

NORTH CAROLINA HOUSING FINANCE AGENCY

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

**INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)
BOND SERIES: 09**

GENERAL MORTGAGE LOAN INFORMATION

Mortgage Loan Prin Outstanding: \$25,849,376
 Mortgage Rates: 5.990% - 7.125%

Average Purchase Price: \$82,004
 Average Original Loan Amount: \$78,952

Total No. of Loans Originated: 719
 Total No. of Loans Paid Off: 366
 Total No. of Loans Outstanding: 353

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	24	6.79%
FHA	257	72.82%
VA	22	6.23%
USDA	40	11.33%
HUD-184	0	0.00%
Guaranty Fund	0	0.00%
Other (< 80%LTV)	10	2.83%
Total	353	100.00%

<u>Private Mortgage Insurers:</u>	<u># of Loans</u>	<u>%</u>
GENWORTH	22	6.23%
AIG-UGIC	1	0.28%
RMIC	1	0.28%
Total	24	6.79%

<u>New/Existing:</u>	<u># of Loans</u>	<u>%</u>
New Construction	114	32.33%
Existing Home	239	67.67%
Total	353	100.00%

<u>Type of Housing:</u>	<u># of Loans</u>	<u>%</u>
Single Family Detached	294	83.13%
Condominium	24	6.90%
Townhouse	26	7.37%
Manufactured Home	9	2.60%
Total	353	100.00%

DELINQUENCY STATISTICS

<u>Loans Outstanding:</u>	<u># of Loans</u>	<u>%</u>
60 days	17	4.77%
90 days	14	3.92%
In Foreclosure	6	1.57%
REO (Conv, USDA)	0	0.00%
Total	37	

<u>Principal Outstanding:</u>	<u>\$ of Loans</u>	<u>%</u>
60 days	\$1,328,144	5.14%
90 days	\$1,044,358	4.04%
In Foreclosure	\$446,905	1.73%
REO (Conv, USDA)	\$0	0.00%
Total	\$2,819,407	

SERVICER AND MORTGAGE LOAN DATA

<u>Servicers:</u>	<u># of Loans</u>	<u>%</u>
RBC Bank	168	47.41%
BB&T	52	14.80%
Marsh Associates Inc.	127	36.00%
Bank of America	6	1.79%
Total	353	100.00%

<u>Mortgage Rates (%):</u>	<u># of Loans</u>
7.125	2
6.95	8
6.85	4
6.75	26
6.7	13
6.5	22
6.25	9
5.99	269
Total	353

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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 09	Total Dollar Amount (\$000)	\$0
		As % of Principal Amount	
		of Mortgage Loans Purchased	0.00%
		Claims to Date	0

NOTE: Funded by Ambac surety bond for \$745,000

Maximum level of funding required over the life of the bonds (\$000) \$745

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)
65820EM31	07/01/03	Serial	4.75%	\$875,000	\$875,000	\$0	\$0	2
65820EM49	07/01/04	Serial	4.80%	930,000	930,000	0	0	2
65820EM56	07/01/05	Serial	4.85%	980,000	975,000	5,000	0	2
65820EM64	07/01/06	Serial	4.95%	1,030,000	985,000	45,000	0	2
65820EM72	07/01/07	Serial	5.00%	1,090,000	940,000	150,000	0	2
65820EN71	01/01/08	Serial	4.75%	475,000	365,000	110,000	0	2
65820EN89	07/01/08	Serial	4.75%	465,000	345,000	120,000	0	2
65820EN97	01/01/09	Serial	4.80%	475,000	350,000	125,000	0	2
65820EP20	07/01/09	Serial	4.80%	485,000	355,000	130,000	0	2
65820EP38	01/01/10	Serial	4.85%	495,000	0	160,000	335,000	2
65820EP46	07/01/10	Serial	4.85%	515,000	0	170,000	345,000	2
65820EP53	01/01/11	Serial	4.95%	530,000	0	170,000	360,000	2
65820EP61	07/01/11	Serial	4.95%	540,000	0	175,000	365,000	2
65820EP79	01/01/12	Serial	5.00%	550,000	0	180,000	370,000	2
65820EM80	07/01/12	Serial	5.35%	720,000	0	225,000	495,000	2
65820EM98	07/01/13	Serial	5.45%	1,510,000	0	475,000	1,035,000	2
65820EN22	07/01/16	Term (Note 2)	5.60%	4,825,000	0	1,520,000	3,305,000	2
65820EN30	01/01/20	Term (Note 3)	5.80%	7,425,000	0	2,350,000	5,075,000	2
65820EN48	07/01/25	Term (Note 4)	5.25%	14,540,000	0	14,540,000	0	2
65820EN55	07/01/31	Term (Note 5)	5.88%	21,545,000	0	7,115,000	14,430,000	1
65820EN63	07/01/32	Term (Note 6)	5.88%	5,000,000	0	1,720,000	3,280,000	2
Total 1998 Series 9				\$65,000,000	\$6,120,000	\$29,485,000	\$29,395,000	

Note 1: See optional and special redemption provisions page 4-1998-09, (i.e. "1" denotes first call priority from prepayments).
 Note 2: Sinking fund redemptions begin January 1, 2014.
 Note 3: Sinking fund redemptions begin July 1, 2016.
 Note 4: Sinking fund redemptions begin July 1, 2020.
 Note 5: Sinking fund redemptions begin January 1, 2026.
 Note 6: Sinking fund redemptions begin July 1, 2031.

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LIST OF UNSCHEDULED REDEMPTIONS:

Call Date	Call Amount	Type of Call	Source Of Funds
01/01/02	95,000	Supersinker	Prepayments
04/15/02	75,000	Supersinker	Prepayments
07/01/02	85,000	Supersinker	Prepayments
07/01/02	5,000	Pro rata	Debt Service Reserve
01/01/03	565,000	Supersinker	Prepayments
06/01/03	1,000,000	Supersinker	Prepayments
10/01/03	65,000	Supersinker	Prepayments
10/01/03	50,000	Pro rata	Debt Service Reserve
10/01/03	1,240,000	Supersinker	Prepayments
01/01/04	1,610,000	Supersinker	Prepayments
05/01/04	605,000	Supersinker	Prepayments
05/01/04	175,000	Pro rata	Prepayments
09/01/04	1,095,000	Supersinker	Prepayments
09/01/04	110,000	Pro rata	Debt Service Reserve
01/01/05	1,650,000	Supersinker	Prepayments
01/01/05	35,000	Pro rata	Debt Service Reserve
05/01/05	1,590,000	Supersinker	Prepayments
05/01/05	35,000	Pro rata	Debt Service Reserve
10/01/05	365,000	Pro rata	Prepayments
04/01/06	1,530,000	Supersinker	Prepayments
04/01/06	1,420,000	Pro rata	Prepayments
04/01/06	85,000	Pro rata	Debt Service Reserve
08/01/06	1,470,000	Supersinker	Prepayments
08/01/06	3,240,000	Pro rata	Prepayments
08/01/06	95,000	Pro rata	Debt Service Reserve
01/01/07	1,420,000	Supersinker	Prepayments
01/01/07	880,000	Pro rata	Prepayments
01/01/07	70,000	Pro rata	Debt Service Reserve
05/01/07	445,000	Supersinker	Prepayments
05/01/07	10,000	Pro rata	Debt Service Reserve
11/01/07	4,180,000	Pro rata	Prepayments
11/01/07	105,000	Pro rata	Debt Service Reserve
02/01/08	755,000	Pro rata	Prepayments
02/01/08	15,000	Pro rata	Debt Service Reserve
07/01/08	380,000	Pro rata	Prepayments
01/01/09	290,000	Pro rata	Prepayments
01/01/09	35,000	Pro rata	Debt Service Reserve
07/01/09	2,550,000	Pro rata	Prepayments
07/01/09	<u>60,000</u>	Pro rata	Debt Service Reserve
TOTAL	<u>\$29,485,000</u>		

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Bond Call Information:

Special Redemption

The 1998 Series 9 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) prepayments of mortgage loans financed with the proceeds of the Series 9, and
- (iii) excess revenues transferred from the revenue reserve fund,
- (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 other than the Series 9 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 9 bonds shall first be applied to the redemption or purchase of Series 9 Term bonds due July 1, 2025 during the periods up to the scheduled principal amounts set forth in the series resolution.

Moneys in excess of the debt service reserve requirement and from excess revenues in the revenue reserve fund shall be applied to the redemption of the Series 9 bonds in any manner. Moneys to be applied to redemption 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 9 bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after January 1, 2010, either as a whole, on any date, or in part, at the principal amount thereof plus accrued interest to the date of redemption, without premium.

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 CC 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.