

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF MARCH 31, 2009**

INDENTURE: SINGLE FAMILY REVENUE BONDS (1985 RESOLUTION)
BOND SERIES: SERIES AA/BB

PAGE NO. 1-1985AA/BB

SERIES DATE: 05/01/95 SERIES SOLD: 05/24/95

GENERAL INFORMATION: LOAN PORTFOLIO CHARACTERISTICS (AS A % OF LOANS OUTSTANDING)

Bonds Outstanding:	5,815,000	New Construction:	19.86%	Private	0.00%
Bond Yield	6.24%	Existing Home:	<u>80.14%</u>	FHA	100.00%
Mortgage Loan Prin Outstanding	6,953,636	Total	<u>100.00%</u>	VA	0.00%
Mortgage Rate(s)	6.75% - 7.35%	Fixed Rate Mortgages	100.00%	Self Insured	0.00%
Outstanding Commitments:	0	Graduated Pmt Mtgs	0.00%	Guaranty Fund	0.00%
Uncommitted Lendable Funds:	0	Growing Equity Mtgs	0.00%	Other	
Average Purchase Price:	63,982	Variable Rate Mtgs	<u>0.00%</u>	(less than 80.00 LTV)	<u>0.00%</u>
Average Original Loan Amount:	62,110	Total	<u>100.00%</u>	Total	<u>100.00%</u>
Total No. of Loans Originated:	764				
Total No. of Loans Paid Off:	618				
Total No. of Loans Outstanding:	146				

Effective May 1, 2006

Trustee:	The Bank of New York Mellon	Type of Housing:	Single Family Detached	88.36%	Breakdown of Private Mortgage Insurers (List by % of total portfolio):		
	10161 Centurion Parkway		Condos/Townhouses	8.90%		1985AA/BB	
	Jacksonville, FL 32256		Manufactured/Duplexes	<u>2.74%</u>		GEMICO	0.00%
	(904) 645-1956		Total	<u>100.00%</u>		RMIC	0.00%
Contact: Christine Boyd			UG	0.00%			
				VEREX		<u>0.00%</u>	

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: Current Funding Requirements: (data is for 1985 Series AA/BB only):

Name of Self-Insurance Fund: Mortgage Deficiency Fund	Total Dollar Amount (\$000)	Note 1
	As % of Initial Principal Amount	
	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):	(AS % OF PRINCIPAL BALANCE OUTSTANDING):			
%	#	%	\$	
60 days	4.79%	7	4.45%	309,359
90 days	2.74%	4	3.10%	215,397
In Foreclosure	1.37%	2	1.49%	103,597

No. of Loans Foreclosed to Date since 1/1/87	Not available	Real Estate Owned	
Foreclosed (Loss)/Gain to Date	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:			MORTGAGE LOAN RATES (BY BOND SERIES):		
Servicer	# of Loans	% of Portfolio	Series	# of Loans	Mtg Rate
BB&T	54	36.99%	1985 SERIES AA/BB	1	6.75%
Marsh	42	28.77%		144	7.13%
RBC Centura	39	26.71%		1	7.35%
Bank of America	11	<u>7.53%</u>			
TOTAL	146	<u>100.00%</u>	Total	<u>146</u>	

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

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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)
65820EBW9	03/01/97	Serial	4.65%	\$380,000	\$330,000	\$50,000	\$0	2
65820EBX7	09/01/97	Serial	4.65%	395,000	340,000	55,000	0	2
65820EBY5	03/01/98	Serial	4.80%	405,000	350,000	55,000	0	2
65820EBZ2	09/01/98	Serial	4.80%	410,000	350,000	60,000	0	2
65820ECA6	03/01/99	Serial	5.00%	425,000	365,000	60,000	0	2
65820ECB4	09/01/99	Serial	5.00%	435,000	360,000	75,000	0	2
65820ECC2	03/01/00	Serial	5.15%	445,000	370,000	75,000	0	2
65820ECD0	09/01/00	Serial	5.15%	455,000	365,000	90,000	0	2
65820ECE8	03/01/01	Serial	5.30%	470,000	375,000	95,000	0	2
65820ECF5	09/01/01	Serial	5.30%	480,000	360,000	120,000	0	2
65820ECG3	03/01/02	Serial	5.40%	490,000	350,000	140,000	0	2
65820ECH1	09/01/02	Serial	5.40%	510,000	355,000	155,000	0	2
65820ECJ7	03/01/03	Serial	5.50%	520,000	345,000	175,000	0	2
65820ECK4	09/01/03	Serial	5.50%	535,000	315,000	220,000	0	2
65820ECL2	03/01/04	Serial	5.60%	550,000	300,000	250,000	0	2
65820ECM0	09/01/04	Serial	5.60%	560,000	240,000	320,000	0	2
65820ECN8	03/01/05	Serial	5.70%	585,000	220,000	365,000	0	2
65820ECP3	09/01/05	Serial	5.70%	595,000	195,000	400,000	0	2
65820ECQ1	03/01/06	Serial	5.80%	615,000	185,000	430,000	0	2
65820ECS7	09/01/06	Serial	5.80%	630,000	160,000	470,000	0	2
65820ECT5	03/01/07	Serial	5.90%	650,000	150,000	500,000	0	2
65820ECU2	09/01/07	Serial	5.90%	670,000	150,000	520,000	0	2
65820ECV0	03/01/08	Serial	6.00%	690,000	160,000	530,000	0	2
65820ECW8	09/01/08	Serial	6.00%	710,000	140,000	570,000	0	2
65820ECZ1	03/01/12	Term (Note 2)	6.25%	5,090,000	135,000	4,175,000	780,000	2
65820ECR9	03/01/17	Term (Note 3)	6.25%	11,020,000		9,005,000	2,015,000	2
65820EDB3	03/01/21	Term (Note 4)	6.05%	11,010,000		11,010,000	0	1
65820EDC1	09/01/26	Term (Note 5)	6.50%	20,270,000		17,250,000	3,020,000	2
Total 1985 Series AA/BB				\$60,000,000	\$6,965,000	\$47,220,000	\$5,815,000	

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

Note 2: Sinking fund redemption begins March 1, 2009.

Note 3: Sinking fund redemption begins March 1, 2012.

Note 4: Sinking fund redemption begins September 1, 2017.

Note 5: Sinking fund redemption begins September 1, 2021.

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LIST OF UNSCHEDULED REDEMPTIONS:

Call Date	Call Amount	Type of Call	Source Of Funds
01/01/96	\$290,000	Pro rata	Debt Service Reserve
01/01/96	7,705,000	Pro rata	Unexpected Proceeds
07/01/96	190,000	Supersinker	Prepayments
07/01/96	5,000	Pro rata	Debt Service Reserve
12/01/96	265,000	Supersinker	Prepayments
12/01/96	230,000	Pro rata	Prepayments
12/01/96	10,000	Pro rata	Debt Service Reserve
02/01/97	290,000	Supersinker	Prepayments
06/01/97	645,000	Supersinker	Prepayments
09/01/97	465,000	Supersinker	Prepayments
01/01/98	1,230,000	Supersinker	Prepayments
03/01/98	65,000	Supersinker	Prepayments
03/01/98	620,000	Pro rata	Prepayments
03/01/98	25,000	Pro rata	Debt Service Reserve
07/01/98	640,000	Supersinker	Prepayments
07/01/98	5,000	Pro rata	Debt Service Reserve
01/01/99	1,825,000	Supersinker	Prepayments
05/01/99	370,000	Supersinker	Prepayments
05/01/99	855,000	Pro rata	Prepayments
05/01/99	35,000	Pro rata	Debt Service Reserve
07/01/99	885,000	Supersinker	Prepayments
07/01/99	5,000	Pro rata	Debt Service Reserve
09/01/99	515,000	Supersinker	Prepayments
12/15/99	1,470,000	Supersinker	Prepayments
05/01/00	195,000	Supersinker	Prepayments
05/01/00	1,330,000	Pro rata	Prepayments
05/01/00	65,000	Pro rata	Debt Service Reserve
07/01/00	495,000	Supersinker	Prepayments
07/01/00	90,000	Pro rata	Prepayments
07/01/00	10,000	Pro rata	Debt Service Reserve
01/01/01	1,350,000	Pro rata	Prepayments
01/01/01	70,000	Pro rata	Debt Service Reserve
06/01/01	1,095,000	Pro rata	Prepayments
06/01/01	60,000	Pro rata	Debt Service Reserve
10/01/01	1,625,000	Pro rata	Prepayments
10/01/01	85,000	Pro rata	Debt Service Reserve
01/01/02	940,000	Pro rata	Prepayments
01/01/02	50,000	Pro rata	Debt Service Reserve
04/15/02	545,000	Pro rata	Prepayments
04/15/02	35,000	Pro rata	Debt Service Reserve
07/01/02	885,000	Pro rata	Prepayments
07/01/02	45,000	Pro rata	Debt Service Reserve
01/01/03	795,000	Pro rata	Prepayments
06/01/03	1,140,000	Pro rata	Prepayments
06/01/03	105,000	Pro rata	Debt Service Reserve
06/01/03	900,000	Pro rata	Prepayments
10/01/03	1,295,000	Pro rata	Prepayments
10/01/03	120,000	Pro rata	Debt Service Reserve
10/01/03	755,000	Pro rata	Prepayments
01/01/04	3,310,000	Pro rata	Prepayments
05/01/04	1,545,000	Pro rata	Prepayments
09/01/04	1,750,000	Pro rata	Prepayments
09/01/04	440,000	Pro rata	Debt Service Reserve
01/01/05	865,000	Pro rata	Prepayments
01/01/05	55,000	Pro rata	Debt Service Reserve
05/01/05	590,000	Pro rata	Prepayments
05/01/05	40,000	Pro rata	Debt Service Reserve
10/01/05	1,085,000	Pro rata	Prepayments
04/01/06	1,475,000	Pro rata	Prepayments
04/01/06	145,000	Pro rata	Debt Service Reserve
08/01/06	625,000	Pro rata	Prepayments
08/01/06	40,000	Pro rata	Debt Service Reserve
01/01/07	755,000	Pro rata	Prepayments
01/01/07	45,000	Pro rata	Debt Service Reserve
05/01/07	190,000	Pro rata	Prepayments
05/01/07	15,000	Pro rata	Debt Service Reserve
11/01/07	330,000	Pro rata	Prepayments
11/01/07	20,000	Pro rata	Debt Service Reserve
02/01/08	665,000	Pro rata	Prepayments
02/01/08	40,000	Pro rata	Debt Service Reserve
07/01/08	305,000	Pro rata	Prepayments
01/01/09	150,000	Pro rata	Prepayments
01/01/09	<u>20,000</u>	Pro rata	Debt Service Reserve
TOTAL	<u>\$47,220,000</u>		

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Bond Call Information:

Special Redemption:

The 1985 SERIES AA and BB 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 AA and BB 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 AA and BB 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 AA and BB bonds, shall first be applied to the redemption or purchase of Series BB Term bonds due March 1, 2021 during the periods up to the scheduled 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 AA and BB 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 AA and BB bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after, March 1, 2005, 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, 2005 to February 28, 2006	102.00%
March 1, 2006 to February 28, 2007	101.00%
March 1, 2007 and thereafter	100.00%