

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF DECEMBER 31, 2008**

INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)
BOND SERIES: SERIES 05

PAGE NO. 1-1998-05

SERIES DATE: 07/15/99

SERIES SOLD: 08/19/99

GENERAL INFORMATION:

Bonds Outstanding: 17,405,000
Bond Yield 5.42%
Mortgage Loan Prin Outstanding 16,869,093
Mortgage Rate(s) 5.75% - 6.95%
Outstanding Commitments: 0
Uncommitted Lendable Funds: 0

Average Purchase Price: 83,521
Average Original Loan Amount: 80,696
Total No. of Loans Originated: 648
Total No. of Loans Paid Off: 404
Total No. of Loans Outstanding: 244

LOAN PORTFOLIO CHARACTERISTICS (AS A % OF LOANS OUTSTANDING)

New Construction: 42.21%
Existing Home: 57.79%
Total 100.00%

Private 0.00%
FHA 92.21%
VA 4.51%
USDA 3.28%
Guaranty Fund 0.00%
Other (less than 80.00 LTV) 0.00%
Total 100.00%

Fixed Rate Mortgages 100.00%
Graduated Pmt Mtgs 0.00%
Growing Equity Mtgs 0.00%
Variable Rate Mtgs 0.00%
Total 100.00%

Effective May 1, 2006

Trustee: The Bank of New York Mellon
10161 Centurion Parkway
Jacksonville, FL 32256
(904) 645-1956
Contact: Christine Boyd

Type of Housing:
Single Family Detached 97.95%
Condos/Townhouses 0.82%
Manufactured/Duplexes 1.23%
Total 100.00%

Breakdown of Private Mortgage Insurers
(List by % of total portfolio):
1998-05
GEMICO 0.00%
RMIC 0.00%
UG 0.00%
VEREX 0.00%

Program: P.O. Box 28066
Raleigh, NC 27611-8066
(919) 877-5700
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: Name of Self-Insurance Fund: Insurance Reserve Fund
Series of Bonds Covered: 1998 Series 05
Current Funding Requirements:
Total Dollar Amount (\$000) \$325
As % of Initial Principal Amount of Mortgage Loans Purchased 1.08%
Claims to Date 0

Maximum level of funding required over the life of the bonds (\$000) \$575

DELINQUENCY STATISTICS (AS A % OF LOANS OUTSTANDING):

	%	#
60 days	4.51%	11
90 days	4.92%	12
In Foreclosure	0.00%	0

(AS % OF PRINCIPAL BALANCE OUTSTANDING):

	%	\$
	4.98%	839,296
	5.08%	856,422
	0.00%	0

No. of Loans Foreclosed to Date since 1/1/87 Not available
Foreclosed (Loss)/Gain to Date Not available
Net of Insurance Proceeds (\$000) Not available

Real Estate Owned
Number of Loans 0
Outstanding Mtg Amount
At time of Default \$0
Current Balance \$0

MORTGAGE LOAN SERVICERS:

Servicer	# of Loans	% of Portfolio
RBC Centura	116	47.54%
Marsh	66	27.05%
BB&T	53	21.72%
Bank of America	9	3.69%
TOTAL	244	100.00%

MORTGAGE LOAN RATES (BY BOND SERIES):

Series	# of Loans	Mtg Rate
1998 SERIES 05	46	5.75%
	17	5.99%
	177	6.65%
	4	6.95%
Total	244	

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF DECEMBER 31, 2008**

INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)
BOND SERIES: SERIES 05

PAGE NO. 3-1998-05

LIST OF UNSCHEDULED REDEMPTIONS:

Call Date	Call Amount	Type of Call	Source Of Funds
05/01/00	\$65,000	Supersinker	Prepayments
05/01/00	55,000	Pro rata	Prepayments
01/01/01	310,000	Supersinker	Prepayments
01/01/01	150,000	Pro rata	Prepayments
01/01/01	10,000	Pro rata	Debt Service Reserve
06/01/01	115,000	Supersinker	Prepayments
06/01/01	10,000	Pro rata	Debt Service Reserve
10/01/01	195,000	Supersinker	Prepayments
10/01/01	5,000	Pro rata	Debt Service Reserve
01/01/02	300,000	Supersinker	Prepayments
01/01/02	5,000	Pro rata	Debt Service Reserve
04/15/02	330,000	Supersinker	Prepayments
04/15/02	5,000	Pro rata	Debt Service Reserve
07/01/02	840,000	Supersinker	Prepayments
07/01/02	35,000	Pro rata	Debt Service Reserve
01/01/03	2,280,000	Supersinker	Prepayments
06/01/03	90,000	Supersinker	Prepayments
06/01/03	120,000	Pro rata	Prepayments
10/01/03	1,425,000	Supersinker	Prepayments
10/01/03	325,000	Pro rata	Prepayments
10/01/03	105,000	Pro rata	Debt Service Reserve
10/01/03	300,000	Pro rata	Prepayments
01/01/04	1,375,000	Supersinker	Prepayments
05/01/04	650,000	Supersinker	Prepayments
05/01/04	1,480,000	Pro rata	Prepayments
09/01/04	670,000	Supersinker	Prepayments
09/01/04	2,310,000	Pro rata	Prepayments
09/01/04	155,000	Pro rata	Debt Service Reserve
01/01/05	1,275,000	Supersinker	Prepayments
01/01/05	30,000	Pro rata	Debt Service Reserve
05/01/05	1,225,000	Supersinker	Prepayments
05/01/05	585,000	Pro rata	Prepayments
05/01/05	35,000	Pro rata	Debt Service Reserve
10/01/05	225,000	Pro rata	Prepayments
04/01/06	285,000	Supersinker	Prepayments
04/01/06	3,545,000	Pro rata	Prepayments
04/01/06	100,000	Pro rata	Debt Service Reserve
08/01/06	4,040,000	Pro rata	Prepayments
08/01/06	80,000	Pro rata	Debt Service Reserve
01/01/07	680,000	Pro rata	Prepayments
01/01/07	30,000	Pro rata	Debt Service Reserve
05/01/07	130,000	Pro rata	Prepayments
05/01/07	5,000	Pro rata	Debt Service Reserve
11/01/07	4,300,000	Pro rata	Prepayments
11/01/07	100,000	Pro rata	Debt Service Reserve
02/01/08	685,000	Pro rata	Prepayments
02/01/08	15,000	Pro rata	Debt Service Reserve
07/01/08	135,000	Pro rata	Prepayments
01/01/09	100,000	Pro rata	Prepayments
01/01/09	<u>25,000</u>	Pro rata	Debt Service Reserve
TOTAL	<u>\$31,345,000</u>		

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF DECEMBER 31, 2008**

INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)
BOND SERIES: SERIES 05

PAGE NO. 4-1998-05

Bond Call Information:

Special Redemption

The 1998 Series 5 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 5, and
- (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 5 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 5 bonds shall first be applied to the redemption or purchase of Series 5 Term bonds due January 1, 2024 during the periods up to the scheduled principal amounts set forth in the series resolution.

Moneys in excess of the debt service reserve requirement and from excess revenues in the revenue reserve fund shall be applied to the redemption of the Series 5 bonds in any manner. Moneys to be applied to redemption 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 5 bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after January 1, 2009, either as a whole, on any date, or in part, at the principal amount thereof plus accrued interest to the date of redemption, without premium.