

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF SEPTEMBER 30, 2010**

**INDENTURE: SINGLE FAMILY REVENUE BONDS (1985 RESOLUTION)
BOND SERIES: AABB**

GENERAL MORTGAGE LOAN INFORMATION

Mortgage Loan Prin Outstanding: \$5,835,059
Mortgage Rates: 6.750% - 7.350%

Average Purchase Price: \$63,785
Average Original Loan Amount: \$61,873

Total No. of Loans Originated: 764
Total No. of Loans Paid Off: 629
Total No. of Loans Outstanding: 135

PROGRAM

P.O. Box 28066
Raleigh, NC 27611-8066
(919) 877-5700

Contacts:
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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	0	0.00%
FHA	135	100.00%
VA	0	0.00%
USDA	0	0.00%
HUD-184	0	0.00%
Guaranty Fund	0	0.00%
Other (< 80%LTV)	0	0.00%
Total	135	100.00%

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

<u>New/Existing:</u>	<u># of Loans</u>	<u>%</u>
New Construction	26	19.26%
Existing Home	109	80.74%
Total	135	100.00%

<u>Type of Housing:</u>	<u># of Loans</u>	<u>%</u>
Single Family Detached	119	88.15%
Condominium	9	6.67%
Townhouse	3	2.22%
Manufactured Home	4	2.96%
Total	135	100.00%

DELINQUENCY STATISTICS

<u>Loans Outstanding:</u>	<u># of Loans</u>	<u>%</u>
60 days	9	6.67%
90 days	9	6.67%
In Foreclosure	3	2.22%
REO (Conv, USDA)	0	0.00%
Total	21	

<u>Principal Outstanding:</u>	<u>\$ of Loans</u>	<u>%</u>
60 days	\$345,752	5.93%
90 days	\$371,586	6.37%
In Foreclosure	\$130,585	2.24%
REO (Conv, USDA)	\$0	0.00%
Total	\$847,923	

SERVICER AND MORTGAGE LOAN DATA

<u>Servicers:</u>	<u># of Loans</u>	<u>%</u>
Marsh Associates Inc.	41	30.37%
BB&T	50	37.04%
RBC Bank	35	25.93%
Bank of America	9	6.66%
Total	135	100.00%

<u>Mortgage Rates (%):</u>	<u># of Loans</u>
7.35	1
7.125	133
6.75	1
Total	135

NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF SEPTEMBER 30, 2010

PAGE NO. 2-1985AA-BB

WIDENURE: * * * * *
BOND SERIES: * * * * *

Total Bond Amount: \$66,000,000		None
Current Funding Requirements:		(data is for 1985 Series AA/BB only)
Total Dollar Amount (\$000)		Note 1
Name of Self-Insurance Fund:	Mortgage Deficiency Fund	As % of Initial Principal Amount
Series of Bonds Covered:	1985 Series D through WW (excluding Series UV)	of Mortgage Loans Purchased
		Claims to Date
		Note 1
		0
	Maximum level of funding required over the life of the bonds (\$000)	Note 1

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.

CUSIP Number	Maturity Date	Bond Type	Interest Rate	Original Amount	Principal Matured	Principal Redemptions	Principal Outstanding	Bond Call Sequence (Note 1)
6820EBV9	03/01/07	Serial	4.65%	\$380,000	\$330,000	\$50,000	\$0	2
6820EBK7	09/01/07	Serial	4.65%	385,000	340,000	55,000	0	2
6820EBY5	03/01/08	Serial	4.80%	405,000	350,000	55,000	0	2
6820EBZ3	09/01/08	Serial	4.80%	410,000	350,000	60,000	0	2
6820EC4E	03/01/09	Serial	5.00%	425,000	365,000	60,000	0	2
6820EC84	09/01/09	Serial	5.00%	435,000	380,000	75,000	0	2
6820ECC2	03/01/00	Serial	5.15%	445,000	370,000	75,000	0	2
6820ECD0	09/01/00	Serial	5.15%	455,000	385,000	90,000	0	2
6820ECE8	03/01/01	Serial	5.30%	470,000	375,000	95,000	0	2
6820ECF5	09/01/01	Serial	5.30%	480,000	380,000	120,000	0	2
6820ECG3	03/01/02	Serial	5.40%	490,000	390,000	140,000	0	2
6820ECH1	09/01/02	Serial	5.40%	510,000	395,000	155,000	0	2
6820ECL7	03/01/03	Serial	5.50%	520,000	395,000	175,000	0	2
6820ECK4	09/01/03	Serial	5.50%	535,000	395,000	220,000	0	2
6820ECL2	03/01/04	Serial	5.60%	550,000	390,000	250,000	0	2
6820ECM0	09/01/04	Serial	5.60%	560,000	290,000	320,000	0	2
6820ECN8	03/01/05	Serial	5.70%	585,000	220,000	365,000	0	2
6820ECP3	09/01/05	Serial	5.70%	595,000	195,000	400,000	0	2
6820ECQ1	03/01/06	Serial	5.80%	615,000	185,000	430,000	0	2
6820ECP7	09/01/06	Serial	5.80%	630,000	160,000	470,000	0	2
6820ECT5	03/01/07	Serial	5.90%	650,000	150,000	500,000	0	2
6820ECLZ	09/01/07	Serial	5.90%	670,000	150,000	520,000	0	2
6820ECV3	03/01/08	Serial	6.00%	690,000	160,000	530,000	0	2
6820ECV8	09/01/08	Serial	6.00%	710,000	140,000	570,000	0	2
6820ECZ1	03/01/12	Term (Note 2)	6.25%	5,090,000	535,000	4,240,000	315,000	2
6820ECR9	03/01/17	Term (Note 3)	6.25%	11,030,000	0	9,275,000	1,745,000	2
6820EDB3	03/01/21	Term (Note 4)	6.25%	11,010,000	0	11,010,000	0	1
6820EDC1	09/01/26	Term (Note 5)	6.50%	20,270,000	0	20,270,000	0	2
Total 1985 Series AA/BB				\$66,000,000	\$7,365,000	\$50,575,000	\$2,060,000	

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.

NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF SEPTEMBER 30, 2010

PAGE NO. 3-1985AAB

WIDENURE: * * * * *
WORD REVERSE: * * * * *
LOW OF UNSCHEDULED GENERAL FUNDING: * * * * *

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	865,000	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	55,000	Pro rata	Debt Service Reserve
07/01/00	465,000	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	80,000	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	840,000	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	800,000	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	20,000	Pro rata	Debt Service Reserve
07/01/09	90,000	Pro rata	Prepayments
07/01/09	10,000	Pro rata	Debt Service Reserve
01/01/10	375,000	Pro rata	Prepayments
01/01/10	20,000	Pro rata	Debt Service Reserve
06/01/10	70,000	Pro rata	Prepayments
06/01/10	110,000	Pro rata	Debt Service Reserve
06/01/10	2,680,000	Pro rata	Prepayments
TOTAL	\$60,675,000		

NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF SEPTEMBER 30, 2010

PAGE NO. 4-1985AA-BB

WIDENURE
BOND SERIES

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, 2001 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.

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%