

## Summary of Terms

### Credit Insurance Risk Transfer (CIRT™)

#### CIRT 2023-1

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|---|---|
| Insured                                   | Fannie Mae  |
| Covered Loans                             | Approximately \$11.8 billion portfolio of fully amortizing 241 - 360 month original term FRM loans delivered to Fannie Mae between January 1, 2022 and January 31, 2022 with original LTVs greater than 60% and less than or equal to 80%   |
| Insurance Coverage                        | Aggregate Excess of Loss Credit Insurance with a maximum Limit of Liability of approximately \$407.5 million (3.45% of the Total Initial Principal Balance) in excess of a maximum Retention of approximately \$88.6 million (0.75% of the Total Initial Principal Balance); the Limit of Liability may be stepped down at the 12 <sup>th</sup> month following the effective date and at each subsequent month thereafter depending on loan performance and remaining insured loans (see policies for details) |
| Claim Basis                               | Actual loss   |
| Effective Date                            | January 1, 2023   |
| Termination Date                          | June 30, 2035   |
| Counterparties                            | 22 International & Domestic reinsurers  |
| Optional Cancellation                     | <p>On or after the 60<sup>th</sup> month following the effective date, Fannie Mae may cancel the policies by paying a cancellation fee (see policies for details).</p> <p>Fannie Mae may cancel the policies if the Total Current Principal Balance is reduced to no more than ten percent (10%) of the Total Initial Principal Balance.</p>  |
| Fannie Mae Min Required Collateral Amount | Fannie Mae required the participating counterparties to establish collateral trust accounts that hold cash, Treasuries, and other eligible securities. The initial aggregate minimum required collateral amount was approximately \$95 million. The minimum required collateral amount will change over the life of the transaction, based upon - among other things - the external ratings of each reinsurer, the remaining Limit of Liability, and the performance of the covered pool.                       |