

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF SEPTEMBER 30, 2014**

**INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)
BOND SERIES: 28**

GENERAL MORTGAGE LOAN INFORMATION

Mortgage Loan Prin Outstanding: \$32,014,603
Mortgage Rates: 5.500% - 5.990%

Average Purchase Price: \$119,946
Average Original Loan Amount: \$114,471

Total No. of Loans Originated: 553
Total No. of Loans Paid Off: 226
Total No. of Loans Outstanding: 327

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	232	70.95%
FHA	33	10.09%
VA	13	3.98%
USDA	14	4.28%
HUD-184	0	0.00%
Guaranty Fund	0	0.00%
Other (< 80%LTV)	35	10.70%
Total	327	100.00%

<u>Private Mortgage Insurers:</u>	<u># of Loans</u>	<u>%</u>
RADIAN GUARANTY INC.	1	0.31%
Genworth	123	37.61%
AIG-UGIC	32	9.79%
MGIC	51	15.60%
TRIAD	4	1.22%
RMIC	17	5.20%
PMI MTG. INS. CO.	3	0.92%
CMG MTG INS CO	1	0.31%
Total	232	70.95%

<u>New/Existing:</u>	<u># of Loans</u>	<u>%</u>
New Construction	73	22.32%
Existing Home	254	77.68%
Total	327	100.00%

<u>Type of Housing:</u>	<u># of Loans</u>	<u>%</u>
Single Family Detached	246	75.23%
Condominium	35	10.70%
Townhouse	41	12.54%
Manufactured Home	5	1.53%
Total	327	100.00%

DELINQUENCY STATISTICS

<u>Loans Outstanding:</u>	<u># of Loans</u>	<u>%</u>
60 days	6	1.83%
90 days +	7	2.14%
In Foreclosure	5	1.53%
REO (Conv, USDA)	2	0.61%
Total	20	

<u>Principal Outstanding:</u>	<u>\$ of Loans</u>	<u>%</u>
60 days	\$673,411	2.10%
90 days +	\$690,554	2.16%
In Foreclosure	\$378,739	1.18%
REO (Conv, USDA)	\$137,180	0.43%
Total	\$1,879,884	

SERVICER AND MORTGAGE LOAN DATA

<u>Servicers:</u>	<u># of Loans</u>	<u>%</u>
SN Servicing Corporation	127	38.84%
PNC	88	26.91%
BB&T	102	31.19%
State Employees Credit Union	9	2.75%
Marsh Associates Inc.	1	0.31%
Total	327	100.00%

<u>Mortgage Rates (%):</u>	<u># of Loans</u>
5.99	5
5.875	24
5.75	29
5.625	194
5.5	75
Total	327

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POOL INSURANCE COVERAGE (DOLLARS IN THOUSANDS): None

SELF-INSURANCE COVERAGE:	Name of Self-Insurance Fund:	Insurance Reserve Fund	Current Funding Requirements:	
	Series of Bonds Covered:	1998 Series 28	Total Dollar Amount (\$000)	\$725
			As % of Principal Amount	2.26%
			of Mortgage Loans	
			Claims to Date	0

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)
658207EB7	07/01/08	Serial	3.50%	210,000	210,000	0	0	2
658207DM4	07/01/09	Serial	3.80%	495,000	495,000	0	0	2
658207DN2	01/01/10	Serial	3.90%	505,000	505,000	0	0	2
658207DP7	07/01/10	Serial	3.90%	515,000	515,000	0	0	2
658207EC5	01/01/11	Serial	3.55%	525,000	525,000	0	0	2
658207ED3	07/01/11	Serial	3.55%	250,000	245,000	5,000	0	2
658207EQ6	07/01/11	Serial	3.95%	285,000	280,000	5,000	0	2
658207EE1	01/01/12	Serial	3.60%	545,000	540,000	5,000	0	2
658207DR3	07/01/12	Serial	4.00%	560,000	555,000	5,000	0	2
658207DS1	01/01/13	Serial	4.05%	570,000	545,000	25,000	0	2
658207EF8	07/01/13	Serial	3.65%	255,000	220,000	35,000	0	2
658207DT9	07/01/13	Serial	4.05%	330,000	295,000	35,000	0	2
658207DU6	01/01/14	Serial	4.10%	595,000	505,000	90,000	0	2
658207DV4	07/01/14	Serial	4.10%	610,000	485,000	125,000	0	2
658207EG6	01/01/15	Serial	3.75%	620,000	0	125,000	495,000	2
658207EH4	07/01/15	Serial	3.75%	635,000	0	125,000	510,000	2
658207EJ0	01/01/16	Serial	3.80%	650,000	0	130,000	520,000	2
658207EK7	07/01/16	Serial	3.80%	865,000	0	135,000	530,000	2
658207EL5	01/01/17	Serial	3.85%	680,000	0	140,000	540,000	2
658207EM3	07/01/17	Serial	3.85%	695,000	0	145,000	550,000	2
658207DW2	07/01/23	Term (Note 2)	4.65%	6,640,000	0	1,365,000	5,275,000	2
658207DX0	07/01/29	Term (Note 3)	4.70%	8,305,000	0	1,685,000	6,620,000	2
658207DY8	07/01/33	Term (Note 4)	4.75%	7,195,000	0	2,570,000	4,625,000	2
658207DZ5	07/01/38	Term (Note 5)	5.50%	19,500,000	0	17,045,000	2,455,000	1
658207EA9	01/01/39	Term (Note 6)	4.80%	13,165,000	0	3,090,000	10,075,000	2
Total 1998 Series 28				\$65,000,000	\$5,920,000	\$26,885,000	\$32,195,000	

Note 1: See optional and special redemption provisions below, (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, 2024.
 Note 4: Sinking fund redemptions begin January 1, 2030.
 Note 5: Sinking fund redemptions begin January 1, 2019.
 Note 6: Sinking fund redemptions begin January 1, 2034.

LIST OF UNSCHEDULED REDEMPTIONS:

Call Date	Call Amount	Type of Call	Source Of Funds
7/1/2008	\$335,000	Supersinker	Prepayments
1/1/2009	\$645,000	Supersinker	Prepayments
1/1/2009	\$20,000	Pro rata	Debt Service Reserve
7/1/2009	\$535,000	Supersinker	Prepayments
7/1/2009	\$20,000	Pro rata	Debt Service Reserve
1/1/2010	\$1,210,000	Supersinker	Prepayments
1/1/2010	\$35,000	Pro rata	Debt Service Reserve
6/1/2010	\$1,485,000	Supersinker	Prepayments
6/1/2010	\$35,000	Pro rata	Debt Service Reserve
12/1/2010	\$2,515,000	Supersinker	Prepayments
12/1/2010	\$60,000	Pro rata	Debt Service Reserve
6/1/2011	\$1,675,000	Supersinker	Prepayments
6/1/2011	\$475,000	Pro rata	Prepayments
6/1/2011	\$55,000	Pro rata	Debt Service Reserve
12/1/2011	\$1,610,000	Supersinker	Prepayments
12/1/2011	\$45,000	Pro rata	Debt Service Reserve
6/1/2012	\$220,000	Supersinker	Prepayments
6/1/2012	\$65,000	Pro rata	Debt Service Reserve
6/1/2012	\$2,570,000	Pro rata	Prepayments
8/1/2012	\$1,330,000	Supersinker	Prepayments
10/1/2012	\$1,145,000	Supersinker	Prepayments
10/1/2012	\$60,000	Pro rata	Debt Service Reserve
2/1/2013	\$340,000	Supersinker	Prepayments
2/1/2013	\$1,750,000	Pro rata	Debt Service Reserve
2/1/2013	\$55,000	Pro rata	Prepayments
6/1/2013	\$1,425,000	Supersinker	Prepayments
6/1/2013	\$45,000	Pro rata	Debt Service Reserve
6/1/2013	\$740,000	Pro rata	Prepayments
9/1/2013	\$50,000	Pro rata	Debt Service Reserve
9/1/2013	\$1,835,000	Pro rata	Prepayments
2/1/2014	\$1,370,000	Supersinker	Prepayments
2/1/2014	\$75,000	Pro rata	Debt Service Reserve
2/1/2014	\$1,825,000	Pro rata	Prepayments
6/1/2014	\$25,000	Pro rata	Debt Service Reserve
6/1/2014	\$1,205,000	Supersinker	Prepayments
			<u>\$26,885,000</u>

Bond Call Information:

Special Redemption

The 1998 Series 28 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:

- unexpended proceeds,
- prepayments of mortgage loans financed with the proceeds of the Series 28, including the existing mortgage loans,
- excess revenues transferred from the revenue reserve fund,
- moneys withdrawn from the debt service reserve fund in connection with an excess over the debt service reserve requirement, and
- from prepayments of mortgage loans financed with proceeds from series of bonds issued other than the Series 28 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 28 bonds shall first be applied to the redemption or purchase of Series 28 term bonds due July 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 28 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 28 bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after January 1, 2017, in whole, or in part, at the principal amount thereof plus accrued interest to the date of redemption, without premium.