	2
658207EA9	01/01/39	Term (Note 6)	4.80%	13,165,000	0	110,000	13,055,000	2
Total 1998 Series 28				\$65,000,000	\$1,725,000	\$4,320,000	\$58,955,000	

Note 1: See optional and special redemption provisions page 4-1998-28, (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, 2024.
 Note 4: Sinking fund redemptions begin January 1, 2030.
 Note 5: Sinking fund redemptions begin January 1, 2019. AMT PAC bonds were sold at a premium with a coupon rate of 5.50% and a yield of 4.92%.
 Note 6: Sinking fund redemptions begin January 1, 2034.

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LIST OF UNSCHEDULED REDEMPTIONS:

Call Date	Call Amount	Type of Call	Source Of Funds
7/1/2008	\$335,000	Supersinker	Prepayments
1/1/2009	\$645,000	Supersinker	Prepayments
1/1/2009	\$20,000	Pro rata	Debt Service Reserve
7/1/2009	\$535,000	Supersinker	Prepayments
7/1/2009	\$20,000	Pro rata	Debt Service Reserve
1/1/2010	\$1,210,000	Supersinker	Prepayments
1/1/2010	\$35,000	Pro rata	Debt Service Reserve
6/1/2010	\$1,485,000	Supersinker	Prepayments
6/1/2010	<u>\$35,000</u>	Pro rata	Debt Service Reserve
	<u>\$4,320,000</u>		

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BOND SERIES: SERIES 28

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

- The 1998 Series 28 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 28, 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 28 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 28 bonds shall first be applied to the redemption or purchase of Series 28 term bonds due July 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 28 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 28 bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after January 1, 2017, in whole, or in part, at the principal amount thereof plus accrued interest to the date of redemption, without premium.