



**CONNECTICUT AVENUE SECURITIES TRUST 2022-R01**  
Issuer

**Fannie Mae**  
Trustor, Administrator and Master Servicer

**CONNECTICUT AVENUE SECURITIES, SERIES 2022-R01**

\$1,506,261,000  
(Approximate)  
**Confidential Term Sheet**

January 5, 2022

Computershare Trust Company, N.A.  
Indenture Trustee, Exchange Administrator, Investment Agent and Custodian

U.S. Bank Trust National Association  
Delaware Trustee



Structuring Lead and Joint Bookrunner



Co-Lead Manager and Joint Bookrunner



**THE SECURITIES ARE BEING ISSUED BY CONNECTICUT AVENUE SECURITIES TRUST 2022-R01 (THE "ISSUER") AND ARE OBLIGATIONS OF THE ISSUER. THE SECURITIES ARE NOT GUARANTEED BY, AND ARE NOT DEBTS OR OBLIGATIONS OF, FANNIE MAE, THE UNITED STATES OR ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE LAWS OF ANY OTHER STATE OR JURISDICTION.** This document has been prepared by BofA Securities, Inc. ("BofA Securities") for information purposes only. This document is an indicative summary of the terms and conditions of the securities described herein and may be amended, superseded or replaced by subsequent summaries, and will be superseded by the applicable offering document(s), which will set out the final terms and conditions of the securities.

This document will not constitute an underwriting commitment, an offer of financing, an offer to sell or the solicitation of an offer to buy any securities described herein, which will be subject to the internal approvals of BofA Securities, Nomura Securities International, Inc. ("Nomura"), Barclays Capital Inc. ("Barclays"), Citigroup Global Markets Inc. ("Citigroup"), Morgan Stanley & Co. LLC ("Morgan Stanley") and StoneX Financial Inc. ("StoneX" and, together with BofA Securities, Nomura, Barclays, Citigroup and Morgan Stanley, the "Initial Purchasers"). No transaction or services related thereto is contemplated without the Initial Purchasers' subsequent formal agreement. The Initial Purchasers are not acting as fiduciaries, advisors or agents. Prior to entering into any transaction, you should determine, without reliance upon the Initial Purchasers or their affiliates, the economic risks and merits, as well as the legal, tax and accounting characterizations and consequences of the transaction, and independently determine that you are able to assume these risks. The Initial Purchasers accept no liability whatsoever for any consequential losses arising from the use of this document or reliance on the information contained herein.

None of the Initial Purchasers, Fannie Mae or the Issuer guarantees the accuracy or completeness of information which is contained in this document and which is stated to have been obtained from or is based upon trade and statistical services or other third party sources. Any data on past performance, modeling or back-testing contained herein is no indication of future performance. No representation is made as to the reasonableness of the assumptions made within or the accuracy or completeness of any modeling or back-testing or any other information contained herein. All opinions and estimates are given as of the date hereof and are subject to change and none of the Initial Purchasers, Fannie Mae or the Issuer assumes any obligation to update this document to reflect any such changes. The value of any investment may fluctuate as a result of market changes. The information herein is not intended to predict actual results and no assurances are given with respect thereto. Nothing herein will be deemed to constitute investment, legal, tax, financial, accounting or other advice.

The Initial Purchasers, their affiliates and the individuals associated therewith may (in various capacities) have positions or deal in transactions or securities (or related derivatives) identical or similar to those described herein.

Notwithstanding anything herein to the contrary, each recipient hereof (and their employees, representatives, and other agents) may disclose to any and all persons, without limitation of any

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*



kind from the commencement of discussions, the U.S. federal and state income tax treatment and tax structure of the proposed transaction described herein and all materials of any kind (including opinions or other tax analyses) that are provided relating to such tax treatment and tax structure. For this purpose, "tax structure" is limited to facts relevant to the U.S. federal and state income tax treatment of the proposed transaction described herein and does not include information relating to the identity of the parties, their affiliates, agents or advisors.

THIS DOCUMENT DOES NOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ISSUES RELATED TO AN INVESTMENT IN THE SECURITIES. PRIOR TO INVESTING IN THE SECURITIES, POTENTIAL INVESTORS SHOULD READ THE FINAL OFFERING MEMORANDUM RELATING TO THE SECURITIES AND ENSURE THAT THEY FULLY UNDERSTAND THE TERMS OF THE SECURITIES AND ANY APPLICABLE RISKS.

This document is confidential, and no part of it may be reproduced, distributed or transmitted without the prior written permission of the Initial Purchasers.



Connecticut Avenue Securities, Series 2022-R01  
CONFIDENTIAL PRELIMINARY TERM SHEET

**CLASS 1M-1, CLASS 1M-2, CLASS 1B-1 and CLASS 1B-2 NOTES\***  
**\$1,506,261,000\*\* (Approximate)**

Class or Interest	Approximate Initial Class Principal Balance or Class Notional Amount (\$) <sup>(1)</sup>		Expected Approximate Initial Credit Support (%)	Class Coupon <sup>(2)</sup>	Class Coupon Minimum Rate	Expected Ratings (S&P/KBRA)	Expected WAL (yrs) <sup>(1)</sup>	Expected Principal Payment Window (mos) <sup>(1)</sup>	Interest Accrual Basis	Maturity Date <sup>(3)</sup>	Class or Interest Type
	Amount Issued	Reference Tranches									
1A-H <sup>(4)</sup>	Reference Tranche Only	\$52,027,270,354	3.20%								Senior
1M-1 <sup>(5)</sup>	\$459,538,000		2.30%	SOFR + %	0%	A (sf) / A- (sf)	1.19	1 – 31	Actual/360	December 2041	Mezzanine
1M-1H <sup>(4)</sup>	Reference Tranche Only	\$24,186,621	2.30%								Mezzanine
1M-2A <sup>(5)(6)</sup>	\$144,669,000		2.02%	SOFR + %	0%	A- (sf) / BBB+ (sf)	3.03	31 – 43	Actual/360	December 2041	Mezzanine
1M-AH <sup>(4)</sup>	Reference Tranche Only	\$7,614,677	2.02%								Mezzanine
1M-2B <sup>(5)(6)</sup>	\$144,669,000		1.73%	SOFR + %	0%	BBB+ (sf) / BBB (sf)	4.10	43 – 57	Actual/360	December 2041	Mezzanine
1M-BH <sup>(4)</sup>	Reference Tranche Only	\$7,614,677	1.73%								Mezzanine
1M-2C <sup>(5)(6)</sup>	\$144,669,000		1.45%	SOFR + %	0%	BBB (sf) / BBB (sf)	4.91	57 – 60	Actual/360	December 2041	Mezzanine
1M-CH <sup>(4)</sup>	Reference Tranche Only	\$7,614,677	1.45%								Mezzanine
1M-2 <sup>(6)</sup>	\$434,007,000		1.45%	SOFR + %	0%	BBB (sf) / BBB (sf)	4.01	31 – 60	Actual/360	December 2041	RCR/Mezzanine
1B-1A <sup>(5)(6)</sup>	\$153,179,000		1.15%	SOFR + %	0%	BB+ (sf) / BBB- (sf)	4.93	60 – 60	Actual/360	December 2041	Subordinate
1B-AH <sup>(4)</sup>	Reference Tranche Only	\$8,062,540	1.15%								Subordinate
1B-1B <sup>(5)(6)</sup>	\$153,179,000		0.85%	SOFR + %	0%	BB (sf) / BB+ (sf)	4.93	60 – 60	Actual/360	December 2041	Subordinate
1B-BH <sup>(4)</sup>	Reference Tranche Only	\$8,062,540	0.85%								Subordinate
1B-1 <sup>(6)</sup>	\$306,358,000		0.85%	SOFR + %	0%	BB (sf) / BB+ (sf)	4.93	60 – 60	Actual/360	December 2041	RCR/Subordinate
1B-2 <sup>(5)(6)</sup>	\$306,358,000		0.25%	SOFR + %	0%	NR / B (sf)	4.93	60 – 60	Actual/360	December 2041	Subordinate
1B-2H <sup>(4)</sup>	Reference Tranche Only	\$16,125,081	0.25%								Subordinate
1B-3H <sup>(4)</sup>	Reference Tranche Only	\$134,367,951	0.00%	SOFR + 15.00% <sup>(7)</sup>	0%						Subordinate
X-IO <sup>(8)</sup>	(8)					(8)					Excess IO
R <sup>(9)</sup>	\$0									No Payment Residual	
RL <sup>(9)</sup>	\$0									No Payment Residual	
<b>Total:</b>	<b>\$1,506,261,000**</b>	<b>\$52,240,919,118</b>									

\* Offered on the Closing Date (the "Offered Notes").

\*\* Including only Offered Notes.

Holders of certain Classes may exchange them for Classes of the corresponding Classes of Related Combinable and Recombinable Notes (the "RCR Notes") to be delivered at the time of exchange. The Classes of RCR Notes are the Class 1M-2, Class 1A-I1, Class 1A-I2, Class 1A-I3, Class 1A-I4, Class 1E-A1, Class 1E-A2, Class 1E-A3, Class 1E-A4, Class 1B-I1, Class 1B-I2, Class 1B-I3, Class 1B-I4, Class 1E-B1, Class 1E-B2, Class 1E-B3, Class 1E-B4, Class 1C-I1, Class 1C-I2, Class 1C-I3, Class 1C-I4, Class 1E-C1, Class 1E-C2, Class 1E-C3, Class 1E-C4, Class 1E-D1, Class 1E-D2, Class 1E-D3, Class 1E-D4, Class 1E-D5, Class 1E-F1, Class 1E-F2, Class 1E-F3, Class 1E-F4, Class 1E-F5, Class 1-J1, Class 1-J2, Class 1-J3, Class 1-J4, Class 1-K1, Class 1-K2, Class 1-K3, Class 1-

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*



Connecticut Avenue Securities, Series 2022-R01  
CONFIDENTIAL PRELIMINARY TERM SHEET

K4, Class 1-X1, Class 1-X2, Class 1-X3, Class 1-X4, Class 1-Y1, Class 1-Y2, Class 1-Y3, Class 1-Y4, Class 1M-2Y, Class 1M-2X, Class 1B-1, Class 1B-1Y, Class 1B-1X, Class 1B-2Y and Class 1B-2X Notes. For a more detailed description of the RCR Notes, see Schedule I hereto.

Information is preliminary and subject to final collateral and legal review. The analyses, calculations and valuations herein are based on certain assumptions and data provided by third parties that may vary from the actual characteristics of the final collateral. Investors should rely on the information contained in the final offering memorandum.

- (1) The principal amounts and notional amounts presented in this term sheet are approximate and subject to a +/- 5% variance. Weighted average lives and principal payment windows (if applicable) with respect to the Class 1M-1 Notes, Class 1M-2A Notes, Class 1M-2B Notes, Class 1M-2C Notes, Class 1M-2 Notes, Class 1B-1A Notes, Class 1B-1B Notes, Class 1B-1 Notes and Class 1B-2 Notes (together with the additional Classes of RCR Notes set forth on Schedule I hereto, the "Notes") assume that no Credit Events or Modification Events occur, prepayments occur at the pricing speed of 10% CPR (calculated from the Closing Date), the Notes pay on the 25th day of each month beginning in January 2022 and the Early Redemption Option is exercised on the Payment Date in December 2026.
- (2) Each Class of Offered Notes will be sold at a price of par.
- (3) The Class Principal Balance of any outstanding Notes will be paid in full on the earlier to occur of the Early Redemption Date, if any, and the Maturity Date.
- (4) The Class 1A-H Reference Tranche, Class 1M-1H Reference Tranche, Class 1M-AH Reference Tranche, Class 1M-BH Reference Tranche, Class 1M-CH Reference Tranche, Class 1B-AH Reference Tranche, Class 1B-BH Reference Tranche, Class 1B-2H Reference Tranche and Class 1B-3H Reference Tranche will not have corresponding Notes and will be referenced only in connection with making calculations of payments required to be made by the Issuer and reductions and increases in the principal amounts of the Notes.
- (5) The Class 1M-1 Notes, Class 1M-2A Notes, Class 1M-2B Notes, Class 1M-2C Notes, Class 1B-1A Notes, Class 1B-1B Notes and Class 1B-2 Notes will have corresponding Reference Tranches for the purpose of making calculations of principal payments required to be made by the Issuer and reductions and increases in the principal amounts of the Notes.
- (6) The Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B and Class 1B-2 Notes are collectively referred to as the "Exchangeable Notes." The Holders of the Class 1M-2 Notes may exchange all or part of that Class for proportionate interests in the Class 1M-2A, Class 1M-2B and Class 1M-2C Notes, and vice versa. The Holders of the Class 1B-1 Notes may exchange all or part of that Class for proportionate interests in the Class 1B-1A and Class 1B-1B Notes, and vice versa. Additionally, the Holders of the Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B and Class 1B-2 Notes

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*



Connecticut Avenue Securities, Series 2022-R01  
CONFIDENTIAL PRELIMINARY TERM SHEET

may exchange all or part of those Classes for proportionate interests in the Classes of Related Combinable and Recombinable Notes (the "RCR Notes") in the applicable combinations set forth on Schedule I hereto, and vice versa. Holders of certain Classes of RCR Notes may further exchange all or part of those Classes for proportionate interests in other RCR Notes in the applicable combinations set forth on Schedule I hereto, and vice versa. Of the Exchangeable Notes and the RCR Notes, only the Class 1M-2, Class 1B-1 and Class 1B-2 Notes are Offered Notes.

- (7) The Class 1B-3H Reference Tranche is assigned a class coupon solely for purposes of calculations in connection with the allocation of Modification Loss Amounts to the Subordinate Reference Tranches.
- (8) The X-IO Interest will be an uncertificated interest issued by the Issuer and held by Fannie Mae. The X-IO Interest will have no principal balance and will represent the entitlement on any Payment Date to the excess, if any, of (i) the amount payable in respect of the IO Q-REMIC Interest for such Payment Date over (ii) the Transfer Amount for the related Remittance Date. The X-IO Interest will not be offered.
- (9) The Class R and Class RL Certificates, which will be issued by the Issuer and retained by Fannie Mae, will constitute residual interests under U.S. Treasury regulations. The Class R and Class RL Certificates will not be offered.



## Transaction Overview

On the Closing Date, the Issuer will issue the Notes. The Initial Purchasers will sell the Notes and the Issuer will deliver the gross proceeds of the sale of the Notes to the Custodian for deposit in a securities account (the "Cash Collateral Account"). The Notes will be subject to the credit and principal payment risk of the related portion of a certain pool (the "Reference Pool") of residential mortgage loans (the "Reference Obligations") held in various Fannie Mae-guaranteed MBS. Except as described below, the actual cash flows from the Reference Obligations will never be paid to the holders of the Notes (the "Noteholders" or "Holders," and each, a "Noteholder" or a "Holder"). The Issuer will make monthly payments of accrued interest and periodic payments of principal to the Noteholders. The Notes will be issued at par and, except for the Interest Only RCR Notes (as defined herein) and certain other RCR Notes, will be 20-year, uncapped SOFR-based floaters.

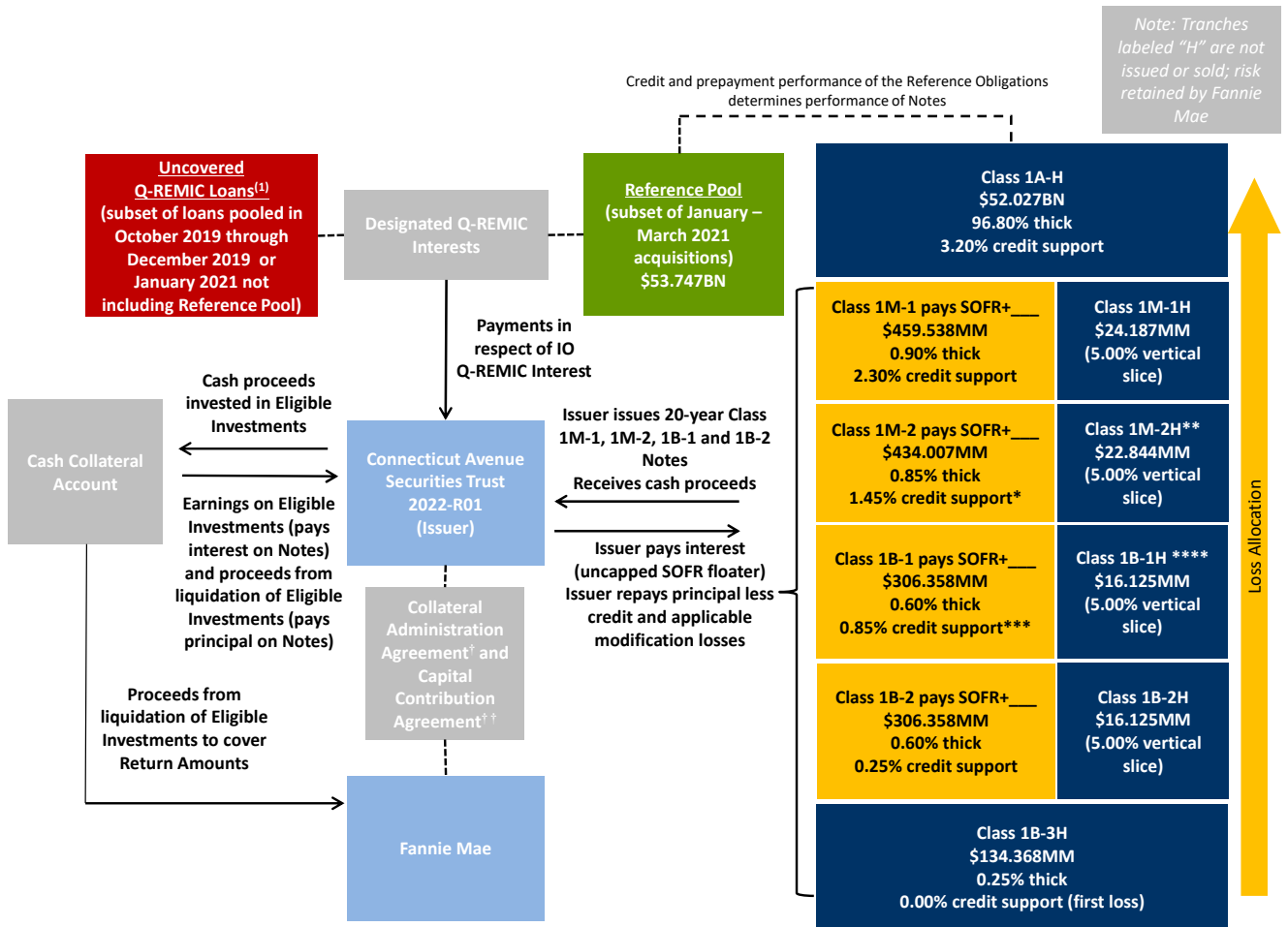
On the Termination Date, the Class Principal Balances of all outstanding Notes will be paid in full. If there are unrecovered losses on any Notes as of the Termination Date, holders of those Notes will be entitled to certain projected recovery payments on that date.

The "Offered Notes" consist of the Class 1M-1, Class 1M-2, Class 1B-1 and Class 1B-2 Notes. The transaction is structured to afford investors pass-through economic exposure to the Reference Obligations and provide Fannie Mae reimbursement for specified losses it incurs with respect to Reference Obligations that experience losses relating to Credit Events and Modification Events. Reimbursement of Fannie Mae for such specified losses is achieved in part by allowing the Issuer to reduce the outstanding Class Principal Balances of the Notes related to the designated Credit Events and Modification Events on the Reference Obligations. The occurrence of certain Credit Events or Modification Events on the Reference Obligations could result in write-downs of the Class Principal Balances of the Notes to the extent losses are realized on such Reference Obligations as a result of these events. In addition, the interest entitlement of the Notes may be subject to reduction based on the occurrence of Modification Events on these Reference Obligations to the extent losses are realized with respect thereto.

The sources of payments on the Notes consist of investment earnings and liquidation proceeds of short-term, liquid investments held in the Cash Collateral Account, amounts received by the Issuer under the Collateral Administration Agreement and Capital Contribution Agreement, and certain amounts received in respect of REMIC interests issued by separate REMIC trusts previously established by Fannie Mae and assigned by Fannie Mae to the Issuer, each as further described in this term sheet. The transaction has been structured so that the capital structure and cash flow allocations relative to principal payments of the Notes are reflective of private label senior/subordinate residential mortgage backed securities. Accordingly, the Notes may not receive allocations in respect of scheduled and unscheduled principal unless target credit enhancement and delinquency percentages have been maintained. However, unlike securities in some senior/subordinate private label residential mortgage-backed securitizations, the principal payments required to be paid by the Issuer on the Notes will be based in part on the principal that is actually collected on the Reference Obligations, rather than on the entire amount of scheduled payments due on those Reference Obligations as further described herein.

Capitalized terms used in this term sheet are defined when first used or in the "GLOSSARY OF CERTAIN DEFINED TERMS."





(1) "Uncovered Q-REMIC Loans" represents a portion of the loans that were pooled in various Fannie Mae MBS trusts established in October 2019 through December 2019 or January 2021 that made REMIC elections. Such loans either (x) did not meet the Eligibility Criteria at time of acquisition and/or the Cut-Off Date or (y) would meet the Eligibility Criteria but were included in a previous Fannie Mae risk sharing transaction or are expected to be included in an alternative Fannie Mae risk sharing transaction. In no event will an Uncovered Q-REMIC Loan be a Reference Obligation or an uncovered Q-REMIC loan in any other Fannie Mae REMIC risk sharing transaction.

† Provides for (i) payment by Fannie Mae of Transfer Amounts (to the extent not otherwise paid from the IO Q-REMIC Interest) and any Return Reimbursement Amounts to the Issuer and (ii) payment by Issuer of Return Amounts to Fannie Mae.

†† Provides for payment by Fannie Mae of Capital Contribution Amounts to the Issuer.

Transfer Amounts are paid through to Holders in respect of interest on the Notes; Return Reimbursement Amounts are paid through to Holders in respect of principal of the Notes; portions of Capital Contributions Amounts are paid through to Holders in respect of interest on the Notes and portions are paid through to Holders in respect of principal on the Notes.

\* Approximate initial credit support will be 2.02% for the Class 1M-2A Notes, 1.73% for the Class 1M-2B Notes and 1.45% for the Class 1M-2C Notes.

\*\* Shown for illustrative purposes only. Represents the sum of the Class Notional Amounts of the Class 1M-AH, Class 1M-BH and Class 1M-CH Reference Tranches. Losses are allocated to such Reference Tranches in reverse order.

\*\*\* Approximate initial credit support will be 1.15% for the Class 1B-1A Notes and 0.85% for the Class 1B-1B Notes.

\*\*\*\* Shown for illustrative purposes only. Represents the sum of the Class Notional Amounts of the Class 1B-AH and Class 1B-BH Reference Tranches. Losses are allocated to such Reference Tranches in reverse order.





**GENERAL INFORMATION**

<b>Issuer</b>	Connecticut Avenue Securities Trust 2022-R01, a Delaware statutory trust
<b>Trustor, Administrator and Master Servicer</b>	Fannie Mae
<b>Title of Series</b>	Connecticut Avenue Securities, Series 2022-R01
<b>Offered Notes</b>	Class 1M-1, Class 1M-2, Class 1B-1 and Class 1B-2 Notes
<b>Delaware Trustee</b>	U.S. Bank Trust National Association, not in its individual capacity but solely in its capacity as Delaware Trustee of the Issuer pursuant to an amended and restated trust agreement, dated as of the Closing Date (the "Trust Agreement") among the Delaware Trustee, Fannie Mae, as Trustor and Administrator, and Computershare Trust Company, N.A. as certificate registrar and certificate paying agent. Fees, expenses and indemnities of the Delaware Trustee will be paid by the Administrator.
<b>Indenture Trustee</b>	Computershare Trust Company, N.A. Fees, expenses and indemnities of the Indenture Trustee will be paid by the Administrator.
<b>Exchange Administrator</b>	Computershare Trust Company, N.A. The Exchange Administrator for the RCR Notes and the Exchangeable Notes will, among other duties, administer all exchanges of RCR Notes for Exchangeable Notes and vice versa, which will include receiving notices of requests for such exchanges from Noteholders, accepting the Notes to be exchanged, and giving notice to the Indenture Trustee of all such exchanges.
<b>Custodian</b>	Computershare Trust Company, N.A. Fees, expenses and indemnities of the Custodian will be paid by the Administrator.
<b>Investment Agent</b>	Computershare Trust Company, N.A. or an affiliate thereof. Pursuant to an investment agency agreement among the Investment Agent, the Custodian, the Administrator and the Issuer (the "Investment Agency Agreement"), the Investment Agent will invest the funds in the Cash Collateral Account in Eligible Investments. The Investment Agency Agreement will set forth investment guidelines and will specify the Eligible Investments. Fees, expenses and indemnities of the Investment Agent will be paid by the Administrator.



<b>Lead Managers and Joint Bookrunners</b>	BofA Securities (Structuring Lead) and Nomura (Co-Lead Manager).
<b>Co-Managers</b>	Barclays, Citigroup, Morgan Stanley and StoneX.
<b>Selling Group Members</b>	CastleOak Securities, L.P. and Siebert Williams Shank & Co., LLC.
<b>Payment Date</b>	The 25th day of each calendar month (or, if not a business day, the following business day), commencing in January 2022. The "Remittance Date" is the business day immediately preceding each Payment Date.
<b>Assets of the Issuer</b>	The Cash Collateral Account (including the investments held therein), the Designated Q-REMIC Interests, the Note Distribution Account, and the rights of the Issuer under the Collateral Administration Agreement, the Capital Contribution Agreement, the Securities Account Control Agreement and the Investment Agency Agreement, all of which will be pledged to the Indenture Trustee for the benefit of Fannie Mae under the Collateral Administration Agreement and the Noteholders.
<b>Designated Q-REMIC Interests</b>	<p>REMIC regular interests issued by a Fannie Mae trust pursuant to a master trust agreement dated as of May 1, 2018.</p> <p>The Designated Q-REMIC Interests consist of (i) one or more interest-only REMIC regular interests related to certain interest cash flows from the Reference Obligations and certain of the Uncovered Q-REMIC Loans (the "IO Q-REMIC Interest") and (ii) one or more subordinate REMIC regular interests related to the Reference Obligations (the "Subordinate Q-REMIC Interest").</p> <p>On the Closing Date, Fannie Mae will contribute the Designated Q-REMIC Interests to the Issuer and the Issuer will pledge the Designated Q-REMIC Interests under the Indenture to the Indenture Trustee for the benefit of Fannie Mae under the Collateral Administration Agreement and the Noteholders.</p> <p>See "<i>INVESTMENT CONSIDERATIONS — United States Federal Tax Consequences</i>" below for a description of the related features.</p>
<b>Cash Collateral Account</b>	An account to be established on the Closing Date in the name of the Issuer. The Custodian will invest (at the direction of the Investment Agent) amounts held in the Cash Collateral Account in Eligible Investments pursuant to the Investment Agency Agreement. The Investment Agent will liquidate Eligible



Investments held in the Cash Collateral Account to pay any Return Amounts due to Fannie Mae on any Remittance Date and, to the extent available after payment of such Return Amounts, deposit the proceeds in the Note Distribution Account for payment to Noteholders in respect of principal due on the Notes on the related Payment Date. Investment earnings on Eligible Investments held in the Cash Collateral Account during the related Investment Accrual Period will be deposited in the Note Distribution Account for payment to Noteholders in respect of interest; *provided*, that any investment earnings in excess of the SOFR Interest Component for such Payment Date will be retained in the Cash Collateral Account until the Termination Date and will at no time be available for payment to Noteholders.

The rights of the Noteholders in the Cash Collateral Account will be subordinate to Fannie Mae's right to receive Return Amounts for so long as the Notes remain outstanding.

### **Eligible Investments**

Each of the following investments, provided such investment is scheduled to mature on or before the immediately following Remittance Date, and all cash proceeds thereof: (a) obligations issued or fully guaranteed by the U.S. government; (b) repurchase obligations involving any security that is an obligation of, or fully guaranteed by, the U.S. government or any agency or instrumentality thereof, and entered into with a depository institution or trust company (as principal) subject to supervision by U.S. federal or state banking or depository institution authorities, provided that such institution has a short-term issuer rating of "A-1+", "P1", "F1+" or equivalent from a nationally recognized statistical rating organization, and further provided that if Fitch Ratings, Inc. has been engaged to provide a rating on the Rated Notes, such institution must have a short-term issuer rating of "F1+", and further provided that if S&P Global Ratings, a Standard & Poor's Financial Services LLC business, has been engaged to provide a rating on the Rated Notes, such institution must have a short-term issuer rating of "A-1+"; and (c) U.S. government money market funds that are designed to meet the dual objective of preservation of capital and timely liquidity; provided, however, that in the event an investment fails to qualify under (a), (b) or (c) above, the proceeds of the sale of such investment will be deemed to be liquidation proceeds of an Eligible Investment for all purposes of the Indenture provided such liquidation proceeds are promptly reinvested in Eligible Investments that qualify in accordance with one of the foregoing. With respect to money market funds, the maturity date will be determined under Rule



2a-7 under the Investment Company Act.

The offering memorandum will set out any additional requirements relating to Eligible Investments.

**Securities Account Control Agreement**

The Issuer, the Indenture Trustee, the Custodian, the Administrator and Wells Fargo Bank, N.A., as account bank (the "Account Bank"), will enter into a Securities Account Control Agreement under which the Account Bank will hold all Eligible Investments in the Cash Collateral Account and will serve as securities intermediary, including with respect to the Designated Q-REMIC Interests and amounts on deposit in the Note Distribution Account.

**Note Distribution Account**

An account to be established on the Closing Date in the name of the Indenture Trustee for the benefit of the Noteholders. The Note Distribution Account will include deposits from time to time of (a) investment income earned on Eligible Investments held in the Cash Collateral Account (up to the amount of the SOFR Interest Component for a Payment Date), (b) proceeds from the liquidation of those Eligible Investments, (c) due and payable Transfer Amounts, Capital Contribution Amounts and Return Reimbursement Amounts and (d) without duplication of the amounts set forth in clauses (a) through (c) above, other amounts payable to the Issuer in respect of the Designated Q-REMIC Interests; *provided*, that amounts payable in respect of the X-IO Interest will not be deposited in the Note Distribution Account and instead will be paid to the holder thereof.

**Collateral Administration Agreement**

Simultaneously with the issuance of the Notes, Fannie Mae, the Issuer and the Indenture Trustee will enter into a Collateral Administration Agreement.

The Collateral Administration Agreement will provide that, on each Remittance Date:

- Fannie Mae will pay to the Issuer, by deposit into the Note Distribution Account or otherwise, (a) the Transfer Amount for such Remittance Date, it being understood that the Trust Estate Yield for the related Payment Date will be deemed to satisfy, up to the amount thereof, the foregoing payment obligation of Fannie Mae and (b) the Return Reimbursement Amount, if any, for such Remittance Date; and
- the Issuer will pay to Fannie Mae the Return Amount, if



any, for such Remittance Date.

The Collateral Administration Agreement is subject to early termination following the occurrence of certain events described below. The "CAA Early Termination Date" is a Payment Date that is designated as an early termination date following the occurrence of such an event or following any termination of the Capital Contribution Agreement. The occurrence of a CAA Early Termination Date will constitute an Early Redemption Date for the Notes.

The CAA Early Termination Date will be the Payment Date following the occurrence of any of the following events (each, a "CAA Early Termination Event"):

- a final SEC determination that the Issuer must register as an investment company under the Investment Company Act;
- an acceleration of the maturity of the Notes under the Indenture; or
- failure of Fannie Mae to make a required payment under the Collateral Administration Agreement, which failure continues unremedied for 30 days following receipt of written notice of such failure.

Additionally, Fannie Mae may in its sole discretion designate as the CAA Early Termination Date the Payment Date following the occurrence of any of the following events (each, a "CAA Trigger Event"):

- accounting, insurance or regulatory changes after the Closing Date that, in Fannie Mae's reasonable determination, have a material adverse effect on Fannie Mae;
- legal, regulatory or accounting requirements or guidelines that, in Fannie Mae's reasonable determination, materially affect the financial position, accounting treatment or intended benefit of or to Fannie Mae;
- a requirement, in Fannie Mae's reasonable determination after consultation with external counsel (which will be a nationally recognized and reputable law firm), that Fannie Mae or any other transaction party must register as a "commodity pool



operator" under the Commodity Exchange Act solely because of its participation in the transaction;

- material impairment of the Fannie Mae's rights under the Collateral Administration Agreement due to the amendment or modification of any transaction document; or
- failure of the Issuer to make a required payment under the Collateral Administration Agreement, which failure continues unremedied for 30 days following receipt of written notice of such failure.

**Transfer Amount**

For a Remittance Date, the excess of (a) the aggregate Interest Payment Amount for the related Payment Date over (b) the SOFR Interest Component for such Payment Date.

The "SOFR Interest Component" for a Payment Date is an amount equal to the product of (i) SOFR for such Payment Date, (ii) the aggregate Class Principal Balance of the Notes immediately preceding such Payment Date and (iii) a fraction, the numerator of which is the actual number of days in the related Notes Accrual Period and the denominator of which is 360.

**Trust Estate Yield**

For any Payment Date, the cash flow yield on the assets contributed by Fannie Mae and constituting part of the trust estate of the Issuer (including the IO Q-REMIC Interest, but excluding the Subordinate Q-REMIC Interest and Eligible Investments held in the Cash Collateral Account) in respect of such Payment Date.

**Return Amount**

For any Remittance Date, the aggregate Tranche Write-down Amounts, if any, allocated to reduce the Class Principal Balance of each applicable outstanding Class of Notes on the related Payment Date (without regard to any exchanges of Exchangeable Notes for any RCR Notes).

**Return Reimbursement Amount**

For any Remittance Date, an amount equal to the aggregate Tranche Write-up Amounts, if any, allocated to increase the Class Principal Balance of each applicable outstanding Class of Notes on the related Payment Date (without regard to any exchanges of Exchangeable Notes for any RCR Notes).

**Capital Contribution Agreement**

Simultaneously with the issuance of the Notes, Fannie Mae, the Issuer and the Indenture Trustee will enter into a Capital Contribution Agreement under which Fannie Mae will pay any Capital Contribution Amounts to the Issuer by deposit into the



Note Distribution Account on each Remittance Date.

The Capital Contribution Agreement is subject to termination upon the occurrence of a CAA Early Termination Date under the Collateral Administration Agreement.

**Capital Contribution Amount**

For a Remittance Date, the sum of

- an amount equal to the excess, if any, of (a) the SOFR Interest Component for the related Payment Date, over (b) investment earnings on Eligible Investments in the Cash Collateral Account during related Investment Accrual Period (such amount, the "SOFR Interest Component Contribution"); plus
- an amount equal to the excess, if any, of (a) the principal amount (book value) of Eligible Investments liquidated in respect of such Remittance Date over (b) the liquidation proceeds of such Eligible Investments (such amount, the "Investment Liquidation Contribution").

**Cut-off Date**

For this term sheet and for the offering memorandum, October 31, 2021.

**Closing Date**

On or about January 20, 2022.

**Notes Accrual Period**

With respect to each Payment Date, the period beginning on and including the prior Payment Date (or, in the case of the first Payment Date, the Closing Date) and ending on and including the day preceding such Payment Date. Interest will be calculated based on the actual number of days in a Notes Accrual Period and a 360-day year.

**Investment Accrual Period**

With respect to a Payment Date, the calendar month immediately preceding the month of such Payment Date.

**Class Coupon**

The class coupon on each Class of Notes for any Notes Accrual Period will be equal to the floating or fixed per annum rate (or, in the case of certain RCR Notes, the interest entitlement described in Schedule I hereto) specified for such class as set forth in the final offering memorandum.

**Benchmark**

With respect to any Notes Accrual Period, each Class of Notes will bear interest at an interest rate based on SOFR. Fannie Mae currently establishes SOFR using Compounded SOFR as described in Appendix A to this term sheet.





If Fannie Mae determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of SOFR on any date (as such terms are defined in Appendix A to this term sheet), the applicable Benchmark Replacement will, subject to administrative feasibility, replace the then-current Benchmark for all purposes relating to the Notes in respect of the determination on such date and all subsequent dates. Fannie Mae in its sole judgment will determine whether a Benchmark Replacement is available and whether it is administratively feasible. In determining administrative feasibility, Fannie Mae will take into account, among other things, technical and operational issues as well as any regulatory requirements, directives or pronouncements affecting its actions. The terms endorsed by the Alternative Reference Rates Committee, as adopted by Fannie Mae and set forth in Appendix A to this term sheet, describe how a Benchmark Replacement will be determined. Any such determination, decision or election will become effective without the consent of any other party. No other transaction party will have any obligation or liability with respect to the determination of SOFR or any Benchmark Transition Event, Benchmark Replacement or Benchmark Replacement Adjustment.

### Legal Status

The Notes will be secured obligations of the Issuer. The RCR Notes represent interests in the Class 1M-2A Notes, Class 1M-2B Notes, Class 1M-2C Notes, Class 1B-1A Notes, Class 1B-1B Notes and/or Class 1B-2 Notes. **The United States does not guarantee the Notes or any interest or return of discount on the Notes. The Notes are not debts or obligations of Fannie Mae, the United States or any agency or instrumentality of the United States.**

### Notes

The Class 1M-1 Notes, Class 1M-2 Notes (together with the Class 1M-2A Notes, Class 1M-2B Notes and Class 1M-2C Notes), Class 1B-1 Notes (together with the Class 1B-1A Notes and Class 1B-1B Notes), Class 1B-2 Notes and the additional RCR Notes set forth on Schedule I hereto.

The Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B and Class 1B-2 Notes are the "Exchangeable Notes." The Notes will receive principal payments, if entitled to receive principal, and will be allocated reductions and increases in Class Principal Balance or Class Notional Amount, as applicable, in accordance with such allocations to the related Reference Tranches.

**RCR Notes**

The Related Combinable and Recombinable Notes, or "RCR Notes" are set forth on Schedule I hereto. Holders of (x) Class 1M-2 Notes and Class 1B-1 Notes may exchange all or part of those Notes for proportionate interests in the related Exchangeable Notes, and vice versa, and (y) Class 1B-2 Notes may exchange all or part of those Notes for proportionate interests in the related RCR Notes, and vice versa, at any time on or after the earlier of (i) the tenth business day following the Closing Date or (ii) the first business day following the first Payment Date; *provided*, that no such exchange will occur on any Payment Date or Record Date. Additionally, Holders of Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A and Class 1B-1B Notes may further exchange all or part of those Exchangeable Notes for proportionate interests in the related RCR Notes, and vice versa. Certain Classes of related RCR Notes may further be exchanged for other Classes of RCR Notes as set forth on Schedule I hereto, and vice versa. Exchanges may occur repeatedly. Schedule I attached hereto sets forth the available combinations (the "Combinations") and characteristics of the RCR Notes. For the avoidance of doubt, an investor that would otherwise become a Holder of Class 1M-2, Class 1B-1 or Class 1B-2 Notes on the Closing Date may specify, no later than 2:00 P.M. (New York City time) on the third business day prior to the Closing Date, any permissible combination of proportionate interests in related RCR Notes or Exchangeable Notes for receipt by such investor on the Closing Date, in which case any exchange procedures and fees otherwise applicable to such exchange will be waived. RCR Notes that are held by Holders will receive interest payments that are allocable to the related Exchangeable Notes, calculated at the applicable class coupon rate, and all principal amounts that are payable by the Issuer on the related Exchangeable Notes will be allocated to and payable to the related RCR Notes entitled to principal. In addition, Tranche Write-down Amounts that are allocable to Exchangeable Notes will be allocated to reduce the Class Principal Balance or Class Notional Amount, as applicable, of the related RCR Notes (to the extent such RCR Notes have a Class Principal Balance or Class Notional Amount, as applicable, greater than zero). Further, Tranche Write-up Amounts that are allocable to Exchangeable Notes will be allocated to increase the Class Principal Balance or Class Notional Amount, as applicable, of the related RCR Notes.

Certain of the RCR Notes set forth on Schedule I hereto are interest only RCR Notes (the "Interest Only RCR Notes"). The Interest Only RCR Notes are not entitled to receive payments of principal. Each Class of Interest Only RCR Notes has a "Class Notional Amount" as of any Payment Date equal to a specified



percentage of the outstanding Class Principal Balance of the related Class of Exchangeable Notes or RCR Notes, as the case may be.

**Reference Tranches**

The "References Tranches" are:

- Class 1A-H Reference Tranche;
- Class 1M-1 Reference Tranche;
- Class 1M-1H Reference Tranche;
- Class 1M-2A Reference Tranche;
- Class 1M-AH Reference Tranche;
- Class 1M-2B Reference Tranche;
- Class 1M-BH Reference Tranche;
- Class 1M-2C Reference Tranche;
- Class 1M-CH Reference Tranche;
- Class 1B-1A Reference Tranche;
- Class 1B-AH Reference Tranche;
- Class 1B-1B Reference Tranche;
- Class 1B-BH Reference Tranche;
- Class 1B-2 Reference Tranche;
- Class 1B-2H Reference Tranche; and
- Class 1B-3H Reference Tranche.

The Reference Tranches are described solely for the purpose of calculating principal payments required to be made on the Notes by the Issuer, any reductions or increases of principal on the Notes as a result of Credit Events on the Reference Obligations and any reductions in the interest or principal entitlements of the Notes as a result of Modification Events on the Reference Obligations. Only the Class 1M-1 Reference Tranche, Class 1M-2A Reference Tranche, Class 1M-2B Reference Tranche, Class 1M-2C Reference Tranche, Class 1B-1A Reference Tranche, Class 1B-1B Reference Tranche and Class 1B-2 Reference Tranche will have corresponding Classes of Notes on the Closing Date.

**Senior Reference Tranche**

The Class 1A-H Reference Tranche (the "Senior Reference Tranche").



**Mezzanine Reference Tranches**

The "Mezzanine Reference Tranches" are:

Class 1M-1 Reference Tranche;  
Class 1M-1H Reference Tranche;  
Class 1M-2A Reference Tranche;  
Class 1M-AH Reference Tranche;  
Class 1M-2B Reference Tranche;  
Class 1M-BH Reference Tranche;  
Class 1M-2C Reference Tranche; and  
Class 1M-CH Reference Tranche.

**Subordinate Reference Tranches**

The Mezzanine Reference Tranches, the Class 1B-1A Reference Tranche, Class 1B-AH Reference Tranche, Class 1B-1B Reference Tranche, Class 1B-BH Reference Tranche, Class 1B-2 Reference Tranche, Class 1B-2H Reference Tranche and Class 1B-3H Reference Tranche (collectively, the "Subordinate Reference Tranches").

**Class Notional Amount of Reference Tranches**

As of any Payment Date and with respect to each Reference Tranche, a notional amount equal to the initial Class Notional Amount of such Reference Tranche,

- minus the aggregate amount of Senior Reduction Amounts, Subordinate Reduction Amounts and Supplemental Subordinate Reduction Amounts allocated to such Reference Tranche on such Payment Date and all prior Payment Dates,
- minus the aggregate amount of Tranche Write-down Amounts allocated to reduce the Class Notional Amount of such Reference Tranche on such Payment Date and on all prior Payment Dates,
- plus the aggregate amount of Tranche Write-up Amounts allocated to increase the Class Notional Amount of such Reference Tranche on such Payment Date and on all prior Payment Dates, and
- plus, in the case of the Class 1A-H Reference Tranche, the aggregate amount of Supplemental Senior Increase Amounts allocated to increase the Class Notional Amount thereof on such Payment Date and on all prior Payment Dates.

For the avoidance of doubt, no Tranche Write-up Amount or Tranche Write-down Amount will be applied twice on the same Payment Date.

**Settlement**

The Notes will settle with no accrued interest.



<b>Form of Offering</b>	Exempt from registration with the SEC under the Securities Act. The Notes are being offered only to "Qualified Institutional Buyers" (as defined in Rule 144A under the Securities Act) or to non-U.S. persons outside the United States pursuant to Regulation S under the Securities Act.
<b>Ratings/Rating Agencies</b>	The Issuer has engaged S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P") and Kroll Bond Rating Agency, Inc. ("KBRA") to rate the Class 1M-1 Notes, Class 1M-2A Notes, Class 1M-2B Notes, Class 1M-2C Notes, Class 1M-2 Notes, Class 1B-1A Notes, Class 1B-1B Notes, Class 1B-1 Notes and certain additional Classes of RCR Notes set forth on Schedule I hereto and the Issuer has engaged KBRA to rate the Class 1B-2 Notes (collectively, the "Rated Notes") on the Closing Date.
<b>Reporting Period</b>	The second calendar month preceding the month of each Payment Date. The delinquency status of each Reference Obligation will be determined as of the close of business on the last day of the related Reporting Period.
<b>Maturity Date</b>	The Issuer will be obligated to retire the Notes by paying an amount equal to their full remaining Class Principal Balances, plus accrued and unpaid interest, on the Payment Date in December 2041 (the "Maturity Date"). However, the Notes may be paid in full prior to the Maturity Date on (a) the Early Redemption Date or (b) the Payment Date on which the aggregate Class Principal Balance of all outstanding Notes is otherwise reduced to zero. If on the Maturity Date a Class of RCR Notes is outstanding, all amounts payable on the Exchangeable Notes that were exchanged for such RCR Notes will be allocated to and payable on the applicable RCR Notes entitled to receive those amounts.
<b>Early Redemption Option</b>	Fannie Mae, as holder of the certificate evidencing beneficial ownership of the Issuer, may direct the Issuer to redeem the Notes on any Payment Date on or after the earlier to occur of (i) the Payment Date on which the aggregate unpaid principal balance of the Reference Obligations is less than or equal to 10% of the Cut-off Date Balance and (ii) the Payment Date occurring in December 2026, by paying an amount equal to the outstanding Class Principal Balance of the Notes, plus accrued and unpaid interest and related unpaid fees, expenses and indemnities of the Indenture Trustee, Exchange Administrator, Custodian, Investment Agent and Delaware Trustee. If on the Early Redemption Date a Class of RCR Notes is outstanding, all principal amounts that are payable by the Issuer on the



Exchangeable Notes that were exchanged for such RCR Notes will be allocated to and payable on the applicable RCR Notes entitled to receive principal.

**Early Redemption Date**

The earlier to occur of (i) the Payment Date, if any, on which the Notes are redeemed by the Issuer pursuant to the Early Redemption Option and (ii) the CAA Early Termination Date (if such date is a result of the occurrence of a CAA Trigger Event).

**Termination Date**

The Notes will no longer be outstanding upon the date which is the earliest of:

- (1) the Maturity Date;
- (2) the Early Redemption Date; and
- (3) the Payment Date on which the aggregate initial Class Principal Balance (without giving effect to any allocations of Tranche Write-down Amounts or Tranche Write-up Amounts related to the Notes on such Payment Date and all prior Payment Dates) and accrued and unpaid interest due on the Notes plus related unpaid fees, expenses and indemnities of the Indenture Trustee, Exchange Administrator, Custodian, Investment Agent and Delaware Trustee have otherwise been paid in full.



**Expected Credit Enhancement**

<b>Notes/Tranches</b>	<b>Tranche Size</b>	<b>Approximate Initial Credit Support</b>
Class 1A-H	96.80%	3.20%
Class 1M-1 and Class 1M-1H	0.90%	2.30%
Class 1M-2 <sup>(1)</sup> and Class 1M-2H <sup>(2)</sup>	0.85%	1.45%
Class 1B-1 <sup>(3)</sup> and Class 1B-1H <sup>(4)</sup>	0.60%	0.85%
Class 1B-2 and Class 1B-2H	0.60%	0.25%
Class 1B-3H	0.25%	0.00%

- (1) Approximate initial credit support will be 2.02% for the Class 1M-2A Notes, 1.73% for the Class 1M-2B Notes and 1.45% for the Class 1M-2C Notes.
- (2) Shown for illustrative purposes only. Represents the sum of the Class 1M-AH, Class 1M-BH and Class 1M-CH Reference Tranches.
- (3) Approximate initial credit support will be 1.15% for the Class 1B-1A Notes and 0.85% for the Class 1B-1B Notes.
- (4) Shown for illustrative purposes only. Represents the sum of the Class 1B-AH and Class 1B-BH Reference Tranches.

The Subordinate Reference Tranches are subordinate to, and provide credit enhancement for, the Senior Reference Tranche and for each Class of more senior Subordinate Reference Tranches.

**Fannie Mae Retention of Minimum 5% of Underlying Credit Risk**

Fannie Mae will retain at least 5% of the underlying credit risk corresponding to a vertical slice of each of the Reference Tranches. Moreover, Fannie Mae will retain 100% of the underlying credit risk corresponding to the Class 1B-3H Reference Tranche.

**Notes Acquired by Fannie Mae**

Fannie Mae may from time to time acquire any of the Notes at any price in the open market or otherwise.

***STRUCTURAL FEATURES***

**Scheduled Principal**

With respect to each Payment Date, the sum of all monthly scheduled payments of principal on the Reference Obligations that were collected by the related servicer during the related Reporting Period as reported to Fannie Mae as Master Servicer. Once a Reference Obligation is removed from the related MBS, all subsequent principal collections will be treated as Unscheduled Principal.



**Unscheduled Principal**

With respect to each Payment Date:

- (a) all partial principal prepayments on the Reference Obligations collected during the related Reporting Period, *plus*
- (b) the aggregate unpaid principal balance of all Reference Obligations that became subject to Reference Pool Removals during the related Reporting Period (excluding (i) Credit Event Reference Obligations and (ii) the portions of any prepayments in full that consist of scheduled principal collections), *plus*
- (c) decreases in the unpaid principal balance of all Reference Obligations as the result of loan modification or data corrections, *plus*
- (d) all scheduled principal collections, if any, for any Reference Obligations that have been removed from the related MBS, *plus*
- (e) the excess, if any, of the aggregate unpaid principal balance of the Reference Obligations refinanced under the High LTV Refinance Option and removed from the Reference Pool during the related Reporting Period, over the aggregate original unpaid principal balance of the resulting High LTV Refinance Reference Obligations, *minus*
- (f) increases in the unpaid principal balances of all Reference Obligations as the result of loan modifications, payment deferrals, reinstatements due to error, or data corrections.

In the event that (f) above exceeds the sum of (a) through (e), the Unscheduled Principal for such Payment Date will be zero, and the Scheduled Principal for such Payment Date will be reduced by the amount of such excess. In the event that (f) above exceeds the sum of (a) through (e) plus the Scheduled Principal for such Payment Date, then both Scheduled Principal and Unscheduled Principal for such Payment Date will be zero, and the Class 1A-H Notional Amount will be increased by the amount of such excess. In April 2016, at the direction of its regulator and conservator FHFA, Fannie Mae announced a program that permits principal forgiveness as a loss mitigation alternative for a limited number of loans that were 90 days or more delinquent and had an unpaid principal balance in excess of the value of the related mortgaged property as of March 2016. No Reference Obligations are eligible for inclusion in this program. While there is no indication that this program will be extended or replicated, if any similar program of principal reduction were to be employed in the future that affected the Reference Obligations, any principal that was forgiven with respect to a Reference Obligation would decrease the unpaid



principal balance of such Reference Obligation pursuant to clause (c) above.

**Excess Credit Event Amount**

With respect to each Payment Date, the sum of:

- (a) the excess, if any of the related Credit Event Amount for such Payment Date over the related Tranche Write-down Amount for such Payment Date; *plus*
- (b) the related Tranche Write-up Amount for such Payment Date.

**Senior Reduction Amount**

With respect to each Payment Date, if either of the Minimum Credit Enhancement Test or the Delinquency Test is not satisfied, the sum of:

- (a) 100% of the Scheduled Principal for such Payment Date;
- (b) 100% of the Unscheduled Principal for such Payment Date; and
- (c) 100% of the Excess Credit Event Amount for such Payment Date.

With respect to each Payment Date, if the Minimum Credit Enhancement Test and the Delinquency Test are both satisfied, the sum of:

- (a) the Senior Percentage of the Scheduled Principal for such Payment Date;
- (b) the Senior Percentage of the Unscheduled Principal for such Payment Date; and
- (c) 100% of the Excess Credit Event Amount for such Payment Date.

The "Senior Percentage" for a Payment Date is the percentage equivalent to a fraction, the numerator of which is the Class Notional Amount of the Senior Reference Tranche immediately prior to such Payment Date and the denominator of which is the aggregate unpaid principal balance of the Reference Obligations at the end of the previous Reporting Period.

**Subordinate Reduction Amount**

With respect to each Payment Date, the sum of the Scheduled Principal, Unscheduled Principal and Excess Credit Event Amount for such Payment Date, less the Senior Reduction Amount.

**Allocation of Senior Reduction Amount**

On each Payment Date on or prior to the Termination Date, the Senior Reduction Amount will be allocated to reduce the Class Notional Amount of each Reference Tranche in the following



order of priority, in each case until its Class Notional Amount is reduced to zero:

- (i) *first*, to the Class 1A-H Reference Tranche,
- (ii) *second*, to the Class 1M-1 and Class 1M-1H Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date,
- (iii) *third*, to the Class 1M-2A and Class 1M-AH Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date,
- (iv) *fourth*, to the Class 1M-2B and Class 1M-BH Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date,
- (v) *fifth*, to the Class 1M-2C and Class 1M-CH Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date,
- (vi) *sixth*, to the Class 1B-1A and Class 1B-AH Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date,
- (vii) *seventh*, to the Class 1B-1B and Class 1B-BH Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date,
- (viii) *eighth*, to the Class 1B-2 and Class 1B-2H Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date, and
- (ix) *ninth*, to the Class 1B-3H Reference Tranche.

Because the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B and Class 1B-2 Notes correspond to the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B and Class 1B-2 Reference Tranches, respectively, any portion of the Senior Reduction Amount that is allocated to the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B or Class 1B-2 Reference Tranche will result in a corresponding reduction in the Class Principal Balance of the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B or Class 1B-2 Notes, as applicable. Such reductions in the Class Principal Balance of the Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B or Class 1B-2 Notes will result in a corresponding reduction in the Class Principal Balance or Class Notional Amount, as applicable, of the related RCR Notes (to the extent such RCR Notes have a Class Principal Balance or Class Notional Amount, as applicable, greater than zero).

**Allocation of Subordinate  
Reduction Amount**

On each Payment Date on or prior to the Termination Date, the Subordinate Reduction Amount will be allocated to reduce the Class Notional Amount of each Reference Tranche in the following order of priority, in each case until its Class Notional Amount is reduced to zero:

- (i) *first*, concurrently, on a pro rata basis based on their Class Notional Amounts, to the Class 1M-1 and Class 1M-1H Reference Tranches;
- (ii) *second*, concurrently, on a pro rata basis based on their Class Notional Amounts, to the Class 1M-2A and Class 1M-AH Reference Tranches;
- (iii) *third*, concurrently, on a pro rata basis based on their Class Notional Amounts, to the Class 1M-2B and Class 1M-BH Reference Tranches;
- (iv) *fourth*, concurrently, on a pro rata basis based on their Class Notional Amounts, to the Class 1M-2C and Class 1M-CH Reference Tranches;
- (v) *fifth*, concurrently, on a pro rata basis based on their Class Notional Amounts, to the Class 1B-1A and Class 1B-AH Reference Tranches;
- (vi) *sixth*, concurrently, on a pro rata basis based on their Class Notional Amounts, to the Class 1B-1B and Class 1B-BH Reference Tranches;
- (vii) *seventh*, concurrently, on a pro rata basis based on their Class Notional Amounts, to the Class 1B-2 and Class 1B-2H Reference Tranches;
- (viii) *eighth*, to the Class 1B-3H Reference Tranche; and
- (ix) *ninth*, to the Class 1A-H Reference Tranche.

Because the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B and Class 1B-2 Notes correspond to the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B and Class 1B-2 Reference Tranches, respectively, any portion of the Subordinate Reduction Amount that is allocated to the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B or Class 1B-2 Reference Tranche will result in a corresponding reduction in the Class Principal Balance of the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B or Class 1B-2 Notes, as applicable. The Class 1B-3H Reference Tranche will not have corresponding Notes.

If any RCR Notes are held by Holders, any Subordinate Reduction Amount that is allocable in the *second*, *third*, *fourth*, *fifth*, *sixth* or *seventh* priority above on any Payment Date to the related Exchangeable Notes will be allocated to reduce the Class Principal



Balance or Class Notional Amount, as applicable, of the related RCR Notes (to the extent such RCR Notes have a Class Principal Balance or Class Notional Amount, as applicable, greater than zero).

### ***Loss Allocation Framework***

#### **General**

Upon the occurrence of Modification Events affecting the Reference Obligations and to the extent that losses are realized with respect thereto, the interest entitlements of the Notes will be subject to reduction and the Class Principal Balances thereof will be subject to write-downs as further described under "*Allocation of Modification Loss Amounts*" below. Any such reductions or write-downs will be applied first to the most subordinate Class of Notes with an outstanding Class Principal Balance (once the Class Notional Amount of the Class 1B-3H Reference Tranche has been reduced to zero).

Upon the occurrence of Credit Events affecting the Reference Obligations and to the extent that losses are realized with respect thereto, the Class Principal Balances of the Notes will be subject to write-downs as further described under "*Allocation of Tranche Write-down Amounts*" below. Any such reductions or write-downs will be allocated first to the most subordinate Class of Notes with an outstanding Class Principal Balance (once the Class Notional Amount of the Class 1B-3H Reference Tranche has been reduced to zero).

#### **Modifications**

Reference Obligations that undergo a temporary or permanent modification will not be removed from the Reference Pool unless they otherwise meet the criteria for Reference Pool Removal.

In the event that a program of principal forgiveness were implemented that impacted the Reference Obligations, any reduction in the principal balance of a Reference Obligation as the result of principal forgiveness would be treated as Unscheduled Principal. However, if the Reference Obligation subsequently became a Credit Event Reference Obligation, the related negative adjustment would be included in the Credit Event Net Loss for the Reference Obligation.

#### **Modification Event**

With respect to any Reference Obligation, a forbearance or certain mortgage rate modifications relating to such Reference Obligation. It is noted that in the absence of a forbearance or certain mortgage rate modifications, a term extension on a Reference Obligation will not constitute a Modification Event. For the avoidance of doubt, a refinancing of a Reference Obligation under the High LTV



Refinance Option and replacement thereof with the resulting refinance mortgage loan (a "High LTV Refinance Reference Obligation") will not constitute a "Modification Event."

**Modification Loss Amount**

With respect to each Payment Date and any Reference Obligation that has experienced a Modification Event, the *excess*, if any, of:

- (i) one-twelfth of the Original Accrual Rate *multiplied by* the unpaid principal balance of such Reference Obligation, *over*
- (ii) one-twelfth of the Current Accrual Rate *multiplied by* the interest bearing unpaid principal balance of such Reference Obligation.

**Allocation of Modification Loss Amounts**

On each Payment Date on or prior to the Termination Date, the Preliminary Principal Loss Amount, Preliminary Tranche Write-down Amount, Preliminary Tranche Write-up Amount and Preliminary Class Notional Amount will be computed prior to the Allocation of the Modification Loss Amount.

On each Payment Date on or prior to the Termination Date, the Modification Loss Amount, if any, for such Payment Date will be allocated in the following order of priority:

*first*, to the Class 1B-3H Reference Tranche, until the amount allocated to the Class 1B-3H Reference Tranche is equal to the Class 1B-3H Reference Tranche Interest Accrual Amount;

*second*, to the Class 1B-3H Reference Tranche, until the aggregate amount allocated to the Class 1B-3H Reference Tranche is equal to the aggregate of the Preliminary Class Notional Amount of the Class 1B-3H Reference Tranche for such Payment Date;

*third*, to the Class 1B-2 and Class 1B-2H Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date, until the amount allocated to the Class 1B-2 Reference Tranche is equal to the Class 1B-2 Notes Interest Accrual Amount;

*fourth*, to the Class 1B-2 and Class 1B-2H Reference Tranches, pro rata, based on their Preliminary Class Notional Amounts for such Payment Date, until the aggregate amount allocated to the Class 1B-2 and Class 1B-2H Reference Tranches is equal to the aggregate of the Preliminary Class Notional Amounts of the Class 1B-2 and Class 1B-2H Reference Tranches for such Payment Date;

*fifth*, to the Class 1B-1B and Class 1B-BH Reference Tranches,



pro rata, based on their Class Notional Amounts immediately prior to such Payment Date, until the amount allocated to the Class 1B-1B Reference Tranche is equal to the Class 1B-1B Notes Interest Accrual Amount;

*sixth*, to the Class 1B-1A and Class 1B-AH Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date, until the amount allocated to the Class 1B-1A Reference Tranche is equal to the Class 1B-1A Notes Interest Accrual Amount;

*seventh*, to the Class 1B-1B and Class 1B-BH Reference Tranches, pro rata, based on their Preliminary Class Notional Amounts for such Payment Date, until the aggregate amount allocated to the Class 1B-1B and Class 1B-BH Reference Tranches is equal to the aggregate of the Preliminary Class Notional Amounts of the Class 1B-1B and Class 1B-BH Reference Tranches for such Payment Date;

*eighth*, to the Class 1B-1A and Class 1B-AH Reference Tranches, pro rata, based on their Preliminary Class Notional Amounts for such Payment Date, until the aggregate amount allocated to the Class 1B-1A and Class 1B-AH Reference Tranches is equal to the aggregate of the Preliminary Class Notional Amounts of the Class 1B-1A and Class 1B-AH Reference Tranches for such Payment Date;

*ninth*, to the Class 1M-2C and Class 1M-CH Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date, until the amount allocated to the Class 1M-2C Reference Tranche is equal to the Class 1M-2C Notes Interest Accrual Amount;

*tenth*, to the Class 1M-2B and Class 1M-BH Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date, until the amount allocated to the Class 1M-2B Reference Tranche is equal to the Class 1M-2B Notes Interest Accrual Amount;

*eleventh*, to the Class 1M-2A and Class 1M-AH Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date, until the amount allocated to the Class 1M-2A Reference Tranche is equal to the Class 1M-2A Notes Interest Accrual Amount;

*twelfth*, to the Class 1M-2C and Class 1M-CH Reference Tranches, pro rata, based on their Preliminary Class Notional Amounts for





such Payment Date, until the aggregate amount allocated to the Class 1M-2C and Class 1M-CH Reference Tranches is equal to the aggregate of the Preliminary Class Notional Amounts of the Class 1M-2C and Class 1M-CH Reference Tranches for such Payment Date;

*thirteenth*, to the Class 1M-2B and Class 1M-BH Reference Tranches, pro rata, based on their Preliminary Class Notional Amounts for such Payment Date, until the aggregate amount allocated to the Class 1M-2B and Class 1M-BH Reference Tranches is equal to the aggregate of the Preliminary Class Notional Amounts of the Class 1M-2B and Class 1M-BH Reference Tranches for such Payment Date;

*fourteenth*, to the Class 1M-2A and Class 1M-AH Reference Tranches, pro rata, based on their Preliminary Class Notional Amounts for such Payment Date, until the aggregate amount allocated to the Class 1M-2A and Class 1M-AH Reference Tranches is equal to the aggregate of the Preliminary Class Notional Amounts of the Class 1M-2A and Class 1M-AH Reference Tranches for such Payment Date;

*fifteenth*, to the Class 1M-1 and Class 1M-1H Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date, until the amount allocated to the Class 1M-1 Reference Tranche is equal to the Class 1M-1 Notes Interest Accrual Amount; and

*sixteenth*, to the Class 1M-1 and Class 1M-1H Reference Tranches, pro rata, based on their Preliminary Class Notional Amounts for such Payment Date, until the aggregate amount allocated to the Class 1M-1 and Class 1M-1H Reference Tranches is equal to the aggregate of the Preliminary Class Notional Amounts of the Class 1M-1 and Class 1M-1H Reference Tranches for such Payment Date.

Any amounts allocated to the Class 1B-2, Class 1B-1B, Class 1B-1A, Class 1M-2C, Class 1M-2B, Class 1M-2A or Class 1M-1 Reference Tranches in the *third, fifth, sixth, ninth, tenth, eleventh* or *fifteenth* priority above will result in a corresponding reduction of the Interest Payment Amount of the Class 1B-2, Class 1B-1B, Class 1B-1A, Class 1M-2C, Class 1M-2B, Class 1M-2A or Class 1M-1 Notes, as applicable (without regard to any exchanges of Exchangeable Notes for RCR Notes for such Payment Date). The Class 1B-3H Reference Tranche is assigned a class coupon solely for purposes of calculations in connection with the allocation of Modification Loss Amounts to the Subordinate Reference



Tranches, and any amounts allocated to the Class 1B-3H Reference Tranche in the *first* priority above will not result in a corresponding reduction of the Interest Payment Amount of any Class of Notes.

Any amounts allocated to the Class 1B-3H, Class 1B-2, Class 1B-1B, Class 1B-1A, Class 1M-2C, Class 1M-2B, Class 1M-2A or Class 1M-1 Reference Tranches in the *second, fourth, seventh, eighth, twelfth, thirteenth, fourteenth* or *sixteenth* priority above will be included in the calculation of the Principal Loss Amount.

If any RCR Notes are held by Holders, any Modification Loss Amount that is allocable in the *third, fifth, sixth, ninth, tenth* or *eleventh* priority above on any Payment Date to the related Exchangeable Notes will be allocated to reduce the Interest Payment Amount of the applicable RCR Notes in accordance with the exchange proportions applicable to the related Combination.

**Principal Loss Amount**

With respect to any Payment Date, the sum of:

(a) the aggregate amount of Credit Event Net Losses for all Credit Event Reference Obligations for the related Reporting Period;

(b) the aggregate amount of court-approved principal reductions ("cramdowns") on the Reference Obligations in the related Reporting Period;

(c) subsequent losses on any Reference Obligation that became a Credit Event Reference Obligation on a prior Payment Date and with respect to which Net Liquidation Proceeds have already been determined; and

(d) amounts included in the *second, fourth, seventh, eighth, twelfth, thirteenth, fourteenth* and *sixteenth* priorities under "*Allocation of Modification Loss Amount*" above.

**Principal Recovery Amount**

With respect to any Payment Date, the sum of:

(a) the aggregate amount of Credit Event Net Losses for all Reversed Credit Event Reference Obligations for the related Reporting Period;

(b) subsequent recoveries on any Reference Obligation that became a Credit Event Reference Obligation on a prior Payment Date and with respect to which Net Liquidation Proceeds have already been determined;



(c) the aggregate amount of the Credit Event Net Gains of all Credit Event Reference Obligations for the related Reporting Period;

(d) the Rep and Warranty Settlement Amount; and

(e) the Projected Recovery Amount on the Termination Date.

**Credit Event**

With respect to any Payment Date on or before the Termination Date and any Reference Obligation, the first to occur of any of the following events during the related Reporting Period, as reported by the servicer to Fannie Mae, if applicable: (i) a short sale is settled, (ii) the related mortgaged property is sold to a third party during the foreclosure process, (iii) an REO disposition occurs, (iv) a mortgage note sale is executed on a loan that is 12 or more months delinquent when offered for sale or (v) the related mortgage note is charged off. With respect to any Credit Event Reference Obligation, there can only be one occurrence of a Credit Event; *provided*, that one additional separate Credit Event can occur with respect to each instance of such Credit Event Reference Obligation becoming a Reversed Credit Event Reference Obligation. For the avoidance of doubt, a refinancing of a Reference Obligation under the High LTV Refinance Option and replacement thereof with the resulting High LTV Refinance Reference Obligation will not constitute a "Credit Event."

**Credit Event Reference Obligation**

With respect to each Payment Date, any Reference Obligation in the Reference Pool for which a Credit Event has occurred and is reported during the related Reporting Period.

**Tranche Write-down Amount**

With respect to each Payment Date, the excess, if any, of the Principal Loss Amount for such Payment Date over the Principal Recovery Amount for such Payment Date.

With respect to each Payment Date, the Class Notional Amount of the Senior Reference Tranche will be increased by the excess, if any, of the Tranche Write-down Amount for such Payment Date over the Credit Event Amount for such Payment Date.

**Tranche Write-up Amount**

With respect to each Payment Date, the excess, if any, of the Principal Recovery Amount for such Payment Date over the Principal Loss Amount for such Payment Date.

**Allocation of Tranche Write-down Amounts**

On each Payment Date on or prior to the Termination Date, after allocation of the Senior Reduction Amount and Subordinate Reduction Amount, the Tranche Write-down Amount, if any, for such Payment Date will be allocated, *first*, to reduce any



Overcollateralization Amount for such Payment Date, until such Overcollateralization Amount is reduced to zero and, *second*, to reduce the Class Notional Amount of each Reference Tranche in the following order of priority, in each case until its Class Notional Amount is reduced to zero:

- (i) *first*, to the Class 1B-3H Reference Tranche,
- (ii) *second*, to the Class 1B-2 and Class 1B-2H Reference Tranches, pro rata, based on their Class Notional Amounts,
- (iii) *third*, to the Class 1B-1B and Class 1B-BH Reference Tranches, pro rata, based on their Class Notional Amounts,
- (iv) *fourth*, to the Class 1B-1A and Class 1B-AH Reference Tranches, pro rata, based on their Class Notional Amounts,
- (v) *fifth*, to the Class 1M-2C and Class 1M-CH Reference Tranches, pro rata, based on their Class Notional Amounts,
- (vi) *sixth*, to the Class 1M-2B and Class 1M-BH Reference Tranches, pro rata, based on their Class Notional Amounts,
- (vii) *seventh*, to the Class 1M-2A and Class 1M-AH Reference Tranches, pro rata, based on their Class Notional Amounts,
- (viii) *eighth*, to the Class 1M-1 and Class 1M-1H Reference Tranches, pro rata, based on their Class Notional Amounts, and
- (ix) *ninth*, to the Class 1A-H Reference Tranche.

Because the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B and Class 1B-2 Notes correspond to the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B and Class 1B-2 Reference Tranches, respectively, any Tranche Write-down Amounts allocated to the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B or Class 1B-2 Reference Tranche will result in a corresponding reduction in the Class Principal Balance of the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B or Class 1B-2 Notes, as applicable (without regard to any exchanges of Exchangeable Notes for RCR Notes for such Payment Date). If any RCR Notes are held by Holders, any Tranche Write-down Amount that is allocable to the related Exchangeable Notes will be allocated to reduce the Class Principal Balance or Class Notional Amount, as applicable, of the related RCR Notes (to the extent such RCR Notes have a Class Principal Balance or Class Notional Amount, as applicable, greater than



zero). The Class 1B-3H Reference Tranche will not have corresponding Notes.

### Allocation of Tranche Write-up Amounts

On each Payment Date on or prior to the Termination Date, after allocation of the Senior Reduction Amount and Subordinate Reduction Amount and Tranche Write-down Amounts, the Tranche Write-up Amount, if any, for such Payment Date will be allocated to increase the Class Notional Amount of each Reference Tranche in the following order of priority until the cumulative Tranche Write-up Amount so allocated is equal to the cumulative Tranche Write-down Amount previously allocated to such Reference Tranche on or prior to such Payment Date:

- (i) *first*, to the Class 1A-H Reference Tranche,
- (ii) *second*, to the Class 1M-1 and Class 1M-1H Reference Tranches, pro rata, based on their Class Notional Amounts,
- (iii) *third*, to the Class 1M-2A and Class 1M-AH Reference Tranches, pro rata, based on their Class Notional Amounts,
- (iv) *fourth*, to the Class 1M-2B and Class 1M-BH Reference Tranches, pro rata, based on their Class Notional Amounts,
- (v) *fifth*, to the Class 1M-2C and Class 1M-CH Reference Tranches, pro rata, based on their Class Notional Amounts,
- (vi) *sixth*, to the Class 1B-1A and Class 1B-AH Reference Tranches, pro rata, based on their Class Notional Amounts,
- (vii) *seventh*, to the Class 1B-1B and Class 1B-BH Reference Tranches, pro rata, based on their Class Notional Amounts,
- (viii) *eighth*, to the Class 1B-2 and Class 1B-2H Reference Tranches, pro rata, based on their Class Notional Amounts, and
- (ix) *ninth*, to the Class 1B-3H Reference Tranche.

Because the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B and Class 1B-2 Notes correspond to the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B and Class 1B-2 Reference Tranches, respectively, any Tranche Write-up Amounts allocated to the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B or Class 1B-2 Reference Tranche will result in a corresponding increase in the Class Principal Balance of the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B or Class 1B-2 Notes, as applicable (without regard to



any exchanges of Exchangeable Notes for RCR Notes for such Payment Date). If any RCR Notes are held by Holders, any Tranche Write-up Amount that is allocable to the related Exchangeable Notes will be allocated to increase the Class Principal Balance or Class Notional Amount, as applicable, of the related RCR Notes. The Class 1B-3H Reference Tranche will not have corresponding Notes.

To the extent that the Tranche Write-up Amount on any Payment Date exceeds the Tranche Write-up Amount allocated on such Payment Date, the excess (the "Write-up Excess") will be available as overcollateralization to offset any Tranche Write-down Amounts on future Payment Dates prior to the allocation of such Tranche Write-down Amounts to reduce the Class Notional Amounts of the related Reference Tranches. On each Payment Date, the "Overcollateralization Amount" equals (a) the aggregate amount of Write-up Excesses for such Payment Date and all prior Payment Dates, minus (b) the aggregate amount of Write-Up Excesses used to offset Tranche Write-down Amounts on all prior Payment Dates.

**Supplemental  
Subordinate Reduction  
Amount**

For each Payment Date, the unpaid principal balance of the Reference Obligations at the end of the related Reporting Period multiplied by the excess, if any, of (i) the Offered Reference Tranche Percentage for such Payment Date over (ii) 5.50%.

The Supplemental Subordinate Reduction Amount, if any, will be applied on each Payment Date to reduce the Class Notional Amounts of the Reference Tranches as specified under "*Allocation of Supplemental Subordinate Reduction Amount and Supplemental Senior Increase Amount*" below. In addition, an amount, referred to as the "Supplemental Senior Increase Amount" and which is equal to the Supplemental Subordinate Reduction Amount for any Payment Date, will be allocated to increase the Class Notional Amount of the Class 1A-H Reference Tranche as described under "*Allocation of Supplemental Subordinate Reduction Amount and Supplemental Senior Increase Amount*" below.

The "Offered Reference Tranche Percentage" for each Payment Date is a fraction, expressed as a percentage, equal to the aggregate Class Notional Amount of the Class 1M-1, Class 1M-1H, Class 1M-2A, Class 1M-AH, Class 1M-2B, Class 1M-BH, Class 1M-2C, Class 1M-CH, Class 1B-1A, Class 1B-AH, Class 1B-1B, Class 1B-BH, Class 1B-2 and Class 1B-2H Reference Tranches (after allocation of the Senior Reduction Amount, the Subordinate Reduction Amount and any Tranche Write-down Amounts and Tranche Write-up Amounts for such Payment Date) divided by the





unpaid principal balance of the Reference Obligations at the end of the related Reporting Period.

**Allocation of  
Supplemental  
Subordinate Reduction  
Amount and  
Supplemental Senior  
Increase Amount**

On each Payment Date on or prior to the Termination Date, after allocation of the Senior Reduction Amount, the Subordinate Reduction Amount and any Tranche Write-down Amounts and Tranche Write-up Amounts, the Supplemental Subordinate Reduction Amount, if any, for such Payment Date will be allocated to reduce the Class Notional Amount of each of the following Reference Tranches in the following order of priority, in each case until its Class Notional Amount is reduced to zero:

- (i) *first*, to the Class 1M-1 and Class 1M-1H Reference Tranches, pro rata, based on their Class Notional Amounts,
- (ii) *second*, to the Class 1M-2A and Class 1M-AH Reference Tranches, pro rata, based on their Class Notional Amounts,
- (iii) *third*, to the Class 1M-2B and Class 1M-BH Reference Tranches, pro rata, based on their Class Notional Amounts,
- (iv) *fourth*, to the Class 1M-2C and Class 1M-CH Reference Tranches, pro rata, based on their Class Notional Amounts,
- (v) *fifth*, to the Class 1B-1A and Class 1B-AH Reference Tranches, pro rata, based on their Class Notional Amounts,
- (vi) *sixth*, to the Class 1B-1B and Class 1B-BH Reference Tranches, pro rata, based on their Class Notional Amounts, and
- (vii) *seventh*, to the Class 1B-2 and Class 1B-2H Reference Tranches, pro rata, based on their Class Notional Amounts.

Because the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B and Class 1B-2 Notes correspond to the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B and Class 1B-2 Reference Tranches, respectively, any portion of the Supplemental Subordinate Reduction Amount that is allocated to the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B or Class 1B-2 Reference Tranche will result in a corresponding reduction in the Class Principal Balance of the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C, Class 1B-1A, Class 1B-1B or Class 1B-2 Notes, as applicable.





If any RCR Notes are held by Holders, any Supplemental Subordinate Reduction Amount that is allocable on any Payment Date to any Class of Exchangeable Notes will be allocated to reduce the Class Principal Balance or Class Notional Amount, as applicable, of the related Class or Classes of RCR Notes (to the extent such RCR Notes have a Class Principal Balance or Class Notional Amount, as applicable, greater than zero).

Simultaneously, on each Payment Date on or prior to the Termination Date, after allocation of the Senior Reduction Amount, the Subordinate Reduction Amount and any Tranche Write-down Amounts and Tranche Write-up Amounts, the Supplemental Senior Increase Amount, if any, for such Payment Date will be allocated to increase the Class Notional Amount of the Class 1A-H Reference Tranche.

***Credit Event Reversals and Reference Pool Removals***

**Reversed Credit  
Event Reference  
Obligation**

With respect to any Payment Date, a Reference Obligation that was formerly in the Reference Pool and that became a Credit Event Reference Obligation in a prior Reporting Period and (i) that is repurchased by the lender or with respect to which the lender enters into a full indemnification of Fannie Mae or pays a fee in lieu of repurchase for any identified Eligibility Defect, (ii) with respect to which the party responsible for the representations and warranties and/or servicing obligations or liabilities with respect to the Reference Obligation (A) has declared bankruptcy or has been put into receivership or (B) has otherwise been relieved of such obligations or liabilities by operation of law or by agreement, and an Eligibility Defect is identified that could otherwise have resulted in a repurchase or (iii) with respect to which a violation of certain specified Eligibility Criteria is discovered as a result of a data correction.

**Reference Pool  
Removals**

A Reference Obligation will be removed (a "Reference Pool Removal") from the Reference Pool upon the occurrence of any of the following:

- (1) the Reference Obligation becomes a Credit Event Reference Obligation;
- (2) the Reference Obligation is paid in full (except as provided below with regard to a refinancing under the High LTV Refinance Option);
- (3) the Reference Obligation is seized pursuant to an eminent domain proceeding with respect to the underlying mortgage loan;
- (4) the lender repurchases the Reference Obligation, enters



- into a full indemnification agreement or pays a fee in lieu of repurchase for the Reference Obligation;
- (5) Fannie Mae elects to sell (a) a delinquent Reference Obligation that is less than 12 months delinquent at the time it is offered for sale or (b) a Reference Obligation that previously had been seriously delinquent and is current at the time it is offered for sale;
  - (6) the discovery of any of certain specified violations of the Eligibility Criteria for such Reference Obligation as a result of data correction;
  - (7) the party responsible for the representations and warranties with respect to the Reference Obligation was granted relief by Fannie Mae from liability for potential breaches of specified Eligibility Defects at the time Fannie Mae acquired the Reference Obligation and an Eligibility Defect is identified that could otherwise have resulted in a repurchase but for the aforementioned relief, provided that the Eligibility Defect is identified on or before the 36th month following the date of Fannie Mae's acquisition of the Reference Obligation; or
  - (8) the party responsible for the representations and warranties and/or servicing obligations or liabilities with respect to the Reference Obligation (A) has declared bankruptcy or has been put into receivership or (B) has otherwise been relieved of such obligations or liabilities by operation of law or by agreement, and an Eligibility Defect is identified that could otherwise have resulted in a repurchase.

A Reference Obligation will be removed from the Reference Pool or will become a Reversed Credit Event Reference Obligation if a loan data change occurs that causes the Reference Obligation to no longer meet one or more of the criteria set forth in clauses (a), (g), (h), (k) and (l) of the definition of Eligibility Criteria.

A Reference Obligation that becomes subject to an Origination Rep and Warranty Settlement subsequent to the Cut-off Date may be removed, at its respective unpaid principal balance as of such date, from the Reference Pool by Fannie Mae at any time in its sole discretion, provided that the aggregate unpaid principal balance of the Reference Obligations so removed during any Reporting Period does not result in a reduction of the Class Notional Amount of any Reference Tranche in excess of 1.00% of the Class Notional Amount thereof immediately prior to such reduction. The removal of any Reference Obligation from the Reference Pool as described above will be treated as a "Reference Pool Removal"; *provided, however*, that the removal of a



Reference Obligation from the Reference Pool as a result of a refinancing under our High LTV Refinance Option will not constitute a "Reference Pool Removal."

If a Reference Obligation meeting the High LTV Refinance Hold Criteria (defined below) is paid in full, the Reference Obligation will not be removed from the Reference Pool until the earlier of (i) the date Fannie Mae is able to confirm whether such payment in full was made in connection with the High LTV Refinance Option and (ii) the date that is 180 days following such payment in full (the earlier of (i) and (ii), the "Release Date").

On the Release Date, the following will apply:

- if Fannie Mae confirms that the payment in full was made in connection with the High LTV Refinance Option, the original Reference Obligation will be removed from the Reference Pool and the resulting High LTV Refinance Reference Obligation will be included in the Reference Pool as a replacement of the original Reference Obligation (which removal and replacement will not constitute a Reference Pool Removal);
- if Fannie Mae confirms that the payment in full was not made in connection with the High LTV Refinance Option, the related Reference Obligation will be removed from the Reference Pool (which removal will constitute a Reference Pool Removal); and
- if neither such confirmation can be made, the related Reference Obligation will be removed from the Reference Pool (which removal will constitute a Reference Pool Removal).

A Reference Obligation meets the "High LTV Refinance Hold Criteria" if it (i) was originated on or after October 1, 2017, (ii) was originated at least 15 months prior to the date it was paid in full, (iii) had no 30-day delinquency in the six-month period immediately preceding the date it was paid in full, and no more than one 30-day delinquency in the 12-month period immediately preceding the date it was paid in full and (iv) is secured by a mortgaged property with a current estimated property value that is reasonably believed by Fannie Mae to result in eligibility under the High LTV Refinance Option.



**Rep and Warrant Settlement Allocation**

**Origination Rep and Warranty Settlement**

A settlement relating to claims arising from breaches of loan representations and warranties that Fannie Mae enters into with a seller or servicer in lieu of requiring such seller or servicer to repurchase a specified pool of mortgage loans that includes one or more Reference Obligations, whereby Fannie Mae has received the agreed-upon settlement proceeds from such seller or servicer.

**Rep and Warranty Settlement Amount**

For each Reference Obligation that is part of an Origination Rep and Warranty Settlement (including any Reference Obligation that may previously have been removed from the Reference Pool due to a Credit Event), the portion of the settlement amount determined to be attributable to such Reference Obligation. The determination will be made by Fannie Mae at or about the time of the settlement and will be verified by an independent third party as described below.

After completion of an Origination Rep and Warranty Settlement that includes any Reference Obligations, Fannie Mae will engage an independent third party to conduct an annual review to validate that the Rep and Warranty Settlement Amount corresponding to each Reference Obligation matches Fannie Mae's records for such settlement.

**MORTGAGE LOANS IN REFERENCE POOL**

**Reference Obligations**

The Reference Pool consists of mortgage loans acquired by Fannie Mae between January 1, 2021 and March 31, 2021 and held in various Fannie Mae MBS trusts established between February 1, 2021 and October 31, 2021 that meet the Eligibility Criteria, as defined below. The Reference Pool summary attached to this term sheet provides additional details about the Reference Obligations in the Reference Pool.

Fannie Mae allowed the delivery of loans in COVID-19 related forbearance between May 2020 and the end of February 2021. No Reference Obligations were reported to be subject to COVID-19 forbearance plans at the time of acquisition and 14 Reference Obligations were reported to be subject to COVID-19 forbearance plans at some point during their terms. However, none of the Reference Obligations were reported as delinquent or subject to COVID-19 forbearance plans as of the Cut-off Date.

**Reference Pool Eligibility Criteria**

Each mortgage loan in the Reference Pool must satisfy the following criteria (the "Eligibility Criteria"):

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*



- (a) is a fully amortizing, fixed rate, first-lien mortgage loan secured by a one- to four-unit property, town house, individual condominium unit, individual unit in a planned unit development, individual cooperative unit or manufactured home, with an original term of 241 to 360 months;
- (b) was acquired by Fannie Mae between January 1, 2021 and March 31, 2021 and held in various Fannie Mae MBS trusts established between February 1, 2021 and October 31, 2021;
- (c) is held in Fannie Mae MBS trusts with respect to which a REMIC election has been made;
- (d) has not been 30 or more days delinquent from the date of acquisition to the Cut-off Date;
- (e) was not reported as being in forbearance as of the Cut-Off Date;
- (f) was not originated under Fannie Mae's Refi Plus program (Fannie Mae's Refi Plus program includes but is not limited to the Home Affordable Refinance Program);
- (g) has an original combined loan-to-value ratio less than or equal to 97%;
- (h) is not subject to any form of risk sharing with the loan seller or servicer (other than limited seller or servicer indemnification or limited future loss protection settlements in certain cases);
- (i) was not originated under certain non-standard programs;
- (j) is a conventional loan (i.e. is not guaranteed by the Federal Housing Administration or the U.S. Department of Veterans Affairs);
- (k) has an original loan-to-value ratio that is (i) greater than 60% and (ii) less than or equal to 80%; and
- (l) is not covered by mortgage or pool insurance.

*provided, however, that upon the refinancing of a Reference Obligation under the High LTV Refinance Option, the resulting High LTV Refinance Reference Obligation will constitute a Reference Obligation and will be included in the Reference Pool in replacement of the original Reference Obligation.*

**Reference Pool  
Selection Process**

Fannie Mae determined the composition of the Reference Pool utilizing the process described below.

All mortgage loans that Fannie Mae acquired between January 1, 2021 and March 31, 2021 and held in various Fannie Mae MBS trusts established between February 1, 2021 and October 31, 2021 (other than mortgage loans that were, or are anticipated to be included as reference obligations in an alternative Fannie Mae risk



sharing transaction) were made available for potential selection for the Reference Pool. From this group of loans, Fannie Mae identified those loans that met the Eligibility Criteria (such loans, the "Available Loans").

The "Initial Cohort Pool" represents all of the Available Loans that met the Eligibility Criteria at the time of their acquisition by Fannie Mae (other than those Eligibility Criteria that are determined as of the Cut-off Date). The table below summarizes the loan count, original unpaid principal balance and key attributes of the mortgage loans included in the Initial Cohort Pool.

<u>Category</u>	<u>Loan Count</u>	<u>Aggregate Original Loan Balance</u>
Initial Cohort Pool	187,090	\$56,939,930,000
less loans that did not satisfy the delinquency criteria set forth in clause (d) of the Eligibility Criteria, less loans that paid in full, less quality control removals	<u>7,088</u>	<u>\$2,197,220,000</u>
Reference Pool	180,002	\$54,742,710,000



The table below summarizes the loans in the Initial Cohort Pool which were excluded from the Reference Pool due to failure to satisfy the delinquency-related Eligibility Criteria, payoffs and quality control removals.

Worst DQ Status Since Acquisition	Current Status <sup>(1)</sup>										Total
	Current	30	60	90	120	150	180	>180	Paid in Full	QC Removal	
Current	136 <sup>(2)</sup>	0	0	0	0	0	0	0	1,851	12	1,999
30	3,475	1,026	0	0	0	0	0	0	46	0	4,547
60	271	13	54	0	0	0	0	0	3	0	341
90	55	1	1	22	0	0	0	0	3	0	82
120	41	2	0	0	8	0	0	0	0	0	51
150	43	0	0	0	0	4	0	0	1	0	48
180	5	0	0	0	0	0	4	0	0	0	9
>180	2	1	0	0	1	0	0	7	0	0	11
<b>Total</b>	<b>4,028</b>	<b>1,043</b>	<b>55</b>	<b>22</b>	<b>9</b>	<b>4</b>	<b>4</b>	<b>7</b>	<b>1,904</b>	<b>12</b>	<b>7,088</b>

(1) The above table takes into account acquisition eligibility criteria prior to the consideration of delinquency and other Cut-off Date eligibility requirements, which could understate such Cut-off Date eligibility exclusions.

(2) Defects identified, but the loans remain subject to the rebuttal process as of November 19, 2021 and therefore are excluded from eligibility.

### Loan Acquisition Practices

All of the Reference Obligations were acquired from and serviced by loan sellers and servicers who are approved by Fannie Mae to conduct business with Fannie Mae. Fannie Mae relies on loan sellers to comply with Fannie Mae's standards and make underwriting decisions that result in investment quality loans. To protect Fannie Mae from acquiring loans that do not meet Fannie Mae's prescribed underwriting standards, loan sellers are required to make representations and warranties as to certain facts and circumstances concerning the loan sellers themselves and the mortgage loans they are selling. Representations and warranties required by Fannie Mae are described in the Mortgage Selling and Servicing Contract, the Fannie Mae Single-Family Selling Guide (the "Selling Guide"), the Fannie Mae Single-Family Servicing Guide (the "Servicing Guide") and other lender contracts (collectively, the "Lender Contract"). Subject to representation and warranty relief and sunset policies described in the offering memorandum, violation of any representation and warranty is a breach of the Lender Contract, entitling Fannie Mae to pursue certain remedies, including a loan repurchase request.

### Underwriting Standards

Fannie Mae's Selling Guide establishes the baseline credit standards for mortgage loans that Fannie Mae acquires from





Fannie Mae's approved loan sellers. In evaluating a borrower's willingness and ability to repay the mortgage loan, the loan seller must include documentation in the loan file that confirms that information provided by the borrower as part of the loan application is accurate and documents the loan seller's assessment of the borrower's credit history, employment, income, assets and other financial information. In addition, the loan seller must conduct a comprehensive risk assessment of each mortgage loan application prior to approving it. The loan seller is also responsible for the accuracy and completeness of the appraisal and its assessment of the marketability of the property as well as underwriting the appraisal report to determine whether the property presents adequate collateral for the mortgage loan.

**Desktop Underwriter**

Approximately 98.22% of the Reference Obligations, by unpaid principal balance, were underwritten through Fannie Mae's Desktop Underwriter® ("DU") system. DU is a proprietary automated underwriting system that evaluates mortgage delinquency risk and arrives at an underwriting recommendation by conducting a comprehensive examination of the primary and contributory risk factors in a mortgage application. DU analyzes the information in the loan case file to reach an overall credit risk assessment to determine eligibility for delivery to Fannie Mae. In addition, DU outlines certain steps necessary for the loan seller to complete the processing of the loan file, including the required documentation necessary to verify borrower income, assets, and property value. All loans delivered to Fannie Mae must meet the documentation requirements stated in the Selling Guide or as required by DU as of the date of origination.

**Servicing Practices**

The servicing of the mortgage loans that are held in Fannie Mae's mortgage portfolio or that back Fannie Mae's MBS is performed by servicers on Fannie Mae's behalf, with Fannie Mae retaining servicing control. Each servicer is required to service the applicable Reference Obligations in accordance with Fannie Mae's servicing guidelines as stated in Fannie Mae's Servicing Guide and related announcements, including applicable contract variances. Fannie Mae's servicing guidelines may be revised from time to time at Fannie Mae's sole discretion.

**Fannie Mae's QC Process**

*General*



Fannie Mae conducts several different types of QC reviews on a sample basis with respect to mortgage loans, including post-purchase reviews, early payment default reviews, servicing reviews and post-foreclosure reviews. Fannie Mae reviews a statistically valid random sample of newly acquired performing mortgage loans, and augments this random sample with targeted, discretionary sampling employing a number of technology tools and internal models to more accurately identify loans with characteristics that merit further scrutiny in discretionary reviews.

During the course of its post-purchase QC reviews, Fannie Mae may identify the following:

- significant eligibility violations;
- breaches of selling representations or warranties, including instances of fraud or misrepresentation or that a selling warranty the lender made is untrue;
- breaches of the terms of applicable contract provisions; or
- servicing deficiencies that have had a materially adverse effect on the value of the mortgage loan or the acquired property.

If Fannie Mae identifies any of the foregoing, Fannie Mae may require the immediate repurchase of a mortgage loan. Fannie Mae refers to defects that ultimately give rise to a repurchase obligation as "Eligibility Defects." In certain circumstances, Fannie Mae may provide the loan seller with an alternative to the immediate repurchase of a mortgage loan that does not meet Fannie Mae's requirements.

Under Fannie Mae's lender selling representations and warranties framework, lenders are relieved of certain selling representations and warranties that relate to the underwriting of loans delivered to Fannie Mae, provided that those loans have achieved an acceptable payment history or a successful full-file quality control review by Fannie Mae. Nonetheless, lenders will not be relieved from Fannie Mae's enforcement with respect to certain "life of loan representations and warranties," including, but not limited to, fraud and misrepresentation, validity of title and Fannie Mae Charter violations.

Any limitations on Fannie Mae's ability to require the repurchase of a mortgage loan is likely to reduce the rate of



lender repurchases following certain breaches and thus may increase the exposure of investors to credit losses.

#### *Delinquent Mortgage Loans*

Fannie Mae's current quality control process requires completion of an automated analysis of all defaulted loans that remain subject to loan seller repurchase obligations at the time of default. The objective is to determine the likelihood that a defect exists that will result in a repurchase by the loan seller. This automated analysis triggers referral to a specialist for a detailed review. The analysis takes into account the nature and circumstances of the borrower default, the timing and prior payment history of the borrower, the current status of the loan and/or property and other data elements that, based on Fannie Mae's experience, indicate that the default is correlated with a potential loan seller breach requiring a repurchase.

Fannie Mae's QC policies and procedures are generally subject to revision over time as a result of changes in the economic environment as well as changes in regulatory policies and requirements, including implementation of the "Single Security Initiative", among other factors. Further, Fannie Mae may at any time modify our servicing requirements and other procedures in light of our evolving business needs and to minimize losses to taxpayers and our shareholders, among other purposes. These changes may be adopted without regard to investors and in some cases may have a negative impact on Noteholders.

#### **Fannie Mae QC Results**

Fannie Mae's post-purchase QC process is designed to evaluate the eligibility of the loans Fannie Mae acquires. In connection with Fannie Mae's post-purchase QC reviews for mortgage loans with LTV ratios greater than 60% and less than or equal to 80% that Fannie Mae acquired during the period from January 1, 2021 through March 31, 2021 and held in various Fannie Mae MBS trusts established between February 1, 2021 and October 31, 2021, Fannie Mae reviewed 4,184 mortgage loans out of the eligible production for the period from January 1, 2021 through March 31, 2021, an approximate 1.56% sample, of which 2,630 are in the Reference Pool. Of the 4,184 mortgage loans, approximately 24.24% (or 1,014 mortgage loans) remain subject to Fannie Mae's post-purchase QC process as of November 19, 2021.



The following summary is preliminary based on the most current information available as of November 19, 2021. The offering memorandum will contain additional information about the results of Fannie Mae's post purchase QC reviews.

<b>Type of Sample</b>	<b>Number of Loans Reviewed*</b>	<b>Loans With Eligibility Defects</b>	<b>Share of Sample with Eligibility Defects</b>
Randomly Selected .....	1,555	21	1.35%
Discretionary Selections .....	<u>2,629</u>	<u>236</u>	<u>8.98%</u>
<b>Total .....</b>	<b>4,184</b>	<b>257</b>	<b>6.14%</b>

\*1,014 loans remain subject to the random or discretionary post-purchase review process as of November 19, 2021, some of which may be determined to have eligibility defects.

None of the loans determined by Fannie Mae to have Eligibility Defects as of November 19, 2021 were included in the Reference Pool.

**Due Diligence Review**

In connection with the issuance from time to time of Connecticut Avenue Securities, Fannie Mae engages third-party diligence providers (each, a "Diligence Provider") to conduct limited reviews of mortgage loans that Fannie Mae acquires in a specified calendar quarter and/or calendar month and includes in fully-guaranteed MBS. Each Diligence Provider selects for review a statistically valid, random sample of mortgage loan files (each, a "Diligence Sample") from a broader population of loans that were acquired in the applicable calendar quarter or calendar month and that received full credit and appraisal reviews (and a portion of which received compliance reviews) as part of Fannie Mae's random QC Process.

In its review of first quarter 2021 acquisitions, the relevant Diligence Provider selected a Diligence Sample of 999 mortgage loan files from a broader population of 4,522 loans (all of which met the Preliminary Eligibility Criteria). The related Diligence Sample included 251 Reference Obligations that were included in the final selection of the Reference Pool. The results of the first quarter 2021 review are described more fully in the related sections set forth under "*The Reference Obligations*" in the offering memorandum.

The "Preliminary Eligibility Criteria" are the Eligibility Criteria other than the criteria specified in clauses (b), (d), (e) and (h) of the definition thereof, and provided that for this purpose clause (k) of the definition thereof is deemed to read as follows: "has an original loan-



to-value ratio that is (i) greater than 60% and (ii) less than or equal to 97%."

### **THE NOTES**

#### **Indenture**

The Notes will be issued pursuant to an Indenture. The permissible Combinations of RCR Notes that may be issued in exchange for Exchangeable Notes are set forth on Schedule I hereto.

#### **Class Principal Balance**

As of any Payment Date and for the Notes (in each case without regard to any exchange of Exchangeable Notes for RCR Notes):

- (a) the maximum dollar amount of principal to which the Holders of each related Class of Notes are then entitled, with such amount being equal to the initial Class Principal Balance of such Class of Notes, *minus*
- (b) the aggregate amount of principal paid by the Issuer on such Class of Notes on such Payment Date and all prior Payment Dates, *minus*
- (c) the aggregate amount of Tranche Write-down Amounts allocated to reduce the Class Principal Balance of such Class of Notes on such Payment Date and on all prior Payment Dates, and *plus*
- (d) the aggregate amount of Tranche Write-up Amounts allocated to increase the Class Principal Balance of such Class of Notes on such Payment Date and on all prior Payment Dates.

The Class Principal Balance of each Class of Notes (other than RCR Notes) will at all times equal the Class Notional Amount of the Reference Tranche that corresponds to such Class of Notes. For the avoidance of doubt, no Tranche Write-up Amount or Tranche Write-down Amount will be applied twice on the same Payment Date. The Class Principal Balance of each outstanding Class of RCR Notes entitled to principal will be equal to the outstanding Class Principal Balance of the Exchangeable Notes that were exchanged for such RCR Notes.

#### **Interest Accrual Amount**

With respect to each outstanding Class of Notes (and, solely for purposes of calculating allocations of any Modification Loss Amounts, the Class 1B-3H Reference Tranche) and any Payment Date, an amount equal to the accrued interest at the class coupon on the Class Principal Balance or Class Notional Amount, as applicable, of each Class of Notes immediately prior to such Payment Date (or, in the case of certain RCR Notes, the interest entitlement described in Schedule I hereto).

#### **Interest Payment**

With respect to each outstanding Class of Notes and any Payment



**Amount** Date, an amount equal to the Interest Accrual Amount for such Class of Notes, less any Modification Loss Amount for such Payment Date allocated to reduce such amount for such Class of Notes. In each case, interest amounts that are payable by the Issuer on the related Exchangeable Notes will be allocated to and payable on any outstanding RCR Notes.

**Payments of Principal** On each Remittance Date, the Custodian will, upon direction from the Indenture Trustee, liquidate Eligible Investments in the Cash Collateral Account and deposit in the Note Distribution Account an amount necessary to pay principal on the Notes as required under the Indenture. Additionally, on each Remittance Date, Fannie Mae will deposit in the Note Distribution Account any Investment Liquidation Contribution included in the Capital Contribution Amount under the Capital Contribution Agreement for payment of principal on the Notes.

Except as described below, on each Payment Date, the Indenture Trustee will distribute, from amounts in the Note Distribution Account, principal to Holders of each outstanding Class of Notes (without regard to any exchanges of Exchangeable Notes for RCR Notes) in an amount equal to the portion of the Subordinate Reduction Amount and the Supplemental Subordinate Reduction Amount allocated, if any, to the corresponding Reference Tranche on such Payment Date. No payments of principal will be made to the Reference Tranches.

On the earlier to occur of (x) the Early Redemption Date, if any, and (y) the Maturity Date, the Issuer will pay 100% of the outstanding Class Principal Balance to Holders of each Class of Notes, after allocations of the Tranche Write-down Amount and the Tranche Write-up Amount for such Payment Date (without regard to any exchanges of Exchangeable Notes for RCR Notes) and after payment of all unpaid fees, expenses and indemnities of the Indenture Trustee, Exchange Administrator, Custodian, Investment Agent and Delaware Trustee.

In each case, principal amounts that are payable by the Issuer on the related Exchangeable Notes will be allocated to and payable on any outstanding RCR Notes that are entitled to principal.

In addition, on the Termination Date, the Projected Recovery Amount will be included in the calculation of the Principal Recovery Amount.

**Event of Default** An "Event of Default" for the Notes under the Indenture will consist of:

- (a) any failure by the Issuer to pay principal or interest on a Note that continues unremedied for 30 days;
- (b) any failure by the Issuer to pay the then-outstanding Class



Principal Balance of any Note on its Maturity Date, to the extent payable under the Indenture;

- (c) any failure by the Issuer to perform in any material respect any other obligation under the Indenture if the failure continues unremedied for 60 days after the Indenture Trustee receives notification by the Holders of at least 25% of the outstanding Class Principal Balance of the Notes (with the outstanding Class Principal Balances of the Exchangeable Notes to be determined without regard to any exchanges for RCR Notes);
- (d) specified events of bankruptcy, insolvency or similar proceedings involving the Issuer;
- (e) the Indenture Trustee ceases to have a valid and enforceable first priority security interest on the assets of the Issuer that are subject to the lien of the Indenture, or such security interest proves not to have been valid or enforceable when granted or purported to have been granted;
- (f) it becomes unlawful for the Issuer to perform or comply with any of its obligations under the Notes, the Indenture or any related document to which it is a party;
- (g) the occurrence of the CAA Early Termination Date as a result of the occurrence of a CAA Early Termination Event; or
- (h) Fannie Mae (or its assignee, if any) fails to make payment of the amount, if any, required to be paid in respect of the Capital Contribution Amount for a Remittance Date pursuant to the Capital Contribution Agreement, which failure continues unremedied for 30 days following receipt of written notice of such failure.

Holders of RCR Notes will be entitled to exercise all the voting or direction rights that are otherwise allocated to the related Exchangeable Notes; provided, however, that Holders of any outstanding RCR Notes (other than the Interest Only RCR Notes) will be entitled to exercise their pro rata shares of 99% of the voting or direction rights that are otherwise allocated to the related Exchangeable Notes, and Holders of any outstanding Interest Only RCR Notes will be entitled to exercise 1% of the voting or direction rights that are otherwise allocated to the related Exchangeable Notes.

The appointment of a conservator (or other similar official) by a regulator having jurisdiction over Fannie Mae, whether or not Fannie Mae consents to such appointment, will not constitute an Event of





Default.

**Rights Upon Event of Default**

If an "Event of Default" set forth in clauses (a) through (c) of the definition thereof will have occurred and be continuing, and the Indenture Trustee (at the direction of the Majority Noteholders) or the Majority Noteholders have declared the Notes due and payable and such declaration and the consequences of such "Event of Default" and acceleration have not been rescinded and annulled, or if an Event of Default set forth in clauses (d) through (h) of the definition thereof will have occurred, the Issuer agrees that the Indenture Trustee will, upon direction of the Majority Noteholders, to the extent permitted by applicable law, exercise one or more of the following rights, privileges and remedies:

- (i) institute proceedings for the collection of all amounts then payable on the Notes or otherwise payable under the Indenture, whether by declaration or otherwise, enforce any judgment obtained, and collect from the assets of the Issuer any monies adjudged due;
- (ii) exercise any remedies of a secured party under the New York Uniform Commercial Code, as amended, and take any other appropriate action to protect and enforce the rights and remedies of the Noteholders under the Indenture; and
- (iii) exercise any other rights and remedies that may be available at law or in equity.

If an Event of Default occurs and is continuing, and the Notes have been declared due and payable and such declaration and the consequences of such Event of Default and acceleration have not been rescinded and annulled, the Majority Noteholders may direct the Indenture Trustee to (i) liquidate all assets (other than assets which are held in the form of cash) held in the Cash Collateral Account into cash, (ii) if entitled to do so under the Collateral Administration Agreement, give notice of a CAA Early Termination Event under the Collateral Administration Agreement to Fannie Mae (if the Collateral Administration Agreement has not yet terminated), (iii) demand payment from Fannie Mae of any amounts due under the Collateral Administration Agreement, (iv) demand payment from Fannie Mae (or any assignee thereof, if any) of any amounts due under the Capital Contribution Agreement and (v) distribute from the Note Distribution Account funds in the amounts and priorities as described in the Indenture.

"Majority Noteholders" means the Holders of at least a majority of the aggregate Class Principal Balance of the outstanding Classes of Notes (without giving effect to exchanges of Exchangeable Notes for RCR



Notes); provided, however, that any Notes held by Fannie Mae will be disregarded for such purposes (unless at such time all outstanding Classes of Notes are held by Fannie Mae).

No Noteholder has any right under the Indenture to institute any action or proceeding at law or in equity or in bankruptcy or otherwise, or for the appointment of a receiver or trustee, or for any other remedy, unless:

- (a) the Noteholder has previously given the Indenture Trustee written notice of an Event of Default and of the continuance thereof;
- (b) except as otherwise provided in the Indenture, the Majority Noteholders will have made written request of the Indenture Trustee to institute proceedings in respect of such Event of Default in its own name as Indenture Trustee hereunder and such Holders have offered to the Indenture Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request;
- (c) the Indenture Trustee for 30 days after its receipt of such notice, request and offer of indemnity set forth in clause (b) above has failed to institute any such proceeding; and
- (d) no direction inconsistent with such written request has been given to the Indenture Trustee during such 30-day period by the Majority Noteholders.

The Majority Noteholders may waive, rescind or annul such declaration of acceleration of the maturity of the Notes as further described in the Indenture.

Holders of such RCR Notes will be entitled to exercise all the voting or direction rights otherwise allocable to the related Exchangeable Notes as further described in the offering memorandum.

**Exchange  
Administration**

Under the Indenture, the Exchange Administrator will be engaged by Fannie Mae to perform certain administrative functions with respect to exchanging Exchangeable Notes for RCR Notes and vice versa. The Exchange Administrator will, among other duties set forth in the Indenture, administer all exchanges of Exchangeable Notes for RCR Notes and vice versa, which will include receiving notices of requests for such exchanges from Noteholders, accepting the Notes to be exchanged, and giving notice to the Indenture Trustee of all such exchanges. The Exchange Administrator will notify the Indenture Trustee with respect to any exchanges of Exchangeable Notes for RCR



Notes (and vice versa) at the time of such exchange, and the Indenture Trustee will make all subsequent payments in accordance with such notice, unless notified of a subsequent exchange by the Exchange Administrator.

### ***INVESTMENT CONSIDERATIONS***

**United States Federal Tax Consequences** For U.S. federal income tax purposes, the sources of payments on the Notes (as further described in this term sheet) will be structured as regular interests in one or more real estate mortgage investment conduits (each, a "REMIC"). Accordingly, the Issuer will be treated as holding assets in the form of one or more REMIC regular interests for U.S. federal income tax purposes.

The Issuer will make one or more proper and timely elections to treat certain segregated portions of its assets (exclusive of any assets, rights, obligations and arrangements excluded under the Indenture) as one or more REMICs for U.S. federal income tax purposes.

For U.S. federal income tax purposes, each of the Offered Notes will represent direct or indirect beneficial ownership of one or more regular interests in a REMIC coupled with rights under a notional principal contract.

The arrangement under which the RCR Notes are created will be classified as a grantor trust for U.S. federal income tax purposes. The RCR Notes represent beneficial ownership interests in the applicable Exchangeable Notes for U.S. federal income tax purposes.

**Investment Company Act Considerations** The Issuer has not registered and will not register with the SEC as an investment company under the Investment Company Act of 1940 in reliance on Section 2(b) of the Investment Company Act of 1940.

**Volcker Rule Considerations** The Issuer has been structured so as to not constitute a "covered fund" for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly known as the Volcker Rule.

**ERISA Considerations** Subject to the terms and considerations in the offering memorandum, the Notes (other than the Class 1B-2 Notes) are eligible to be purchased by employee benefit plans and entities holding the assets of any such plan.

**Legal Investment** The Notes will not be "mortgage related securities" for purposes of the Secondary Mortgage Market Enhancement Act of 1984, as amended ("SMMEA"). No representation is or will be made as to the proper characterization of the Notes for legal investment or other purposes, the



ability of particular investors to purchase Notes for legal investment or other purposes or the ability of particular investors to purchase the Notes under applicable legal investment or other restrictions.

**Commodity Pool**

The Issuer is not expected to be considered a "commodity pool" and, therefore, it is expected that there will be no need for a "commodity pool operator" to be registered pursuant to the Commodity Exchange Act. In the event the Issuer is determined to be a "commodity pool" and Fannie Mae does not elect to designate a CAA Early Termination Event in respect of any resulting CAA Trigger Event, the Indenture Trustee will be directed under the Indenture to take reasonable steps to assist Fannie Mae in satisfying any requirements that arise from such a determination and to notify the Noteholders of such steps.

**Notes are not  
Asset-Backed  
Securities**

The Notes are not expected to be "asset-backed securities" as defined under Section 3(a)(79) of the Securities Exchange Act of 1934, as amended.

**EU and UK Risk  
Retention**

In connection with (i) Article 5(1) of Regulation (EU) 2017/2402 (the "EU Securitization Regulation") and (ii) Article 5(1) of Regulation (EU) 2017/2402 as it forms part of UK domestic law (the "UK Securitization Regulation"), Fannie Mae will retain a material net economic interest in the exposure related to the Notes issuance transaction of not less than 5%.

Each EU-regulated and UK-regulated investor should consult with its own legal, accounting, regulatory and other advisors and/or its national regulator to determine whether, and to what extent, the information set forth herein and in the offering memorandum generally is sufficient for such EU-regulated or UK-regulated investor to satisfy any due diligence requirements under the EU Securitization Regulation or UK Securitization Regulation, as applicable, including, without limitation, whether the commitment of Fannie Mae to retain a material net economic interest in the exposure related to the Notes issuance transaction is sufficient to satisfy the retention requirements under the EU Securitization Regulation or UK Securitization Regulation, as applicable. Any such EU-regulated or UK-regulated investor is required to independently assess and determine the sufficiency of the information described in the offering memorandum for the purposes of complying with any due diligence requirements under the EU Securitization Regulation or UK Securitization Regulation, as applicable.

**Notes Not Listed**

At the time of issuance, the Notes are not expected to be listed on any national securities exchange or traded on any automated quotation systems of any registered securities association.



**Fannie Mae**

Connecticut Avenue Securities, Series 2022-R01  
CONFIDENTIAL PRELIMINARY TERM SHEET

**Registration and  
Denomination**

The Notes will be issuable in book-entry form through DTC, Euroclear and Clearstream in minimum denominations of \$10,000 with integral multiples of \$1 in excess thereof. The Notes are being offered only to "Qualified Institutional Buyers" (as defined in Rule 144A under the Securities Act) and in offshore transactions to persons who are not "U.S. persons" in reliance on Regulation S under the Securities Act.

**Record Date**

The business day preceding a Payment Date, with respect to beneficial interests in book-entry Notes and the last business day of the preceding month of a Payment Date, with respect to definitive Notes.



**EXAMPLE OF PAYMENTS**

The following sets forth an example of reporting of principal payments from borrowers on the Reference Obligations and payments on the Notes for the Payment Date in January 2022:

November 1 through November 30	Reporting Period	The Master Servicer will report principal payments on the Reference Obligations received during the related Reporting Period (November 1 through November 30) from borrowers including scheduled principal and full and partial principal prepayments.
November 30	Delinquency Determination Date	The Master Servicer will report the MBA delinquency status on the Reference Obligations determined as of the Delinquency Determination Date (November 30).
January 12	Master Servicer Remittance Date	Master Servicer will provide remittance file in respect of the Reference Obligations to the Indenture Trustee on or prior to the 8th business day of each month.
January 24	Record Date	Distributions on each Payment Date will be made to Holders of record for all classes of Notes as of the business day immediately preceding such Payment Date.
January 24	Remittance Date	One business day prior to the Payment Date, the Indenture Trustee withdraws from the Cash Collateral Account (i) amounts payable to Fannie Mae under the Collateral Administration Agreement and (ii) amounts for deposit to the Note Distribution Account. In addition, Fannie Mae deposits to the Note Distribution Account amounts required under the Collateral Administration Agreement and the Capital Contribution Agreement. Amounts in the Note Distribution Account are payable to Noteholders on the Payment Date.
January 25	Payment Date	On the 25th day of each month (or if the 25th day is not a business day, the next business day), the Issuer will make payments to Noteholders.

Succeeding months will follow the same pattern.



SCHEDULE I

**CONNECTICUT AVENUE SECURITIES, SERIES 2022-R01  
RCR NOTES  
AVAILABLE COMBINATIONS AND RECOMBINATIONS**

Combination	Class of Exchangeable or RCR Note	Maximum Original Balance / Notional Amount (\$)	Exchange Proportions (%) <sup>(1)</sup>	Class of RCR Note	Maximum Original Balance / Notional Amount (\$)	Exchange Proportions (%) <sup>(1)</sup>	Class Coupon (%)	Expected Ratings (S&P / KBRA)
1	1M-2A	\$144,669,000	33.3333333333%	1M-2	\$434,007,000	100.0000000000%	SOFR + ___%	BBB (sf) / BBB (sf)
	1M-2B	\$144,669,000	33.3333333333%					
	1M-2C	\$144,669,000	33.3333333333%					
2	1M-2A	\$144,669,000	100.0000000000%	1E-A1	\$144,669,000	100.0000000000%	SOFR + ___%	A- (sf) / BBB+ (sf)
				1A-I1	\$144,669,000 <sup>(2)</sup>	100.0000000000%	% <sup>(3)</sup>	A- (sf) / BBB+ (sf)
3	1M-2A	\$144,669,000	100.0000000000%	1E-A2	\$144,669,000	100.0000000000%	SOFR + ___%	A- (sf) / BBB+ (sf)
				1A-I2	\$144,669,000 <sup>(2)</sup>	100.0000000000%	% <sup>(3)</sup>	A- (sf) / BBB+ (sf)
4	1M-2A	\$144,669,000	100.0000000000%	1E-A3	\$144,669,000	100.0000000000%	SOFR + ___%	A- (sf) / BBB+ (sf)
				1A-I3	\$144,669,000 <sup>(2)</sup>	100.0000000000%	% <sup>(3)</sup>	A- (sf) / BBB+ (sf)
5	1M-2A	\$144,669,000	100.0000000000%	1E-A4	\$144,669,000	100.0000000000%	SOFR + ___%	A- (sf) / BBB+ (sf)
				1A-I4	\$144,669,000 <sup>(2)</sup>	100.0000000000%	% <sup>(3)</sup>	A- (sf) / BBB+ (sf)
6	1M-2B	\$144,669,000	100.0000000000%	1E-B1	\$144,669,000	100.0000000000%	SOFR + ___%	BBB+ (sf) / BBB (sf)
				1B-I1	\$144,669,000 <sup>(2)</sup>	100.0000000000%	% <sup>(3)</sup>	BBB+ (sf) / BBB (sf)
7	1M-2B	\$144,669,000	100.0000000000%	1E-B2	\$144,669,000	100.0000000000%	SOFR + ___%	BBB+ (sf) / BBB (sf)
				1B-I2	\$144,669,000 <sup>(2)</sup>	100.0000000000%	% <sup>(3)</sup>	BBB+ (sf) / BBB (sf)
8	1M-2B	\$144,669,000	100.0000000000%	1E-B3	\$144,669,000	100.0000000000%	SOFR + ___%	BBB+ (sf) / BBB (sf)
				1B-I3	\$144,669,000 <sup>(2)</sup>	100.0000000000%	% <sup>(3)</sup>	BBB+ (sf) / BBB (sf)
9	1M-2B	\$144,669,000	100.0000000000%	1E-B4	\$144,669,000	100.0000000000%	SOFR + ___%	BBB+ (sf) / BBB (sf)
				1B-I4	\$144,669,000 <sup>(2)</sup>	100.0000000000%	% <sup>(3)</sup>	BBB+ (sf) / BBB (sf)
10	1M-2C	\$144,669,000	100.0000000000%	1E-C1	\$144,669,000	100.0000000000%	SOFR + ___%	BBB (sf) / BBB (sf)
				1C-I1	\$144,669,000 <sup>(2)</sup>	100.0000000000%	% <sup>(3)</sup>	BBB (sf) / BBB (sf)
11	1M-2C	\$144,669,000	100.0000000000%	1E-C2	\$144,669,000	100.0000000000%	SOFR + ___%	BBB (sf) / BBB (sf)
				1C-I2	\$144,669,000 <sup>(2)</sup>	100.0000000000%	% <sup>(3)</sup>	BBB (sf) / BBB (sf)
12	1M-2C	\$144,669,000	100.0000000000%	1E-C3	\$144,669,000	100.0000000000%	SOFR + ___%	BBB (sf) / BBB (sf)
				1C-I3	\$144,669,000 <sup>(2)</sup>	100.0000000000%	% <sup>(3)</sup>	BBB (sf) / BBB (sf)
13	1M-2C	\$144,669,000	100.0000000000%	1E-C4	\$144,669,000	100.0000000000%	SOFR + ___%	BBB (sf) / BBB (sf)
				1C-I4	\$144,669,000 <sup>(2)</sup>	100.0000000000%	% <sup>(3)</sup>	BBB (sf) / BBB (sf)
14	1E-A1	\$144,669,000	50.0000000000%	1E-D1	\$289,338,000	100.0000000000%	SOFR + ___%	BBB+ (sf) / BBB (sf)
	1E-B1	\$144,669,000	50.0000000000%					
15	1E-A2	\$144,669,000	50.0000000000%	1E-D2	\$289,338,000	100.0000000000%	SOFR + ___%	BBB+ (sf) / BBB (sf)
	1E-B2	\$144,669,000	50.0000000000%					
16	1E-A3	\$144,669,000	50.0000000000%	1E-D3	\$289,338,000	100.0000000000%	SOFR + ___%	BBB+ (sf) / BBB (sf)
	1E-B3	\$144,669,000	50.0000000000%					
17	1E-A4	\$144,669,000	50.0000000000%	1E-D4	\$289,338,000	100.0000000000%	SOFR + ___%	BBB+ (sf) / BBB (sf)
	1E-B4	\$144,669,000	50.0000000000%					
18	1M-2A	\$144,669,000	50.0000000000%	1E-D5	\$289,338,000	100.0000000000%	SOFR + ___%	BBB+ (sf) / BBB (sf)
	1M-2B	\$144,669,000	50.0000000000%					
19	1E-B1	\$144,669,000	50.0000000000%	1E-F1	\$289,338,000	100.0000000000%	SOFR + ___%	BBB (sf) / BBB (sf)
	1E-C1	\$144,669,000	50.0000000000%					
20	1E-B2	\$144,669,000	50.0000000000%	1E-F2	\$289,338,000	100.0000000000%	SOFR + ___%	BBB (sf) / BBB (sf)
	1E-C2	\$144,669,000	50.0000000000%					

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*





Combination	Class of Exchangeable or RCR Note	Maximum Original Balance / Notional Amount (\$)	Exchange Proportions (%) <sup>(1)</sup>	Class of RCR Note	Maximum Original Balance / Notional Amount (\$)	Exchange Proportions (%) <sup>(1)</sup>	Class Coupon (%)	Expected Ratings (S&P / KBRA)
21	1E-B3	\$144,669,000	50.0000000000%	1E-F3	\$289,338,000	100.0000000000%	SOFR + ___%	BBB (sf) / BBB (sf)
	1E-C3	\$144,669,000	50.0000000000%					
22	1E-B4	\$144,669,000	50.0000000000%	1E-F4	\$289,338,000	100.0000000000%	SOFR + ___%	BBB (sf) / BBB (sf)
	1E-C4	\$144,669,000	50.0000000000%					
23	1M-2B	\$144,669,000	50.0000000000%	1E-F5	\$289,338,000	100.0000000000%	SOFR + ___%	BBB (sf) / BBB (sf)
	1M-2C	\$144,669,000	50.0000000000%					
24	1A-11	\$144,669,000 <sup>(2)</sup>	50.0000000000%	1-X1	\$289,338,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(4)</sup>	BBB+ (sf) / BBB (sf)
	1B-11	\$144,669,000 <sup>(2)</sup>	50.0000000000%					
25	1A-12	\$144,669,000 <sup>(2)</sup>	50.0000000000%	1-X2	\$289,338,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(4)</sup>	BBB+ (sf) / BBB (sf)
	1B-12	\$144,669,000 <sup>(2)</sup>	50.0000000000%					
26	1A-13	\$144,669,000 <sup>(2)</sup>	50.0000000000%	1-X3	\$289,338,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(4)</sup>	BBB+ (sf) / BBB (sf)
	1B-13	\$144,669,000 <sup>(2)</sup>	50.0000000000%					
27	1A-14	\$144,669,000 <sup>(2)</sup>	50.0000000000%	1-X4	\$289,338,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(4)</sup>	BBB+ (sf) / BBB (sf)
	1B-14	\$144,669,000 <sup>(2)</sup>	50.0000000000%					
28	1B-11	\$144,669,000 <sup>(2)</sup>	50.0000000000%	1-Y1	\$289,338,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(4)</sup>	BBB (sf) / BBB (sf)
	1C-11	\$144,669,000 <sup>(2)</sup>	50.0000000000%					
29	1B-12	\$144,669,000 <sup>(2)</sup>	50.0000000000%	1-Y2	\$289,338,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(4)</sup>	BBB (sf) / BBB (sf)
	1C-12	\$144,669,000 <sup>(2)</sup>	50.0000000000%					
30	1B-13	\$144,669,000 <sup>(2)</sup>	50.0000000000%	1-Y3	\$289,338,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(4)</sup>	BBB (sf) / BBB (sf)
	1C-13	\$144,669,000 <sup>(2)</sup>	50.0000000000%					
31	1B-14	\$144,669,000 <sup>(2)</sup>	50.0000000000%	1-Y4	\$289,338,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(4)</sup>	BBB (sf) / BBB (sf)
	1C-14	\$144,669,000 <sup>(2)</sup>	50.0000000000%					
32	1M-2C	\$144,669,000	100.0000000000%	1-J1	\$144,669,000 <sup>(5)</sup>	100.0000000000%	<sup>(6)</sup>	BBB (sf) / BBB (sf)
	1-X1	\$289,338,000 <sup>(2)</sup>	200.0000000000%					
33	1M-2C	\$144,669,000	100.0000000000%	1-J2	\$144,669,000 <sup>(5)</sup>	100.0000000000%	<sup>(6)</sup>	BBB (sf) / BBB (sf)
	1-X2	\$289,338,000 <sup>(2)</sup>	200.0000000000%					
34	1M-2C	\$144,669,000	100.0000000000%	1-J3	\$144,669,000 <sup>(5)</sup>	100.0000000000%	<sup>(6)</sup>	BBB (sf) / BBB (sf)
	1-X3	\$289,338,000 <sup>(2)</sup>	200.0000000000%					
35	1M-2C	\$144,669,000	100.0000000000%	1-J4	\$144,669,000 <sup>(5)</sup>	100.0000000000%	<sup>(6)</sup>	BBB (sf) / BBB (sf)
	1-X4	\$289,338,000 <sup>(2)</sup>	200.0000000000%					
36	1E-F5	\$289,338,000	100.0000000000%	1-K1	\$289,338,000 <sup>(5)</sup>	100.0000000000%	<sup>(6)</sup>	BBB (sf) / BBB (sf)
	1A-11	\$144,669,000 <sup>(2)</sup>	50.0000000000%					
37	1E-F5	\$289,338,000	100.0000000000%	1-K2	\$289,338,000 <sup>(5)</sup>	100.0000000000%	<sup>(6)</sup>	BBB (sf) / BBB (sf)
	1A-12	\$144,669,000 <sup>(2)</sup>	50.0000000000%					
38	1E-F5	\$289,338,000	100.0000000000%	1-K3	\$289,338,000 <sup>(5)</sup>	100.0000000000%	<sup>(6)</sup>	BBB (sf) / BBB (sf)
	1A-13	\$144,669,000 <sup>(2)</sup>	50.0000000000%					
39	1E-F5	\$289,338,000	100.0000000000%	1-K4	\$289,338,000 <sup>(5)</sup>	100.0000000000%	<sup>(6)</sup>	BBB (sf) / BBB (sf)
	1A-14	\$144,669,000 <sup>(2)</sup>	50.0000000000%					
40	1M-2	\$434,007,000	100.0000000000%	1M-2Y	\$434,007,000 <sup>(7)</sup>	100.0000000000%	<sup>(8)</sup>	BBB (sf) / BBB (sf)
				1M-2X	\$434,007,000 <sup>(2)</sup>	100.0000000000%	<sup>(9)</sup>	BBB (sf) / BBB (sf)
41	1B-1A	\$153,179,000	50.0000000000%	1B-1	\$306,358,000	100.0000000000%	SOFR + ___%	BB (sf) / BB+ (sf)
	1B-1B	\$153,179,000	50.0000000000%					
42	1B-1	\$306,358,000	100.0000000000%	1B-1Y	\$306,358,000 <sup>(7)</sup>	100.0000000000%	<sup>(8)</sup>	BB (sf) / BB+ (sf)
				1B-1X	\$306,358,000 <sup>(2)</sup>	100.0000000000%	<sup>(9)</sup>	BB (sf) / BB+ (sf)
43	1B-2	\$306,358,000	100.0000000000%	1B-2Y	\$306,358,000 <sup>(7)</sup>	100.0000000000%	<sup>(8)</sup>	NR / B (sf)
				1B-2X	\$306,358,000 <sup>(2)</sup>	100.0000000000%	<sup>(9)</sup>	NR / B (sf)

<sup>(1)</sup> Exchange proportions are constant proportions of the original Class Principal Balances or Class Notional Amounts, as applicable, of the Class or Classes of Exchangeable or RCR Notes being exchanged. For any combinations that include both a Class of Notes with a Class Notional Amount and a Class of Notes with a Class Principal Balance, the exchange proportion shown relates to the aggregate original Class Principal Balance of the Class or Classes of Exchangeable or RCR Notes being received in such exchange. In accordance with the exchange proportions, Holders of



**Fannie Mae** Connecticut Avenue Securities, Series 2022-R01  
**CONFIDENTIAL PRELIMINARY TERM SHEET**

Exchangeable Notes may exchange those Notes for RCR Notes, and vice versa. In addition, Holders of certain Classes of RCR Notes may exchange those Notes for other Classes of RCR Notes, and vice versa.

- (2) This Class is an interest only class with a Class Notional Amount as of any Payment Date equal to a specified percentage of the outstanding Class Principal Balance of the related Class of Exchangeable or RCR Note or Notes.
- (3) The interest payment on each of these Classes of Interest Only RCR Notes for a Payment Date represents a portion of the interest payment on the Class of Exchangeable Notes included in the related Combination for that Payment Date. For any Payment Date for which SOFR is less than the applicable value set forth below (the "Negative SOFR Trigger"), the interest payment on the specified Class of Interest Only RCR Notes will be calculated as the lesser of (x) the amount calculated based on the class coupon set forth above for that Class and (y) the excess of (i) the interest amount payable on the related Class of Exchangeable Notes for that Payment Date over (ii) the interest amount payable on the Class of floating rate RCR Notes included in the same Combination for that Payment Date.

<u>Class of Interest Only RCR Notes</u>	<u>Negative SOFR Trigger</u>
Class 1A-I1 Notes.....	- %
Class 1A-I2 Notes.....	- %
Class 1A-I3 Notes.....	- %
Class 1A-I4 Notes.....	- %
Class 1B-I1 Notes.....	- %
Class 1B-I2 Notes.....	- %
Class 1B-I3 Notes.....	- %
Class 1B-I4 Notes.....	- %
Class 1C-I1 Notes.....	- %
Class 1C-I2 Notes.....	- %
Class 1C-I3 Notes.....	- %
Class 1C-I4 Notes.....	- %

- (4) The interest payment on each of these Classes of Interest Only RCR Notes for a Payment Date represents a portion of the interest payments on the Classes of RCR Notes included in the related Combination for that Payment Date. For any Payment Date for which SOFR is less than the applicable Negative SOFR Trigger set forth below, the interest payment on the specified Class of Interest Only RCR Notes will be calculated as the lesser of (x) the amount calculated based on the class coupon set forth above for that Class and (y) the aggregate of the interest amounts payable on the Classes of RCR Notes included in the same Combination that were exchanged for the specified Class of Interest Only RCR Notes for that Payment Date.

<u>Class of Interest Only RCR Notes</u>	<u>Negative SOFR Trigger</u>
Class 1-X1 Notes.....	- %
Class 1-X2 Notes.....	- %
Class 1-X3 Notes.....	- %
Class 1-X4 Notes.....	- %
Class 1-Y1 Notes.....	- %
Class 1-Y2 Notes.....	- %
Class 1-Y3 Notes.....	- %
Class 1-Y4 Notes.....	- %

- (5) This Class has a Class Principal Balance as of any Payment Date equal to a specified percentage of the outstanding Class Principal Balance of the related Class of Exchangeable or RCR Notes that has a Class Principal Balance; provided, however that if the Class Principal Balance of the related Class of Exchangeable or RCR Notes that has a Class Principal Balance has been reduced to zero and the Class Notional Amount of the related Class of Exchangeable or RCR Notes with a Class Notional Amount is greater than zero, then this Class will no longer have a Class Principal Balance.
- (6) The interest payment on each of these Classes of RCR Notes for a Payment Date represents the sum of the interest payments on the Classes of Exchangeable and RCR Notes included in the related Combination for that Payment Date. The class coupon for each of these Classes of RCR Notes with respect to any Payment Date will be a fraction, expressed as a per annum rate, equal to (i) the aggregate interest amount payable on such Payment Date in respect of the Classes of Notes included in the applicable Combination and exchanged for such Class of RCR Notes, divided by (ii) the Class Principal Balance of such Class of RCR Notes immediately prior to such Payment Date, multiplied by (iii) a fraction, the numerator of which is 360 and the denominator of which is the actual number of days in the related Notes Accrual Period; provided, that on any Payment Date following the reduction of the Class Principal Balance of such Class of RCR Notes to zero, the interest entitlement of such Class of RCR Notes will be equal to the interest accrued on the remaining Class of Interest Only RCR Notes included in the applicable Combination that was exchanged for such Class of RCR Notes.
- (7) This Class has an outstanding Class Principal Amount as of any Payment Date equal to the outstanding Class Principal Balance of the related Class of Exchangeable Notes or RCR Notes.
- (8) The interest payment on this Class of RCR Notes for a Payment Date represents the portion of such interest that is received in respect of the REMIC regular interest component of the related Class of Exchangeable Notes or RCR Notes.
- (9) The interest payment on this Class of Interest Only RCR Notes for a Payment Date represents the portion of such interest attributable to a notional principal contract and does not constitute interest in respect of the REMIC regular interest component of the related Class of Exchangeable Notes or RCR Notes.

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*



**GLOSSARY OF CERTAIN DEFINED TERMS**

"Credit Event Amount" means, with respect to each Payment Date, the aggregate amount of the Credit Event UPB of all Credit Event Reference Obligations for the related Reporting Period.

"Credit Event Net Gain" means, with respect to any Credit Event Reference Obligation, an amount equal to the *excess*, if any, of:

- (a) the related Net Liquidation Proceeds, over
- (b) the *sum* of:
  - (i) the related Credit Event UPB;
  - (ii) the total amount of prior principal forgiveness modifications (excluding any reduction in principal balance that resulted from the origination of a High LTV Refinance Reference Obligation), if any, on the related Credit Event Reference Obligation; and
  - (iii) delinquent accrued interest thereon, calculated at the applicable Current Accrual Rate from the related last-paid interest date through the date such Reference Obligation has been reported as a Credit Event Reference Obligation.

"Credit Event Net Loss" means, with respect to any Credit Event Reference Obligation, an amount equal to the *excess*, if any, of:

- (a) the sum of:
  - (i) the related Credit Event UPB;
  - (ii) the total amount of prior principal forgiveness modifications (excluding any reduction in principal balance that resulted from the origination of a High LTV Refinance Reference Obligation), if any, on the related Credit Event Reference Obligation; and
  - (iii) delinquent accrued interest thereon, calculated at the related Current Accrual Rate from the related last paid interest date through the date such Reference Obligation has been reported as a Credit Event Reference Obligation, *over*
- (b) the related Net Liquidation Proceeds.

As indicated below, the Net Liquidation Proceeds for any Credit Event Reference Obligation will be determined based on the proceeds received (net of related expenses and credits) during the period including the month in which such Reference Obligation became a Credit Event Reference Obligation together with the immediately following three-month period. Any proceeds or expenses received or incurred thereafter with respect to such Credit Event Reference



Obligation will be determined on a monthly basis for inclusion in the calculation of the Principal Recovery Amount or Principal Loss Amount, as applicable.

"Credit Event Reference Obligation" means, with respect to any Payment Date, any Reference Obligation with respect to which a Credit Event has occurred.

"Credit Event UPB" means, with respect to each Credit Event Reference Obligation, the unpaid principal balance of such Reference Obligation as of the end of the Reporting Period related to the Payment Date that it became a Credit Event Reference Obligation.

"Current Accrual Rate" means, with respect to each Payment Date and any Reference Obligation, the current mortgage rate, less the greater of (i) the related servicing fee rate and (ii) 35 basis points.

"Delinquency Test" means, for any Payment Date, a test that will be satisfied if:

- (a) the sum of the Distressed Principal Balance for the current Payment Date and each of the preceding five Payment Dates, divided by six, is less than
- (b) 40% of the excess of (i) the product of (x) the Subordinate Percentage and (y) the aggregate unpaid principal balance of the Reference Obligations as of the preceding Payment Date over (ii) the Principal Loss Amount for the current Payment Date.

"Distressed Principal Balance" means, for any Payment Date, the aggregate unpaid principal balance of the Reference Obligations that are 90 days or more delinquent or are otherwise in foreclosure or REO status.

"High LTV Refinance Option" means Fannie Mae's high loan-to-value refinance program, effective October 1, 2017, designed to provide refinance opportunities to borrowers with existing Fannie Mae mortgages who are current in their mortgage payments but whose loan-to-value ratios exceed the maximum permitted for standard refinance products under the Selling Guide.

"Minimum Credit Enhancement Test" means, with respect to any Payment Date, a test that will be satisfied if the Subordinate Percentage (solely for purposes of such test, rounded to the sixth decimal place) is greater than or equal to 3.200000%.

"Net Liquidation Proceeds" means, with respect to any Credit Event Reference Obligation, the sum of the related liquidation proceeds and any proceeds received from the related servicer in connection with such Credit Event Reference Obligation, less related expenses and credits, including but not limited to taxes and insurance, legal costs, maintenance and preservation costs, in each case during the period including the month in which such Reference Obligation became a Credit Event Reference Obligation together with the immediately following three-month period.

"Original Accrual Rate" means, with respect to any Reference Obligation, the mortgage rate as of the Cut-off Date or, in the case of a High LTV Refinance Reference Obligation, the origination date, less the greater of (i) the related servicing fee and (ii) 35 basis points.



"Preliminary Class Notional Amount" means, for a Payment Date and Reference Tranche, an amount equal to the Class Notional Amount of a Reference Tranche immediately prior to such Payment Date after the application of the Preliminary Tranche Write-down Amount in accordance with the priorities set forth in the Allocation of Tranche Write-down Amount for the related Notes and after the application of the Preliminary Tranche Write-up Amount in accordance with the priorities set forth in the Allocation of Tranche Write-up Amount.

"Preliminary Principal Loss Amount" means, for a Payment Date, an amount equal to the Principal Loss Amount computed without giving effect to clause (d) of the definition of Principal Loss Amount.

"Preliminary Tranche Write-down Amount" means, for a Payment Date, and amount equal to the Tranche Write-down Amount computed using the Preliminary Principal Loss Amount instead of the Principal Loss Amount.

"Preliminary Tranche Write-up Amount" means, for a Payment Date, an amount equal to the Tranche Write-up Amount computed using the Preliminary Principal Loss Amount instead of the Principal Loss Amount.

"Projected Recovery Amount" means, as of the Termination Date, the aggregate amount of subsequent recoveries, net of expenses and credits, projected to be received on the Reference Pool, calculated based on a formula to be derived by Fannie Mae from the actual net recovery experience for the Reference Pool during the 30-month period immediately preceding the Termination Date, plus any additional amount determined by Fannie Mae in its sole discretion to be appropriate for purposes of the foregoing projection in light of then-current market conditions. Information regarding the formula and results of the related calculations will be provided to Holders through Payment Date statements in advance of the Termination Date. In the absence of manifest error, Fannie Mae's determination of the Projected Recovery Amount will be final.

"Senior Percentage" means, with respect to each Payment Date, the percentage equivalent of a fraction, the numerator of which is the Class Notional Amount of the Senior Reference Tranche immediately prior to such Payment Date and the denominator of which is the aggregate unpaid principal balance of the Reference Obligations at the end of the previous Reporting Period.

"Subordinate Percentage" means, with respect to each Payment Date and the Notes, 100% minus the Senior Percentage for such Payment Date.



### Weighted Average Life and Modeling Assumptions

Weighted average life of a Class of Notes refers to the average amount of time that will elapse from the date of issuance of such Class of Notes until each dollar is distributed and any Tranche Write-down Amount is allocated in reduction of its principal balance. The weighted average lives of the Notes will be influenced by, among other things, the rate at which principal of the mortgage loans that are Reference Obligations is paid, which may be in the form of scheduled amortization, prepayments or liquidations and the timing and rate of allocation of Tranche Write-down Amounts and Tranche Write-up Amounts.

Prepayments on mortgage loans are commonly measured relative to a constant prepayment standard or model. The model used in this term sheet for the Reference Obligations is a Constant Prepayment Rate (or "CPR"). CPR assumes that the outstanding principal balance of a pool of mortgage loans prepays at a specified constant annual rate. In projecting monthly cashflows, this rate is converted to an equivalent monthly rate. CPR does not purport to be either a historical description of the prepayment experience of mortgage loans or a prediction of the anticipated rate of prepayment of any mortgage loans, including the Reference Obligations. The percentages of CPR in the tables below do not purport to be historical description of relative prepayment experience of the Reference Obligations or predictions of the anticipated relative rate of prepayment of the Reference Obligations. Variations in the prepayment experience and the principal balance of the Reference Obligations that prepay may increase or decrease the percentages of initial Class Principal Balance (and weighted average lives) shown in the following tables. Such variations may occur even if the average prepayment experience of all such Reference Obligations equals any of the specified percentages of CPR.

The Weighted Average Life Tables, Declining Balances Tables, Credit Event Sensitivity Tables, Cumulative Note Write-down Amount Tables and Yield Tables below were prepared based on the following assumptions (collectively, the "Modeling Assumptions"):

- (1) the initial Class Principal Balances or Class Notional Amounts are as set forth in the table on page 4;
- (2) the scheduled monthly payment for each Reference Obligation is based on its unpaid principal balance, current mortgage rate and remaining amortization term to maturity so that it will fully amortize in amounts sufficient for the repayment thereof over its remaining amortization term to maturity;
- (3) each monthly payment of scheduled principal and interest on the Reference Obligations is timely received on the first day of each month commencing in December 2021;
- (4) other than with respect to the Declining Balances Tables, the Reference Obligations experience Credit Events at the indicated CDR percentages and there is no lag between the related Credit Event Amounts and the application of any related Excess Credit Event Amount; the Principal Loss Amount is equal to 25% of the Credit Event Amount; in the case of the Declining Balances Tables, it is assumed that no Credit Events occur;
- (5) the Delinquency Test is satisfied for each Payment Date;





- (6) principal prepayments in full on the Reference Obligations are received on the last day of each month beginning in the calendar month prior to the month in which the first Payment Date occurs;
- (7) there are no partial principal prepayments on the Reference Obligations;
- (8) the Reference Obligations prepay at the indicated CPR percentages;
- (9) except as specified in the tables, there are no defaults or delinquencies on the Reference Obligations;
- (10) Payment Dates occur on the 25th day of each month commencing in January 2022;
- (11) Remittance Dates occur on the 24th day of each month commencing in January 2022;
- (12) there are no purchases, removals, reinstatements, or substitutions of Reference Obligations;
- (13) there are no Modification Events or data corrections in connection with the Reference Obligations;
- (14) the Maturity Date is the Payment Date in December 2041;
- (15) there is no Early Redemption Option exercised (except in the case of Weighted Average Life (years) to Early Redemption Date);
- (16) the Closing Date is January 20, 2022;
- (17) SOFR stays constant at 0.04967%;
- (18) the Reference Obligations are aggregated into the assumed mortgage loans having the characteristics as described in "Assumed Characteristics of the Reference Obligations as of the Cut-off Date";
- (19) there are no Reversed Credit Event Reference Obligations;
- (20) the Projected Recovery Amount is zero;
- (21) there are no Originator Rep and Warranty Settlements;
- (22) the Collateral Administration Agreement does not terminate prior to the Payment Date in December 2041 (except in the case of Weighted Average Life (years) to Early Redemption Date);
- (23) there is no Event of Default under the Indenture;
- (24) there are no losses or delays in the liquidation of Eligible Investments in the Cash Collateral Account; and
- (25) the Class 1M-1 margin is equal to 0.95%, the Class 1M-2 margin is equal to 1.85%, the Class 1B-1 margin is equal to 3.05% and the Class 1B-2 margin is equal to 5.75%.

The following default sensitivity tables assume a constant rate of Reference Obligations becoming Credit Event Reference Obligations each month relative to the then outstanding aggregate principal balance of Reference Obligations. This credit event rate (or "CDR") does not purport to be either an historical description of the default experience of the Reference Obligations or a prediction of the anticipated rate of defaults on the Reference Obligations. The rate and extent of actual defaults experienced on the Reference Obligations are likely to differ from those assumed and may differ significantly. A rate of 1.0% CDR assumes Reference Obligations become Credit Event Reference Obligations at an annual rate of 1.0% which remains in effect through the remaining lives of such Reference Obligations. Further, it is unlikely the Reference Obligations will become Credit Event Reference Obligations at any specified percentage of CDR.

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*





*Assumed Characteristics of the Reference Obligations as of the Cut-off Date*

Assumed Reference Obligation Group Number	Unpaid Principal Balance (\$)	Remaining Term to Stated Maturity (months)	Original Term to Stated Maturity (months)	Gross Mortgage Rate (%)
1	1,651,493,151.19	351	359	2.326
2	3,928,391,820.10	351	359	2.499
3	5,944,806,717.00	351	359	2.624
4	11,998,125,586.95	351	359	2.745
5	11,848,685,283.08	350	358	2.872
6	8,181,149,228.82	351	358	2.992
7	3,384,183,755.64	351	359	3.123
8	1,677,505,526.13	351	359	3.248
9	1,605,922,942.86	351	359	3.373
10	1,564,355,232.64	352	359	3.498
11	1,454,470,353.07	352	359	3.624
12	77,196,777.04	352	359	3.749
13	104,731,736.23	352	359	3.874
14	90,415,529.57	351	359	3.995
15	59,535,106.46	352	360	4.124
16	21,266,554.61	351	359	4.249
17	32,267,605.31	351	359	4.374
18	31,092,606.32	352	360	4.498
19	26,765,041.29	352	360	4.624
20	26,252,095.70	352	360	4.748
21	19,490,350.74	352	360	4.874
22	12,041,378.79	352	360	4.997
23	883,689.31	351	360	5.125
24	3,416,289.44	351	360	5.240
25	548,201.36	352	360	5.375
26	2,118,640.93	352	360	5.497
27	68,917.60	351	360	5.625

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*



**Declining Balances Tables**

*Percentages of Original Class Principal Balances Outstanding and Weighted Average Lives*

Date	Class 1M-1 CPR Prepayment Assumption							
	<u>0%</u>	<u>5%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>30%</u>	<u>35%</u>
Closing Date	100	100	100	100	100	100	100	100
December 25, 2022	92	75	57	40	23	5	0	0
December 25, 2023	84	51	20	0	0	0	0	0
December 25, 2024	76	28	0	0	0	0	0	0
December 25, 2025	67	7	0	0	0	0	0	0
December 25, 2026	58	0	0	0	0	0	0	0
December 25, 2027	49	0	0	0	0	0	0	0
December 25, 2028	40	0	0	0	0	0	0	0
December 25, 2029	30	0	0	0	0	0	0	0
December 25, 2030	20	0	0	0	0	0	0	0
December 25, 2031	10	0	0	0	0	0	0	0
December 25, 2032	0	0	0	0	0	0	0	0
December 25, 2033	0	0	0	0	0	0	0	0
December 25, 2034	0	0	0	0	0	0	0	0
December 25, 2035	0	0	0	0	0	0	0	0
December 25, 2036	0	0	0	0	0	0	0	0
December 25, 2037	0	0	0	0	0	0	0	0
December 25, 2038	0	0	0	0	0	0	0	0
December 25, 2039	0	0	0	0	0	0	0	0
December 25, 2040	0	0	0	0	0	0	0	0
December 25, 2041	0	0	0	0	0	0	0	0
Weighted Average Life (years) to Maturity	5.74	2.06	1.19	0.82	0.61	0.48	0.39	0.32
Weighted Average Life (years) to Early Redemption Date*	3.93	2.06	1.19	0.82	0.61	0.48	0.39	0.32

\* The Early Redemption Date is assumed to occur on the earliest possible Payment Date, which is in December 2026.

**Class 1M-2**  
**CPR Prepayment Assumption**

<b>Date</b>	<b><u>0%</u></b>	<b><u>5%</u></b>	<b><u>10%</u></b>	<b><u>15%</u></b>	<b><u>20%</u></b>	<b><u>25%</u></b>	<b><u>30%</u></b>	<b><u>35%</u></b>
Closing Date	100	100	100	100	100	100	100	100
December 25, 2022	100	100	100	100	100	100	87	69
December 25, 2023	100	100	100	89	60	32	6	0
December 25, 2024	100	100	85	45	9	0	0	0
December 25, 2025	100	100	54	8	0	0	0	0
December 25, 2026	100	87	26	0	0	0	0	0
December 25, 2027	100	67	1	0	0	0	0	0
December 25, 2028	100	48	0	0	0	0	0	0
December 25, 2029	100	30	0	0	0	0	0	0
December 25, 2030	100	14	0	0	0	0	0	0
December 25, 2031	100	0	0	0	0	0	0	0
December 25, 2032	100	0	0	0	0	0	0	0
December 25, 2033	88	0	0	0	0	0	0	0
December 25, 2034	76	0	0	0	0	0	0	0
December 25, 2035	64	0	0	0	0	0	0	0
December 25, 2036	52	0	0	0	0	0	0	0
December 25, 2037	39	0	0	0	0	0	0	0
December 25, 2038	26	0	0	0	0	0	0	0
December 25, 2039	12	0	0	0	0	0	0	0
December 25, 2040	0	0	0	0	0	0	0	0
December 25, 2041	0	0	0	0	0	0	0	0
Weighted Average Life (years) to Maturity	15.05	6.93	4.15	2.89	2.18	1.72	1.40	1.17
Weighted Average Life (years) to Early Redemption Date*	4.93	4.89	4.01	2.89	2.18	1.72	1.40	1.17

\* The Early Redemption Date is assumed to occur on the earliest possible Payment Date, which is in December 2026.



Connecticut Avenue Securities, Series 2022-R01  
 CONFIDENTIAL PRELIMINARY TERM SHEET

**Class 1B-1**  
**CPR Prepayment Assumption**

<b>Date</b>	<b><u>0%</u></b>	<b><u>5%</u></b>	<b><u>10%</u></b>	<b><u>15%</u></b>	<b><u>20%</u></b>	<b><u>25%</u></b>	<b><u>30%</u></b>	<b><u>35%</u></b>
Closing Date	100	100	100	100	100	100	100	100
December 25, 2022	100	100	100	100	100	100	100	100
December 25, 2023	100	100	100	100	100	100	100	74
December 25, 2024	100	100	100	100	100	68	29	0
December 25, 2025	100	100	100	100	57	11	0	0
December 25, 2026	100	100	100	67	13	0	0	0
December 25, 2027	100	100	100	31	0	0	0	0
December 25, 2028	100	100	70	*	0	0	0	0
December 25, 2029	100	100	43	0	0	0	0	0
December 25, 2030	100	100	19	0	0	0	0	0
December 25, 2031	100	97	0	0	0	0	0	0
December 25, 2032	100	76	0	0	0	0	0	0
December 25, 2033	100	56	0	0	0	0	0	0
December 25, 2034	100	38	0	0	0	0	0	0
December 25, 2035	100	21	0	0	0	0	0	0
December 25, 2036	100	4	0	0	0	0	0	0
December 25, 2037	100	0	0	0	0	0	0	0
December 25, 2038	100	0	0	0	0	0	0	0
December 25, 2039	100	0	0	0	0	0	0	0
December 25, 2040	98	0	0	0	0	0	0	0
December 25, 2041	0	0	0	0	0	0	0	0
Weighted Average Life (years) to Maturity	19.81	12.39	7.77	5.48	4.15	3.29	2.70	2.25
Weighted Average Life (years) to Early Redemption Date**	4.93	4.93	4.93	4.82	4.13	3.29	2.70	2.25

\* Indicates a number that is greater than 0.0% but less than 0.5%.

\*\* The Early Redemption Date is assumed to occur on the earliest possible Payment Date, which is in December 2026.

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*

**Class 1B-2**  
**CPR Prepayment Assumption**

<b>Date</b>	<b>0%</b>	<b>5%</b>	<b>10%</b>	<b>15%</b>	<b>20%</b>	<b>25%</b>	<b>30%</b>	<b>35%</b>
Closing Date	100	100	100	100	100	100	100	100
December 25, 2022	100	100	100	100	100	100	100	100
December 25, 2023	100	100	100	100	100	100	100	100
December 25, 2024	100	100	100	100	100	100	100	95
December 25, 2025	100	100	100	100	100	100	75	45
December 25, 2026	100	100	100	100	100	70	37	13
December 25, 2027	100	100	100	100	78	40	12	0
December 25, 2028	100	100	100	100	51	17	0	0
December 25, 2029	100	100	100	75	30	1	0	0
December 25, 2030	100	100	100	54	14	0	0	0
December 25, 2031	100	100	97	37	1	0	0	0
December 25, 2032	100	100	78	22	0	0	0	0
December 25, 2033	100	100	62	10	0	0	0	0
December 25, 2034	100	100	47	1	0	0	0	0
December 25, 2035	100	100	34	0	0	0	0	0
December 25, 2036	100	100	23	0	0	0	0	0
December 25, 2037	100	89	13	0	0	0	0	0
December 25, 2038	100	75	5	0	0	0	0	0
December 25, 2039	100	61	0	0	0	0	0	0
December 25, 2040	100	49	0	0	0	0	0	0
December 25, 2041	0	0	0	0	0	0	0	0
Weighted Average Life (years) to Maturity	19.93	18.39	13.07	9.45	7.23	5.77	4.73	3.96
Weighted Average Life (years) to Early Redemption Date*	4.93	4.93	4.93	4.93	4.93	4.83	4.44	3.92

\* The Early Redemption Date is assumed to occur on the earliest possible Payment Date, which is in December 2026.

**Credit Event Sensitivity Table**  
**Cumulative Credit Events (as % of the Cut-off Date Balance)**

<b>CDR</b>	<b>0% CPR</b>	<b>5% CPR</b>	<b>10% CPR</b>	<b>15% CPR</b>	<b>20% CPR</b>	<b>25% CPR</b>	<b>30% CPR</b>	<b>35% CPR</b>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.25%	3.60%	2.41%	1.71%	1.28%	0.99%	0.80%	0.66%	0.56%
0.50%	7.05%	4.75%	3.38%	2.53%	1.97%	1.59%	1.31%	1.11%
0.75%	10.37%	7.01%	5.00%	3.75%	2.93%	2.37%	1.96%	1.66%
1.00%	13.55%	9.19%	6.58%	4.95%	3.88%	3.14%	2.60%	2.20%
1.50%	19.54%	13.35%	9.62%	7.28%	5.72%	4.65%	3.86%	3.27%
2.00%	25.07%	17.25%	12.51%	9.51%	7.51%	6.12%	5.10%	4.32%
3.00%	34.85%	24.32%	17.86%	13.71%	10.92%	8.95%	7.49%	6.38%

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*



*Cumulative Note Write-down Amount Tables*

**Class 1M-1 Cumulative Write-down Amount (as % of Class 1M-1 Original Class Principal Balance)**

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.75%	32.49%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.00%	99.35%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.50%	99.35%	97.84%	11.76%	0.00%	0.00%	0.00%	0.00%	0.00%
2.00%	99.35%	97.84%	91.96%	8.58%	0.00%	0.00%	0.00%	0.00%
3.00%	99.35%	97.84%	96.25%	94.58%	47.76%	0.00%	0.00%	0.00%

**Class 1M-2 Cumulative Write-down Amount (as % of Class 1M-2 Original Class Principal Balance)**

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.50%	36.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.75%	100.00%	35.49%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.00%	100.00%	99.74%	23.02%	0.00%	0.00%	0.00%	0.00%	0.00%
1.50%	100.00%	100.00%	100.00%	43.42%	0.00%	0.00%	0.00%	0.00%
2.00%	100.00%	100.00%	100.00%	100.00%	50.33%	9.29%	0.00%	0.00%
3.00%	100.00%	100.00%	100.00%	100.00%	100.00%	92.51%	49.70%	16.94%

**Class 1B-1 Cumulative Write-down Amount (as % of Class 1B-1 Original Class Principal Balance)**

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.25%	8.28%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.50%	100.00%	56.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.75%	100.00%	100.00%	66.73%	14.65%	0.00%	0.00%	0.00%	0.00%
1.00%	100.00%	100.00%	100.00%	64.62%	19.94%	0.00%	0.00%	0.00%
1.50%	100.00%	100.00%	100.00%	100.00%	96.85%	51.92%	19.27%	0.00%
2.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	70.69%	38.44%
3.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%



**Class 1B-2 Cumulative Write-down Amount (as % of Class 1B-2 Original Class Principal Balance)**

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.25%	100.00%	58.90%	29.65%	11.54%	0.00%	0.00%	0.00%	0.00%
0.50%	100.00%	100.00%	99.10%	63.64%	40.48%	24.57%	13.12%	4.54%
0.75%	100.00%	100.00%	100.00%	100.00%	80.54%	57.04%	40.08%	27.34%
1.00%	100.00%	100.00%	100.00%	100.00%	100.00%	89.08%	66.76%	49.94%
1.50%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	94.57%
2.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%





*Classes Yield Tables*

**Class 1M-1 Pre-Tax Yield to Maturity (Price = 100.00000%)**

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
0.25%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
0.50%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
0.75%	(0.78)%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
1.00%	(19.59)%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
1.50%	(37.80)%	(23.15)%	(0.21)%	1.00%	1.00%	1.00%	1.00%	1.00%
2.00%	(55.11)%	(42.65)%	(12.77)%	(0.37)%	1.00%	1.00%	1.00%	1.00%
3.00%	(86.51)%	(76.63)%	(63.83)%	(44.38)%	(9.66)%	1.00%	1.00%	1.00%

**Class 1M-2 Pre-Tax Yield to Maturity (Price = 100.00000%)**

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.00%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%
0.25%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%
0.50%	(0.03)%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%
0.75%	(17.41)%	(0.03)%	1.91%	1.91%	1.91%	1.91%	1.91%	1.91%
1.00%	(29.00)%	(15.14)%	0.30%	1.91%	1.91%	1.91%	1.91%	1.91%
1.50%	(51.73)%	(40.61)%	(24.19)%	(2.59)%	1.91%	1.91%	1.91%	1.91%
2.00%	(73.06)%	(63.23)%	(50.57)%	(30.15)%	(5.17)%	0.39%	1.91%	1.91%
3.00%	*	*	(93.01)%	(81.51)%	(65.30)%	(17.29)%	(9.12)%	(2.41)%

\*Indicates a yield less than (99.99)%

**Class 1B-1 Pre-Tax Yield to Maturity (Price = 100.00000%)**

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.00%	3.12%	3.12%	3.12%	3.12%	3.12%	3.12%	3.12%	3.12%
0.25%	2.80%	3.12%	3.12%	3.12%	3.12%	3.12%	3.12%	3.12%
0.50%	(15.24)%	(0.29)%	3.12%	3.12%	3.12%	3.12%	3.12%	3.12%
0.75%	(32.11)%	(21.53)%	(1.88)%	2.12%	3.12%	3.12%	3.12%	3.12%
1.00%	(48.97)%	(39.11)%	(25.88)%	(2.77)%	1.26%	3.12%	3.12%	3.12%
1.50%	(80.37)%	(72.03)%	(61.80)%	(48.27)%	(13.34)%	(4.00)%	0.26%	3.12%
2.00%	*	*	(92.27)%	(82.16)%	(68.82)%	(47.21)%	(9.68)%	(4.30)%
3.00%	*	*	*	*	*	*	*	(82.83)%

\*Indicates a yield less than (99.99)%

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*



**Class 1B-2 Pre-Tax Yield to Maturity (Price = 100.00000%)**

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.00%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%
0.25%	(7.13)%	1.95%	4.12%	5.15%	5.87%	5.87%	5.87%	5.87%
0.50%	(34.91)%	(25.62)%	(10.79)%	(0.28)%	1.63%	2.95%	4.12%	5.22%
0.75%	(62.66)%	(54.19)%	(43.71)%	(29.00)%	(5.02)%	(2.16)%	(0.44)%	1.02%
1.00%	(87.82)%	(80.43)%	(71.59)%	(60.48)%	(44.84)%	(9.92)%	(5.96)%	(3.84)%
1.50%	*	*	*	*	*	(88.69)%	(71.47)%	(18.94)%
2.00%	*	*	*	*	*	*	*	*
3.00%	*	*	*	*	*	*	*	*

*\*Indicates a yield less than (99.99)%*

***Weighted Average Life Tables***

**Class 1M-1 Weighted Average Life to Maturity (in Years)**

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.00%	5.74	2.06	1.19	0.82	0.61	0.48	0.39	0.32
0.25%	11.44	2.79	1.44	0.95	0.70	0.56	0.46	0.39
0.50%	19.29	4.13	1.74	1.07	0.76	0.59	0.47	0.39
0.75%	19.18	7.49	2.21	1.23	0.84	0.63	0.49	0.40
1.00%	14.17	14.65	3.04	1.44	0.93	0.68	0.52	0.42
1.50%	8.54	12.02	9.82	2.29	1.20	0.82	0.59	0.46
2.00%	6.16	7.51	11.60	6.43	1.76	1.01	0.69	0.52
3.00%	3.96	4.40	5.11	6.66	6.63	2.36	1.10	0.71

**Class 1M-2 Weighted Average Life to Maturity (in Years)**

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.00%	15.05	6.93	4.15	2.89	2.18	1.72	1.40	1.17
0.25%	19.80	9.71	5.12	3.36	2.45	1.91	1.54	1.27
0.50%	18.90	15.13	6.62	3.95	2.76	2.09	1.66	1.35
0.75%	12.32	18.13	9.62	4.83	3.15	2.31	1.79	1.44
1.00%	8.67	12.64	13.87	6.35	3.70	2.58	1.94	1.54
1.50%	5.50	6.61	9.20	10.76	6.30	3.45	2.38	1.80
2.00%	4.03	4.56	5.44	7.52	8.41	5.91	3.16	2.18
3.00%	2.61	2.82	3.10	3.50	4.18	6.17	5.55	4.27

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*



**Class 1B-1 Weighted Average Life to Maturity (in Years)**

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.00%	19.81	12.39	7.77	5.48	4.15	3.29	2.70	2.25
0.25%	19.85	17.94	10.30	6.68	4.84	3.73	2.99	2.47
0.50%	10.89	16.58	15.53	8.68	5.77	4.25	3.32	2.68
0.75%	6.79	8.69	14.06	12.58	7.39	5.00	3.74	2.96
1.00%	4.95	5.81	7.52	11.64	9.96	6.32	4.35	3.30
1.50%	3.21	3.53	4.00	4.77	7.16	7.85	6.61	4.61
2.00%	2.37	2.54	2.75	3.06	3.52	4.48	6.08	5.57
3.00%	1.55	1.61	1.69	1.79	1.92	2.09	2.34	2.77

**Class 1B-2 Weighted Average Life to Maturity (in Years)**

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.00%	19.93	18.39	13.07	9.45	7.23	5.77	4.73	3.96
0.25%	10.42	14.37	15.53	12.97	10.04	7.32	5.71	4.63
0.50%	4.70	5.57	7.71	10.31	9.46	8.11	6.86	5.77
0.75%	3.05	3.36	3.84	4.76	7.13	7.05	6.35	5.59
1.00%	2.25	2.41	2.63	2.95	3.50	5.21	5.46	5.10
1.50%	1.47	1.54	1.62	1.72	1.85	2.04	2.34	3.30
2.00%	1.09	1.12	1.17	1.21	1.27	1.35	1.45	1.59
3.00%	0.71	0.72	0.74	0.76	0.78	0.80	0.83	0.87



**Reference Pool Summary**

*Statistics for the Reference Obligations listed below are based on statistical Cut-off Date information as of October 31, 2021.*

<b>Reference Pool Summary</b>				
	<u>Aggregate</u>	<u>Weighted Average</u>	<u>Minimum</u>	<u>Maximum</u>
Number of Reference Obligations	180,002	-	-	-
Aggregate Original Principal Balance	\$54,742,710,000	\$304,123 <sup>(1)</sup>	\$22,000	\$1,582,000
Aggregate Unpaid Principal Balance	\$53,747,180,118	\$298,592 <sup>(1)</sup>	\$6,355	\$1,558,593
Gross Mortgage Rate	-	2.884%	1.875%	5.625%
Remaining Term to Stated Maturity	-	351 Months	232 Months	354 Months
Original Term to Stated Maturity	-	359 Months	241 Months	360 Months
Loan Age	-	8 Months	6 Months	17 Months
Original Loan-to-Value Ratio	-	73.57%	61.00%	80.00%
Original Combined Loan-to-Value Ratio	-	73.87%	61.00%	97.00%
Debt-to-Income Ratio	-	34%	0% <sup>(2)</sup>	50%
Credit Score	-	758	620	839
% Refinance	75.71%			
% Owner Occupied	88.27%			
% SFR/PUD	89.38%			
Top Five Geographic Concentration of Mortgage Loans (States)				
CA	22.31%			
FL	5.92%			
TX	5.70%			
WA	4.72%			
NY	3.76%			

(1) Average.

(2) Indicates a number that is greater than 0.00% but less than 0.50%.



<i>Product Type of the Mortgage Loans</i>							
<b>Product Type</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
Fixed Rate	180,002	53,747,180,118	100.00	2.884	758	73.57	73.87
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>

<i>Unpaid Principal Balances as of the Origination Date</i>							
<b>Range of Unpaid Principal Balance (\$)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
0.01 - 25,000.00	5	105,966	*	3.857	666	79.00	79.00
25,000.01 - 50,000.00	321	13,547,293	0.03	3.475	743	76.08	76.16
50,000.01 - 75,000.00	1,701	108,643,418	0.20	3.274	749	74.66	74.81
75,000.01 - 100,000.00	4,324	382,526,515	0.71	3.127	750	73.40	73.51
100,000.01 - 125,000.00	7,999	895,556,334	1.67	3.040	752	73.26	73.39
125,000.01 - 150,000.00	10,258	1,396,658,311	2.60	3.026	753	73.49	73.63
150,000.01 - 200,000.00	26,400	4,605,484,065	8.57	2.977	754	73.44	73.57
200,000.01 - 250,000.00	27,342	6,051,695,927	11.26	2.937	755	73.65	73.79
250,000.01 - 300,000.00	24,429	6,605,756,177	12.29	2.913	756	73.88	74.03
300,000.01 - 350,000.00	19,152	6,113,348,931	11.37	2.881	757	73.90	74.07
350,000.01 - 400,000.00	15,794	5,823,044,196	10.83	2.858	758	73.89	74.05
400,000.01 - 450,000.00	11,507	4,806,362,229	8.94	2.849	758	73.87	74.03
450,000.01 - 500,000.00	9,681	4,521,183,474	8.41	2.824	760	73.84	74.15
500,000.01 - 550,000.00	10,696	5,546,086,976	10.32	2.808	761	73.01	74.12
550,000.01 - 600,000.00	2,585	1,471,174,197	2.74	2.859	762	73.07	73.53
600,000.01 - 650,000.00	2,358	1,450,382,822	2.70	2.827	766	72.07	72.32
650,000.01 - 700,000.00	1,959	1,301,875,491	2.42	2.806	768	72.99	73.25
700,000.01 - 750,000.00	1,528	1,091,631,790	2.03	2.809	766	73.99	74.38
750,000.01 - 800,000.00	1,082	820,790,482	1.53	2.800	768	73.30	74.02
800,000.01 - 850,000.00	729	587,740,209	1.09	2.792	767	70.71	72.22
850,000.01 - 900,000.00	28	24,344,273	0.05	3.028	767	73.14	73.14
900,000.01 or greater	124	129,241,041	0.24	3.027	768	71.64	71.86
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>
<b>Average (\$)</b>	<b>304,122.79</b>						

\*Indicates a number that is greater than 0.000% but less than 0.005%.

<sup>(1)</sup> Amounts may not add up to the totals shown due to rounding.

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*

*Unpaid Principal Balances as of the Cut-off Date*

Range of Unpaid Principal Balance (\$)	Number of Mortgage Loans	Unpaid Principal Balance (\$) <sup>(1)</sup>	Unpaid Principal Balance (%) <sup>(1)</sup>	W.A. Mortgage Rate (%)	W.A. Original Credit Score	W.A. Original LTV Ratio (%)	W.A. Original CLTV Ratio (%)
0.01 - 25,000.00	29	519,962	*	3.150	751	75.28	75.28
25,000.01 - 50,000.00	394	16,508,065	0.03	3.404	749	76.08	76.21
50,000.01 - 75,000.00	1,862	120,097,755	0.22	3.248	750	74.69	74.83
75,000.01 - 100,000.00	4,577	409,782,188	0.76	3.116	751	73.34	73.44
100,000.01 - 125,000.00	8,291	939,392,066	1.75	3.035	752	73.27	73.39
125,000.01 - 150,000.00	10,590	1,461,261,485	2.72	3.017	753	73.53	73.67
150,000.01 - 200,000.00	26,920	4,756,336,745	8.85	2.975	754	73.43	73.56
200,000.01 - 250,000.00	27,799	6,240,866,597	11.61	2.935	755	73.69	73.83
250,000.01 - 300,000.00	24,209	6,644,007,767	12.36	2.909	757	73.88	74.02
300,000.01 - 350,000.00	19,112	6,193,482,950	11.52	2.880	757	73.94	74.11
350,000.01 - 400,000.00	15,490	5,796,093,461	10.78	2.857	758	73.79	73.94
400,000.01 - 450,000.00	11,365	4,824,302,159	8.98	2.845	758	73.91	74.09
450,000.01 - 500,000.00	9,765	4,640,068,244	8.63	2.821	760	73.79	74.16
500,000.01 - 550,000.00	9,510	4,987,559,741	9.28	2.813	761	72.94	74.10
550,000.01 - 600,000.00	2,708	1,559,960,345	2.90	2.851	763	72.83	73.28
600,000.01 - 650,000.00	2,363	1,476,035,194	2.75	2.828	767	72.27	72.52
650,000.01 - 700,000.00	1,829	1,234,019,263	2.30	2.804	768	73.20	73.45
700,000.01 - 750,000.00	1,494	1,081,937,777	2.01	2.811	767	74.00	74.50
750,000.01 - 800,000.00	937	720,325,093	1.34	2.795	767	72.87	73.54
800,000.01 - 850,000.00	609	493,536,698	0.92	2.796	766	70.80	72.49
850,000.01 - 900,000.00	32	27,999,607	0.05	3.070	766	73.13	73.13
900,000.01 or greater	117	123,086,956	0.23	3.014	768	71.54	71.78
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>
<b>Average (\$)</b>	<b>298,592.13</b>						

\*Indicates a number that is greater than 0.000% but less than 0.005%.

<sup>(1)</sup> Amounts may not add up to the totals shown due to rounding.

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*



<i>Gross Mortgage Rates of the Mortgage Loans as of the Cut-off Date</i>							
<b>Range of Gross Mortgage Rates (%)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
1.751 - 2.000	89	30,896,022	0.06	1.995	773	71.84	72.08
2.001 - 2.250	1,381	489,048,047	0.91	2.235	773	72.65	72.86
2.251 - 2.500	14,241	5,059,940,903	9.41	2.471	774	72.99	73.13
2.501 - 2.750	55,887	17,942,932,304	33.38	2.705	769	73.45	73.70
2.751 - 3.000	67,757	20,029,834,512	37.27	2.921	756	73.55	73.93
3.001 - 3.250	18,973	5,061,689,282	9.42	3.165	744	73.94	74.33
3.251 - 3.500	12,825	3,170,278,176	5.90	3.435	731	74.21	74.51
3.501 - 3.750	6,571	1,531,667,130	2.85	3.630	725	74.42	74.60
3.751 - 4.000	996	195,147,266	0.36	3.930	719	74.60	74.76
4.001 - 4.250	451	80,801,661	0.15	4.157	712	74.94	75.02
4.251 - 4.500	330	63,360,212	0.12	4.435	708	75.08	75.14
4.501 - 4.750	286	53,017,137	0.10	4.685	708	75.31	75.38
4.751 - 5.000	182	31,531,730	0.06	4.921	693	75.89	75.89
5.001 - 5.250	18	4,299,979	0.01	5.217	700	76.68	76.68
5.251 - 5.500	14	2,666,842	*	5.472	685	77.36	77.36
5.501 - 5.750	1	68,918	*	5.625	689	80.00	80.00
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>
<b>Weighted Average (%)</b>	<b>2.884</b>						

\*Indicates a number that is greater than 0.000% but less than 0.005%.

<sup>(1)</sup> Amounts may not add up to the totals shown due to rounding.

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*





<i>Seasoning of the Mortgage Loans as of the Cut-off Date</i>							
<b>Seasoning (months)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
6	22,778	6,747,698,495	12.55	2.942	756	73.85	74.19
7	65,978	19,723,361,333	36.70	2.878	758	73.52	73.81
8	74,765	22,385,428,444	41.65	2.865	759	73.45	73.74
9	13,238	3,939,762,399	7.33	2.890	760	73.89	74.25
10	2,070	615,152,376	1.14	2.978	759	73.87	74.20
11	797	224,556,235	0.42	3.009	760	73.58	74.07
12	182	55,874,571	0.10	3.025	767	74.07	74.30
13	104	28,840,680	0.05	3.247	761	74.86	75.77
14	67	18,769,987	0.03	3.325	751	76.05	76.80
15	20	6,786,051	0.01	3.443	757	72.35	72.60
16	2	522,812	*	3.375	681	75.31	75.31
17	1	426,737	*	3.375	769	68.00	68.00
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>
<b>Weighted Average (months)</b>	<b>7.50</b>						

\*Indicates a number that is greater than 0.000% but less than 0.005%.

<sup>(1)</sup> Amounts may not add up to the totals shown due to rounding.

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*



<i>Original Loan-to-Value Ratio of the Mortgage Loans at Origination</i>							
<b>Range of Original LTV (%)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
60.01 - 65.00	20,933	6,204,199,420	11.54	2.848	762	63.34	64.03
65.01 - 70.00	37,986	11,561,438,343	21.51	2.871	757	68.52	68.93
70.01 - 75.00	51,552	15,551,058,801	28.93	2.895	761	73.85	74.13
75.01 - 80.00	69,531	20,430,483,553	38.01	2.893	755	79.31	79.45
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>
<b>Weighted Average (%)</b>	<b>73.57</b>						

<i>Combined Loan-to-Value Ratio of the Mortgage Loans at Origination</i>							
<b>Range of Combined LTV (%)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
60.01 - 65.00	20,077	5,871,836,700	10.92	2.847	763	63.34	63.35
65.01 - 70.00	37,225	11,248,012,346	20.93	2.870	758	68.47	68.52
70.01 - 75.00	50,988	15,319,784,436	28.50	2.894	761	73.76	73.85
75.01 - 80.00	69,814	20,563,450,217	38.26	2.891	755	79.12	79.30
80.01 - 85.00	672	247,368,850	0.46	2.944	749	72.49	83.53
85.01 - 90.00	966	402,993,373	0.75	2.954	750	73.94	89.05
90.01 - 95.00	239	89,327,091	0.17	2.966	743	76.54	94.15
95.01 - 97.00	21	4,407,106	0.01	2.854	759	77.58	96.83
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>
<b>Weighted Average (%)</b>	<b>73.87</b>						

<sup>(1)</sup> Amounts may not add up to the totals shown due to rounding.

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*



<i>Credit Scores of the Mortgage Loans at Origination</i>							
<b>Credit Scores at Origination</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
620	76	18,608,654	0.03	3.396	620	72.81	72.92
621 - 640	1,530	382,457,432	0.71	3.295	631	73.26	73.38
641 - 660	3,201	818,529,801	1.52	3.246	651	73.39	73.62
661 - 680	5,714	1,498,098,915	2.79	3.180	671	73.29	73.60
681 - 700	10,577	2,909,093,858	5.41	3.060	691	73.80	74.16
701 - 720	15,231	4,365,969,844	8.12	2.995	711	74.28	74.74
721 - 740	19,092	5,597,564,877	10.41	2.919	731	74.10	74.54
741 - 760	26,245	7,919,499,555	14.73	2.860	751	73.96	74.32
761 - 780	34,787	10,724,405,687	19.95	2.838	771	73.54	73.87
781 - 800	40,313	12,653,787,687	23.54	2.814	791	73.27	73.49
801 - 820	22,791	6,745,603,132	12.55	2.804	808	72.84	72.96
821 - 840	445	113,560,676	0.21	2.819	824	71.01	71.01
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>
<b>Weighted Average</b>	<b>758</b>						

<i>Debt-to-Income Ratio of the Mortgage Loans at Origination*</i>							
<b>Range of Debt-to-Income Ratios (%)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
0 - 20	20,272	5,774,309,645	10.74	2.812	775	72.95	73.11
21 - 25	21,696	6,394,311,834	11.90	2.834	769	73.32	73.56
26 - 30	26,741	7,958,709,967	14.81	2.856	763	73.47	73.74
31 - 35	28,769	8,657,958,939	16.11	2.883	758	73.67	74.00
36 - 40	29,873	8,933,090,403	16.62	2.912	753	73.67	74.07
41 - 45	32,317	9,672,581,794	18.00	2.952	745	73.94	74.30
46 - 50	20,334	6,356,217,536	11.83	2.889	755	73.62	73.91
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>
<b>Weighted Average (%)</b>	<b>34</b>						

\* Debt-to-Income Ratios are shown rounded to the nearest integer.

<sup>(1)</sup> Amounts may not add up to the totals shown due to rounding.

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*

**Occupancy Status of the Mortgage Loans as of the Cut-off Date**

<b>Occupancy Status</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
Owner-Occupied	154,400	47,443,636,196	88.27	2.852	757	73.62	73.95
Investment Property	17,927	4,098,521,053	7.63	3.290	764	72.24	72.25
Second Home	7,675	2,205,022,869	4.10	2.809	770	74.92	75.06
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>

**Loan Purpose of the Mortgage Loans**

<b>Loan Purpose</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
No Cash-Out Refinance	89,846	27,670,004,517	51.48	2.830	761	72.26	72.61
Purchase	44,547	13,055,082,628	24.29	2.839	761	76.93	77.40
Cash-Out Refinance	45,609	13,022,092,974	24.23	3.043	749	72.95	73.00
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>

**Property Type of the Mortgage Loans as of the Cut-off Date**

<b>Property Type</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
1-4 Family Dwelling Unit	110,305	32,490,172,345	60.45	2.898	756	73.37	73.65
PUD	49,921	15,548,578,845	28.93	2.856	760	73.94	74.32
Condo	18,149	5,336,332,467	9.93	2.868	768	73.58	73.82
Manufactured Housing	1,057	195,049,982	0.36	3.090	742	74.74	74.85
Co-op	570	177,046,478	0.33	2.901	770	74.29	74.32
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>

<sup>(1)</sup> Amounts may not add up to the totals shown due to rounding.*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*



<i>Geographic Concentration of the Mortgage Loans</i>							
<b>State or Territory</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
California	27,412	11,991,047,542	22.31	2.858	758	72.36	72.69
Florida	12,598	3,182,900,800	5.92	2.914	754	74.74	75.06
Texas	11,679	3,063,006,725	5.70	2.900	755	74.47	74.92
Washington	6,717	2,535,748,836	4.72	2.899	759	72.99	73.25
New York	5,328	2,021,197,747	3.76	2.905	757	73.96	74.10
Colorado	5,903	2,018,845,948	3.76	2.885	761	73.25	73.63
Arizona	7,000	1,899,134,100	3.53	2.930	754	73.52	73.72
New Jersey	5,535	1,880,708,950	3.50	2.853	758	73.81	74.02
Virginia	5,500	1,761,684,182	3.28	2.844	765	73.48	73.80
North Carolina	6,802	1,752,795,158	3.26	2.861	763	73.95	74.25
Massachusetts	3,918	1,442,922,169	2.68	2.895	758	72.88	73.02
Georgia	5,598	1,437,501,141	2.67	2.887	758	74.25	74.59
Illinois	5,765	1,381,148,867	2.57	2.883	763	74.33	74.63
Maryland	3,980	1,262,573,082	2.35	2.850	761	73.69	74.24
Michigan	5,511	1,184,694,281	2.20	2.920	757	74.01	74.25
Utah	3,748	1,159,511,756	2.16	2.873	756	73.21	73.50
Oregon	3,433	1,103,681,474	2.05	2.913	761	73.16	73.47
Pennsylvania	4,450	1,090,937,406	2.03	2.879	760	74.35	74.62
Minnesota	3,996	1,002,280,298	1.86	2.870	762	74.02	74.52
Tennessee	3,431	835,185,030	1.55	2.913	757	74.26	74.60
Wisconsin	3,698	815,161,548	1.52	2.906	763	74.13	74.46
Nevada	2,653	746,959,861	1.39	2.932	753	73.83	74.05
Ohio	3,744	735,342,603	1.37	2.927	758	74.50	74.67
South Carolina	2,891	684,821,455	1.27	2.884	760	74.16	74.41
Missouri	3,341	678,638,540	1.26	2.901	759	74.23	74.53
Indiana	3,168	615,271,889	1.14	2.951	755	74.51	74.78
Idaho	1,979	545,644,426	1.02	2.909	748	73.44	73.52
Alabama	1,967	424,648,417	0.79	2.903	759	74.82	74.94
Hawaii	804	378,995,491	0.71	2.788	763	72.60	72.99
Connecticut	1,384	377,940,728	0.70	2.894	758	74.53	74.80
Kentucky	1,458	299,287,824	0.56	2.918	753	74.52	74.93
Iowa	1,391	275,591,657	0.51	2.797	761	74.85	75.45
Louisiana	1,198	270,242,070	0.50	2.876	754	74.31	74.58
Kansas	1,091	240,328,462	0.45	2.876	762	74.70	75.00
New Hampshire	848	233,902,790	0.44	2.920	753	73.45	73.56
Nebraska	1,059	228,228,600	0.42	2.857	762	74.45	74.95
District Of Columbia	485	227,571,022	0.42	2.818	769	72.74	73.12
Oklahoma	1,032	211,002,999	0.39	2.900	757	75.00	75.19
New Mexico	934	207,901,207	0.39	2.946	759	74.07	74.40
Montana	741	203,328,482	0.38	2.905	759	73.62	73.86
Arkansas	973	192,550,722	0.36	2.851	760	74.59	74.73
Delaware	708	180,254,215	0.34	2.894	761	73.94	74.29
Rhode Island	672	173,797,382	0.32	2.949	753	73.19	73.32
Maine	608	149,568,386	0.28	2.935	754	73.79	73.84
Mississippi	653	136,280,258	0.25	2.912	755	74.47	74.80
South Dakota	499	112,477,514	0.21	2.707	763	74.69	75.10
Wyoming	360	87,427,490	0.16	2.819	754	73.62	73.67
West Virginia	418	78,823,982	0.15	2.898	753	74.31	74.51
North Dakota	282	68,253,557	0.13	2.761	763	75.04	75.44
Alaska	235	63,886,386	0.12	2.894	760	74.09	74.14
Vermont	232	57,731,275	0.11	2.902	762	74.53	74.54
Puerto Rico	184	34,397,838	0.06	2.887	763	75.96	76.04
Virgin Islands	5	2,389,025	*	3.165	752	77.09	78.82
Guam	3	1,026,527	*	2.737	788	75.82	75.82
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>

\*Indicates a number that is greater than 0.000% but less than 0.005%.

<sup>(1)</sup> Amounts may not add up to the totals shown due to rounding.

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*

<i>Geographic Concentration of the Mortgage Loans (Top 10 Metropolitan Statistical Areas ("MSA"))*</i>							
<b>Top 10 MSAs</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
Los Angeles-Long Beach-Anaheim, CA	8,114	4,039,266,856	7.52	2.856	758	72.04	72.32
Non-Metro	14,427	3,288,280,385	6.12	2.894	756	74.14	74.33
New York-Newark-Jersey City, NY-NJ-PA	8,197	3,271,967,912	6.09	2.874	758	73.72	73.88
Washington-Arlington-Alexandria, DC-VA-MD-WV	4,820	1,884,401,866	3.51	2.816	766	73.11	73.44
Seattle-Tacoma-Bellevue, WA	3,833	1,666,384,510	3.10	2.873	760	72.88	73.14
San Francisco-Oakland-Berkeley, CA	2,846	1,618,712,447	3.01	2.814	767	71.57	71.91
Phoenix-Mesa-Chandler, AZ	5,439	1,534,473,125	2.85	2.927	753	73.48	73.70
Riverside-San Bernardino-Ontario, CA	4,108	1,391,550,892	2.59	2.888	749	73.36	73.73
San Diego-Chula Vista-Carlsbad, CA	2,733	1,291,548,927	2.40	2.831	762	72.12	72.53
Chicago-Naperville-Elgin, IL-IN-WI	5,057	1,289,249,518	2.40	2.898	763	74.18	74.47
Other	120,428	32,471,343,679	60.41	2.894	758	73.89	74.22
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>

\*Definitions of Metropolitan Statistical Areas (MSA) are updated periodically by the United States Office of Management and Budget. Fannie Mae seeks to update its loan level disclosure from time to time to reflect corresponding changes.

<i>Geographic Concentration of the Mortgage Loans (Top 10 Zip Codes)</i>							
<b>Top 10 Zip Codes</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
94568	122	81,300,395	0.15	2.663	772	71.42	71.47
95747	154	63,125,151	0.12	2.841	760	73.02	73.38
80134	165	61,528,976	0.11	2.831	764	73.54	73.63
85383	165	57,401,015	0.11	2.885	747	72.63	73.07
98012	115	57,364,565	0.11	2.775	765	73.36	73.36
85142	168	57,142,779	0.11	2.906	744	73.39	73.58
92336	141	52,915,705	0.10	2.859	748	73.48	73.76
93065	108	51,307,094	0.10	2.895	747	72.79	73.34
84043	147	50,453,129	0.09	2.824	762	73.28	73.57
92694	83	49,134,478	0.09	2.779	769	72.07	72.63
Other	178,634	53,165,506,832	98.92	2.884	758	73.57	73.88
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>

<sup>(1)</sup> Amounts may not add up to the totals shown due to rounding.

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*



<i>Original Term to Stated Maturity of the Mortgage Loans</i>							
<b>Original Term to Maturity (months)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
241 - 259	71	17,139,433	0.03	2.870	767	70.92	71.32
260 - 279	178	43,987,345	0.08	2.860	767	70.22	70.55
280 - 299	220	52,886,516	0.10	2.861	770	71.14	71.31
300 - 319	3,817	1,020,161,202	1.90	2.854	763	71.88	72.06
320 - 339	1,040	270,286,709	0.50	2.881	764	72.94	73.03
340 - 359	545	167,031,566	0.31	2.867	767	73.07	73.22
360	174,131	52,175,687,347	97.08	2.884	758	73.61	73.92
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>
<b>Weighted Average (months)</b>	<b>359</b>						

<i>Remaining Term to Stated Maturity of the Mortgage Loans as of the Cut-off Date</i>							
<b>Remaining Term to Maturity (months)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
240 or less	26	6,117,245	0.01	2.944	783	71.42	71.61
241 - 250	44	10,886,769	0.02	2.828	757	70.72	71.23
251 - 260	76	19,825,850	0.04	2.813	767	69.84	70.03
261 - 270	95	22,942,428	0.04	2.897	769	70.48	70.94
271 - 280	103	23,640,419	0.04	2.874	770	71.06	71.13
281 - 290	158	39,782,919	0.07	2.876	771	71.56	71.87
291 - 300	3,526	945,194,650	1.76	2.853	763	71.91	72.08
301 - 357	175,974	52,678,789,838	98.01	2.884	758	73.60	73.91
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>
<b>Weighted Average (months)</b>	<b>351</b>						

<sup>(1)</sup> Amounts may not add up to the totals shown due to rounding.

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*





<i>Seller of the Mortgage Loans</i>							
<b>Seller</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
Rocket Mortgage, LLC	20,497	6,122,362,282	11.39	2.848	757	72.23	72.41
United Wholesale Mortgage, LLC	12,237	4,134,242,825	7.69	2.848	756	74.01	74.30
Wells Fargo Bank, N.A.	7,695	2,290,089,097	4.26	2.769	766	74.36	74.69
PennyMac Corp.	7,083	2,283,257,421	4.25	2.967	756	74.06	74.61
LoanDepot.com, LLC	4,735	1,792,013,245	3.33	2.731	762	73.11	73.23
Home Point Financial Corporation	4,465	1,571,561,802	2.92	2.796	761	73.58	73.88
Amerisave Mortgage Corporation	3,698	1,158,230,960	2.15	2.722	757	72.78	72.86
JPMorgan Chase Bank, NA	3,405	1,104,942,091	2.06	2.821	776	71.95	72.15
Caliber Home Loans, Inc.	3,498	1,086,750,918	2.02	2.890	760	73.78	74.21
Better Mortgage Corporation	2,654	912,801,686	1.70	2.730	768	72.66	72.86
Other	110,035	31,290,927,790	58.22	2.923	757	73.80	74.14
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>

<i>Servicers of the Mortgage Loans as of the Cut-off Date</i>							
<b>Servicer</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
United Wholesale Mortgage, LLC	12,237	4,134,242,825	7.69	2.848	756	74.01	74.30
Rocket Mortgage, LLC	15,558	3,992,465,783	7.43	2.902	752	72.64	72.83
Truist Bank (formerly SunTrust Bank)	6,147	2,354,071,920	4.38	2.757	768	72.11	72.32
Wells Fargo Bank, N.A.	7,695	2,290,089,097	4.26	2.769	766	74.36	74.69
PennyMac Corp.	7,083	2,283,257,421	4.25	2.967	756	74.06	74.61
JPMorgan Chase Bank, NA	6,173	2,089,204,096	3.89	2.810	770	72.89	73.13
Matrix Financial Services Corporation	4,680	1,733,988,699	3.23	2.820	764	72.62	72.88
Home Point Financial Corporation	4,465	1,571,561,802	2.92	2.796	761	73.58	73.88
NationStar Mortgage, LLC	4,989	1,497,028,503	2.79	2.858	757	73.01	73.29
LoanDepot.com, LLC	3,122	1,190,221,608	2.21	2.703	762	72.52	72.55
Other	107,853	30,611,048,364	56.95	2.920	757	73.81	74.14
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>

(1) Amounts may not add up to the totals shown due to rounding.

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*

<i>Origination Channel of the Mortgage Loans</i>							
<b>Origination Channel</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
Retail	116,590	33,209,185,072	61.79	2.909	758	73.59	73.88
Correspondent	36,422	10,938,612,017	20.35	2.849	758	73.77	74.15
Broker	26,990	9,599,383,029	17.86	2.835	759	73.25	73.52
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>

<i>Mortgage Loans with Subordinate Financing at Origination</i>							
<b>Mortgage Loans with Subordinate Financing at Origination</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
No	175,984	52,199,051,528	97.12	2.883	758	73.65	73.65
Yes	4,018	1,548,128,590	2.88	2.912	750	70.68	81.23
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>

<sup>(1)</sup> Amounts may not add up to the totals shown due to rounding.

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*



<i>First Payment Date of the Mortgage Loans</i>							
<b>First Payment Date</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
June 2020	1	426,737	*	3.375	769	68.00	68.00
July 2020	2	522,812	*	3.375	681	75.31	75.31
August 2020	20	6,786,051	0.01	3.443	757	72.35	72.60
September 2020	67	18,769,987	0.03	3.325	751	76.05	76.80
October 2020	104	28,840,680	0.05	3.247	761	74.86	75.77
November 2020	182	55,874,571	0.10	3.025	767	74.07	74.30
December 2020	797	224,556,235	0.42	3.009	760	73.58	74.07
January 2021	2,070	615,152,376	1.14	2.978	759	73.87	74.20
February 2021	13,238	3,939,762,399	7.33	2.890	760	73.89	74.25
March 2021	74,765	22,385,428,444	41.65	2.865	759	73.45	73.74
April 2021	65,978	19,723,361,333	36.70	2.878	758	73.52	73.81
May 2021	22,778	6,747,698,495	12.55	2.942	756	73.85	74.19
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>

*\*Indicates a number that is greater than 0.000% but less than 0.005%.*

<sup>(1)</sup> Amounts may not add up to the totals shown due to rounding.

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*



<i>Maturity Date of the Mortgage Loans</i>							
<b>Maturity Date (year)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
2041	27	6,316,729	0.01	2.942	782	71.31	71.50
2042	47	11,525,989	0.02	2.837	757	70.61	71.10
2043	83	21,209,812	0.04	2.825	769	70.19	70.37
2044	130	29,298,471	0.05	2.883	769	70.21	70.57
2045	215	54,844,628	0.10	2.876	770	71.56	71.82
2046	3,549	950,914,196	1.77	2.853	763	71.90	72.06
2047	270	68,492,196	0.13	2.871	764	71.47	71.73
2048	717	178,746,493	0.33	2.898	762	72.85	72.98
2049	362	103,346,175	0.19	2.864	767	73.44	73.46
2050	3,657	1,082,526,170	2.01	2.987	761	73.77	74.13
2051	170,945	51,239,959,258	95.34	2.882	758	73.60	73.91
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>

<sup>(1)</sup> Amounts may not add up to the totals shown due to rounding.

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*

**First Time Homebuyer**

	Number of Mortgage Loans	Unpaid Principal Balance (\$) <sup>(1)</sup>	Unpaid Principal Balance (%) <sup>(1)</sup>	W.A. Mortgage Rate (%)	W.A. Original Credit Score	W.A. Original LTV Ratio (%)	W.A. Original CLTV Ratio (%)
<b>First Time Homebuyer</b>							
No	165,884	49,343,823,946	91.81	2.892	759	73.21	73.48
Yes	14,118	4,403,356,172	8.19	2.786	755	77.56	78.17
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>

**Number of Borrowers**

	Number of Mortgage Loans	Unpaid Principal Balance (\$) <sup>(1)</sup>	Unpaid Principal Balance (%) <sup>(1)</sup>	W.A. Mortgage Rate (%)	W.A. Original Credit Score	W.A. Original LTV Ratio (%)	W.A. Original CLTV Ratio (%)
<b>Number of Borrowers</b>							
1	98,865	27,794,411,574	51.71	2.890	759	73.67	73.94
2 or more	81,137	25,952,768,544	48.29	2.876	757	73.45	73.79
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>

**Number of Units**

	Number of Mortgage Loans	Unpaid Principal Balance (\$) <sup>(1)</sup>	Unpaid Principal Balance (%) <sup>(1)</sup>	W.A. Mortgage Rate (%)	W.A. Original Credit Score	W.A. Original LTV Ratio (%)	W.A. Original CLTV Ratio (%)
<b>Number of Units</b>							
1	175,810	52,335,050,768	97.37	2.875	758	73.62	73.93
2	2,952	906,078,305	1.69	3.190	757	71.99	72.08
3	634	248,807,625	0.46	3.264	757	70.89	70.89
4	606	257,243,420	0.48	3.275	764	71.50	71.50
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>

**Mortgage Insurance Coverage**

	Number of Mortgage Loans	Unpaid Principal Balance (\$) <sup>(1)</sup>	Unpaid Principal Balance (%) <sup>(1)</sup>	W.A. Mortgage Rate (%)	W.A. Original Credit Score	W.A. Original LTV Ratio (%)	W.A. Original CLTV Ratio (%)
<b>Mortgage Insurance Coverage</b>							
None	180,002	53,747,180,118	100.00	2.884	758	73.57	73.87
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>

<sup>(1)</sup> Amounts may not add up to the totals shown due to rounding.*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*



<i>Delinquency Status of the Mortgage Loans as of the Cut-off Date</i>							
<b>Delinquency Status</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
Current	180,002	53,747,180,118	100.00	2.884	758	73.57	73.87
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>

<i>Historical Delinquency of the Mortgage Loans Since Acquisition as of the Cut-off Date</i>							
<b>Delinquency Status Since Acquisition</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
Never Delinquent	180,002	53,747,180,118	100.00	2.884	758	73.57	73.87
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>

<i>HomeReady Indicator</i>							
<b>HomeReady Indicator</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
No	175,769	52,858,096,695	98.35	2.884	758	73.56	73.87
Yes	4,233	889,083,423	1.65	2.837	749	73.84	74.08
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>

<i>Appraisal Waiver</i>							
<b>Appraisal Waiver</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)<sup>(1)</sup></b>	<b>Unpaid Principal Balance (%)<sup>(1)</sup></b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
No	103,160	29,935,118,103	55.70	2.946	752	74.50	74.88
Yes	76,842	23,812,062,015	44.30	2.805	766	72.39	72.60
<b>Total or Weighted Average:</b>	<b>180,002</b>	<b>53,747,180,118</b>	<b>100.00</b>	<b>2.884</b>	<b>758</b>	<b>73.57</b>	<b>73.87</b>

<sup>(1)</sup> Amounts may not add up to the totals shown due to rounding.

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*



## ARRC Endorsed Terms

**Effect of Benchmark Transition Event**

(a) *Benchmark Replacement.* If Fannie Mae determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates.

(b) *Benchmark Replacement Conforming Changes.* In connection with the implementation of a Benchmark Replacement, Fannie Mae will have the right to make Benchmark Replacement Conforming Changes from time to time.

(c) *Decisions and Determinations.* Any determination, decision or election that may be made by Fannie Mae pursuant to this Section titled "Effect of Benchmark Transition Event," including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in Fannie Mae's sole discretion, and, notwithstanding anything to the contrary in the documentation relating to the Notes, will become effective without consent from any other party. For purposes of whether a Benchmark Replacement or Benchmark Replacement Adjustment can be determined by Fannie Mae, if a Benchmark Replacement or Benchmark Replacement Adjustment alternative is, in the sole judgement of Fannie Mae, not administratively feasible, whether due to technical, administrative or operational issues, then such alternative will be deemed not to be determinable.

(d) *Certain Defined Terms.* As used in this Section titled "Effect of Benchmark Transition Event":

**"Benchmark"** means, initially, Compounded SOFR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement selected by Fannie Mae.

**"Benchmark Replacement"** means the Interpolated Benchmark; provided that if Fannie Mae cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then "Benchmark Replacement" means the first alternative (other than the current Benchmark) set forth in the order below that can be determined by Fannie Mae as of the Benchmark Replacement Date:

- (1) the sum of: (a) Term SOFR and (b) the Benchmark Replacement Adjustment;
- (2) the sum of: (a) Compounded SOFR and (b) the Benchmark Replacement Adjustment;
- (3) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (4) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;
- (5) the sum of: (a) the alternate rate of interest that has been selected by Fannie Mae as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar denominated floating rate securities at such time and (b) the Benchmark Replacement Adjustment.

provided, however, that if, on the first day of any calendar month following such Benchmark Replacement Date, a redetermination of the Benchmark Replacement would result in the selection of a Benchmark Replacement specified in clause (1) above, then (x) the Benchmark Replacement specified in clause (1) above will be the Benchmark commencing with the earliest practicable index determination date thereafter and (y) the Benchmark Replacement





Adjustment will be redetermined on such date utilizing the Unadjusted Benchmark Replacement corresponding to the Benchmark Replacement specified in clause (1) above. If redetermination of the Benchmark Replacement on any date described in the preceding sentence would not result in the selection of a Benchmark Replacement under clause (1), then the Benchmark will remain the Benchmark Replacement specified in clause (2) above for the following index determination date.

Notwithstanding the foregoing provisions of this definition, if a Benchmark Replacement is chosen because an alternative appearing higher in priority in the foregoing list was not administratively feasible and such alternative later becomes administratively feasible, Fannie Mae may replace the previously selected Benchmark Replacement with such alternative.

**"Benchmark Replacement Adjustment"** means the first alternative set forth in the order below that can be determined by Fannie Mae as of the Benchmark Replacement Date:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected, endorsed or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;
- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by Fannie Mae giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for the floating rate Notes at such time.

Notwithstanding the foregoing provisions of this definition, if a Benchmark Replacement Adjustment is chosen because an alternative appearing higher in priority in the foregoing list was not administratively feasible and such alternative later becomes administratively feasible, Fannie Mae may replace the previously selected Benchmark Replacement Adjustment with such alternative.

**"Benchmark Replacement Conforming Changes"** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the Notes Accrual Period, timing and frequency of determining rates and making payments of interest, changes to the definition of "Corresponding Tenor" solely when such tenor is longer than the Notes Accrual Period and other administrative matters) that Fannie Mae decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if Fannie Mae decides that adoption of any portion of such market practice is not administratively feasible or if Fannie Mae determines that no market practice for use of the Benchmark Replacement exists, in such other manner as Fannie Mae determines is reasonably necessary).

**"Benchmark Replacement Date"** means the earliest to occur of the following events with respect to the then-current Benchmark:

- (1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or
- (2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

provided, however, that on or after the 60th day preceding the date on which such Benchmark Replacement Date would otherwise occur (if applicable), Fannie Mae may give written notice to the related Noteholders in which Fannie Mae designates an earlier date (but not earlier than the 30th day following such notice) and represents that such earlier date will facilitate an orderly transition to the Benchmark Replacement, in which case such earlier date will be the Benchmark Replacement Date.

*This is a Confidential Preliminary Term Sheet. All terms and statements are subject to change.*



For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

**"Benchmark Transition Event"** means the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (1) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or
- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

**"Compounded SOFR"** with respect to any U.S. Government Securities Business Day, means:

- (1) the applicable compounded average of SOFR for the Corresponding Tenor of 30 days as published on such U.S. Government Securities Business Day at the Reference Time; or
- (2) if the rate specified in (1) above does not so appear, the applicable compounded average of SOFR for the Corresponding Tenor as published in respect of the first preceding U.S. Government Securities Business Day for which such rate appeared on the FRBNY's Website.

Fannie Mae generally refers to a specific Compounded SOFR rate by its tenor. For example, "30-day average Compounded SOFR" refers to the compounded average SOFR over a rolling 30-calendar day period as published on the FRBNY's Website.

**"Corresponding Tenor"** with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

**"FRBNY's Website"** means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source.

**"Interpolated Benchmark"** with respect to the Benchmark means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (2) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor.

**"ISDA Definitions"** means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.



**"ISDA Fallback Adjustment"** means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

**"ISDA Fallback Rate"** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

**"Reference Time"** with respect to any determination of the Benchmark means (1) if the Benchmark is SOFR, means 3:00 p.m. (New York time) on a U.S. Government Securities Business Day, at which time Compounded SOFR or Term SOFR, as applicable, is published on the FRBNY's Website, and (2) if the Benchmark is not SOFR, the time determined by Fannie Mae in accordance with the Benchmark Replacement Conforming Changes.

**"Relevant Governmental Body"** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

**"SOFR"** means, with respect to any day, the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the FRBNY's Website.

**"Term SOFR"** means the forward-looking term rate for the applicable Corresponding Tenor of 30 days or one month based on SOFR that has been selected or recommended by the Relevant Governmental Body.

**"Unadjusted Benchmark Replacement"** means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

**"U.S. Government Securities Business Day"** means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.



**Contact Information**

**BofA Securities, Inc.**

**MORTGAGE FINANCE**

Mark Michael	(646) 855-3490	mark.michael@bofa.com
Nicholas Stimola	(646) 855-3246	nicholas.stimola@bofa.com
Andrew Knote	(646) 743-1143	andrew.knote@bofa.com
Jennifer Ngo	(646) 855-0935	jennifer.ngo@bofa.com
Justin Sachse	(646) 855-6068	justin.sachse@bofa.com
Emma Rosenberg	(646) 855-0721	emma.rosenberg@bofa.com

**MORTGAGE TRADING**

Raul Delgadillo	(646) 855-6404	raul.delgadillo@bofa.com
David Sklar	(646) 855-9095	david.sklar@bofa.com
Kesi Wang	(646) 855-6404	kesi.wang@bofa.com

**SYNDICATE**

Brian Kane	(646) 855-8995	brian.f.kane@bofa.com
Carol Fuller	(646) 855-8995	carol.fuller@bofa.com
Thomas Carley	(646) 855-8995	thomas.carley@bofa.com



**Contact Information**

**Nomura Securities International, Inc.**

**BANKING**

Jack Kattan	(212) 667-9092	jack.kattan@nomura.com
Philip Theodoropoulos	(212) 667-1485	philip.theodoropoulos@nomura.com
Vishal Elijah	(212) 436-8234	vishal.elijah@nomura.com
Paul Gentile	(212) 436-8443	paul.gentile@nomura.com
Kevin Marble	(212) 667-2472	kevin.marble@nomura.com
Urvashi Sharma	(212) 298-4064	urvashi.sharma@nomura.com
Janvi Choudary	(212) 667-9151	janvi.choudhary@nomura.com

**STRUCTURING AND ANALYTICS**

David Ritchie	(212) 298-4302	david.ritchie@nomura.com
Michael Bianchini	(212) 667-9443	michael.bianchini@nomura.com
Jason Yang	(212) 298-4750	jason.yang2@nomura.com

**SYNDICATE**

Patrick Quinn	(212) 667-9394	patrick.quinn@nomura.com
Brian Logan	(212) 667-2328	brian.logan1@nomura.com
Tadiwa Musiiwa	(212) 667-9518	tadiwa.musiiwa1@nomura.com

**TRADING**

Brian Hargrave	(212) 667-9689	brian.hargrave@nomura.com
Brian Sullivan	(212) 667-2150	brian.sullivan2@nomura.com
Jonathan Ballard	(212) 667-2408	jonathan.ballard@nomura.com