

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF DECEMBER 31, 2011**

**INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)
BOND SERIES: 03**

GENERAL MORTGAGE LOAN INFORMATION

Mortgage Loan Prin Outstanding: \$16,904,604
Mortgage Rates: 5.750% - 6.950%

Average Purchase Price: \$82,257
Average Original Loan Amount: \$80,105

Total No. of Loans Originated: 777
Total No. of Loans Paid Off: 499
Total No. of Loans Outstanding: 278

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	2	0.72%
FHA	248	89.21%
VA	6	2.16%
USDA	22	7.91%
HUD-184	0	0.00%
Guaranty Fund	0	0.00%
Other (< 80%LTV)	0	0.00%
Total	278	100.00%

<u>Private Mortgage Insurers:</u>	<u># of Loans</u>	<u>%</u>
MGIC	1	0.36%
RMIC	1	0.36%
Total	2	0.72%

<u>New/Existing:</u>	<u># of Loans</u>	<u>%</u>
New Construction	79	28.42%
Existing Home	199	71.58%
Total	278	100.00%

<u>Type of Housing:</u>	<u># of Loans</u>	<u>%</u>
Single Family Detached	260	93.53%
Condominium	10	3.59%
Townhouse	7	2.52%
Manufactured Home	1	0.36%
Total	278	100.00%

DELINQUENCY STATISTICS

<u>Loans Outstanding:</u>	<u># of Loans</u>	<u>%</u>
60 days	11	3.96%
90 days	7	2.52%
In Foreclosure	2	0.72%
REO (Conv, USDA)	0	0.00%
Total	20	

<u>Principal Outstanding:</u>	<u>\$ of Loans</u>	<u>%</u>
60 days	\$737,104	4.36%
90 days	\$467,233	2.76%
In Foreclosure	\$98,511	0.58%
REO (Conv, USDA)	\$0	0.00%
Total	\$1,302,848	

SERVICER AND MORTGAGE LOAN DATA

<u>Servicers:</u>	<u># of Loans</u>	<u>%</u>
BB&T	65	23.38%
RBC Bank	119	42.81%
Bank of America	9	3.24%
Marsh Associates Inc.	81	29.13%
US Bank Home Mortgage	4	1.44%
Total	278	100.00%

<u>Mortgage Rates (%):</u>	<u># of Loans</u>
6.95	5
6.65	68
5.99	6
5.75	199
Total	278

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INDEPENDENT SINGLE FAMILY REVENUE BONDS 1998 RESOLUTION
BOND SERIES SERIES 03

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POOL INSURANCE COVERAGE (DOLLARS IN THOUSANDS) None

SELF-INSURANCE COVERAGE: Name of Self-Insurance Fund: Insurance Reserve Fund
Series of Bonds Covered: 1998 Series 03

Current Funding Requirements:
Total Dollar Amount (\$000) \$285
As % of Initial Principal Amount
of Mortgage Loans Purchased 1.69%
Claims to Date 0

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

\$775

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)
65820EXK1	01/01/01	Serial	3.600%	\$520,000	\$520,000	\$0	0	2
65820EXL9	07/01/01	Serial	3.600%	535,000	535,000	0	0	2
65820EXM7	01/01/02	Serial	3.800%	540,000	540,000	0	0	2
65820EXN5	07/01/02	Serial	3.800%	555,000	555,000	0	0	2
65820EXP0	01/01/03	Serial	3.900%	565,000	565,000	0	0	2
65820EXQ8	07/01/03	Serial	3.900%	575,000	575,000	0	0	2
65820EXR6	01/01/04	Serial	4.000%	595,000	595,000	0	0	2
65820EXS4	07/01/04	Serial	4.000%	595,000	595,000	0	0	2
65820EXT2	01/01/05	Serial	4.100%	610,000	560,000	50,000	0	2
65820EXU9	07/01/05	Serial	4.100%	625,000	565,000	60,000	0	2
65820EXV7	01/01/06	Serial	4.200%	640,000	540,000	100,000	0	2
65820EXW5	07/01/06	Serial	4.200%	650,000	490,000	160,000	0	2
65820EXX3	01/01/07	Serial	4.300%	665,000	480,000	185,000	0	2
65820EYB0	07/01/07	Serial	4.100%	665,000	445,000	220,000	0	2
65820EYC8	01/01/08	Serial	4.250%	675,000	420,000	255,000	0	2
65820EYD6	07/01/08	Serial	4.250%	695,000	420,000	275,000	0	2
65820EYE4	01/01/09	Serial	4.350%	705,000	420,000	285,000	0	2
65820EYF1	07/01/09	Serial	4.350%	720,000	405,000	315,000	0	2
65820EYG9	01/01/10	Serial	4.450%	735,000	400,000	335,000	0	2
65820EYH7	07/01/10	Serial	4.450%	755,000	380,000	375,000	0	2
65820EYJ3	01/01/11	Serial	4.550%	770,000	380,000	390,000	0	2
65820EYK0	07/01/11	Serial	4.550%	785,000	360,000	425,000	0	2
65820EY1	01/01/19	Term (Note 2)	5.150%	14,700,000	0	8,115,000	6,585,000	2
65820EXZ8	01/01/24	Term (Note 3)	4.550%	13,255,000	0	13,255,000	0	1
65820EYL8	07/01/26	Term (Note 4)	5.200%	6,870,000	0	3,840,000	3,030,000	2
65820EYA2	07/01/30	Term (Note 5)	5.200%	16,000,000	0	9,330,000	6,670,000	2
Total 1998 Series 3				\$65,000,000	\$10,745,000	\$37,970,000	\$16,285,000	

Note 1: See optional and special redemption provisions page 4-98-03, (i.e. "*" denotes first call priority from prepayments).

Note 2: Sinking fund redemptions begin January 1, 2019.

Note 3: Sinking fund redemptions begin January 1, 2024.

Note 4: Sinking fund redemptions begin July 1, 2026.

Note 5: Sinking fund redemptions begin July 1, 2030.

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INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)
BOND SERIES: SERIES D3

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LIST OF UNSCHEDULED REDEMPTIONS:

Call Date	Call Amount	Type of Call	Source Of Funds
05/01/00	\$100,000	Supersinker	Prepayments
05/01/00	10,000	Pro rata	Debt Service Reserve
01/01/01	775,000	Supersinker	Prepayments
01/01/01	15,000	Pro rata	Debt Service Reserve
06/01/01	425,000	Supersinker	Prepayments
06/01/01	30,000	Pro rata	Debt Service Reserve
10/01/01	680,000	Supersinker	Prepayments
10/01/01	15,000	Pro rata	Debt Service Reserve
01/01/02	1,005,000	Supersinker	Prepayments
01/01/02	30,000	Pro rata	Debt Service Reserve
04/15/02	140,000	Supersinker	Prepayments
04/15/02	5,000	Pro rata	Debt Service Reserve
07/01/02	510,000	Supersinker	Prepayments
07/01/02	20,000	Pro rata	Debt Service Reserve
01/01/03	1,485,000	Supersinker	Prepayments
06/01/03	2,115,000	Supersinker	Prepayments
10/01/03	10,000	Supersinker	Prepayments
10/01/03	95,000	Pro rata	Debt Service Reserve
10/01/03	1,600,000	Supersinker	Prepayments
01/01/04	1,550,000	Supersinker	Prepayments
05/01/04	480,000	Supersinker	Prepayments
05/01/04	3,270,000	Pro rata	Prepayments
09/01/04	1,015,000	Supersinker	Prepayments
09/01/04	435,000	Pro rata	Prepayments
09/01/04	195,000	Pro rata	Debt Service Reserve
01/01/05	1,365,000	Supersinker	Prepayments
01/01/05	840,000	Pro rata	Prepayments
01/01/05	45,000	Pro rata	Debt Service Reserve
05/01/05	2,760,000	Pro rata	Prepayments
05/01/05	70,000	Pro rata	Debt Service Reserve
10/01/05	335,000	Pro rata	Prepayments
04/01/06	3,875,000	Pro rata	Prepayments
04/01/06	95,000	Pro rata	Debt Service Reserve
08/01/06	1,120,000	Pro rata	Prepayments
08/01/06	35,000	Pro rata	Debt Service Reserve
01/01/07	2,155,000	Pro rata	Prepayments
01/01/07	55,000	Pro rata	Debt Service Reserve
05/01/07	1,020,000	Pro rata	Prepayments
05/01/07	30,000	Pro rata	Debt Service Reserve
11/01/07	1,190,000	Pro rata	Prepayments
11/01/07	35,000	Pro rata	Debt Service Reserve
02/01/08	675,000	Pro rata	Prepayments
02/01/08	15,000	Pro rata	Debt Service Reserve
07/01/08	250,000	Pro rata	Prepayments
01/01/09	1,385,000	Pro rata	Prepayments
01/01/09	55,000	Pro rata	Debt Service Reserve
07/01/09	555,000	Pro rata	Prepayments
07/01/09	20,000	Pro rata	Debt Service Reserve
01/01/10	1,045,000	Pro rata	Prepayments
01/01/10	30,000	Pro rata	Debt Service Reserve
06/01/10	710,000	Pro rata	Prepayments
06/01/10	15,000	Pro rata	Debt Service Reserve
12/01/10	620,000	Pro rata	Prepayments
12/01/10	20,000	Pro rata	Debt Service Reserve
06/01/11	935,000	Pro rata	Prepayments
06/01/11	30,000	Pro rata	Debt Service Reserve
12/01/11	560,000	Pro rata	Prepayments
12/01/11	<u>15,000</u>	Pro rata	Debt Service Reserve
TOTAL	<u>\$37,970,000</u>		

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INDEPENDENT SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION) SERIES 3

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Bond Call Information

Special Redemption

The 1998 Series 3 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 3, and
- (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 3 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 3 bonds shall first be applied to the redemption or purchase of Series 3 Term bonds due January 1, 2024 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 3 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 3 bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after January 1, 2009, either as a whole, on any date, or in part, on any interest payment date, at the following redemption prices, plus accrued interest to the date of redemption.

Period (Both Dates Inclusive)	Redemption Price (Expressed as a Percentage)
January 1, 2009 - December 31, 2009	101.00%
January 1, 2010 and thereafter	100.00%