

**NORTH CAROLINA HOUSING FINANCE AGENCY**

**DISCLOSURE REPORT  
AS OF DECEMBER 31, 2009**

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

**GENERAL MORTGAGE LOAN INFORMATION**

Mortgage Loan Prin Outstanding:	\$6,316,216
Mortgage Rates:	6.750% - 7.350%
Average Purchase Price:	\$63,671
Average Original Loan Amount:	\$61,803
Total No. of Loans Originated:	764
Total No. of Loans Paid Off:	625
Total No. of Loans Outstanding:	139

**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	139	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%
<b>Total</b>	<b>139</b>	<b>100.00%</b>

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

<u>New/Existing:</u>	<u># of Loans</u>	<u>%</u>
New Construction	26	18.71%
Existing Home	113	81.29%
<b>Total</b>	<b>139</b>	<b>100.00%</b>

<u>Type of Housing:</u>	<u># of Loans</u>	<u>%</u>
Single Family Detached	123	88.49%
Condominium	9	6.47%
Townhouse	3	2.16%
Manufactured Home	4	2.88%
<b>Total</b>	<b>139</b>	<b>100.00%</b>

**DELINQUENCY STATISTICS**

<u>Loans Outstanding:</u>	<u># of Loans</u>	<u>%</u>
60 days	5	3.60%
90 days	9	6.47%
In Foreclosure	3	2.16%
REO (Conv, USDA)	0	0.00%
<b>Total</b>	<b>17</b>	

<u>Principal Outstanding:</u>	<u>\$ of Loans</u>	<u>%</u>
60 days	\$221,399	3.51%
90 days	\$385,639	6.11%
In Foreclosure	\$111,707	1.77%
REO (Conv, USDA)	\$0	0.00%
<b>Total</b>	<b>\$718,745</b>	

**SERVICER AND MORTGAGE LOAN DATA**

<u>Servicers:</u>	<u># of Loans</u>	<u>%</u>
Marsh Associates Inc.	41	29.50%
BB&T	53	38.13%
RBC Bank	36	25.90%
Bank of America	9	6.47%
<b>Total</b>	<b>139</b>	<b>100.00%</b>

<u>Mortgage Rates (%):</u>	<u># of Loans</u>
7.35	1
7.125	137
6.75	1
<b>Total</b>	<b>139</b>

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BOND SERIES: Series AA/BB

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POOL INSURANCE COVERAGE (DOLLARS IN THOUSANDS): None

SELF-INSURANCE COVERAGE: Current Funding Requirements: (data is for 1985 Series AA/BB only):  
Total Dollar Amount (\$000) \$81  
Name of Self-Insurance Fund: Mortgage Deficiency Fund As % of Principal Amount  
Series of Bonds Covered: 1985 Series D through WW (excluding Series U/V) of Mortgage Loans Purchased 1.28%  
Claims to Date 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.

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)
65820EBW9	03/01/97	Serial	4.65%	\$380,000	\$330,000	\$50,000	\$0	2
65820EBX7	09/01/97	Serial	4.65%	395,000	340,000	55,000	0	2
65820EBY5	03/01/98	Serial	4.80%	405,000	350,000	55,000	0	2
65820EBZ2	09/01/98	Serial	4.80%	410,000	350,000	60,000	0	2
65820ECA6	03/01/99	Serial	5.00%	425,000	365,000	60,000	0	2
65820ECB4	09/01/99	Serial	5.00%	435,000	360,000	75,000	0	2
65820ECC2	03/01/00	Serial	5.15%	445,000	370,000	75,000	0	2
65820ECD0	09/01/00	Serial	5.15%	455,000	365,000	90,000	0	2
65820ECE8	03/01/01	Serial	5.30%	470,000	375,000	95,000	0	2
65820ECF5	09/01/01	Serial	5.30%	480,000	360,000	120,000	0	2
65820ECG3	03/01/02	Serial	5.40%	490,000	350,000	140,000	0	2
65820ECH1	09/01/02	Serial	5.40%	510,000	355,000	155,000	0	2
65820ECJ7	03/01/03	Serial	5.50%	520,000	345,000	175,000	0	2
65820ECK4	09/01/03	Serial	5.50%	535,000	315,000	220,000	0	2
65820ECL2	03/01/04	Serial	5.60%	550,000	300,000	250,000	0	2
65820ECM0	09/01/04	Serial	5.60%	560,000	240,000	320,000	0	2
65820ECN8	03/01/05	Serial	5.70%	585,000	220,000	365,000	0	2
65820ECP3	09/01/05	Serial	5.70%	595,000	195,000	400,000	0	2
65820ECQ1	03/01/06	Serial	5.80%	615,000	185,000	430,000	0	2
65820ECS7	09/01/06	Serial	5.80%	630,000	160,000	470,000	0	2
65820ECT5	03/01/07	Serial	5.90%	650,000	150,000	500,000	0	2
65820ECU2	09/01/07	Serial	5.90%	670,000	150,000	520,000	0	2
65820ECV0	03/01/08	Serial	6.00%	690,000	160,000	530,000	0	2
65820ECW8	09/01/08	Serial	6.00%	710,000	140,000	570,000	0	2
65820ECZ1	03/01/12	Term (Note 2)	6.25%	5,090,000	275,000	4,175,000	640,000	2
65820ECR9	03/01/17	Term (Note 3)	6.25%	11,020,000		9,040,000	1,980,000	2
65820EDB3	03/01/21	Term (Note 4)	6.05%	11,010,000		11,010,000	0	1
65820EDC1	09/01/26	Term (Note 5)	6.50%	20,270,000		17,315,000	2,955,000	2
Total 1985 Series AA/BB				\$60,000,000	\$7,105,000	\$47,320,000	\$5,575,000	

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.

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LIST OF UNSCHEDULED REDEMPTIONS:

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	465,000	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	65,000	Pro rata	Debt Service Reserve
07/01/00	495,000	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	60,000	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	940,000	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	900,000	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	<u>10,000</u>	Pro rata	Debt Service Reserve
TOTAL	<u>\$47,320,000</u>		

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**Bond Call Information:**

**Special Redemption**

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, 2021 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.

**Optional 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:

<b>Period (Both Dates Inclusive)</b>	<b>Redemption Price (Expressed as a Percentage)</b>
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%