



Connecticut Avenue Securities® (CAS) Debt Notes Tender Offer

Frequently Asked Questions (FAQs)

Q1. Why is Fannie Mae launching a CAS notes tender offer?

The tender offer for the CAS notes is intended to reduce the level of Fannie Mae's indebtedness for the targeted CAS notes, reducing the associated interest expense.

Q2. What is an "any and all" tender?

In an "any and all" tender there is no prioritization of the notes accepted for tender and no cap on the amount of notes we will accept for tender.

Q3. How did Fannie Mae determine which CAS notes to include in the tender offer?

Fannie Mae considered a number of factors when selecting the CAS notes, including the ongoing interest expense for the targeted CAS notes, the capital treatment for the CAS notes, and our risk management objectives.

Q4. What are Fannie Mae's plans after repurchasing CAS notes?

Fannie Mae will retire and cancel any CAS notes that are tendered in the tender offer. The cancelled CAS notes and related reference tranches will be deemed to continue to be outstanding in accordance with the terms set forth in the applicable Debt Agreement solely for purposes of making calculations with respect to the hypothetical structure and reference tranches.

Q5. Why may an investor choose to participate in the tender offer?

The CAS notes tender offer provides investors the opportunity to sell certain outstanding CAS notes at an announced tender price. Depending on investors' reinvestment alternatives, the tender price may provide investors the economic incentive to sell to Fannie Mae. Investors who are thinking about tendering should consult with their own financial and legal advisors about the risks of participating or not participating in the tender offer, the appropriate tools and metrics to analyze any decision to tender, and the suitability of a decision to tender with an investor's particular circumstances.

Q6. What is the expected impact of the tender offer on CAS's secondary market trading?

If bonds are successfully tendered, the outstanding principal amount available for trading (the "float") of remaining (untendered) bonds will decrease. A smaller float may reduce trading liquidity or price stability.

Q7. Can investors tender Related Combinable and Recombinable Notes (RCR Notes) associated with the targeted CAS notes?

Fannie Mae is only tendering for the eligible CAS notes listed in the Offer to Purchase, and not for any associated RCR notes. Any holders of the associated RCR Notes will need to first exchange their RCR Notes for eligible CAS notes, and then submit their eligible CAS notes pursuant to the terms of the tender offer. The procedures for converting RCR Notes into CAS notes are set forth in the applicable Debt Agreement for such securities.



Q8. Will this tender offer impact credit enhancements or payment on the notes for those investors who choose not to participate or for those notes not part of the tender offer?

The outstanding balance of a tendered CAS note that is cancelled following the tender will continue to be counted as part of the related reference tranche. CAS notes that are not tendered will remain outstanding. The calculations on any remaining outstanding CAS notes and any associated credit enhancements (including related RCR notes and other notes using the same reference pool) will not be impacted by the tender offer.

Q9. Does Fannie Mae expect an impact to new CAS issuance or pricing?

A tender offer may or may not impact pricing of new-issue CAS securities. Investors with proceeds from tendered CAS notes may re-invest in new CAS issues or may invest in other securities. A tender offer may impact secondary market prices for CAS notes, which in turn may impact new-issue pricing.

Q10. Does this signal a change to Fannie Mae's credit risk transfer plans?

The tender offer is a liability management transaction intended to reduce the interest expense associated with the targeted CAS notes; it does not signal a change to Fannie Mae's credit risk transfer plans.

Q11. Where can I find more details about the CAS notes tender offer?

Deal documents are available in the Related Links below.

Related Links:

[Press Release](#)

[Offer to Purchase](#)

The information contained in this FAQ was prepared to answer common questions that we anticipated may be asked about the Fannie Mae tender offer. The questions and answers in this FAQ are not intended to be exhaustive or complete, and investors should refer to the Offer to Purchase for more detailed information about the tender offer.

This FAQ does not constitute an offer to sell or the solicitation of an offer to buy securities of Fannie Mae, including the CAS Debt Notes. Nothing in this FAQ constitutes advice on the merits of buying or selling a particular investment. Any investment decision as to any purchase or sale of securities referred to herein must be made solely on the basis of information contained in the Offer to Purchase and related Notice of Guaranteed Delivery, each dated November 15, 2021, and no reliance may be placed on the completeness or accuracy of the information contained in this FAQ. The Offers are not being made to holders of the CAS Debt Notes in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In any jurisdiction in which the securities laws or blue sky laws require the Offers to be made by a licensed broker or dealer, the Offers will be deemed to be made on behalf of Fannie Mae by BofA Securities, Inc. or Barclays Capital Inc. (as applicable) or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

You should not deal in securities unless you understand their nature and the extent of your exposure to risk. You should be satisfied that they are suitable for you in light of your circumstances and financial position. If you are in any doubt you should consult an appropriately qualified financial advisor.

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