

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF SEPTEMBER 30, 2007**

INDENTURE: SINGLE FAMILY REVENUE BONDS (1985 RESOLUTION)
BOND SERIES: SERIES S/T

PAGE NO. 1-1985ST

SERIES DATE: 12/01/91

SERIES SOLD: 12/19/91

NOTE: Refunded (1985 Single Family Resolution Series R) See page 2.

GENERAL INFORMATION:

Bonds Outstanding: 0
Bond Yield 6.84%
Mortgage Loan Prin Outstanding 6,207,313
Mortgage Rate(s) 6.95%
Outstanding Commitments: 0
Uncommitted Lendable Funds: 0

Average Purchase Price: 58,232
Average Original Loan Amount: 56,768
Total No. of Loans Originated: 1,919
Total No. of Loans Paid Off: 1,758
Total No. of Loans Outstanding: 161

LOAN PORTFOLIO CHARACTERISTICS (AS A % OF LOANS OUTSTANDING)

New Construction: 22.36%
Existing Home: 77.64%
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%

Private 0.00%
FHA 100.00%
VA 0.00%
Self Insured 0.00%
Guaranty Fund 0.00%
Other (less than 80.00 LTV) 0.00%
Total 100.00%

Effective May 1, 2006

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

Type of Housing:
Single Family Detached 88.20%
Condos/Townhouses 10.56%
Manufactured/Duplexes 1.24%
Total 100.00%

**Breakdown of Private Mortgage Insurers
(List by % of total portfolio):**

1985R/S/T
GEMICO 0.00%
RMIC 0.00%
MGIC 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: Mortgage Deficiency Fund
Series of Bonds Covered: 1985 Series D through WW (excluding Series U/V)

Current Funding Requirements: (data is for 1985 Series RST only):
Total Dollar Amount (\$000) \$721
As % of Initial Principal Amount of Mortgage Loans Purchased 1.125%
Claims to Date 0

Maximum level of funding required over the life of the bonds (\$000) \$1,451

DELINQUENCY STATISTICS (AS A % OF LOANS OUTSTANDING):

| | % | # |
|----------------|-------|---|
| 60 days | 2.48% | 4 |
| 90 days | 1.86% | 3 |
| In Foreclosure | 0.62% | 1 |

(AS % OF PRINCIPAL BALANCE OUTSTANDING):

| | % | \$ |
|----------------|-------|---------|
| 60 days | 2.22% | 137,686 |
| 90 days | 2.61% | 162,245 |
| In Foreclosure | 0.80% | 49,567 |

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 |
|-----------------|------------|----------------|
| BB&T | 86 | 53.41% |
| Marsh | 50 | 31.06% |
| Bank of America | <u>25</u> | <u>15.53%</u> |
| TOTAL | <u>161</u> | <u>100.00%</u> |

MORTGAGE LOAN RATES (BY BOND SERIES):

| Series | # of Loans | Mtg Rate |
|-------------------|------------|----------|
| 1985 SERIES R/S/T | <u>161</u> | 6.95% |
| Total | <u>161</u> | |

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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) |
|-------------------------|---------------|---------------|---------------|-----------------|-------------------|-----------------------|-----------------------|-----------------------------|
| 65820C32 | 03/01/93 | Serial | 4.90% | \$520,000 | \$520,000 | | \$0 | |
| 65820C40 | 09/01/93 | Serial | 4.90% | 530,000 | 530,000 | | 0 | |
| 65820C57 | 03/01/94 | Serial | 5.20% | 545,000 | 530,000 | 15,000 | 0 | |
| 65820C65 | 09/01/94 | Serial | 5.20% | 560,000 | 545,000 | 15,000 | 0 | 2 |
| 65820C73 | 03/01/95 | Serial | 5.40% | 570,000 | 555,000 | 15,000 | 0 | 2 |
| 65820C81 | 09/01/95 | Serial | 5.40% | 585,000 | 570,000 | 15,000 | 0 | 2 |
| 65820C99 | 03/01/96 | Serial | 5.60% | 605,000 | 590,000 | 15,000 | 0 | 2 |
| 65820D23 | 09/01/96 | Serial | 5.60% | 620,000 | 595,000 | 25,000 | 0 | 2 |
| 65820D31 | 03/01/97 | Serial | 5.70% | 635,000 | 590,000 | 45,000 | 0 | 2 |
| 65820D49 | 09/01/97 | Serial | 5.70% | 655,000 | 605,000 | 50,000 | 0 | 2 |
| 65820D56 | 03/01/98 | Serial | 5.85% | 675,000 | 595,000 | 80,000 | 0 | 2 |
| 65820D64 | 09/01/98 | Serial | 5.85% | 695,000 | 600,000 | 95,000 | 0 | 2 |
| 65820D72 | 03/01/99 | Serial | 6.00% | 715,000 | 595,000 | 120,000 | 0 | 2 |
| 65820D80 | 09/01/99 | Serial | 6.00% | 735,000 | 535,000 | 200,000 | 0 | 2 |
| 65820D98 | 03/01/00 | Serial | 6.10% | 760,000 | 530,000 | 230,000 | 0 | 2 |
| 65820E22 | 09/01/00 | Serial | 6.10% | 780,000 | 520,000 | 260,000 | 0 | 2 |
| 65820E30 | 03/01/01 | Serial | 6.20% | 805,000 | 530,000 | 275,000 | 0 | 2 |
| 65820E48 | 09/01/01 | Serial | 6.20% | 830,000 | 535,000 | 295,000 | 0 | 2 |
| 65820E55 | 03/01/02 | Serial | 6.30% | 855,000 | 520,000 | 335,000 | 0 | 2 |
| 65820E63 | 09/01/02 | Serial | 6.30% | 880,000 | | 880,000 | 0 | 2 |
| 65820E71 | 03/01/03 | Serial | 6.35% | 910,000 | | 910,000 | 0 | 2 |
| 65820E89 | 09/01/03 | Serial | 6.35% | 940,000 | | 940,000 | 0 | 2 |
| 65820F62 | 03/01/10 | Term (Note 2) | 6.50% | 14,460,000 | | 14,460,000 | 0 | 1 |
| 65820F70 | 03/01/17 | Term (Note 3) | 6.95% | 25,800,000 | | 25,800,000 | 0 | 2 |
| 65820F88 | 09/01/20 | Term (Note 4) | 7.05% | 18,855,000 | | 18,855,000 | 0 | 2 |
| 65820F54 | 09/01/23 | Term (Note 5) | 6.95% | 20,480,000 | | 20,480,000 | 0 | 2 |
| Total 1985 Series R/S/T | | | | \$95,000,000 | \$10,590,000 | \$84,410,000 | \$0 | |

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

Note 2: Sinking fund redemption begins March 1, 2004.

Note 3: Sinking fund redemption begins March 1, 2008.

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

Note 5: Sinking fund redemption begins September 1, 2020.

OPTIONAL REFUNDING TRANSACTION:

Single Family Revenue Bonds (1985 Resolution) Series RST was optionally refunded at 102.0% on December 20, 2001 from bond proceeds issued under the Home Ownership Revenue Bonds (1998 Resolution) Series 12 which settled on December 20, 2001. Home Ownership Revenue Bonds (1998 Resolution) Series 12 on December 20, 2001 purchased 373 loans with a principal balance of \$10,949,932.

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LIST OF UNSCHEDULED REDEMPTIONS:

| Call Date | Call Amount | Type of Call | Source Of Funds |
|-----------|---------------------|----------------------|------------------------|
| 07/01/92 | \$280,000 | Supersinker/Pro rata | Prepayments |
| 07/01/92 | 190,000 | Pro rata | Debt Service Reserve |
| 01/01/93 | 280,000 | Supersinker | Prepayments |
| 01/01/93 | 5,000 | Pro rata | Debt Service Reserve |
| 06/01/93 | 310,000 | Supersinker | Prepayments |
| 10/01/93 | 440,000 | Supersinker | Prepayments |
| 12/01/93 | 2,145,000 | Pro rata | Unexpended Proceeds |
| 12/01/93 | 85,000 | Pro rata | Debt Service Reserve |
| 03/01/94 | 655,000 | Supersinker | Prepayments |
| 03/01/94 | 5,000 | Pro rata | Debt Service Reserve |
| 07/01/94 | 520,000 | Supersinker | Prepayments |
| 10/01/94 | 1,115,000 | Supersinker | Prepayments |
| 07/01/95 | 1,780,000 | Supersinker | Prepayments |
| 01/01/96 | 3,610,000 | Supersinker | Prepayments |
| 07/01/96 | 2,110,000 | Supersinker | Prepayments |
| 07/01/96 | 1,230,000 | Pro rata | Prepayments |
| 07/01/96 | 60,000 | Pro rata | Debt Service Reserve |
| 12/01/96 | 2,505,000 | Pro rata | Prepayments |
| 12/01/96 | 120,000 | Pro rata | Debt Service Reserve |
| 02/01/97 | 895,000 | Supersinker | Prepayments |
| 02/01/97 | 10,000 | Pro rata | Debt Service Reserve |
| 06/01/97 | 1,835,000 | Supersinker | Prepayments |
| 09/01/97 | 350,000 | Supersinker | Prepayments |
| 09/01/97 | 1,255,000 | Pro rata | Prepayments |
| 09/01/97 | 65,000 | Pro rata | Debt Service Reserve |
| 01/01/98 | 2,185,000 | Pro rata | Prepayments |
| 01/01/98 | 115,000 | Pro rata | Debt Service Reserve |
| 03/01/98 | 1,680,000 | Pro rata | Prepayments |
| 03/01/98 | 90,000 | Pro rata | Debt Service Reserve |
| 07/01/98 | 2,325,000 | Pro rata | Prepayments |
| 07/01/98 | 120,000 | Pro rata | Debt Service Reserve |
| 01/01/99 | 3,345,000 | Pro rata | Prepayments |
| 01/01/99 | 175,000 | Pro rata | Debt Service Reserve |
| 05/01/99 | 2,635,000 | Pro rata | Prepayments |
| 05/01/99 | 145,000 | Pro rata | Debt Service Reserve |
| 07/01/99 | 1,630,000 | Pro rata | Prepayments |
| 07/01/99 | 90,000 | Pro rata | Debt Service Reserve |
| 09/01/99 | 1,165,000 | Pro rata | Prepayments |
| 09/01/99 | 60,000 | Pro rata | Debt Service Reserve |
| 12/15/99 | 1,680,000 | Pro rata | Prepayments |
| 12/15/99 | 90,000 | Pro rata | Debt Service Reserve |
| 05/01/00 | 445,000 | Pro rata | Prepayments |
| 05/01/00 | 20,000 | Pro rata | Debt Service Reserve |
| 07/01/00 | 95,000 | Pro rata | Prepayments |
| 07/01/00 | 5,000 | Pro rata | Debt Service Reserve |
| 01/01/01 | 610,000 | Pro rata | Prepayments |
| 01/01/01 | 35,000 | Pro rata | Debt Service Reserve |
| 06/01/01 | 1,430,000 | Pro rata | Prepayments |
| 06/01/01 | 75,000 | Pro rata | Debt Service Reserve |
| 10/01/01 | 1,875,000 | Pro rata | Prepayments |
| 10/01/01 | 780,000 | Cross Call | Series EF Prepayments |
| 10/01/01 | 295,000 | Cross Call | Series JK Prepayments |
| 10/01/01 | 770,000 | Cross Call | Series LM Prepayments |
| 10/01/01 | 470,000 | Cross Call | Series NO Prepayments |
| 10/01/01 | 635,000 | Cross Call | Series PQ Prepayments |
| 10/01/01 | 1,850,000 | Cross Call | Series WW Prepayments |
| 10/01/01 | 100,000 | Pro rata | Debt Service Reserve |
| 1/01/02 | 2,300,000 | Pro rata | Prepayments |
| 1/01/02 | 627,000 | Cross Call | Series EF Prepayments |
| 1/01/02 | 1,005,000 | Cross Call | Series PQ Prepayments |
| 1/01/02 | 1,478,000 | Cross Call | Series WW Prepayments |
| 1/01/02 | 8,500,000 | Pro rata | Excess Revenue Reserve |
| 1/01/02 | 1,770,000 | Pro rata | Debt Service Reserve |
| 3/01/02 | <u>19,855,000</u> | Pro rata | Optional Redemption |
| Total | <u>\$84,410,000</u> | | |

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Bond Call Information:

Special Redemption

The 1985 Series R, S and T 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 R, S, and T 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 R, S and T 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 R, S and T bonds, including prepayments on the 1981 mortgage loans but excluding prepayments on 1980 FHA and VA loans, shall first be applied to the redemption or purchase of Series T Term bonds due March 1, 2010 during the periods up to the scheduled principal 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 R, S and T bonds in any manner. Moneys to be applied to a 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 R, S and T bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after March 1, 2002, 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:

| (Both Dates Inclusive) | Redemption Price (Expressed as a Percentage) |
|-----------------------------------|---|
| March 1, 2002 - February 28, 2003 | 102.00% |
| March 1, 2003 - February 29, 2004 | 101.00% |
| March 1, 2004 and thereafter | 100.00% |