

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

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

GENERAL MORTGAGE LOAN INFORMATION

Mortgage Loan Prin Outstanding: \$4,521,226
Mortgage Rates: 6.450% - 7.250%

Average Purchase Price: \$67,401
Average Original Loan Amount: \$65,917

Total No. of Loans Originated: 417
Total No. of Loans Paid Off: 325
Total No. of Loans Outstanding: 92

PROGRAM

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

Contacts:
Sharon Drewyor, Director of Home Ownership Lending
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	92	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	92	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	16	17.39%
Existing Home	76	82.61%
Total	92	100.00%

<u>Type of Housing:</u>	<u># of Loans</u>	<u>%</u>
Single Family Detached	84	91.30%
Condominium	7	7.61%
Townhouse	1	1.09%
Manufactured Home	0	0.00%
Total	92	100.00%

DELINQUENCY STATISTICS

<u>Loans Outstanding:</u>	<u># of Loans</u>	<u>%</u>
60 days	3	3.26%
90 days	6	6.52%
In Foreclosure	1	1.09%
REO (Conv, USDA)	0	0.00%
Total	10	

<u>Principal Outstanding:</u>	<u>\$ of Loans</u>	<u>%</u>
60 days	\$125,099	2.77%
90 days	\$341,724	7.56%
In Foreclosure	\$54,353	1.20%
REO (Conv, USDA)	\$0	0.00%
Total	\$521,175	

SERVICER AND MORTGAGE LOAN DATA

<u>Servicers:</u>	<u># of Loans</u>	<u>%</u>
RBC Bank	29	31.52%
Marsh Associates Inc.	10	10.87%
BB&T	46	50.00%
Bank of America	7	7.61%
Total	92	100.00%

<u>Mortgage Rates (%):</u>	<u># of Loans</u>
7.25	35
6.75	56
6.45	1
Total	92

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

IDENTIFIER: SINGLE FAMILY REVENUE BONDS (1985 RESOLUTION)
BOND SERIES: 5885KKLL

PAGE NO. 2-1985KKLL

INSURANCE COVERAGE FOR ARS AND TPA BONDS:		None
INSURANCE COVERAGE:		
Name of Self-Insurance Fund:	Mortgage Deficiency Fund	Current Funding Requirements: (data is for 1985 Series KKLL only)
Series of Bonds Covered:	1985 Series D through WW (excluding Series UV)	Total Dollar Amount (\$000) Note 1
		As % of Initial Principal Amount 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 KK and LL Bonds. However, additional funding was not required in consequence of the extension of such provisions.

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)
65820EMU1	03/01/99	Serial	4.40%	\$185,000	\$185,000	\$0	\$0	2
65820EMV9	09/01/99	Serial	4.40%	190,000	190,000	0	0	2
65820EMW7	03/01/00	Serial	4.55%	195,000	195,000	0	0	2
65820EMX5	09/01/00	Serial	4.55%	200,000	200,000	0	0	2
65820EMY3	03/01/01	Serial	4.65%	205,000	205,000	0	0	2
65820EMZ0	09/01/01	Serial	4.65%	210,000	205,000	5,000	0	2
65820EN44	03/01/02	Serial	4.75%	215,000	205,000	10,000	0	2
65820EN22	09/01/02	Serial	4.75%	220,000	205,000	15,000	0	2
65820ENC0	03/01/03	Serial	4.85%	225,000	205,000	20,000	0	2
65820END8	09/01/03	Serial	4.85%	230,000	195,000	35,000	0	2
65820EN28	03/01/04	Serial	5.00%	235,000	185,000	50,000	0	2
65820ENF3	09/01/04	Serial	5.00%	240,000	190,000	60,000	0	2
65820ENS1	03/01/05	Serial	5.05%	245,000	155,000	90,000	0	2
65820ENH9	09/01/05	Serial	5.05%	255,000	145,000	110,000	0	2
65820ENJ5	03/01/06	Serial	5.15%	260,000	145,000	115,000	0	2
65820ENK2	09/01/06	Serial	5.15%	270,000	130,000	140,000	0	2
65820ENL0	03/01/07	Serial	5.30%	270,000	120,000	150,000	0	2
65820ENM8	09/01/07	Serial	5.30%	280,000	120,000	160,000	0	2
65820ENN6	03/01/08	Serial	5.40%	290,000	115,000	175,000	0	2
65820ENP1	09/01/08	Serial	5.40%	295,000	100,000	195,000	0	2
65820ENQ9	03/01/09	Serial	5.50%	305,000	100,000	205,000	0	2
65820ENR7	09/01/09	Serial	5.50%	315,000	95,000	220,000	0	2
65820ENS5	09/01/16	Term (Note 2)	5.40%	5,400,000	190,000	3,875,000	1,405,000	2
65820ENT3	09/01/17	Term (Note 3)	5.88%	980,000	0	715,000	265,000	2
65820ENJ0	09/01/22	Term (Note 4)	5.20%	6,480,000	0	6,480,000	0	1
65820ENV8	03/01/26	Term (Note 5)	6.20%	5,710,000	0	4,215,000	1,495,000	2
65820ENW6	09/01/28	Term (Note 6)	6.20%	5,000,000	0	3,820,000	1,180,000	2
Total 1985 Series KKLL				\$28,965,000	\$3,740,000	\$20,880,000	\$4,345,000	

Note 1: See optional and special redemption provisions beginning on page 4-1985KKLL. (i.e., "1" denotes first call priority from prepayments.)
 Note 2: Sinking fund redemption begins March 1, 2010.
 Note 3: Sinking fund redemption begins March 1, 2017.
 Note 4: Sinking fund redemption begins March 1, 2018.
 Note 5: Sinking fund redemption begins March 1, 2023.
 Note 6: Sinking fund redemption begins September 1, 2026.

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

PAGE NO. 3-1985XKLL

IDENTIFICATION NUMBER: 1985XKLL
ISSUANCE DATE: 09/01/99
SERIES: 1985XKLL

Call Date	Call Amount	Type of Call	Source Of Funds
09/01/97	55,000	Supersinker	Prepayments
03/01/98	80,000	Supersinker	Prepayments
07/01/98	80,000	Supersinker	Prepayments
01/01/99	605,000	Supersinker	Prepayments
05/01/99	500,000	Supersinker	Prepayments
07/01/99	265,000	Supersinker	Prepayments
09/01/99	245,000	Supersinker	Prepayments
12/15/99	670,000	Supersinker	Prepayments
05/01/00	290,000	Supersinker	Prepayments
05/01/00	135,000	Pro rata	Prepayments
07/01/00	665,000	Supersinker	Prepayments
01/01/01	1,035,000	Supersinker	Prepayments
01/01/01	355,000	Pro rata	Prepayments
06/01/01	525,000	Supersinker	Prepayments
10/01/01	305,000	Supersinker	Prepayments
10/01/01	480,000	Pro rata	Prepayments
01/01/02	570,000	Supersinker	Prepayments
04/15/02	200,000	Supersinker	Prepayments
04/15/02	575,000	Pro rata	Prepayments
04/15/02	20,000	Pro rata	Debt Service Reserve
07/01/02	430,000	Supersinker	Prepayments
07/01/02	220,000	Pro rata	Prepayments
07/01/02	20,000	Pro rata	Debt Service Reserve
01/01/03	565,000	Pro rata	Prepayments
06/01/03	380,000	Pro rata	Prepayments
06/01/03	55,000	Pro rata	Debt Service Reserve
06/01/03	840,000	Pro rata	Prepayments
10/01/03	540,000	Pro rata	Prepayments
10/01/03	75,000	Pro rata	Debt Service Reserve
10/01/03	845,000	Pro rata	Prepayments
01/01/04	1,645,000	Pro rata	Prepayments
05/01/04	785,000	Pro rata	Prepayments
09/01/04	735,000	Pro rata	Prepayments
09/01/04	250,000	Pro rata	Debt Service Reserve
01/01/05	375,000	Pro rata	Prepayments
01/01/05	30,000	Pro rata	Debt Service Reserve
05/01/05	740,000	Pro rata	Prepayments
05/01/05	40,000	Pro rata	Debt Service Reserve
10/01/05	455,000	Pro rata	Prepayments
04/01/06	810,000	Pro rata	Prepayments
04/01/06	70,000	Pro rata	Debt Service Reserve
08/01/06	240,000	Pro rata	Prepayments
08/01/06	20,000	Pro rata	Debt Service Reserve
01/01/07	505,000	Pro rata	Prepayments
01/01/07	30,000	Pro rata	Debt Service Reserve
05/01/07	230,000	Pro rata	Prepayments
05/01/07	15,000	Pro rata	Debt Service Reserve
11/01/07	610,000	Pro rata	Prepayments
11/01/07	35,000	Pro rata	Debt Service Reserve
02/01/08	345,000	Pro rata	Prepayments
02/01/08	20,000	Pro rata	Debt Service Reserve
07/01/08	275,000	Pro rata	Prepayments
01/01/09	345,000	Pro rata	Prepayments
01/01/09	45,000	Pro rata	Debt Service Reserve
07/01/09	180,000	Pro rata	Prepayments
07/01/09	10,000	Pro rata	Debt Service Reserve
01/01/10	250,000	Pro rata	Prepayments
01/01/10	15,000	Pro rata	Debt Service Reserve
06/01/10	60,000	Pro rata	Prepayments
06/01/10	5,000	Pro rata	Debt Service Reserve
TOTAL	<u>50,880,000</u>		

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

PAGE NO. 4-1985KKLL

IDENTIFICATION OF SINGLE FAMILY REVENUE BONDS (1985 REDEMPTION) AND SERIES
BOND SERIES
Description
Special Redemption

The 1985 Series KK and LL 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 KK and LL 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 KK and LL 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 KK and LL bonds, shall first be applied to the redemption or purchase of Series LL Term bonds due March 1, 2003 during the periods up to the scheduled principal amounts set forth in an series resolution.

Moneys in excess of the debt service reserve requirement shall be applied to the redemption of the series KK and LL 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 KK and LL bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after March 1, 2006, 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, 2006 to February 28, 2007	102.00%
March 1, 2007 to February 29, 2008	101.00%
March 1, 2008 and thereafter	100.00%