

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF SEPTEMBER 30, 2008**

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

PAGE NO. 1-1998 ALL

LIST OF OUTSTANDING INVESTMENTS BY FUND (OVER \$100,000):

Fund	Investment Type	Investor	Investment Amount	Rate of Investment	Maturity Date
PROGRAM FUND					
Program 26	ST Investment Fund	NC State Treasurer	163,502	4.23%	N/A
Program 27	ST Investment Fund	NC State Treasurer	35,235,246	4.23%	12/10/2008
Program 28	Inv. Agreement	Societe Generale	405,047	4.89%	11/1/2010
Program 29	ST Investment Fund	NC State Treasurer	1,506,006	4.23%	N/A
Program 31	ST Investment Fund	NC State Treasurer	<u>967,037</u>	4.23%	N/A
FUND TOTAL			38,276,838		
REVENUE FUND					
Revenue 20 Contribution	ST Investment Fund	NC Capital Management	410,134	2.59%	N/A
Revenue 21 Contribution	ST Investment Fund	NC Capital Management	<u>419,624</u>	2.59%	N/A
FUND TOTAL			829,758		
INTEREST FUND					
Series 1	Inv. Agreement	Bayerische Landesbank	614,455	5.30%	7/1/2031
Series 2	Inv. Agreement	NATIXIS Funding Corp.	225,680	5.08%	7/1/2031
Series 3	Inv. Agreement	AIG Matched Funding	459,727	4.82%	7/1/2031
Series 4	Inv. Agreement	Westdeutsche			
		Landesbank	360,895	5.17%	7/1/2031
Series 5	Inv. Agreement	Westdeutsche			
		Landesbank	352,890	5.87%	7/1/2031
Series 6	Inv. Agreement	Bayerische Landesbank	222,223	5.91%	7/1/2031
Series 7	Inv. Agreement	AIG Matched Funding	392,496	6.05%	7/1/2031
Series 8	Inv. Agreement	Westdeutsche			
		Landesbank	444,422	6.67%	7/1/2031
Series 9	Inv. Agreement	Trinity Plus	624,953	6.25%	7/1/2031
Series 10	Inv. Agreement	Bayerische Landesbank	448,923	4.61%	7/1/2031
Series 11	Inv. Agreement	Trinity Plus	611,335	5.25%	7/1/2031
Series 12	Inv. Agreement	Bayerische Landesbank	594,064	5.06%	7/1/2031
Series 13	Inv. Agreement	Trinity Plus	708,688	5.08%	7/1/2031
Series 14	ST Investment Fund	NC Capital Management	848,649	2.59%	N/A
Series 15	Inv. Agreement	FSA Capital Mgmt	569,789	4.01%	7/1/2032
Series 16	Inv. Agreement	FSA Capital Mgmt	675,978	4.01%	7/1/2032
Series 17	Inv. Agreement	Societe Generale	640,958	4.22%	7/1/2034
Series 18	Inv. Agreement	FSA Capital Mgmt	550,446	4.01%	1/1/2035
Series 19	ST Investment Fund	NC Capital Management	931,764	2.59%	N/A
Series 20	ST Investment Fund	NC Capital Management	850,039	2.59%	N/A
Series 21	ST Investment Fund	NC Capital Management	896,792	2.59%	N/A
Series 22	ST Investment Fund	NC Capital Management	998,781	2.59%	N/A
Series 22CE	ST Investment Fund	NC Capital Management	1,286,801	2.59%	N/A
Series 23	ST Investment Fund	NC Capital Management	963,225	2.59%	N/A
Series 24	ST Investment Fund	NC Capital Management	1,363,658	2.59%	N/A
Series 25	ST Investment Fund	NC Capital Management	1,038,472	2.59%	N/A
Series 26	ST Investment Fund	NC Capital Management	1,011,312	2.59%	N/A
Series 28	ST Investment Fund	NC Capital Management	1,033,167	2.59%	N/A
Series 29	ST Investment Fund	NC Capital Management	1,597,584	2.59%	N/A
Series 30	ST Investment Fund	NC Capital Management	1,045,543	2.59%	N/A
Series 31	ST Investment Fund	NC Capital Management	972,855	2.59%	N/A
		NC State Treasurer	<u>523,629</u>	4.23%	N/A
			23,860,193		
PRINCIPAL FUND					
	ST Investment Fund	NC State Treasurer	8,376,933	4.23%	N/A
FUND TOTAL			32,237,126		
DEBT SERVICE RESERVE FUND **					
Contribution Reserve	Inv. Agreement	Trinity Plus	1,096,141	5.08%	01/01/34
Proceeds Reserve					
Series 1	Inv. Agreement	Bayerische Landesbank	442,300	5.60%	07/01/31
Series 2	Inv. Agreement	NATIXIS Funding	260,000	5.08%	07/01/31
Series 3	Inv. Agreement	AIG Matched Funding	515,000	5.16%	07/01/30
Series 4	Inv. Agreement	Trinity Plus	400,000	5.36%	07/01/31
Series 5	Inv. Agreement	Westdeutsche			
		Landesbank	375,000	6.07%	07/01/31
Series 6	Inv. Agreement	Bayerische Landesbank	230,000	5.98%	07/01/31
Series 7	Inv. Agreement	AIG Matched Funding	420,000	6.50%	07/01/31
Series 8	Inv. Agreement	NATIXIS Funding	205,000	7.15%	07/01/31
Series 9	Inv. Agreement	Trinity Plus	685,000	6.25%	07/01/31
Series 16	Inv. Agreement	Societe Generale	760,000	4.75%	07/01/32
Series 17	ST Investment Fund	NC Capital Management	827,300	2.59%	07/01/34
Series 18	ST Investment Fund	NC Capital Management	776,300	2.59%	01/01/35
Series 19	ST Investment Fund	NC Capital Management	1,115,000	2.59%	07/01/35
Series 20	ST Investment Fund	NC Capital Management	1,175,000	2.59%	07/01/35
Series 21	ST Investment Fund	NC Capital Management	1,205,000	2.59%	07/01/35
Series 22	Inv. Agreement	Societe Generale	1,260,000	4.94%	01/01/35
Series 22CE	ST Investment Fund	NC Capital Management	1,600,000	2.59%	N/A
Series 23	Inv. Agreement	Societe Generale	1,255,000	4.70%	07/01/36
Series 24	Inv. Agreement	Societe Generale	1,665,000	4.70%	07/01/36
Series 25	Inv. Agreement	Societe Generale	1,300,000	4.87%	07/01/37
Series 26	Inv. Agreement	DEPFA Bank	1,300,000	4.75%	07/01/38
Series 27	ST Investment Fund	NC State Treasurer	1,300,000	4.23%	N/A
Series 28	Inv. Agreement	Societe Generale	1,300,000	4.65%	07/01/37
Series 29	Inv. Agreement	DEPFA Bank	2,000,000	4.91%	07/01/38
Series 30	ST Investment Fund	NC Capital Management	1,300,000	2.59%	N/A
Series 31	ST Investment Fund	NC Capital Management	<u>1,300,000</u>	2.59%	N/A
			25,970,900		
FUND TOTAL			27,067,041		

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LIST OF OUTSTANDING INVESTMENTS BY FUND (OVER \$100,000):

REVENUE RESERVE FUND

General Reserve					
Series 8	Inv. Agreement	Westdeutsche Landesbank	1,502,205	6.67%	07/01/31
	ST Investment Fund	NC Capital Management	2,108,896	2.59%	N/A
	Debenture	Fannie Mae	<u>500,000</u>	6.00%	08/10/20
			4,111,101		
Revenue Reserve					
Series 1	Inv. Agreement	Bayerische Landesbank	789,709	5.30%	07/01/31
Series 2	Inv. Agreement	NATIXIS Funding	462,176	5.08%	07/01/31
Series 3	Inv. Agreement	AIG Matched Funding	137,394	4.82%	07/01/31
Series 4	Inv. Agreement	Westdeutsche Landesbank	870,407	5.17%	07/01/31
Series 5	Inv. Agreement	Westdeutsche Landesbank	640,552	5.87%	07/01/31
Series 6	Inv. Agreement	Bayerische Landesbank	575,059	5.91%	07/01/31
Series 7	Inv. Agreement	AIG Matched Funding	780,375	6.05%	07/01/31
Series 8	Inv. Agreement	Westdeutsche Landesbank	875,943	6.67%	07/01/31
Series 9	Inv. Agreement	Trinity Plus	1,104,049	6.25%	07/01/31
Series 11	Inv. Agreement	Trinity Plus	740,855	5.25%	07/01/31
Series 12	Inv. Agreement	Bayerische Landesbank	511,878	5.06%	07/01/31
Series 13	Inv. Agreement	Trinity Plus	570,717	5.08%	07/01/31
Series 15	Inv. Agreement	FSA Capital Mgmt	104,447	4.01%	07/01/32
Series 16	Inv. Agreement	FSA Capital Mgmt	162,992	4.01%	07/01/32
Series 17	Inv. Agreement	FSA Capital Mgmt	214,830	4.22%	07/01/34
Series 18	Inv. Agreement	FSA Capital Mgmt	166,132	4.01%	01/01/35
	ST Investment Fund	NC State Treasurer	4,102,762	4.23%	N/A
	Debenture	Fannie Mae	300,000	5.38%	07/16/18
	Debenture	Fannie Mae	<u>1,000,000</u>	6.00%	10/06/25
			14,110,277		
Revenue Reserve - Refunding					
	Debenture	Fed Home Loan Mtg	500,000	5.50%	08/13/18
	Debenture	Fannie Mae	600,000	5.38%	07/16/18
	Debenture	Fannie Mae	1,500,000	6.00%	07/11/25
	Debenture	Fannie Mae	500,000	6.00%	08/18/20
	Debenture	Fannie Mae	1,000,000	6.00%	10/13/20
	ST Investment Fund	NC State Treasurer	<u>292,299</u>	4.23%	N/A
			4,392,299		
FUND TOTAL			22,613,677		

SPECIAL REDEMPTION FUND

Series 01	Inv. Agreement	Bayerische Landesbank	590,759	5.30%	07/01/31
Series 02	Inv. Agreement	NATIXIS Funding	692,179	5.08%	07/01/31
Series 03	Inv. Agreement	AIG Matched Funding	2,120,733	4.82%	07/01/31
Series 04	Inv. Agreement	Westdeutsche Landesbank	1,650,653	5.17%	07/01/31
Series 05	Inv. Agreement	Westdeutsche Landesbank	1,268,025	5.87%	07/01/31
Series 06	Inv. Agreement	Bayerische Landesbank	1,034,444	5.91%	07/01/31
Series 07	Inv. Agreement	AIG Matched Funding	1,708,711	6.05%	07/01/31
Series 08	Inv. Agreement	Westdeutsche Landesbank	2,183,867	6.67%	07/01/31
Series 09	Inv. Agreement	Trinity Plus	1,807,675	6.25%	07/01/31
Series 10	Inv. Agreement	Bayerische Landesbank	1,116,988	4.61%	07/01/31
Series 11	Inv. Agreement	Trinity Plus	1,879,730	5.25%	07/01/31
Series 12	Inv. Agreement	Bayerische Landesbank	7,013,674	5.06%	07/01/31
	ST Investment Fund	NC Capital Management	3,272,337	2.59%	N/A
Series 13	Inv. Agreement	Trinity Plus	3,542,798	5.08%	07/01/31
Series 14	ST Investment Fund	NC Capital Management	3,370,611	2.59%	N/A
Series 15	Inv. Agreement	FSA Capital Mgmt	2,506,287	4.01%	07/01/32
Series 16	Inv. Agreement	FSA Capital Mgmt	1,916,329	4.01%	07/01/32
Series 17	Inv. Agreement	Societe Generale	2,504,261	4.22%	07/01/34
Series 18	Inv. Agreement	FSA Capital Mgmt	3,435,823	4.01%	01/01/35
Series 19	ST Investment Fund	NC Capital Management	2,565,425	2.59%	N/A
Series 20	ST Investment Fund	NC Capital Management	3,643,794	2.59%	N/A
Series 21	ST Investment Fund	NC Capital Management	3,868,796	2.59%	N/A
Series 22	ST Investment Fund	NC Capital Management	2,726,175	2.59%	N/A
Series 22CE	ST Investment Fund	NC Capital Management	296,125	2.59%	N/A
Series 23	ST Investment Fund	NC Capital Management	2,905,998	2.59%	N/A
Series 24	ST Investment Fund	NC Capital Management	3,846,084	2.59%	N/A
Series 25	ST Investment Fund	NC Capital Management	2,586,134	2.59%	N/A
Series 26	ST Investment Fund	NC Capital Management	1,233,342	2.59%	N/A
Series 28	ST Investment Fund	NC Capital Management	950,899	2.59%	N/A
Series 29	ST Investment Fund	NC Capital Management	1,025,937	2.59%	N/A
Series 30	ST Investment Fund	NC Capital Management	301,323	2.59%	N/A
Series 31	ST Investment Fund	NC Capital Management	<u>266,689</u>	2.59%	N/A
FUND TOTAL			69,832,605		

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LIST OF OUTSTANDING INVESTMENTS BY FUND (OVER \$100,000):

INSURANCE RESERVE FUND *					
Series 01	Inv. Agreement	Bayerische Landesbank	222,300	5.60%	07/01/31
Series 02	Inv. Agreement	NATIXIS Funding	156,000	5.08%	07/01/31
Series 03	Inv. Agreement	AIG Matched Funding	285,400	5.16%	07/01/30
Series 04	Inv. Agreement	Trinity Plus	248,200	5.36%	07/01/31
Series 05	Inv. Agreement	Westdeutsche Landesbank	208,600	6.07%	07/01/31
Series 06	Inv. Agreement	Bayerische Landesbank	164,365	6.00%	07/01/31
Series 07	Inv. Agreement	AIG Matched Funding	248,501	6.50%	07/01/31
Series 08	Inv. Agreement	NATIXIS Funding	291,100	7.15%	07/01/31
Series 12	ST Investment Fund	NC Capital Management	294,200	2.59%	N/A
Series 13	Inv. Agreement	Trinity Plus	565,400	5.08%	07/01/31
Series 15	Inv. Agreement	Societe Generale	451,100	4.75%	07/01/32
Series 16	Inv. Agreement	Societe Generale	483,600	4.75%	07/01/32
Series 17	ST Investment Fund	NC Capital Management	620,000	2.59%	07/01/34
Series 18	ST Investment Fund	NC Capital Management	550,000	2.59%	01/01/35
Series 19	ST Investment Fund	NC Capital Management	760,000	2.59%	07/01/35
Series 20	ST Investment Fund	NC Capital Management	721,576	2.59%	07/01/35
Series 21	ST Investment Fund	NC Capital Management	743,500	2.59%	07/01/35
Series 22	Inv. Agreement	Societe Generale	699,100	4.94%	01/01/35
Series 22CE	ST Investment Fund	NC Capital Management	885,000	2.59%	N/A
Series 23	Inv. Agreement	Societe Generale	712,100	4.70%	07/01/36
Series 24	Inv. Agreement	Societe Generale	953,800	4.70%	07/01/36
Series 25	Inv. Agreement	Societe Generale	724,200	4.87%	07/01/37
Series 26	Inv. Agreement	DEPFA Bank	710,000	4.75%	07/01/38
Series 27	ST Investment Fund	NC State Treasurer	655,000	4.23%	N/A
Series 28	Inv. Agreement	Societe Generale	725,000	4.65%	07/01/37
Series 29	Inv. Agreement	DEPFA Bank	1,090,000	4.91%	07/01/38
Series 30	ST Investment Fund	NC Capital Management	720,000	2.59%	N/A
Series 31	ST Investment Fund	NC Capital Management	<u>690,000</u>	2.59%	N/A
FUND TOTAL			15,578,042		
TOTAL INVESTMENTS			<u>174,197,961</u>		

* Series 9 Insurance Reserve funded by Ambac surety bond in the amount of \$367,000
 * Series 10 Insurance Reserve funded by Ambac surety bond in the amount of \$251,000
 * Series 11 Insurance Reserve funded by Ambac surety bond in the amount of \$324,000
 * Series 12 Insurance Reserve funded by FSA surety bond in the amount of \$1,161,500
 * Series 14 Insurance Reserve funded by Ambac surety bond in the amount of \$397,000
 ** Series 10 Debt Service Reserve funded by Ambac surety bond in the amount of \$1,021,000
 ** Series 12 Debt Service Reserve funded by Ambac surety bond in the amount of \$1,116,000
 ** Series 14 Debt Service Reserve funded by Ambac surety bond in the amount of \$1,500,000
 ** Series 15 Debt Service Reserve funded by FSA surety bond in the amount of \$1,001,000

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Reserve Fund Account Description	Original Amount	Current Amount
Debt Service Reserve Fund **	15,304,900	27,095,084
General Reserve Fund	0	4,111,100
Revenue Reserve Fund	8,454,823	18,674,682
Insurance Reserve *	<u>8,991,500</u>	<u>15,578,042</u>
	<u>32,751,223</u>	<u>65,458,908</u>

- * Series 9 Insurance Reserve funded by Ambac surety bond in the amount of \$367,000
- * Series 10 Insurance Reserve funded by Ambac surety bond in the amount of \$251,000
- * Series 11 Insurance Reserve funded by Ambac surety bond in the amount of \$324,000
- * Series 12 Insurance Reserve funded by FSA surety bond in the amount of \$1,161,500
- * Series 14 Insurance Reserve funded by Ambac surety bond in the amount of \$397,000
- ** Series 10 Debt Service Reserve funded by Ambac surety bond in the amount of \$1,021,000
- ** Series 12 Debt Service Reserve funded by Ambac surety bond in the amount of \$1,116,000
- ** Series 14 Debt Service Reserve funded by Ambac surety bond in the amount of \$1,500,000
- ** Series 15 Debt Service Reserve funded by FSA surety bond in the amount of \$1,001,000

EQUITY BY INDENTURE: (Total for entire resolution)

Total Assets	Total Liabilities	Retained Earnings
<u>1,587,647,822</u>	<u>1,479,384,270</u>	<u>108,263,552</u>

Additional Information

The Trust Agreement provides that the Debt Service Reserve Fund and the Insurance Reserve Fund may be funded by cash, investment obligations or a "Reserve Alternative Instrument". The Trust Agreement defines a "Reserve Alternative Instrument" as an insurance policy, surety bond, irrevocable letter of credit, guaranty or similar instrument of a provider that is, at the time the Reserve Alternative Instrument is delivered to the Trustee (a) an insurer whose long term debt or claims paying ability has been assigned a rating by each Rating Agency in one of the two highest rating categories (without regard to gradations, such as "plus" or "minus," of such categories), or (b) a commercial bank, insurance company or other financial institution the bonds payable or guaranteed by which are assigned a rating by each Rating Agency in one of the two highest rating categories (without regard gradations such as "plus" or "minus" of such categories). The portion of the Debt Service Reserve Fund for the Series 10 Bonds, the Series 12 Bonds and the Series 14 Bonds was provided by surety bond insurance policies issued by Ambac Assurance Corporation ("Ambac Assurance"). As of June 30, 2008, the coverage provided by such surety bonds is equal to 2% of the outstanding principal of each respective Series of Bonds and equals \$2,076,300. In addition, the Insurance Reserve Requirement for the Series 9 Bonds, the Series 10 Bonds, the Series 11 Bonds and the Series 14 Bonds was provided by separate surety bond insurance policies issued by Ambac Assurance. As of June 30, 2008, the coverage provided by such surety bonds was \$1,339,000.

At the time the respective surety bond insurance policies referenced above were issued, Ambac Assurance had credit ratings meeting the requirements of the Trust Agreement, thus in any event the surety bond insurance policies issued by Ambac will continue to meet the requirements of the Trust Agreement.

On November 5, 2008, Moody's Investors Service announced that it had downgraded the insurance financial strength of Ambac Assurance from Aa3 to Baa1. Ambac's insurance financial strength is now rated AA with negative outlook by Standard & Poor's. Any explanation of the significance of such ratings may be obtained from Moody's Investor Service or Standard & Poor's.