NORTH CAROLINA HOUSING FINANCE AGENCY DISCLOSURE REPORT AS OF DECEMBER 31, 2010

INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)

BOND SERIES: 02

GENERAL MORTGAGE LOAN INFORMATION

\$8,914,659 Mortgage Loan Prin Outstanding: Mortgage Rates: 5.750% - 6.650%

\$79,046 Average Purchase Price: Average Original Loan Amount: \$77,749

Total No. of Loans Originated: 418 268 Total No. of Loans Paid Off: Total No. of Loans Outstanding: 150

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

New/Existing:

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.

Loan Type:	# of Loans	<u>%</u>
CONV	0	0.00%
FHA	130	86.67%
VA	5	3.33%
USDA	15	10.00%
HUD-184	0	0.00%
Guaranty Fund	0	0.00%
Other (< 80%LTV)	0	0.00%
Total	150	100.00%

Private Mortgage Insurers:	# of Loans	<u>%</u>
Total	0	0.00%

New Construction	48	32.00%
Existing Home	102	68.00%
Total	150	100.00%
Type of Housing:	# of Loans	<u>%</u>
Single Family Detached	141	94.00%
Condominium	5	3.33%
Townhouse	2	1.34%
Manufactured Home	2	1.33%
Total	150	100.00%

of Loans

<u>%</u>

DELINQUENCY STATISTICS

Loans Outstanding:	# of Loans	<u>%</u>
60 days	1	0.67%
90 days	6	4.00%
In Foreclosure	1	0.67%
REO (Conv, USDA)	0	0.00%

Total

Principal Outstanding:	\$ of Loans	<u>%</u>
60 days	\$56,308	0.63%
90 days	\$338,628	3.80%
In Foreclosure	\$59,521	0.67%
REO (Conv, USDA)	\$0	0.00%
Total	\$454,457	

SERVICER AND MORTGAGE LOAN DATA

Servicers:	# of Loans	<u>%</u>
Bank of America	4	2.67%
Marsh Associates Inc.	43	28.66%
RBC Bank	62	41.33%
BB&T	41	27.34%
Total	150	100.00%

Mortgage Rates (%):		# of Loans
	6.65	43
	5.75	107
Total		150

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NICHTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION): BOND SERIES: SERIES (12: PAGE NO. 2-1998-02

SELF-INSURANCE COVERAGE: :: Name of Self-Insurance Fund: Insurance Reserve Fund Series of Bonds Covered: 1998 Series 02

Current Funding Requirements: Total Dollar Amount (\$000) As % of Initial Principal Amount

of Mortgage Loans Purchased 1.75% Claims to Date

\$156

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

\$478

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)
65820EWR7	01/01/07	Term (Note 2)	4.200%	\$4,145,000	\$3,960,000	\$185,000	\$0	2
65820EWW6	07/01/07	Serial	4.250%	370,000	280,000	90,000	0	2
65820EWX4	01/01/08	Serial	4.400%	375,000	265,000	110,000	0	2
65820EWY2	07/01/08	Serial	4.400%	380,000	215,000	165,000	0	2
65820EWZ9	01/01/09	Serial	4.500%	390,000	210,000	180,000	0	2
65820EXA3	07/01/09	Serial	4.500%	395,000	200,000	195,000	0	2
65820EXB1	01/01/10	Serial	4.600%	405,000	195,000	210,000	0	2
65820EXC9	07/01/10	Serial	4.600%	420,000	195,000	225,000	0	2
65820EXD7	01/01/11	Serial	4.700%	425,000	0	235,000	190,000	2
65820EXE5	07/01/11	Serial	4.700%	435,000	0	245,000	190,000	2
65820EXF2	01/01/12	Serial	4.800%	445,000	0	250,000	195,000	2
65820EXG0	07/01/12	Serial	4.800%	460,000	0	265,000	195,000	2
65820EXH8	07/01/17	Term (Note 3)	5.100%	5,240,000	0	3,020,000	2,220,000	2
65820EWS5	01/01/20	Term (Note 4)	5.200%	3,145,000	0	1,805,000	1,340,000	2
65820EWT3	01/01/25	Term (Note 5)	4.600%	7,425,000	0	7,425,000	0	1
65820EWU0	07/01/26	Term (Note 6)	5.250%	2,545,000	0	1,465,000	1,080,000	2
65820EWV8	07/01/30	Term (Note 7)	5.250%	8,000,000	0	4,840,000	3,160,000	2
	Т	otal 1998 Series 2		\$35,000,000	\$5,520,000	\$20,910,000	\$8,570,000	

Note 1: See optional and special redemption provisions page 4-98-02, (i.e. "1" denotes first call priority from prepayments).

Note 2: Sinking fund redemptions begin January 1, 2001

Note 3: Sinking fund redemptions begin January 1, 2013.

Note 4: Sinking fund redemptions begin January 1, 2018.

Note 5: Sinking fund redemptions begin July 1, 2020.

Note 7: Sinking fund redemptions begin July 1, 2026.

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Call Date	Call Amount	Type of Call	Source Of Funds
		•	
07/01/00	\$95,000	Supersinker	Prepayments
01/01/01	\$260,000	Supersinker	Prepayments
01/01/01	\$5,000	Pro rata	Debt Service Reserve
06/01/01	\$585,000	Supersinker	Prepayments
06/01/01	\$25,000	Pro rata	Debt Service Reserve
10/01/01	\$515,000	Supersinker	Prepayments
10/01/01	\$10,000	Pro rata	Debt Service Reserve
01/01/02	\$315,000	Supersinker	Prepayments
01/01/02	\$10,000	Pro rata	Debt Service Reserve
04/15/02	\$225,000	Supersinker	Prepayments
04/15/02	\$5,000	Pro rata	Debt Service Reserve
07/01/02	\$375,000	Supersinker	Prepayments
07/01/02	\$15,000	Pro rata	Debt Service Reserve
01/01/03	\$815,000	Supersinker	Prepayments
06/01/03	\$960,000	Supersinker	Prepayments
10/01/03	\$45,000	Pro rata	Debt Service Reserve
10/01/03	\$1,290,000	Supersinker	Prepayments
01/01/04	\$1,270,000	Supersinker	Prepayments
05/01/04	\$545,000	Supersinker	Prepayments
05/01/04	\$420,000	Pro rata	Prepayments
09/01/04	\$175,000	Supersinker	Prepayments
09/01/04	\$375,000	Pro rata	Prepayments
09/01/04	\$100,000	Pro rata	Debt Service Reserve
01/01/05	\$620,000	Pro rata	Prepayments
01/01/05	\$10,000	Pro rata	Debt Service Reserve
05/01/05	\$645,000	Pro rata	Prepayments
05/01/05	\$20,000	Pro rata	Debt Service Reserve
10/01/05	\$1,025,000	Pro rata	Prepayments
04/01/06	\$795,000	Pro rata	Prepayments
04/01/06	\$45,000	Pro rata	Debt Service Reserve
08/01/06	\$930,000	Pro rata	Prepayments
08/01/06	\$25,000	Pro rata	Debt Service Reserve
01/01/07	\$1,145,000	Pro rata	Prepayments
01/01/07	\$30,000	Pro rata	Debt Service Reserve
05/01/07	\$625,000	Pro rata	Prepayments
05/01/07	\$20,000	Pro rata	Debt Service Reserve
11/01/07	\$275,000	Pro rata	Prepayments
11/01/07	\$10,000	Pro rata	Debt Service Reserve
02/01/08	\$3,125,000	Pro rata	Prepayments
02/01/08	\$65,000	Pro rata	Debt Service Reserve
07/01/08	\$805,000	Pro rata	Prepayments
01/01/09	\$690,000	Pro rata	Prepayments
01/01/09	\$45,000	Pro rata	Debt Service Reserve
07/01/09	\$280,000	Pro rata	Prepayments
07/01/09	\$10,000	Pro rata	Debt Service Reserve
01/01/10	\$550,000	Pro rata	Prepayments
01/01/10	\$15,000	Pro rata	Debt Service Reserve
06/01/10	\$365,000	Pro rata	Prepayments
06/01/10	\$5,000	Pro rata	Debt Service Reserve
12/01/10	\$290,000	Pro rata	Prepayments
12/01/10	<u>\$10,000</u>	Pro rata	Debt Service Reserve
TOTAL	\$ <u>20,910,000</u>		

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NICHNTURE: :::: SINGLE-FAMILY-REVENUE BONDS (1996-RESOLUTION): :::::::::::::::::::::::::::::::::::	PAGE NO.	4-1998-02
Bond Call Information:		
Special Redemption:		

The 1998 Series 2 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:

- unexpended proceeds,
- (ii) excess revenues transferred from the revenue reserve runa,
 (iii) prepayments of mortgage loans financed with the proceeds of the Series 2, and
- 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 other than the Series 2 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 2 bonds shall first be applied to the redemption or purchase of Series 2 Term bonds due January 1, 2025 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 2 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

Optional Redemption

The Series 2 bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after July 1, 2008, either as a whole, on any date, or in part, on any interest payment date, at the following redemption prices, plus accrued interest to the date of redemption.

Period (Both Dates Inclusive)	Redemption Price (Expressed as a Percentage)		
uly 1, 2008 - June 30, 2009	101.00%		
uly 1, 2009 and thereafter	100.00%		