

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF MARCH 31, 2011**

**INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)
BOND SERIES: 26**

GENERAL MORTGAGE LOAN INFORMATION

Mortgage Loan Prin Outstanding: \$49,837,573
Mortgage Rates: 5.125% - 6.250%

Average Purchase Price: \$114,368
Average Original Loan Amount: \$109,313

Total No. of Loans Originated: 552
Total No. of Loans Paid Off: 83
Total No. of Loans Outstanding: 470

PROGRAM

P.O. Box 28066
Raleigh, NC 27611-8066
(919) 877-5700
Contacts:
Rob Rusczak, Manager of Home Ownership Production
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	300	63.83%
FHA	56	11.91%
VA	31	6.60%
USDA	33	7.02%
HUD-184	0	0.00%
Guaranty Fund	0	0.00%
Other (< 80%LTV)	50	10.64%
Total	470	100.00%

<u>Private Mortgage Insurers:</u>	<u># of Loans</u>	<u>%</u>
MGIC	87	18.51%
RMIC	33	7.02%
AIG-UGIC	36	7.66%
GENWORTH	128	27.23%
PMI MTG. INS. CO.	9	1.91%
TRIAD	2	0.43%
RADIAN GUARANTY INC.	2	0.43%
CMG MTG INS CO	2	0.43%
Total	299	63.79%

<u>New/Existing:</u>	<u># of Loans</u>	<u>%</u>
New Construction	132	28.09%
Existing Home	338	71.91%
Total	470	100.00%

<u>Type of Housing:</u>	<u># of Loans</u>	<u>%</u>
Single Family Detached	353	75.11%
Condominium	33	7.02%
Townhouse	79	16.81%
Manufactured Home	5	1.06%
Total	470	100.00%

DELINQUENCY STATISTICS

<u>Loans Outstanding:</u>	<u># of Loans</u>	<u>%</u>
60 days	5	1.06%
90 days	11	2.34%
In Foreclosure	11	2.34%
REO (Conv, USDA)	6	1.28%
Total	34	

<u>Principal Outstanding:</u>	<u>\$ of Loans</u>	<u>%</u>
60 days	\$524,111	1.05%
90 days	\$1,293,578	2.60%
In Foreclosure	\$1,285,089	2.58%
REO (Conv, USDA)	\$624,180	1.25%
Total	\$3,726,958	

SERVICER AND MORTGAGE LOAN DATA

<u>Servicers:</u>	<u># of Loans</u>	<u>%</u>
Bank of America	2	0.43%
Marsh Associates Inc.	195	41.49%
RBC Bank	150	31.91%
BB&T	114	24.25%
State Employees Credit Union	9	1.92%
US Bank Home Mortgage	0	0.00%
Total	470	100.00%

<u>Mortgage Rates (%):</u>	<u># of Loans</u>
6.25	2
6.125	6
5.99	1
5.875	7
5.75	46
5.625	177
5.5	228
5.125	3
Total	470

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POOL INSURANCE COVERAGE (DOLLARS IN THOUSANDS): None

SELF-INSURANCE COVERAGE: Name of Self-Insurance Fund: Insurance Reserve Fund
Series of Bonds Covered: 1998 Series 26

Current Funding Requirements:
Total Dollar Amount (\$000) \$710
As % of Initial Principal Amount
of Mortgage Loans Purchased 1.42%
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)
658207DA0	07/01/08	Serial	3.40%	170,000	170,000	0	0	2
658207CJ2	01/01/09	Serial	3.80%	500,000	500,000	0	0	2
658207CK9	07/01/09	Serial	3.85%	510,000	510,000	0	0	2
658207CL7	01/01/10	Serial	3.90%	520,000	520,000	0	0	2
658207CM5	07/01/10	Serial	3.90%	280,000	280,000	0	0	2
658207DB8	07/01/10	Serial	3.50%	250,000	250,000	0	0	2
658207CN3	01/01/11	Serial	3.95%	295,000	295,000	0	0	2
658207DC6	01/01/11	Serial	3.55%	250,000	250,000	0	0	2
658207CP8	07/01/11	Serial	3.95%	555,000	0	0	555,000	2
658207DD4	01/01/12	Serial	3.60%	565,000	0	0	565,000	2
658207CQ6	07/01/12	Serial	4.00%	580,000	0	0	580,000	2
658207CR4	01/01/13	Serial	4.05%	590,000	0	0	590,000	2
658207CS2	07/01/13	Serial	4.05%	605,000	0	0	605,000	2
658207CT0	01/01/14	Serial	4.10%	615,000	0	0	615,000	2
658207CU7	07/01/14	Serial	4.10%	630,000	0	0	630,000	2
658207DE2	01/01/15	Serial	3.75%	645,000	0	0	645,000	2
658207DF9	07/01/15	Serial	3.75%	660,000	0	0	660,000	2
658207DG7	01/01/16	Serial	3.80%	675,000	0	0	675,000	2
658207DH5	07/01/16	Serial	3.80%	690,000	0	0	690,000	2
658207DJ1	01/01/17	Serial	3.85%	705,000	0	0	705,000	2
658207DK8	07/01/17	Serial	3.85%	720,000	0	0	720,000	2
658207CV5	07/01/22	Term (Note 2)	4.55%	5,505,000	0	0	5,505,000	2
658207CW3	07/01/28	Term (Note 3)	4.60%	8,385,000	0	0	8,385,000	2
658207CX1	07/01/32	Term (Note 4)	4.65%	7,280,000	0	0	7,280,000	2
658207CY9	01/01/38	Term (Note 5)	5.50%	19,500,000	0	7,800,000	11,700,000	2
658207CZ6	07/01/38	Term (Note 6)	4.70%	13,320,000	0	200,000	13,120,000	2
Total 1998 Series 26				\$65,000,000	\$2,775,000	\$8,000,000	\$54,225,000	

Note 1: See optional and special redemption provisions page 4-1998-26, (i.e. "1" denotes first call priority from prepayments).

Note 2: Sinking fund redemptions begin January 1, 2018.

Note 3: Sinking fund redemptions begin January 1, 2023.

Note 4: Sinking fund redemptions begin January 1, 2029.

Note 5: Sinking fund redemptions begin July 1, 2018. AMT PAC bonds were sold at a premium with a coupon rate of 5.50% and a yield of 5.084%.

Note 6: Sinking fund redemptions begin January 1, 2033.

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LIST OF UNSCHEDULED REDEMPTIONS: : : : : :

Call Date	Call Amount	Type of Call	Source Of Funds
7/1/2008	\$550,000	Supersinker	Prepayments
1/1/2009	\$1,060,000	Supersinker	Prepayments
1/1/2009	\$45,000	Pro rata	Debt Service Reserve
7/1/2009	\$1,245,000	Supersinker	Prepayments
7/1/2009	\$35,000	Pro rata	Debt Service Reserve
1/1/2010	\$1,560,000	Supersinker	Prepayments
1/1/2010	\$45,000	Pro rata	Debt Service Reserve
6/1/2010	\$1,700,000	Supersinker	Prepayments
6/1/2010	\$30,000	Pro rata	Debt Service Reserve
12/1/2010	\$1,685,000	Supersinker	Prepayments
12/1/2010	<u>\$45,000</u>	Pro rata	Debt Service Reserve
	<u>\$8,000,000</u>		

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Direct Call Information: : : :

Special Redemption: : : :

The 1998 Series 26 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 26, 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 26 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 26 bonds shall first be applied to the redemption or purchase of Series 26 term bonds due January 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 26 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 26 bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after January 1, 2016, in whole, or in part, at the principal amount thereof plus accrued interest to the date of redemption, without premium.