



Fannie Mae

INVESTOR PRESENTATION

# Single-Family Credit Risk Transfer

April 2026



# Disclaimers

Copyright© 2026 by Fannie Mae.

**Forward-Looking Statements.** This presentation and the accompanying discussion contain a number of estimates, forecasts, expectations, beliefs, and other forward-looking statements, which may include statements regarding future benefits of investing in Fannie Mae products, future macroeconomic conditions, future actions by and plans of the Federal Reserve, Fannie Mae's future business plans, strategies and activities and the impact of those plans, strategies and activities. These estimates, forecasts, expectations, beliefs and other forward-looking statements are based on the company's current assumptions regarding numerous factors and are subject to change. Actual outcomes may differ materially from those reflected in these forward-looking statements due to a variety of factors, including, but not limited to, those described in "Forward-Looking Statements" and "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2025. Any forward-looking statements made by Fannie Mae speak only as of the date on which they were made. Fannie Mae is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements, whether as a result of new information, subsequent events, or otherwise.

**No Offer or Solicitation Regarding Securities.** This document is for general information purposes only. No part of this document may be duplicated, reproduced, distributed or displayed in public in any manner or by any means without the written permission of Fannie Mae. The document is neither an offer to sell nor a solicitation of an offer to buy any Fannie Mae security mentioned herein or any other Fannie Mae security. Fannie Mae securities are offered only in jurisdictions where permissible by offering documents available through qualified securities dealers or banks.

**No Warranties; Opinions Subject to Change; Not Advice.** This document is based upon information and assumptions (including financial, statistical, or historical data and computations based upon such data) that we consider reliable and reasonable, but we do not represent that such information and assumptions are accurate or complete, or appropriate or useful in any particular context, including the context of any investment decision, and it should not be relied upon as such. Opinions and estimates expressed herein constitute Fannie Mae's judgment as of the date indicated and are subject to change without notice. They should not be construed as either projections or predictions of value, performance, or results, nor as legal, tax, financial, or accounting advice. No representation is made that any strategy, performance, or result illustrated herein can or will be achieved or duplicated. The effect of factors other than those assumed, including factors not mentioned, considered or foreseen, by themselves or in conjunction with other factors, could produce dramatically different performance or results. We do not undertake to update any information, data or computations contained in this document, or to communicate any change in the opinions, limits, requirements and estimates expressed herein. Investors considering purchasing a Fannie Mae security should consult their own financial and legal advisors for information about such security, the risks and investment considerations arising from an investment in such security, the appropriate tools to analyze such investment, and the suitability of such investment in each investor's particular circumstances.

Fannie Mae securities, together with interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than Fannie Mae.

Opinions, analyses, estimates, forecasts, and other views of Fannie Mae's Economic & Strategic Research (ESR) group included in these materials **should not be construed as indicating Fannie Mae's business prospects or expected results**, are based on a number of assumptions, and are subject to change without notice. How this information affects Fannie Mae will depend on many factors. Although the ESR group bases its opinions, analyses, estimates, forecasts, and other views on information it considers reliable, it does not guarantee that the information provided in these materials is accurate, current, or suitable for any particular purpose. Changes in the assumptions or the information underlying these views, including assumptions about the duration and magnitude of shutdowns and social distancing, could produce materially different results. The analyses, opinions, estimates, forecasts, and other views published by the ESR group represent the views of that group as of the date indicated and do not necessarily represent the views of Fannie Mae or its management.



# Contents

**Single-Family Business and Credit Risk Management** [p. 4](#)

**Connecticut Avenue Securities® (CAS) Overview** [p. 10](#)

**Credit Insurance Risk Transfer™ (CIRT™) Overview** [p. 24](#)

**Historical Comparative Analysis** [p. 36](#)

**Investor Resources** [p. 41](#)

**Appendix** [p. 47](#)

DU Model Updates 2017-2020

Commodity Futures Trading  
Commission Considerations

Summary of Key Tax, Legal &  
Regulatory Considerations

How MI Works

Pandemic-Related Hardships  
Resolved

Workout Hierarchy and Modification Losses

Payment Deferral Comparison

Temporary Interest Rate Buydowns

Modern Valuation Spectrum

Value Acceptance (Appraisal Waiver)  
Overview

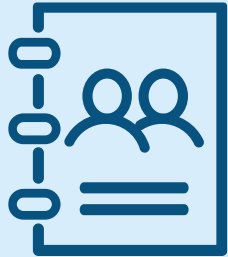


# Single-Family Business and Credit Risk Management



# Our Size and Scale

Fannie Mae is one of the largest Single-Family credit risk managers in the mortgage industry.



**\$3.6T**

Single-Family guaranty  
book of business<sup>1</sup>



**1 in 4**

Single-Family mortgage  
loans owned or guaranteed<sup>2</sup>



**\$337B**

Single-Family mortgage  
liquidity provided<sup>3</sup>



**25%**

Single-Family Mortgage-Related  
Securities issuance share<sup>3</sup>

<sup>1</sup> As of December 31, 2025

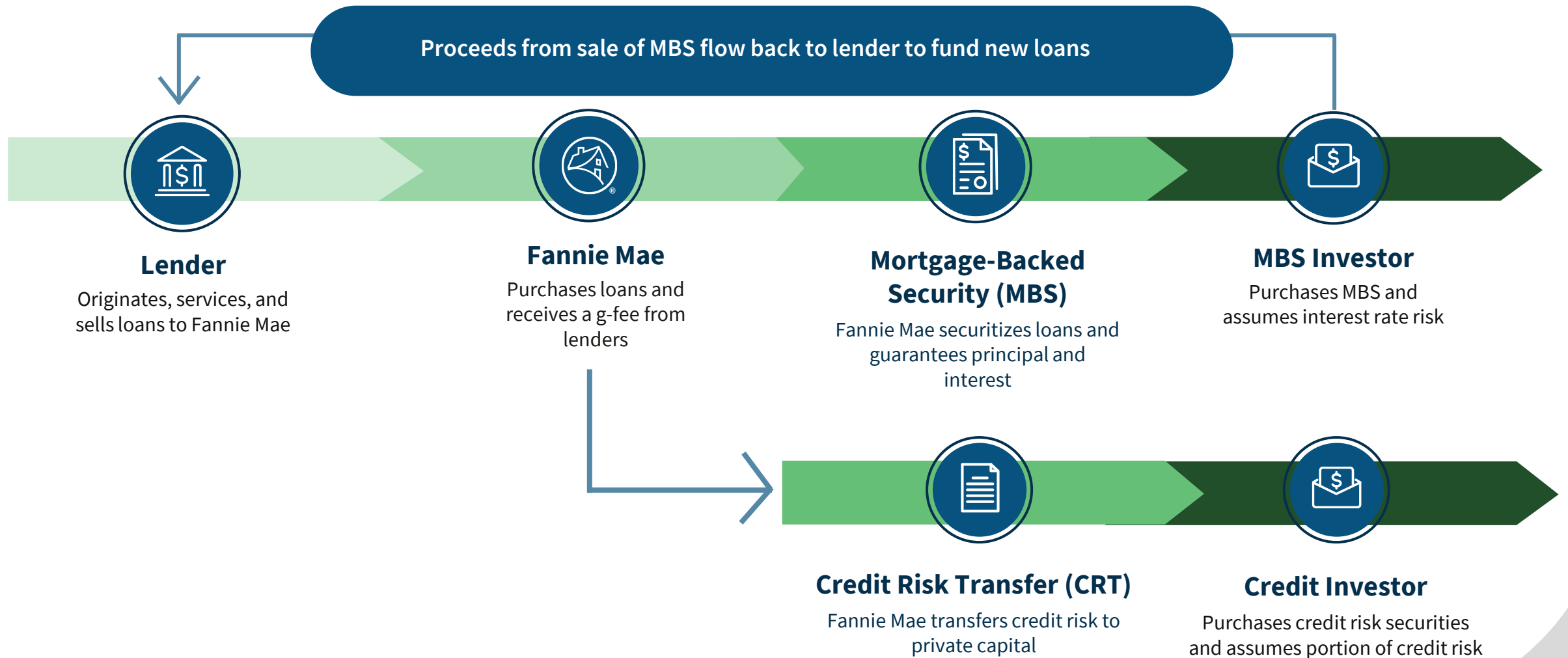
<sup>2</sup> As of September 30, 2025

<sup>3</sup> In 2025



# The Securitization Process

We provide liquidity to the housing market and investment options to fixed-income investors.



# Credit Risk Transfer Overview



## Program benefits:

- Benchmark issuer
- Large, geographically diversified loan pools
- Innovative credit risk management tools
- Program transparency
- Unique online investor tools and resources



We have **transferred over \$100 billion** in single-family credit risk to private market participants since 2013, **transferring a portion of the credit risk on over**

**\$3.3 Trillion**

**of UPB at Issuance\***

## Connecticut Avenue Securities® (CAS)

- **The benchmark for U.S. mortgage credit**
- Over **\$73 billion** issued since program inception\*
- Covering nearly **\$2.3 Trillion in UPB** at issuance\*

## Credit Insurance Risk Transfer™ (CIRT™)

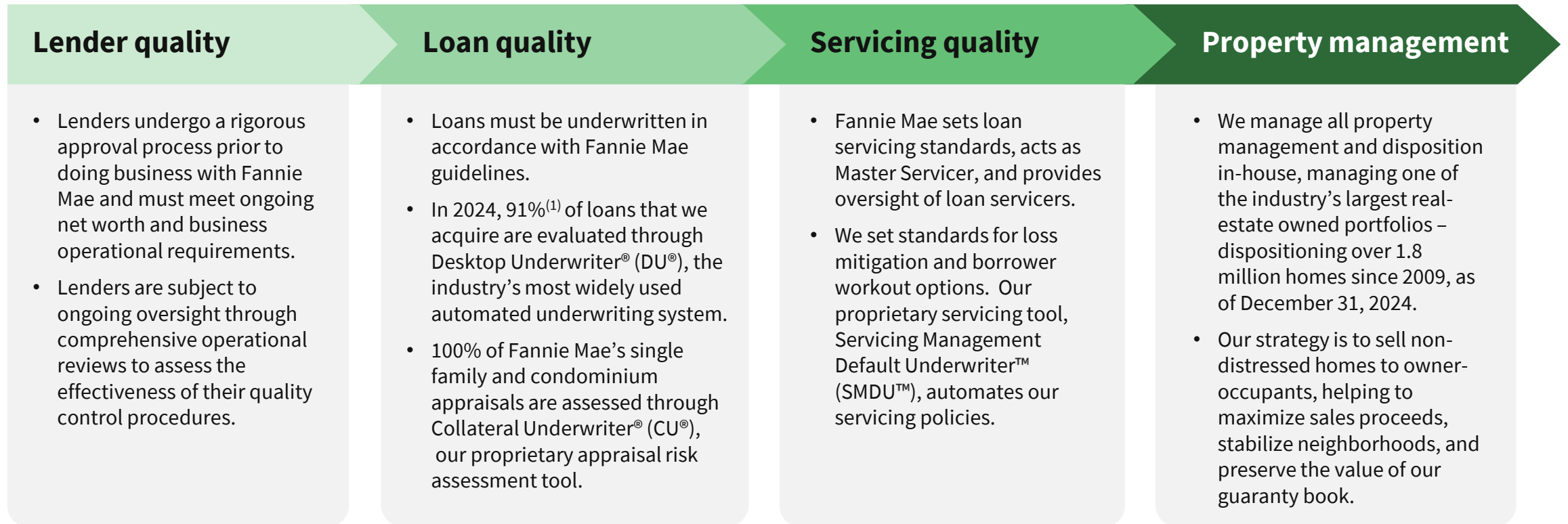
- **Attracts diversified insurers/ reinsurers**
- Over **\$30 billion** of coverage committed since program inception\*
- Covering roughly **\$1 Trillion in UPB** at issuance\*

\* Issuance amount as of March 31, 2026.



# Our Credit Risk Management Approach

Our credit risk management philosophy considers all stages of the loan life cycle and is focused on leveraging data and analytics to support sustainable homeownership.



1. Approximate loan deliveries in 2024 through DU

[Click](#) to learn more about our approach to Credit Risk Management



# Credit Risk Management Highlights

Fannie Mae's industry-leading technology drives improved loan quality and better outcomes.

## Desktop Underwriter® (DU®)



**1,650**  
Lenders/Agents<sup>1</sup>

In 2025, approximately 83% (\$281B) of the single-family loans (by UPB) acquired by Fannie Mae had one or more **Day 1 Certainty®** components

## Collateral Underwriter® (CU®)<sup>2</sup>



**71.9 Million+**

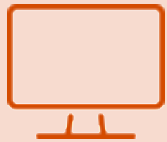
Appraisals collected from  
August 2011

**12.1 Million+**

Appraisals viewed by lenders  
since launch in January 2015

**100%** of single-family and condominium appraisals go through CU as part of our QC process

## Servicing Management Default Underwriter™ (SMDU™)



**~99%**  
of delinquencies covered through SMDU as of end of Q1 2026

- Approximately **98% of Fannie Mae servicers** currently benefit from SMDU through B2B integration or through the SMDU User Interface
- Provides **consistent decisioning** for loss mitigation solutions

## Real Estate Owned (REO)



**1.8 million+**

Homes disposed of since 2009

- Best execution approach to sell real estate based on NPV comparison to move-in ready home sold to owner occupant
- Evolution within our REO repair strategy has increased repair rates and investment over time, resulting in increased access for owner occupants to purchase move-in-ready homes.

<sup>1</sup> As of December 31, 2025, approximately 1,200 lenders actively deliver loans to Fannie Mae through DU on an annual basis and approximately 650 additional lenders are approved for DU access.

<sup>2</sup> Numbers are through December 31, 2025



# Connecticut Avenue Securities (CAS) Overview



# 2026 CAS Issuance Calendar

- We currently expect total CAS volume of around \$4 billion across six transactions.
- Calendar highlights periods in 2026 during which Fannie Mae may issue Connecticut Avenue Securities.
- Fannie Mae may choose not to issue in some or all periods.
- Issuance volumes and utilization of available issuance windows continue to be dependent on business factors and market conditions.

Month(s)	Potential CAS REMIC® Transactions
January/February	☑
March/April	☑ ○
May/June	○ ○
July/August	○
September/October	○
November/December	



CAS 2026-R02 execution is targeted for March.



# Fannie Mae's Connecticut Avenue Securities (CAS program)

Since 2013, we've built an award-winning mortgage credit risk transfer program, with:

- The creation of the innovative CAS REMIC
- Industry-leading, data-driven credit risk management methodologies
- Transparent and unique investor resources
- Maturing and liquid market



Large, geographically diverse mortgage credit book, with innovative tools to improve the loan manufacturing process with over

**\$73 billion**

issued under the CAS program since 2013



Transferred a portion of risk on over

**\$2.3 trillion**

in unpaid principal balance of mortgage loans at time of CAS issuance



Transparent credit risk management process with historical research dataset of over

**55 million**

loans

*Issuance amount as of February 11, 2026.*



# CAS Evolution: Transforming the CRT Sector

2013

- **CAS 1.0: Fixed severity loss framework**
  - CAS 2013-C01 through CAS 2015-C03
  - **Legal maturity:** 10-years
  - **Optional call:** 10% clean-up call
  - **Corporate debt**
- **Class M-1 and Class M-2 notes**
- **Group 1 loans (60-80% LTVs)**

2014

- **Introduced transactions with Group 2 loans (80-97% LTVs)**

2015

- **CAS 2.0: Actual loss framework**
- **CAS 2015-C04 and forward**
  - **Legal maturity:** 12.5 years
  - **Optional call:** 10-year call option or 10% clean-up

2016

- **Issued Class B Notes:** sold portion of the first loss position

2017

- **Issued Class B-1 Notes:** retained first 50 bps of loss
- Received ratings on **previously unrated M-2 classes**

2018

- **CAS 3.0: CAS REMIC**
  - CAS 2018-R07 and forward
  - All classes issued as REMICs

2019

- **CAS 2019-R04 and forward:**
  - **Legal maturity:** 20-years
  - **Optional Call:** 7-year starting with CAS 2019-R04 or 10% clean-up
- **Issued HARP transaction:** CAS 2019-HRP1

2020

- **Issued Seasoned B Tranche Transaction: CAS 2020-SBT1**
  - Re-reference of CAS 2015-C04 through CAS 2016-C07

2021

- **Issued Class B-2 Notes:** retained a first loss piece
- Legal maturity: 20-years
- **Optional Call:** 5-years or 10% clean-up
- Transitioned to SOFR-based transactions
- Received ratings for 16 unrated classes from 13 transactions between 2017-2019
- Conducted seasoned CAS Note tender offer

2022

- **Optimizing structure** to conform to the Enterprise Regulatory Capital Framework (ERCF)

2024

- **Issued Class A-1 Notes**



# CAS Bond Ratings

M-1 Rating Transition Matrix  
At Issuance Rating

AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	M1	Current Rating*
1			1		4	1	4					AAA	
		1	2		1	3	4					AA+	
				3	4	3	6		1			AA	
		2	2	3	9	6	1					AA-	
			4	2	5	3	5					A+	
				19	3	1	6					A	
					13		5					A-	
						5	4					BBB+	
							7					BBB	
												BBB-	
												BB+	
												BB	
												BB-	
												B+	
												B	
												B-	

## At Issuance

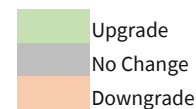
All CAS M-1 and M-2 bonds have current ratings the same as or higher than their rating at issuance.

M-2 Rating Transition Matrix  
At Issuance Rating

A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	NR	M2	Current Rating*
						4	4	7	1		4	AAA	
					2	4	1	8	22	1	6	AA+	
					1	3		6			1	AA	
				2		1		1				AA-	
			1	3		2						A+	
	1	1	4	5		1		1				A	
		13	6	7			1					A-	
			17	5								BBB+	
				2								BBB	
								1	1			BBB-	
												BB+	
												BB	
												BB-	
										1		B+	
											1	B	
												B-	

## Additional Ratings

In 2025, there were 143 upgrades on CAS A-1, M-1, M-2, and B-1 bonds.  
In 2026\*, there have been 39 upgrades on CAS M-1, M-2, and B-1 bonds.



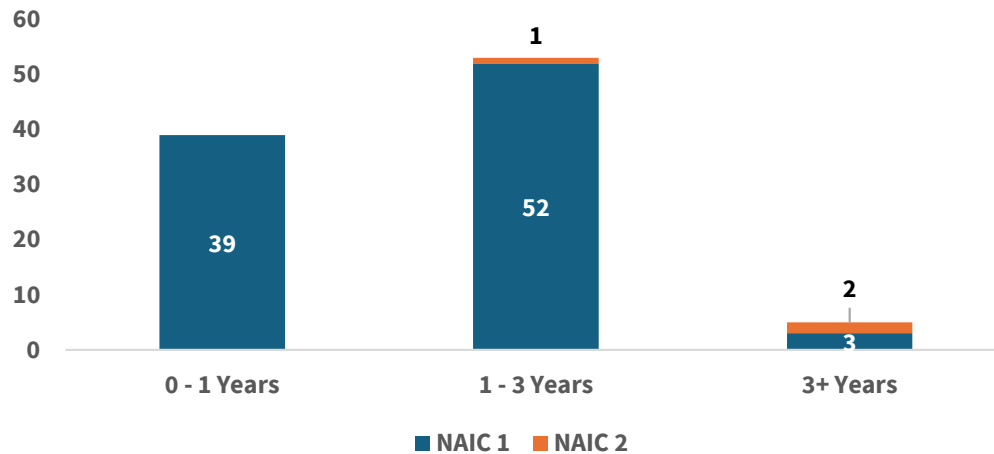
\*Reflects ratings as of 2/13/26 (last known ratings used for bonds that have paid in full).



# CAS REMIC and Direct Debt NAIC Designations for 2025

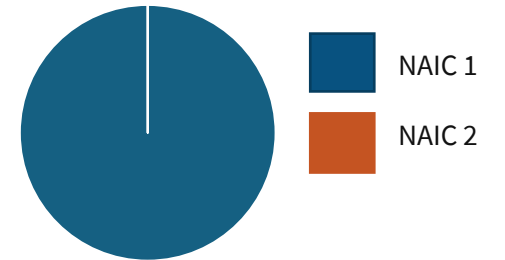
- Nine A-1 bonds, 30 M-1 bonds and 55 M-2 bonds received designations of NAIC 1 for the 2025 filing year. Three M-2 bonds received designations of NAIC 2.
- Seventeen bonds received an upgrade from the 2024 Designations.
- CAS REMIC and direct debt transactions received favorable NAIC designations for the 2025 filing year. View the full list of NAIC designations [here](#).

**Total A-1, M1-, M-2 CAS  
NAIC Designations 2025**

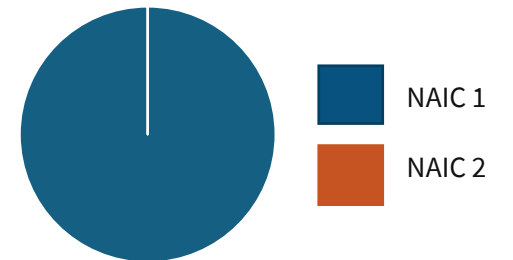


Note: The current WALs were run on January 13, 2026  
NAIC designations as of the 2025 filing year

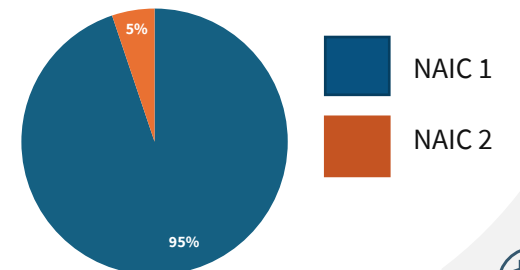
**REMIC A-1 Classes by NAIC rating**



**REMIC and Direct Debt M-1 Classes by NAIC rating**

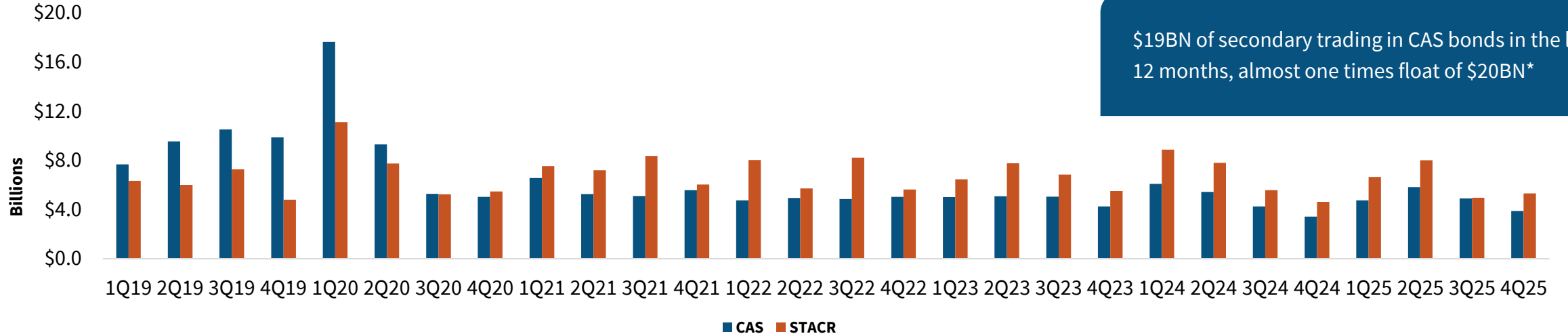


**REMIC and Direct Debt M-2 Classes by NAIC rating**

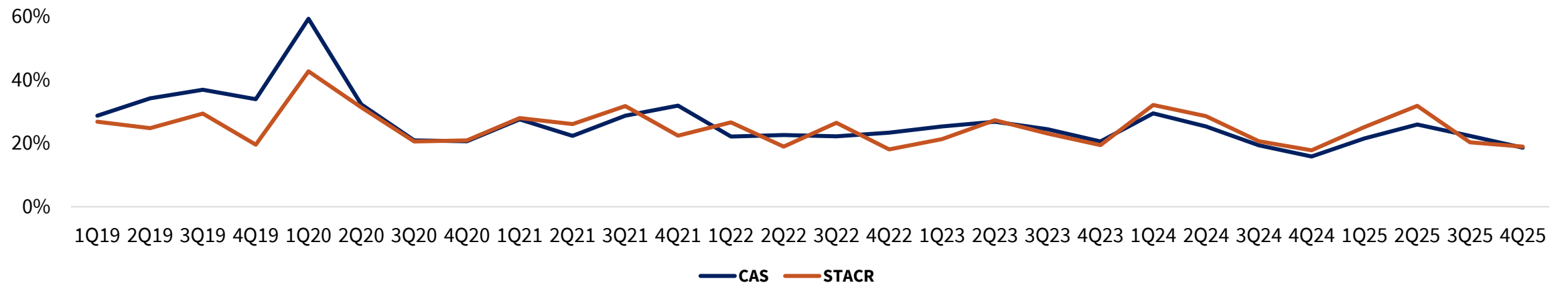


# CRT Quarterly Trading Volume and Turnover

**Quarterly CRT Trading Volume\***



**Quarterly CRT Turnover\*\***



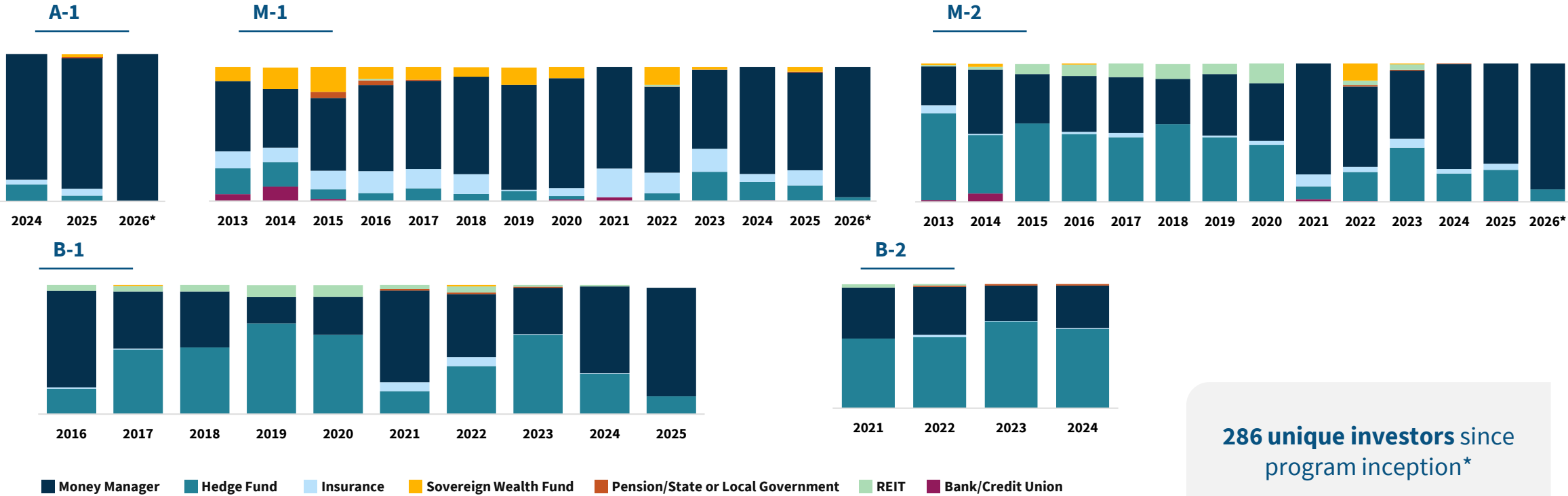
\*Through December 2025

\*\*Note: total quarterly trading volume/average quarterly outstanding UPB

Source: Fannie Mae trading survey, Bloomberg



# CAS Benchmark Program Investor Distribution Through 2026-R01



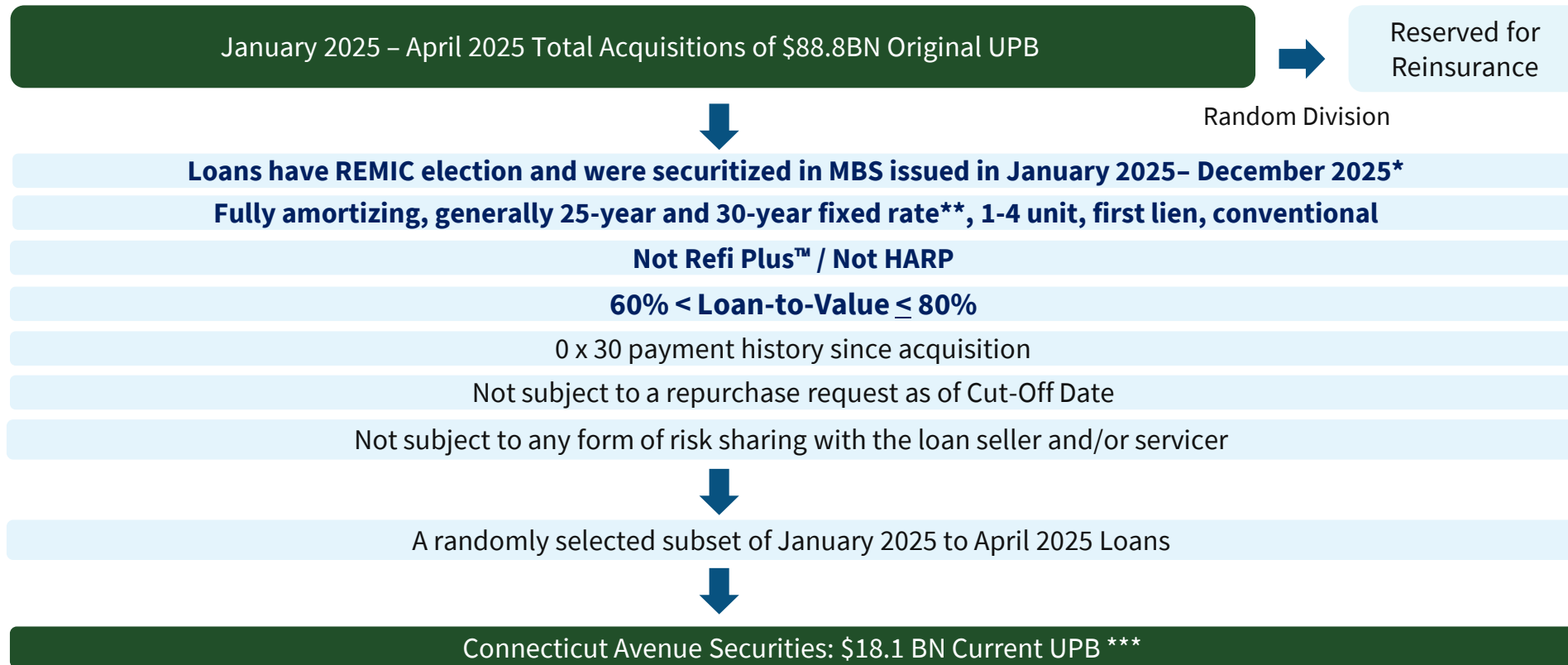
**286 unique investors** since program inception\*

\*As of February 5, 2026  
Source: Fannie Mae and dealers, primary issuance only

For additional details on CAS Benchmark Program Investor Distribution data, please visit:  
<https://capitalmarkets.fanniemae.com/media/document/xlsx/cas-program-investor-distribution.xlsx>



# CAS 2026-R02 G1 Reference Pool Selection Process



Note: No more than one loan made to a given borrower is included in the reference pool, except for investor loans, in which case no more than two loans to the same borrower are included.

\*January 2025 – April 2025 acquisitions were pooled into REMIC-eligible MBS in January 2025 – December 2025.

\*\*All loans will have terms greater than 240 months and less than or equal to 360 months. Other minimal exclusion criteria apply.

\*\*\* Current UPB Reflects CAS 2026-R02 December 2025 Book Profile. Numbers may not foot due to rounding.



# CAS 2026-R02 Transaction Overview (G1)

Est. \$670.362 million in offered notes<sup>(1)</sup>

Class	Loan Group	Offered Notes (Est. MM)	Credit Support		Expected Ratings (S&P/DBRS)	10% CPR to Early Redemption Date	
			Attach (%)	Detach (%)		Expected WAL (yrs)	Expected Principal Window
1A-1	1	\$257.832	4.05%	5.55%	A+ (sf) / A (High) (sf)	1.60	1-36
1M-1	1	\$257.832	2.55%	4.05%	A- (sf) / A (Low) (sf)	1.81	1-47
1M-2	1	\$154.698	1.65%	2.55%	BBB (sf) / BBB (sf)	4.77	47-60
1B-1H <sup>(2)</sup>	1	Not Offered	1.25%	1.65%	N/A	N/A	N/A
1B-2H <sup>(2)</sup>	1	Not Offered	0.50%	1.25%	N/A	N/A	N/A
1B-3H <sup>(2)</sup>	1	Not Offered	0.00%	0.50%	N/A	N/A	N/A

(1) The Maturity Date for all classes will be February 2046. First Early Redemption Date will be February 2031.

(2) 1B-1H, 1B-2H and 1B-3H are reference tranches, not offered notes, and are included solely to illustrate the structure of the transaction.

## February - March 2026

### Transaction Timeline\*

\*All dates are approximate

S	M	T	W	T	F	S
			18	19	20	21
22	23	24	25	26	27	28
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18			

<span style="color: green;">■</span>	Tape Release
<span style="color: orange;">■</span>	Pre-Marketing
<span style="color: red;">■</span>	Execution
<span style="color: darkblue;">■</span>	Closing

### Deal timing:

Loan Data File: February 19, 2026

Pre-Marketing: March 2-3, 2026

CAS 2026-R02 Execution: March 4, 2026

Closing and Settlement: March 11, 2026



# CAS 2026-R02 Structural Overview (G1)

<b>Reference Pool</b> <b>January 2025 – April 2025</b> <b>(Loans with REMIC election)</b>	
<b>Group 1 Loans</b> <b>Original LTV 60.01 – 80.00%</b>	
<b>Class 1A-H</b> <b>94.45% thick</b> <b>5.55% credit support</b>	
<b>Class 1A-1</b> <b>1.50% thick</b> <b>4.05% credit support (Min. CE)</b>	<b>Class 1A-1H</b> <b>(5% vertical slice)</b>
<b>Class 1M-1</b> <b>1.50% thick</b> <b>2.55% credit support</b>	<b>Class 1M-1H</b> <b>(5% vertical slice)</b>
<b>Class 1M-2</b> <b>0.90% thick</b> <b>1.65% credit support</b>	<b>Class 1M-2H</b> <b>(5% vertical slice)</b>
<b>Class 1B-1H</b> <b>0.40% thick</b> <b>1.25% credit support</b>	
<b>Class 1B-2H</b> <b>0.75% thick</b> <b>0.50% credit support</b>	
<b>Class 1B-3H</b> <b>0.50% thick</b> <b>0.00% credit support</b>	

All H tranches are reference tranches only and will not be issued

- Loans acquired in January 2025 – April 2025 and securitized into MBS pools issued in January 2025 – December 2025.
- Reference Pool contains only 60.01-80.00% LTV loans.
- 20-year legal final maturity; Fannie Mae optional call starting in year 5.
- Fannie Mae optional 10% clean up call.
- Notes are par-priced uncapped SOFR-based floaters.
- Minimum credit enhancement to unlock unscheduled and scheduled principal for subordinate tranches is 4.05%
- Delinquency test must be satisfied to unlock unscheduled and scheduled principal for subordinate tranches.
- The 1A-1 tranche will only be subject to a Cumulative Net Loss Test of 1.00%.
- Credit events are based on actual losses.
- The Class 1M-2 will offer exchange features with rated exchangeable notes.
- The Class 1A-1, 1M-1 and 1M-2 will be ERISA eligible.
- All classes are issued as REMICs and treated as debt-for-tax.
- Fannie Mae initially will retain 100% of the first loss tranches and the senior A-H tranche, and for the term of the transaction, will retain at least 5.00% of all offered tranches. Retention is in line with requirements of Regulation (EU) 2017/2402 Section 5.1(d) and Regulations 32A-32D and Schedule A1 of the UK's Securitisation Regulations 2024 (as amended) and Article 5 of Chapter 2 of the UK's PRA Rules and SECN 4 of the FCA Rules, regarding retention of material net economic interest.



# CAS REMIC Structure

Credit and prepayment performance of the underlying mortgage loans determines performance of CAS securities

## Reference Pool

- Fannie Mae acquires and makes a REMIC election on loans
- Loans are deposited into MBS
- Loans in reference pool meet CAS Eligibility Criteria

**1** REMIC regular interests that are associated with the loans are conveyed to the CAS REMIC

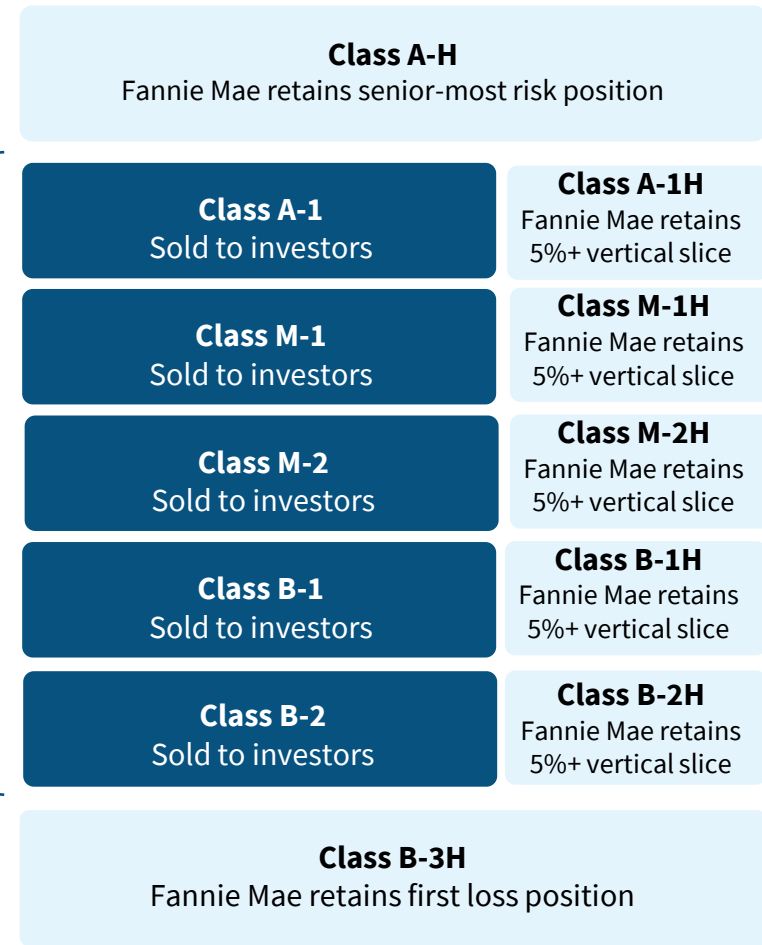


**2** Issuer issues Class A-1, M-1, M-2, B-1 and B-2 Notes. Receives cash proceeds

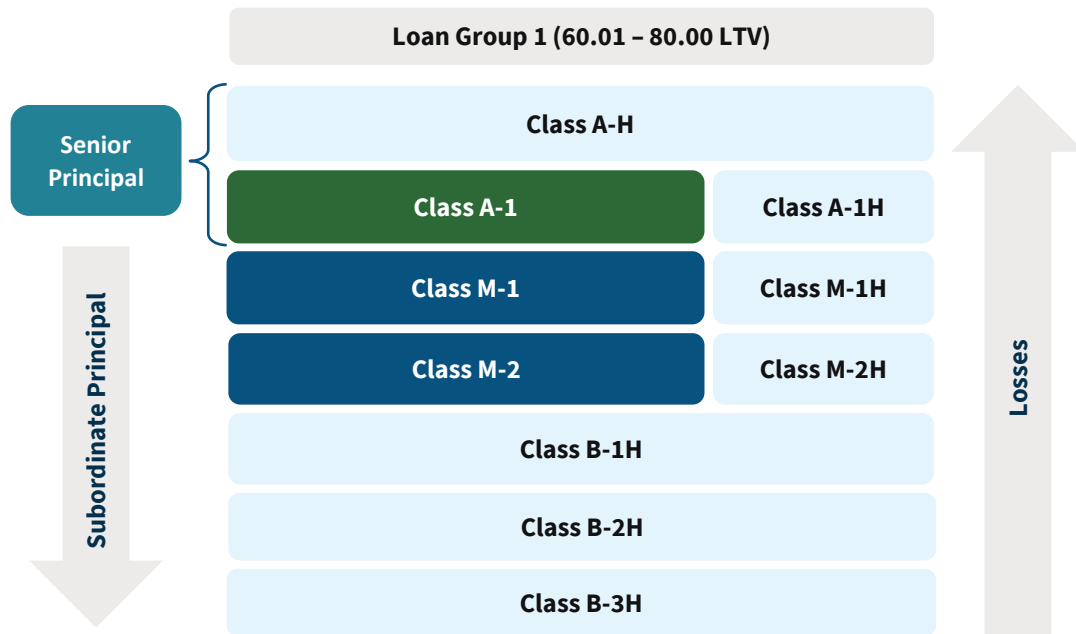
**3** Issuer pays interest (uncapped SOFR floater)  
Issuer repays principal less credit and applicable modification losses

Earnings on Eligible Investments in Collateral Account contributes to interest on Notes and proceeds from liquidation of Eligible Investments covers return amounts to Fannie Mae and pays principal on Notes

## Hypothetical Structure - CAS REMIC Notes in Blue



# CAS 2026-R02 Cash Flow Waterfall




**Senior Notes:** A-H and A-1 tranches  
**Subordinate Notes:** M tranches and B tranches  
**Retained Vertical Slice:** A-1H, M-1H, M-2H

- Principal payments and losses applied to the tranches mirror the activity on the loans in the underlying Reference Pool.
- **Principal Payments** are first allocated pro rata between senior tranches and subordinate tranches.
  - The A-1 tranche is paid from the senior principal and according to a defined payment schedule, which is set at deal issuance.
    - The CAS 2026-R02 1A-1 tranche will be paid in full on month 36, according to its schedule.
  - Subordinate principal is applied sequentially starting with the M-1 tranche (no change).
- **Losses** are applied in reverse sequential order beginning with Class B-3H.
  - The B-1H, B-2H and B-3H tranches will have hypothetical class coupons for use in connection with the allocation of Modification Loss Amounts.
- Principal payments and losses are allocated pro rata between the sold tranches and the retained vertical slice.
- The specified Cumulative Net Loss Test (Cumulative Net Loss < 1.00%) must be satisfied for the A-1 tranche to receive the A-1 Reduction Amount.



# Credit Events and Allocation of Losses

## Allocation of principal loss amounts



1	Class B3H - Principal
2	Class B2H - Principal
3	Class B1 - Principal
4	Class M2 - Principal
5	Class M1 - Principal
6	Class A1 - Principal

- The B3H and B2H classes will have hypothetical class coupons attached to them for use in connection with the allocation of Modification Loss Amounts. Payment Deferrals are **not** treated as modification events within this structure.
- Modification Loss Amounts will not be used in the calculation of the Cumulative Net Loss Test unless they reduce principal of a class.

## Allocation of modification loss amounts



1	Class B3H - Interest
2	Class B3H - Principal
3	Class B2H - Interest
4	Class B2H - Principal
5	Class B1 - Interest
6	Class B1 - Principal
7	Class M2 - Interest
8	Class M2 - Principal
9	Class M1 - Interest
10	Class M1 - Principal
11	Class A1 - Interest
12	Class A1 - Principal



# Credit Insurance Risk Transfer (CIRT) Overview



# 2026 CIRT Issuance Calendar



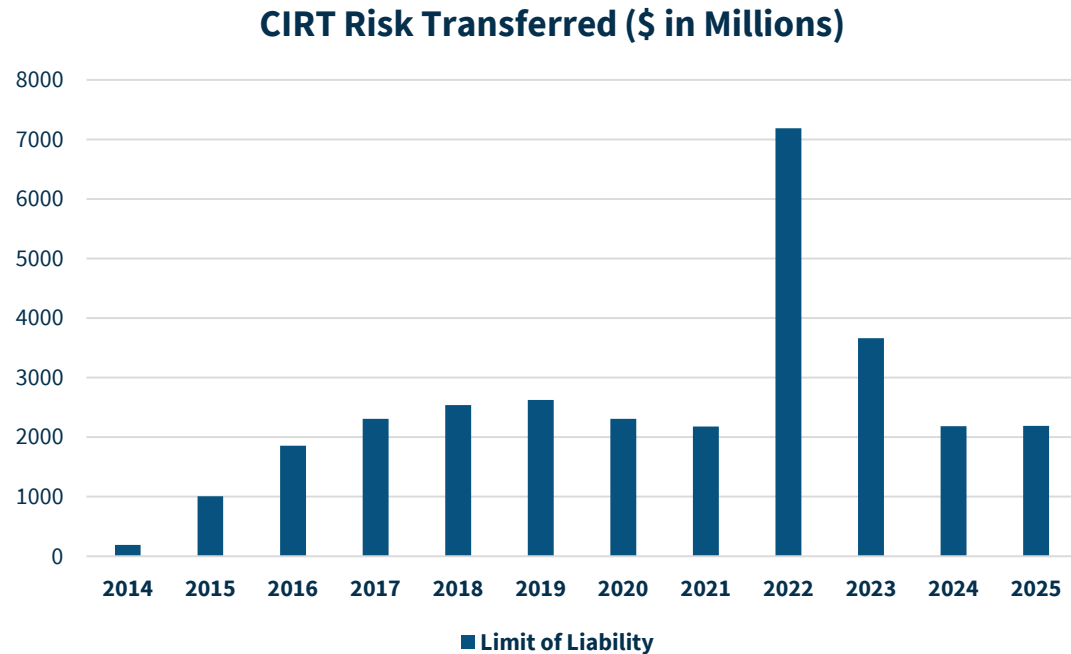
- Calendar highlights periods in 2026 during which Fannie Mae may execute CIRT transactions.
- Fannie Mae anticipates acquiring approximately \$2.0-2.2 billion of CIRT coverage across 4 deals in 2026.
- Fannie Mae may choose not to execute in some or all periods.
- Coverage volumes and utilization of available execution windows continue to be dependent on business factors and market conditions.

Quarter	Low LTV Deal(s)	High LTV Deal(s)
Q1 2025		
Q2 2025	✓	✓
Q3 2025	✓	
Q4 2025		✓

Note: Subject to change.



# Mortgage Credit Risk Transferred under the CIRT Program



Large, geographically diversified loan pools provide broad exposure to U.S. housing market



Fannie Mae acts as an intermediary between the lender and investor to set standards, manage quality, mitigate losses, and maximize value



Transparent pricing provided on our webpage for all transactions – along with key deal documents and transaction data



Powerful investor resources – including proprietary analytical tool Data Dynamics®

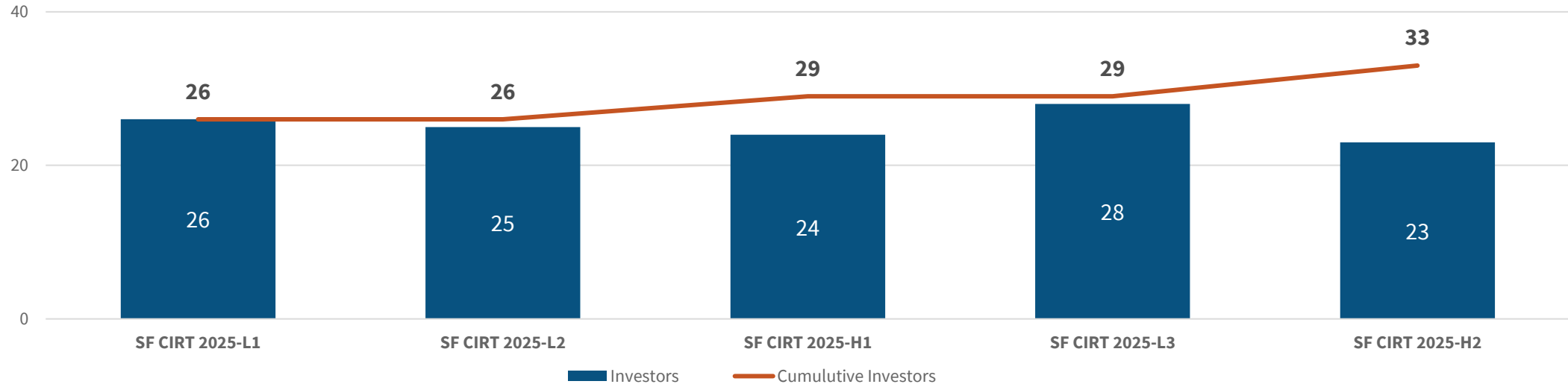
The CIRT Program has provided over \$30B in coverage since program inception.

Note: As of December 31, 2025 Deal Effective Date



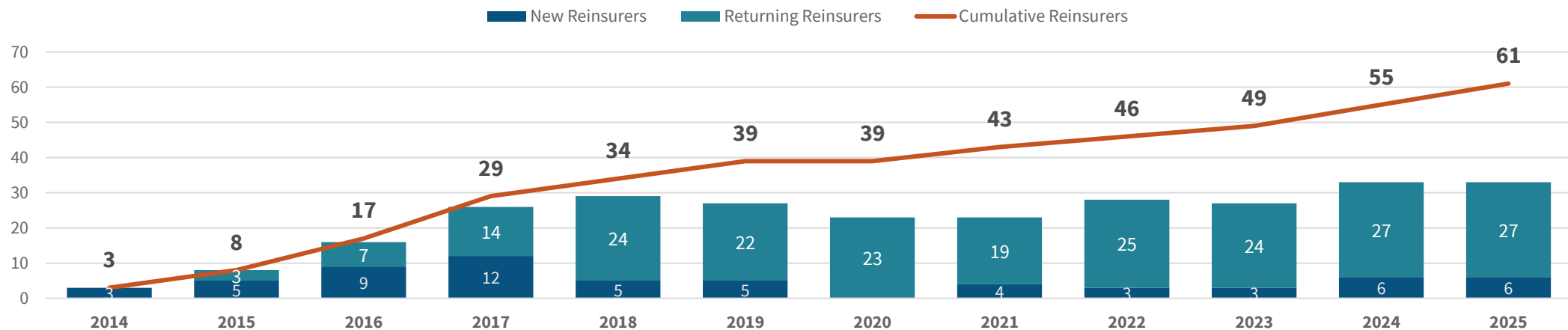
# CIRT Reinsurer Participation

## 2025 Deal Participation



Source: Fannie Mae data

## Since Inception



Note: As of December 31, 2025



# Evolution of the CIRT Program

2014

- **CIRT 2014-1:** Inaugural excess of loss (XOL) risk transfer
  - Protective cell insurance company issues CIRT policy to Fannie Mae, and transfers risk to reinsurer panel
  - Covering 60-95 loan to value (LTV), actual loss structure, 10-year legal maturity
  - Partial collateralization by reinsurers, based on external ratings
  - Premium based on unpaid principal balance (UPB) of pool
  - Limit steps down in year 3

2015

- New CIRT features:
  - Introduced early termination option at 5th anniversary
  - 10% clean up call
  - Separate transactions for pools of <80 LTV and >80 LTV loans
  - Cross collateralization of deals using the same protective cell
- **CIRT 2015-6:** first CIRT deal covering adjustable-rate loans

2016

- **CIRT FE 2016-1:** First front-end (FE) CIRT structure, executed with mortgage insurer affiliates
  - 6-month fill up period, premium recalibration after fill up
- **CIRT 2016-9:** First CIRT deal to cover 15 yr and 20-yr fixed-rate mortgages
  - 7.5 yr term, 75-97 LTV
  - First Limit of Liability stepdown in year 2

2017

- **CIRT FE 2017-1:** First FE CIRT transaction open to all reinsurers; covering <80 LTV loans
  - 12-month fill up period

2018

- New CIRT feature:
  - Limit of Liability stepdown applied monthly, beginning on the 12-month anniversary
- **CIRT 2018-7:** First CIRT deal to remove early delinquent loans where property was impacted by hurricane in a FEMA disaster area

2019

- New CIRT features:
  - Extended legal maturity to 12.5 years
  - Modification expenses included as a covered loss
  - Introduced more granularity to ratings-based reinsurer collateral requirements
  - Premium may be captured into a reinsurer trust account, based upon the performance of the covered pool
- **CIRT FE 2019-1:** First hybrid Bulk + FE deal covering exclusively affordable loans with a short-term lender repurchase obligation, delivered by Housing Finance Agencies

2022

- New CIRT feature:
  - Introduced Collateral Reduction Factors, reducing reinsurer collateral requirements and potentially applied to new deals, reflecting cross collateralization benefit across a reinsurer's existing CIRT writings

2023

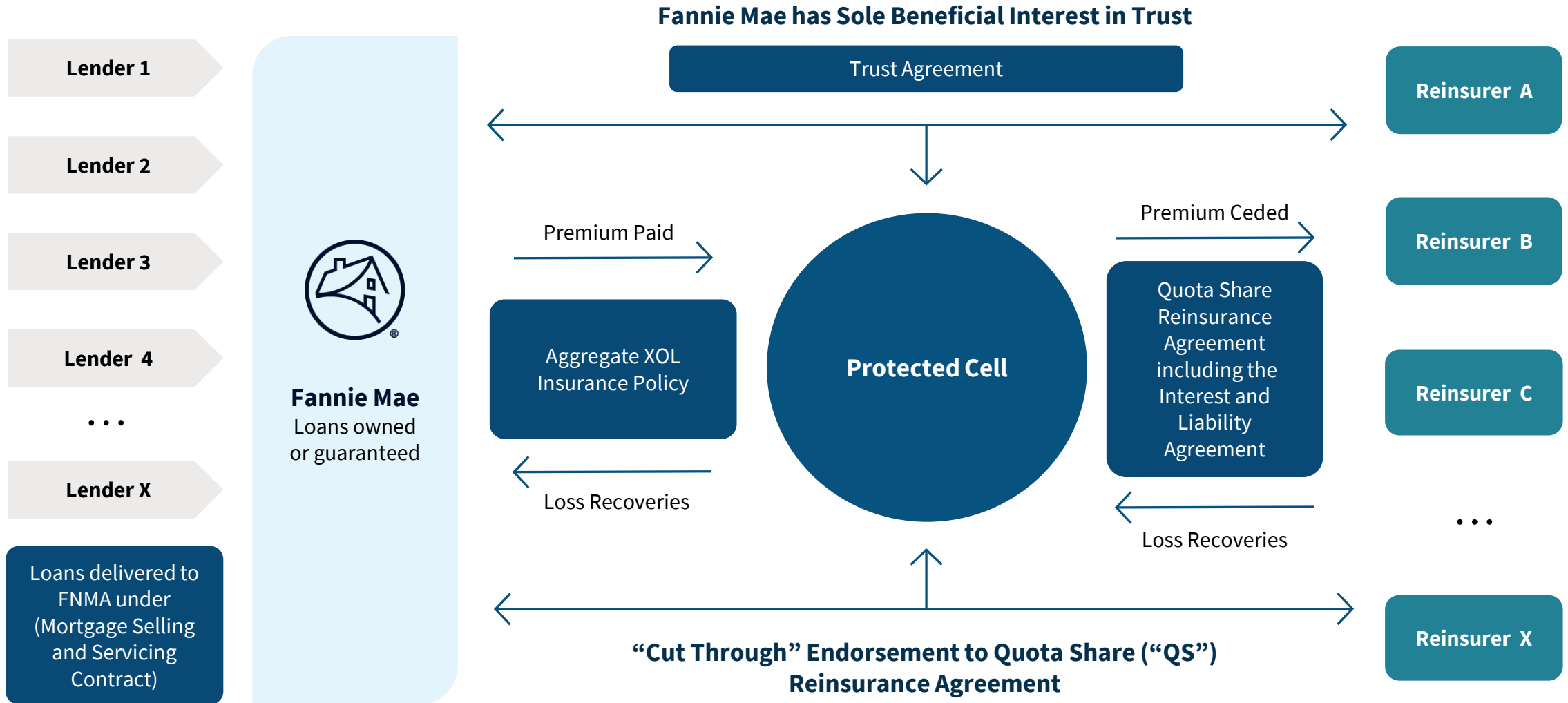
- New CIRT features:
  - Included payment deferral as a covered modification expense
  - Consolidation of the two cell Trust Agreements to reflect Fannie Mae as direct beneficiary

2024

- New CIRT features:
  - Extended legal maturity to 18 years
  - Expanded eligible trust collateral assets
  - New CIRT naming convention: "L" for deals covering low-LTV loans; "H" for deals covering high-LTV loans
- **CIRT 2024-L4:** First CIRT deal employing new structure optimizing for Enterprise Regulatory Capital Framework :
  - Accelerated reduction of the Limit of Liability at the 36- and 48-month anniversaries,
  - Targeted detachment point, and
  - Premium rate applied to limit



# Reinsurance Deal Structure



# CIRT 2025-L3 Loan Pool Selection Process

July 2024 through December 2024 Total Acquisitions  
Selection of Acquisitions  
(random division based upon recent acquisition period)



Proportional  
allocation for CAS



Fully amortizing, generally 25-year and 30-year fixed-rate<sup>1</sup>, 1-4-unit, first lien, conventional

Not Refi Plus™ / Not HARP<sup>2</sup>

60% < Loan-to-Value < 80%

0 x 30 payment history since acquisition

Not subject to a repurchase request as of Cut-Off Date

Not subject to any form of risk sharing with the loan seller and/or servicer

*Other exclusions may apply*



A randomly selected subset of July 2024 to December 2024 Loans



**UPB covered at Issuance CIRT 2025-L3: \$15.9 Billion**

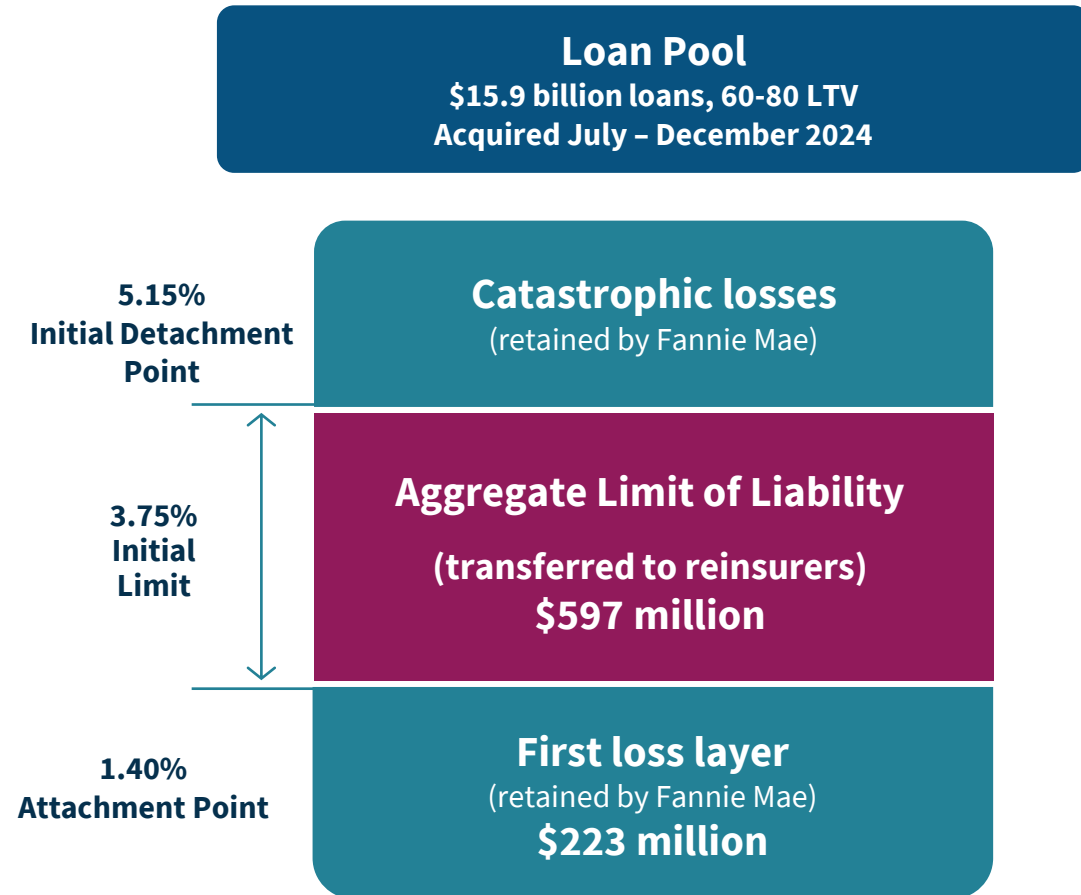
1. All loans will have terms greater than 240 months and less than or equal to 360 months. Other minimal exclusion criteria apply.

2. Fannie Mae acquires HARP loans under its Refi Plus™ initiative, which provides expanded refinancing opportunities for eligible Fannie Mae borrowers.



# Insurance Policy Structural Overview

## Illustration (CIRT 2025-L3)



## Key Features

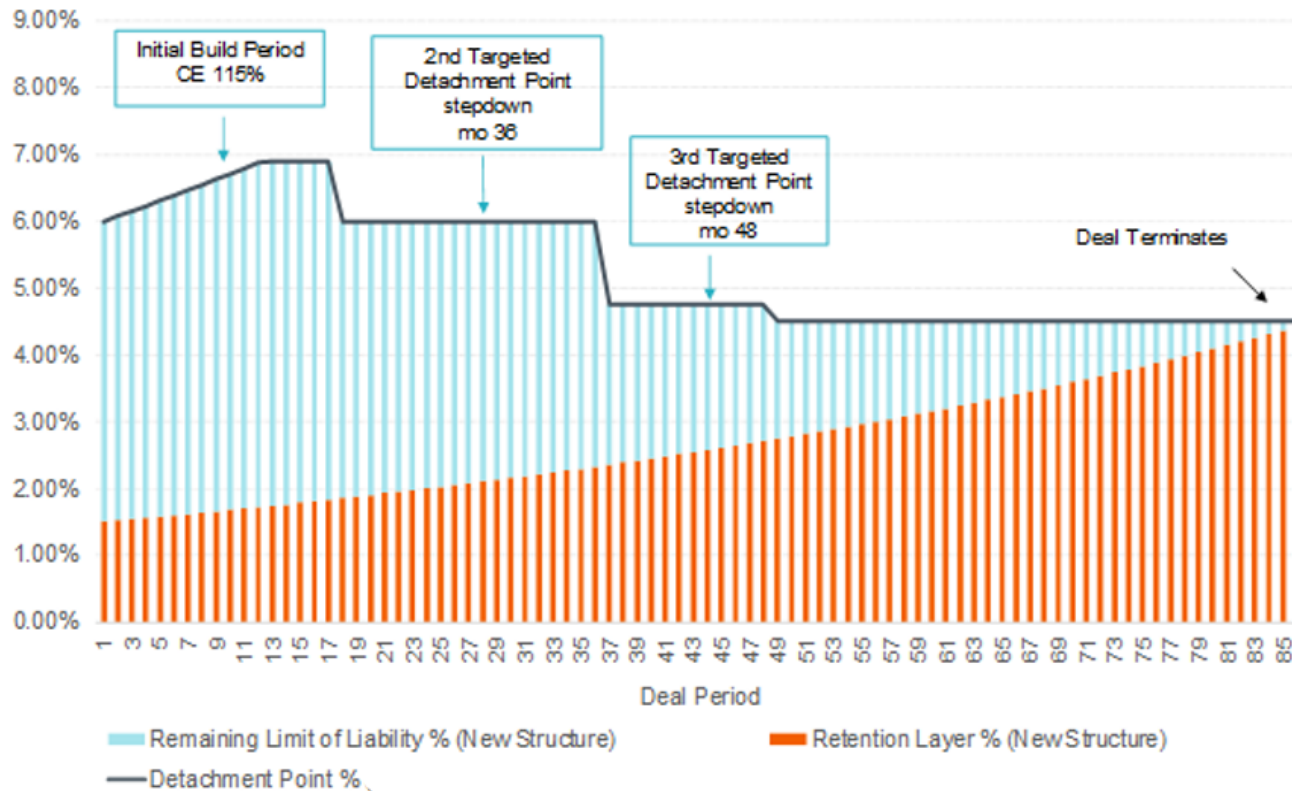
- Simple loss structure
- Structured with retention layer and an Initial Detachment Point.
- Fannie Mae retains first loss (retention) layer.
- If retention layer is exhausted, reinsurers cover actual losses up to aggregate Limit of Liability.
- Actual loss is determined after property disposition.
- Remaining Limit of Liability will be derived as the difference between the Detachment Point and the Remaining Retention Layer.
- Partial collateralization of risk exposure, based upon external ratings of reinsurer.
- Termination option at any time on/after a specified anniversary date (typically 60 months) with a fee paid to reinsurers\*.
- “Clean up” call once covered balance  $\leq 10\%$  initial covered balance without a termination fee.
- Early Termination fee eliminated with new CIRT deals beginning with CIRT 2025-H1.



# Limit of Liability Step Down

## CIRT Structure beginning with CIRT 2024-L4

### Expected Scenario - Illustration



- Includes an initial 15-month "Build Period", during which the Detachment Point Percentage permitted to increase to 115% of the Initial Detachment Point Percentage
- After the initial Build Period, the Detachment Point Percentage will be reduced on a schedule as outlined in the Policy, subject to a delinquency trigger test.
- Remaining Limit of Liability will set to the difference between the Current Detachment Point and the Remaining Retention Layer.
- Limit of Liability step down beneficial to reinsurers as collateral requirement declines.
- Fannie Mae has early termination option, typically at Month 60, or thereafter.



# Summary of Key Recent CIRT Deal Terms

CIRT Transaction Name	2025-H2	2025-L3	2025-H1	2025-L2	2025-L1
<b>Year</b>	2025	2025	2025	2025	2025
<b>Product</b>	241 - 360 month FRM	241 - 360 month FRM	241 - 360 month FRM	241 - 360 month FRM	241 - 360 month FRM
<b>Deal Type</b>	Bulk	Bulk	Bulk	Bulk	Bulk
<b>OLTV</b>	>80-97	>60-80	>80-97	>60-80	>60-80
<b>Term (years)</b>	18	18	18	18	18
<b>Effective Date</b>	05/01/25	04/01/25	03/01/25	02/01/25	01/01/25
<b>Termination Date</b>	04/30/43	03/31/43	02/28/43	01/31/43	12/31/42
<b>Time-based Cancellation Option (anniversary month)</b>	60	60	60	60	60
<b>Covered Loan Acquisition Period</b>	8/2024-12/2024	7/2024-12/2024	1/2024-7/2024	5/2024-7/2024	1/2024-4/2024
<b>Total Initial Principal Balance</b>	\$ 15,779,666,808	\$ 15,907,540,777	\$ 16,631,752,784	\$ 8,069,080,344	\$ 8,488,518,188
<b>Initial Detachment Point (\$)</b>	\$ 575,957,838	\$ 819,238,350	\$ 790,008,257	\$ 492,213,901	\$ 543,265,164
<b>Initial Limit of Liability (\$)</b>	\$ 315,593,336	\$ 596,532,779	\$ 498,952,584	\$ 371,177,696	\$ 407,448,873
<b>Aggregate Retention (\$)</b>	\$ 260,364,502	\$ 222,705,571	\$ 291,055,674	\$ 121,036,205	\$ 135,816,291
<b>Initial Detachment Point %</b>	3.65%	5.15%	4.75%	6.10%	6.40%
<b>Targeted Detachment Point % During Initial Build Period</b>	4.20%	5.92%	5.46%	7.02%	7.36%
<b>Second Detachment Point Target %</b>	3.65%	4.30%	4.75%	5.00%	5.35%
<b>Third Detachment Point Target %</b>	3.65%	3.90%	4.75%	4.45%	4.75%
<b>Initial Limit of Liability %</b>	2.00%	3.75%	3.00%	4.60%	4.80%
<b>Aggregate Retention %</b>	1.65%	1.40%	1.75%	1.50%	1.60%
<b>Initial Step Down (anniversary month)</b>	1	1	1	1	1
<b>Initial Build Period (months)</b>	15	15	15	15	15
<b>Second Detachment Point Target % (anniversary month)</b>	36	36	36	36	36
<b>Third Detachment Point Target % (anniversary month)</b>	48	48	48	48	48
<b>Annual Premium (bps)</b>	129.60	120.00	111.60	112.00	110.00
<b>Annual Premium Basis</b>	Remaining Limit of Liability	Remaining Limit of Liability	Remaining Limit of Liability	Remaining Limit of Liability	Remaining Limit of Liability

Above is a summary of CIRT deal terms that, in some cases, may approximate the definitive terms of CIRT transactions posted on the Fannie Mae website:

<https://capitalmarkets.fanniemae.com/credit-risk-transfer/single-family-credit-risk-transfer/credit-insurance-risk-transfer/cirt-pricing>

Definitive deal terms are included in the published deal documents for each CIRT transaction.



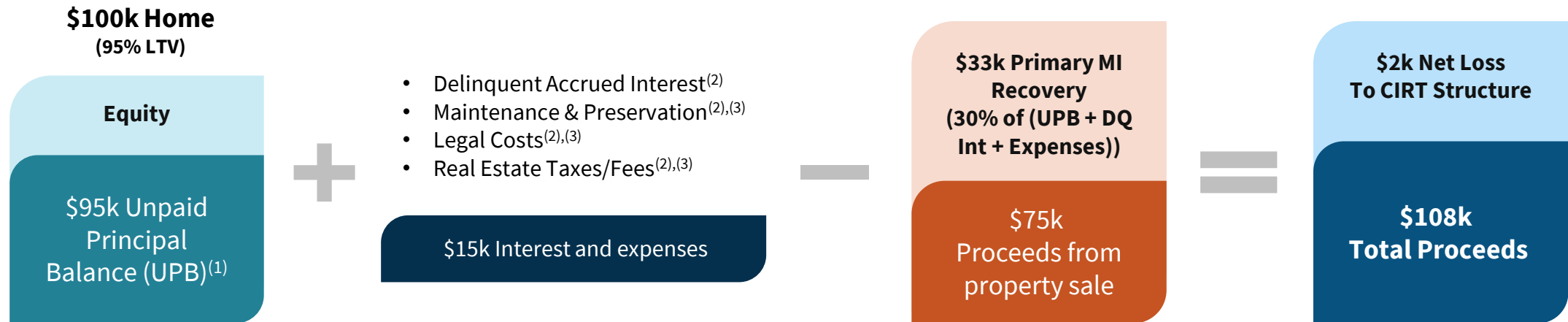
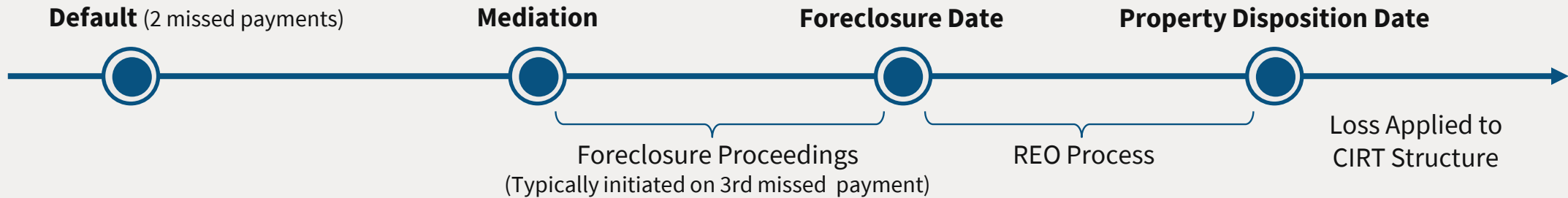
# Insurance Policy Key Terms – Sample

(CIRT 2025-L3)

<b>Insurance Structure:</b>	Aggregate excess of loss credit insurance														
<b>Covered Loans:</b>	Portfolio of 21 to 30-year fixed-rate residential mortgage loans acquired between July 1, 2024, and December 31, 2024														
<b>Initial Principal Balance:</b>	\$15.9 Billion														
<b>Initial Limit of Liability:</b>	3.75% of the total Initial Principal Balance (\$596.5M)														
<b>Retention / First Loss Risk:</b>	1.40% of the total Initial Principal Balance (\$222.7M)														
<b>Monthly Premium Rate:</b>	0.10000% of remaining Limit of Liability														
<b>Step-Down of Limit Liability:</b>	<table border="1"> <tr> <td colspan="2"><b>Step Down of Detachment Point</b></td> </tr> <tr> <td><b>Initial</b></td> <td>1 month following effective date</td> </tr> <tr> <td><b>Subsequent</b></td> <td>each month thereafter</td> </tr> <tr> <td><b>Initial Detachment Point %</b></td> <td>5.9225% (5.15% x 115% CE Build) from months 1 to 14 5.15% from months 15 to 35</td> </tr> <tr> <td><b>Second Detachment Point Target %</b></td> <td>4.30% from months 36 to 47</td> </tr> <tr> <td><b>Third Detachment Point Target %</b></td> <td>3.90% from months 48 to Term</td> </tr> <tr> <td><b>Delinquency Test's Multipliers and Schedule</b> (Multipliers are applied to the SDQ and Liquidated Covered Loan UPB of the covered loan pool)</td> <td>900% multiplier from months 1 to 14 800% multiplier from months 15 to 23 550% multiplier from months 24 to 35 450% multiplier from months 36 to 47 400% multiplier from months 48 to Term</td> </tr> </table>	<b>Step Down of Detachment Point</b>		<b>Initial</b>	1 month following effective date	<b>Subsequent</b>	each month thereafter	<b>Initial Detachment Point %</b>	5.9225% (5.15% x 115% CE Build) from months 1 to 14 5.15% from months 15 to 35	<b>Second Detachment Point Target %</b>	4.30% from months 36 to 47	<b>Third Detachment Point Target %</b>	3.90% from months 48 to Term	<b>Delinquency Test's Multipliers and Schedule</b> (Multipliers are applied to the SDQ and Liquidated Covered Loan UPB of the covered loan pool)	900% multiplier from months 1 to 14 800% multiplier from months 15 to 23 550% multiplier from months 24 to 35 450% multiplier from months 36 to 47 400% multiplier from months 48 to Term
<b>Step Down of Detachment Point</b>															
<b>Initial</b>	1 month following effective date														
<b>Subsequent</b>	each month thereafter														
<b>Initial Detachment Point %</b>	5.9225% (5.15% x 115% CE Build) from months 1 to 14 5.15% from months 15 to 35														
<b>Second Detachment Point Target %</b>	4.30% from months 36 to 47														
<b>Third Detachment Point Target %</b>	3.90% from months 48 to Term														
<b>Delinquency Test's Multipliers and Schedule</b> (Multipliers are applied to the SDQ and Liquidated Covered Loan UPB of the covered loan pool)	900% multiplier from months 1 to 14 800% multiplier from months 15 to 23 550% multiplier from months 24 to 35 450% multiplier from months 36 to 47 400% multiplier from months 48 to Term														
<b>Cancellation:</b>	18-year term. Fannie Mae may terminate coverage on/after the 5-year anniversary, and early termination fee paid if early termination option exercised between 5-year and 10-year anniversary. Also subject to a 10% clean-up call, and if exercised no termination fee will be paid.														



# Illustration of Property Disposition and Loss to CIRT Structure



<sup>(1)</sup> Loss covered by Mortgage Insurance

<sup>(2)</sup> The covered loss may be curtailed based upon eligibility under MI policy

<sup>(3)</sup> The covered loss may be estimated under MI factor

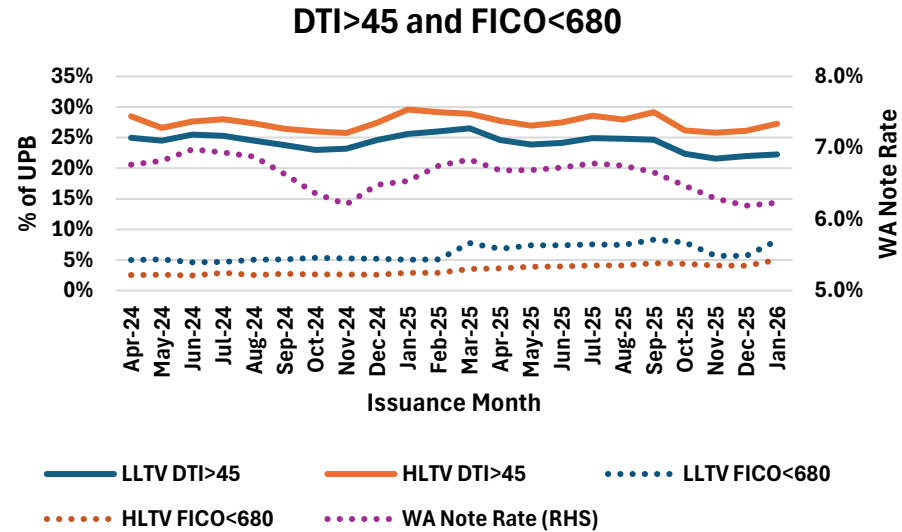
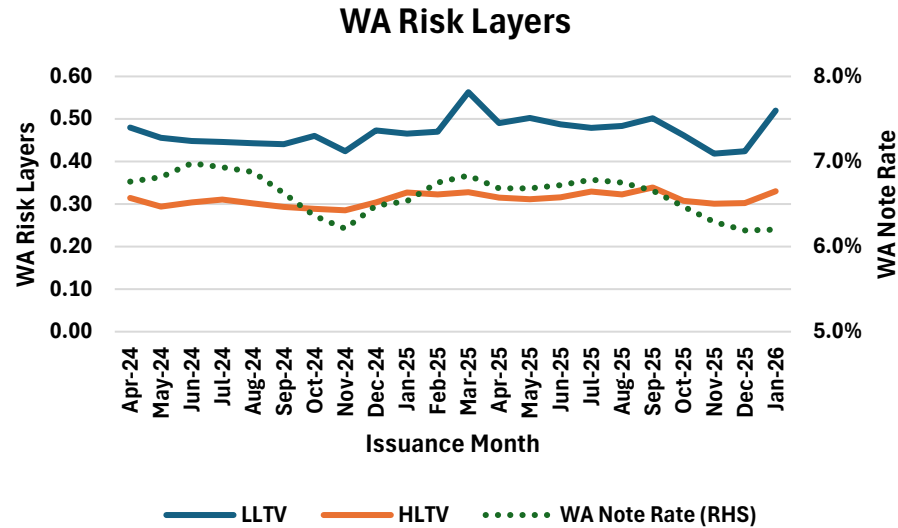


# Historical Comparative Analysis



# DTI and FICO Tails Broadly Stable in 2025

Amid elevated mortgage rates, the credit profile after the implementation of DU 12 is in line with 2024



60.01-80.00 LTV	Jan-25	Apr-25	Aug-25	Oct-25	Jan-26
Original UPB (\$M)	\$11,060	\$9,303	\$12,593	\$12,836	\$12,320
WA Interest Rate	6.5%	6.7%	6.8%	6.5%	6.2%
WA FICO	762	759	758	759	758
WA DTI	38.0%	38.0%	37.9%	37.4%	37.4%
WA LTV	75.3%	75.4%	75.6%	75.2%	74.8%
WA CLTV	75.6%	75.6%	75.8%	75.3%	75.0%
% Purchase	79.2%	75.8%	81.3%	64.7%	57.0%
% CA	13.3%	12.7%	10.1%	12.9%	13.2%
WA Risk Layers	0.47	0.49	0.48	0.46	0.52
% Investor	7.2%	6.4%	5.9%	5.4%	7.0%
% FICO < 680	5.1%	6.8%	7.5%	7.9%	8.2%
% Cashout	8.7%	11.3%	10.1%	10.5%	14.6%
% DTI 46-50	25.6%	24.6%	24.8%	22.4%	22.2%

80.01-97.00 LTV	Jan-25	Apr-25	Aug-25	Oct-25	Jan-26
Original UPB (\$M)	\$9,565	\$8,105	\$12,279	\$11,228	\$9,938
WA Interest Rate	6.5%	6.7%	6.8%	6.5%	6.2%
WA FICO	757	756	755	755	754
WA DTI	40.2%	39.7%	39.8%	39.4%	39.5%
WA LTV	92.2%	92.4%	92.5%	92.3%	92.3%
WA CLTV	92.2%	92.4%	92.6%	92.4%	92.3%
% Purchase	94.3%	94.6%	96.2%	87.5%	82.8%
% CA	10.3%	8.9%	8.3%	9.0%	10.3%
WA Risk Layers	0.33	0.32	0.32	0.31	0.33
% Investor	0.2%	0.1%	0.2%	0.2%	0.4%
% FICO < 680	2.9%	3.7%	4.1%	4.4%	5.0%
% Cashout	0.0%	0.0%	0.0%	0.0%	0.0%
% DTI 46-50	29.6%	27.7%	28.0%	26.2%	27.3%

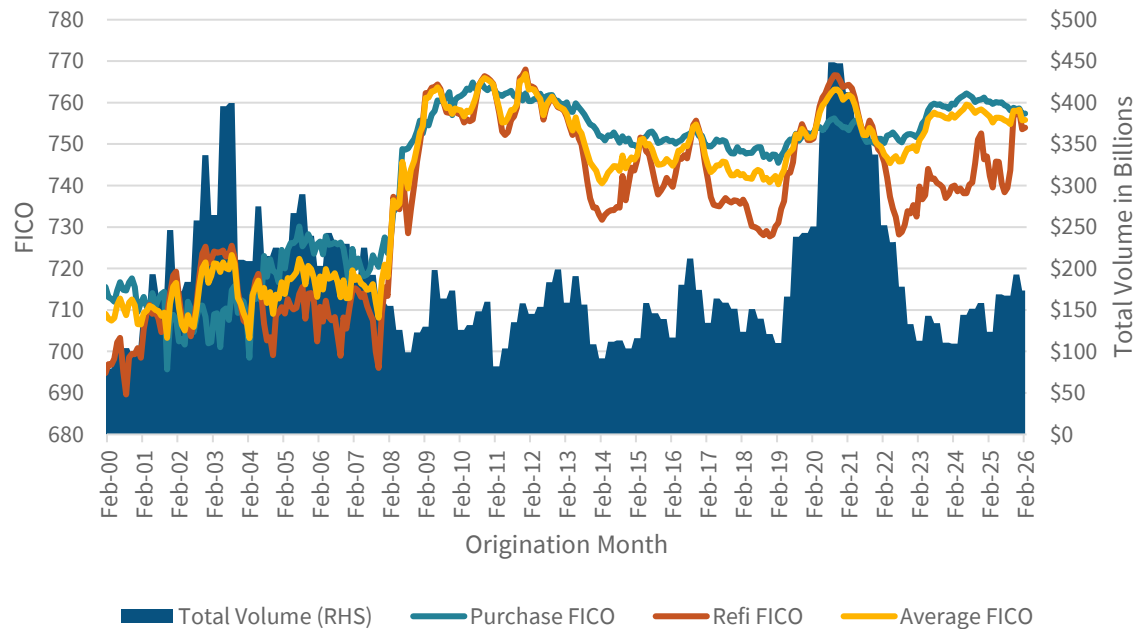
Source: Fannie Mae January 2026 Data Release. LLTV includes loans with original loan-to-value (OLTV) 60.01-80.00. HLTV includes loans with OLTV 80.01-97.00.



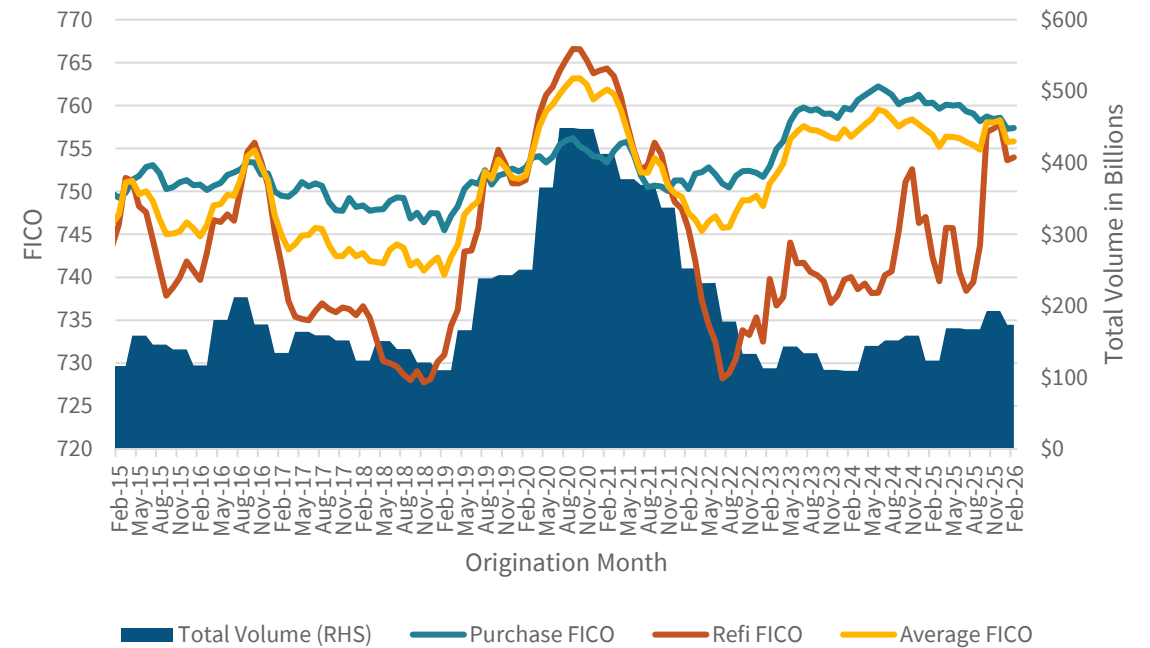
# Total Mortgage Origination Volume and FICO

Credit profile typically fluctuates with the origination cycle

- When origination capacity is tight, credit profile is strongest
- Lower origination volumes mean lenders have more capacity to underwrite to the full credit box
- Overall profile is heavily levered to profile of refinancings, as purchase profile is more stable



Feb 2000 – Feb 2026



Feb 2015 – Feb 2026

Source: Fannie Mae. Origination estimates for aggregate market



# DU Model Updates: 2021-2024

2021

## Sep 2021: DU 11.0 -

Updated the credit score used in the eligibility assessment for loans with more than one borrower by using an average median credit score when determining if a loan meets the minimum credit score requirement of 620.

- Consider a borrower's positive rent payment history in the credit risk assessment. Lender must obtain a 12-month Verification of Asset (VOA) report.
- *May result in additional loans receiving Approve/Eligible in DU.*

2022

**Mar 2022: DU 11.0** – Implemented a desktop appraisal option for purchase transactions secured by a one-unit principal residences, and LTV ratio is  $\leq 90\%$ .

**Apr 2022: DU 11.0** – Removed the minimum representative credit score requirement of 620 for RefiNow™ loans.

**Jul 2022: DU 11.0** – Updated risk and eligibility assessment in response to changing market conditions. *May yield a reduction in loan case files receiving Approval/Eligible, with most noticeable reduction on cash-out refinance transactions when multiple high-risk factors are present.*

**Aug 2022: DU 11.0** - Issue employment documentation messages specific to RefiNow when requirements differ. Asset documentation flexibility extended to RefiNow loan casefiles.

**Dec 2022: DU 11.0** - Enhancements to support loans where no borrower has traditional credit. Principal residence, purchase or limited cash-out refinance, LTV/CLTV  $\leq 95\%$ , DTI up to 50%. Cashflow assessment required via 12-month asset verification report. *May result in additional loans receiving Approve/Eligible recommendation.*

2023

**Jan 2023: DU 11.1** - Fine tune DU's ability to assess risk. *May yield a reduction in loans case files receiving Approve/Eligible with most notable reduction of loans with high LTV and DTI ratios with multiple high-risk factors.* Certain loans meeting specific housing goals or Duty to Serve initiatives are excluded.

- Updates to improve DU's ability to identify rent payment history on a third-party asset verification report.

**Oct 2023: DU 11.1** - DU no longer considers number of borrowers as a factor in the risk assessment. *May yield a slight increase in loan casefiles receiving an Approve/Eligible recommendation.*

2025

**Jan 2025: DU 12.0** - Deliver improvements in DU's ability to analyze mortgage delinquency risk through a comprehensive examination of risk factors from the loan application and the credit risk factors from a borrower's credit report.

- Expand the ability to evaluate borrowers with thin credit and no credit scores.
- Extend the benefits of our positive rent payment history and cash flow assessment enhancements to more borrowers.

Learn more: [singlefamily.fanniemae.com/applications-technology/desktop-underwriter-desktop-originator](https://singlefamily.fanniemae.com/applications-technology/desktop-underwriter-desktop-originator)



# DU 12.0 Model Updates: 2025

## Jan 2025

- Deliver improvements in DU's ability to analyze mortgage delinquency risk through a comprehensive examination of risk factors from the loan application and the credit risk factors from a borrower's credit report.
- Expand the ability to evaluate borrowers with thin credit and no credit scores.
- Extend the benefits of our positive rent payment history and cash flow assessment enhancements to more borrowers.

## Sep 2025

- Update eligibility assessment to reflect Fannie Mae's acquisition preferences. DU will issue Ineligible recommendations for loan casefiles with certain product features and risk factors, *potentially slightly reducing Approve/Eligible recommendations.*

## Nov 2025

- DU will no longer require a minimum third-party credit score. Instead, it will use DU's proprietary credit risk assessment to determine loan eligibility for sale to Fannie Mae
- *Anticipate negligible impact on Approve/Eligible recommendations.*

Learn more: [singlefamily.fanniemae.com/applications-technology/desktop-underwriter-desktop-originator](https://singlefamily.fanniemae.com/applications-technology/desktop-underwriter-desktop-originator)



# Investor Resources



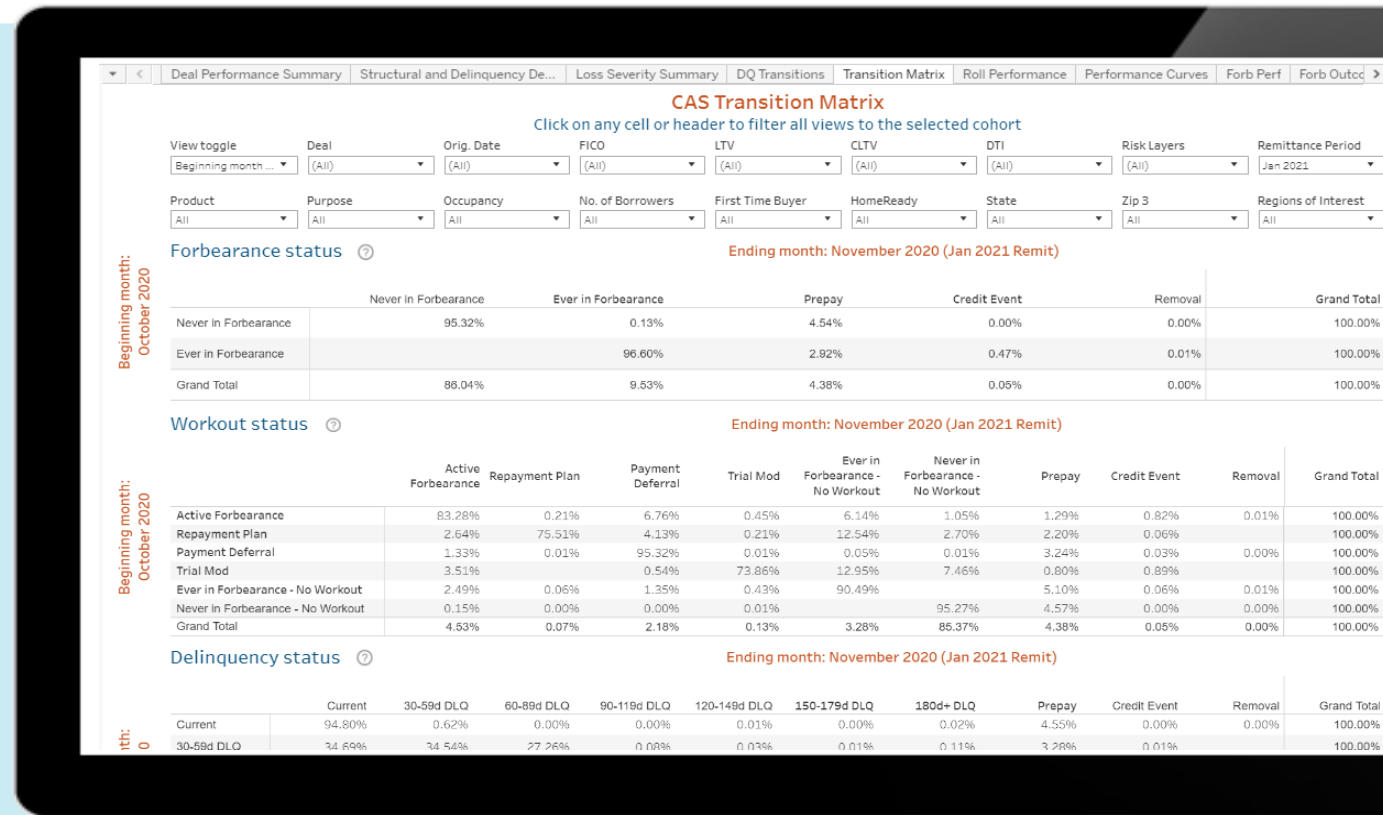
# Data Dynamics®

Our free platform allows investors to gain insights into historical loan performance trends, issuance profiles, and monthly performance – exclusively for Fannie Mae’s CAS and CIRT programs.

The tool is continuously enhanced based on investor feedback and new disclosures.

## Enhancements include:

- **CRT Transition Matrix:** Access three matrices to analyze month-over-month transitions in Forbearance, Workout, and Delinquency status for loans that are referenced in our CAS transactions.
- **Payment Forbearance Dashboard:** View performance on the active population of loans in forbearance and analyze historical loan cohorts that were ever in forbearance for CAS.
- **CAS Structural and Delinquency Test Monitor:** View the monthly status of CAS deal-level credit enhancement and delinquency tests.



Access today at <https://datadynamics.fanniemae.com>



# CRT Reporting on Workout Options

CRT Disclosure Data Element	Payment Forbearance	Reinstatement	Repayment Plan	Payment Deferral	Flex Modification
Borrower Assistance Plan	F	Not Applicable or No Workout Plan	R	Not Applicable or No Workout Plan	During modification trial period, T; when modification becomes permanent, Not Applicable or No Workout Plan
Alternative Delinquency Resolution	Not Applicable	Not Applicable	Not Applicable	Payment deferral = P, COVID-19 payment deferral = C, or natural disaster payment deferral = D	Not Applicable
Alternative Delinquency Resolution Count	Null	Null	Null	Greater than zero	Null
Total Deferral Amount	Null	Null	Null	Greater than zero	Null
Modification Flag	N	N	N	N	Y
Non-interest bearing UPB	Null	Null	Null	Greater than zero	May be greater than zero
Current Interest Rate	No change	No change	No change	No change	May be lower than Original Interest Rate
Current Period/Cumulative Modification Loss Amount	Null	Null	Null	Null	May be greater than zero
Delinquency Status	Continues to increase to the extent that the full contractual payment is not made.	Returns to current in the period that the loan is reinstated (single lump sum payment of past due amounts).	Continues to decrease as borrower pays off past due amounts and will return to current at the end of plan.	Returns to current in the period that a borrower enters a payment deferral plan.	Returns to current in the period that the modification becomes permanent.
Current Actual UPB	Does not decline while in forbearance if borrower makes no payments	Single decrease when past due amounts are repaid	Gradual decrease as past due amounts are repaid over time	Current Actual UPB may increase to reflect any deferred amounts other than the missed principal portion of deferred payments	May increase in the amount of capitalized arrearages
Remaining Months to Legal Maturity	Continues to decline according to amortization schedule	Continues to decline according to amortization schedule	Continues to decline according to amortization schedule	Continues to decline according to amortization schedule	One-time increase to reflect loan maturity extension
Maturity Date	No change	No change	No change	No change	Extended
Principal Forgiveness Amount	Null	Null	Null	Null	Null

# Historical Loan-level Performance Data

Gain insights into historical performance trends and relationships to credit performance via our dataset.

Access our historical monthly loan performance data on a portion of our single-family mortgage loans

- Access our historical monthly loan performance data on a portion of our single-family mortgage loans
- Includes a subset of our 30-year and less, fully amortizing, full documentation, conventional fixed-rate mortgage acquisitions since January 2000
- Updated on a quarterly basis to include a new quarter of acquisitions and performance
- Inclusive of loans modified through HARP®, supporting market analysis of high loan-to-value refinance assistance programs

## Key features:

- Utilize Data Dynamics to see aggregated loan-level data
- Download the dataset with one-click, capturing over 50 data elements per loan
- Self-serve with investor resources including file layout & glossary, FAQs, web tutorials, and statistical summaries to support download of dataset
- Loan performance data is also available through Application Programming Interfaces (APIs)
- Multifamily Loan Performance Data added in August 2019

**Historical Performance Data Dashboard**

Historical Origination Profile by Orig. Vintage

Orig. Vintage	Origination (USD)	Orig. Loan Count	% of Orig. (BPI)	Active (USD)	Active Loan Count	Average (USD)	MA 15:0	MA 15:1	MA 15:2	MA 15:3	MA 15:4	MA 15:5	MA 15:6	MA 15:7	MA 15:8	MA 15:9	MA 15:10	MA 15:11	MA 15:12
1996	\$13,238	199,262	100.00%	\$57	1,269	105,265	1/17	1/15%	1/15%	14.6%	1/14%	2.3%	15.8%	12.1%	6.1%				
2000	\$143,747	1,707,940	100.00%	\$515	16,525	136,771	7/18	7/17%	7/19%	16.4%	8/15%	5.0%	18.5%	14.3%	6.7%				
2004	\$42,212	5,211,836	100.00%	\$243	46,290	146,223	1/22	1/20%	1/21%	13.5%	8/15%	3.7%	15.1%	10.1%	6.8%				
2008	\$54,474	3,827,506	100.00%	\$212	37,142	146,471	7/27	18.4%	18.8%	19.8%	15.5%	4.0%	17.7%	14.3%	6.6%				
2010	\$17,512	9,791,249	100.00%	\$213	210,338	742,324	1/23	1/17%	1/17%	12.8%	13.4%	4.3%	14.2%	12.5%	6.9%				
2014	\$77,853	1,744,598	100.00%	\$11,653	150,484	107,564	7/23	18.3%	18.6%	18.7%	13.6%	4.1%	14.6%	14.3%	6.6%				
2016	\$22,229	1,442,111	100.00%	\$15,289	100,769	114,422	1/28	13.7%	13.7%	13.8%	11.8%	3.8%	12.4%	11.2%	5.1%				
2018	\$143,747	1,707,940	100.00%	\$11,443	100,373	103,641	7/25	17.9%	17.9%	18.0%	13.4%	3.9%	12.6%	11.8%	5.9%				
2019	\$219,223	1,222,909	100.00%	\$11,199	121,589	108,719	1/23	12.4%	12.9%	12.6%	12.2%	8.7%	11.1%	11.7%	12.2%				
2000	\$515,833	1,484,730	100.00%	\$15,445	133,756	319,162	7/15	17.7%	17.7%	17.8%	14.6%	4.3%	15.6%	13.4%	1.1%				
2006	\$522,817	2,259,769	100.00%	\$42,249	222,229	228,507	1/14	18.2%	17.0%	17.0%	15.1%	4.0%	17.0%	15.1%	6.8%				
2010	\$433,743	1,451,533	100.00%	\$4,777	577,331	374,622	7/14	16.7%	16.0%	16.0%	14.6%	4.6%	15.6%	15.1%	6.7%				
2015	\$22,129	1,991,179	100.00%	\$7,717	386,479	479,225	1/19	18.2%	18.1%	18.1%	14.2%	4.2%	12.3%	12.5%	6.1%				
2012	\$419,411	3,581,141	100.00%	\$24,813	1,431,841	319,040	7/23	14.4%	15.1%	14.5%	11.8%	4.1%	14.1%	14.4%	6.4%				
2013	\$424,113	2,247,496	100.00%	\$22,424	1,310,581	239,559	1/14	12.4%	12.5%	12.5%	12.3%	1.9%	12.5%	12.1%	6.1%				
2014	\$519,374	1,444,843	100.00%	\$15,635	853,363	314,000	7/13	16.4%	17.7%	17.7%	14.7%	4.3%	16.0%	15.3%	6.7%				
2015	\$421,181	1,890,298	100.00%	\$23,213	1,314,891	228,312	7/15	17.8%	17.8%	17.8%	13.1%	3.8%	12.1%	12.2%	6.1%				
2016	\$443,443	2,740,448	100.00%	\$43,845	1,443,348	316,373	7/14	17.4%	16.9%	16.9%	13.6%	3.7%	13.6%	13.1%	6.7%				
2017	\$223,212	1,717,029	100.00%	\$27,493	1,326,805	227,118	7/11	15.0%	16.2%	16.2%	11.7%	3.6%	12.9%	13.2%	6.0%				

Learn more at [www.fanniemae.com/loanperformance](http://www.fanniemae.com/loanperformance)



# CRT Loan-level Data Disclosure

- Fannie Mae makes over 100 loan-level disclosure fields available to support CRT analysis
- Fields include key loan risk factors, loan term characteristics, collateral characteristics, servicing data, and disposition data, such as (not limited to):

<b>Loan and Borrower Characteristics</b>	Property Type	HomeReady Program Indicator, and First Time Home Buyer Indicator	High Loan-to-Value Refinance Indicator
	Number of Borrowers	Original Debt to Income Ratio	Borrower FICO and Co-Borrower FICO scores (at origination, deal issuance, and ongoing)
<b>Collateral Characteristics</b>	Number of Units	Original Loan to Value Ratio (LTV) and Combined LTV Ratio (CLTV)	Three-digit zip code
	Occupancy Type	Metropolitan Statistical Area	Property Inspection Waiver Flag <sup>(1)</sup>
<b>Servicing Data</b>	Servicer Name	Loan Payment History	Reason and Date as to why a loan balance went to zero
	Mortgage Insurance Cancellation Indicator	Modification Flag	Current Loan Delinquency Status
<b>Loan Term Characteristics</b>	Original and Current Interest Rate	Original Loan Term	Loan Age
	Original and Current UPB	Origination Date	Maturity Date
<b>Disposition Data</b>	Last Paid Installment Date	Foreclosure Date	Detailed Proceed Fields
	Original and Current List Price and Date	Disposition Date	Detailed Expense Fields

1. Available beginning with CAS 2017-C07 and CIRT 2017-7. All prior deals will reflect null values.



# CAS Resources for EU & UK investors

Fannie Mae's webpage is designed to help European Union and United Kingdom institutional investors and those managing funds subject to EU/UK regulations.

- Information and resources that Fannie Mae already makes publicly available for all investors is organized in an easy-to-navigate format according to applicable sections of EU Regulation 2017/2402
- In response to European Union (EU) additional guidance published in October 2022, beginning on May 25, 2023, Fannie Mae started providing monthly loan-level and deal-level data in ESMA Annex 2 and Annex 12 template formats directly in Data Dynamics®
  - The data will be provided on a go-forward basis for all benchmark CAS deals beginning with CAS 2019-R01\*

Visit [www.fanniemae.com/eu-resources](http://www.fanniemae.com/eu-resources) and [www.fanniemae.com/uk-resources](http://www.fanniemae.com/uk-resources) for more information

Article 5 – Due Diligence Requirements



Article 6 – Risk Retention Requirements



Article 7 – Transparency Requirements



Article 8 – Ban on Re-securitizations



Article 9 – Criteria for credit-granting



\*For CAS 2019-HRP1, one data element on Annex 2, Original Obligor Identifier, has not been provided due to borrower privacy concerns.



# Appendix

<b>DU Model Updates 2017 - 2020</b>	48
<b>Commodity Futures Trading Commission Considerations (CAS)</b>	49
<b>Summary of Key Tax, Legal &amp; Regulatory Considerations (CAS)</b>	50
<b>How MI Works</b>	52
<b>Workout Hierarchy and Modification Losses</b>	56
<b>Temporary Interest Rate Buydowns</b>	58
<b>Modern Valuation Spectrum</b>	59
<b>Value Acceptance (Appraisal Waiver) Overview</b>	60
<b>Pandemic-Related Hardships Resolving</b>	62



# DU Model Updates: 2017-2020

2017

## July 2017: DU 10.1

- Enabled loans with DTI ratios above 45% (up to 50%) to rely on DU's comprehensive risk assessment. Removed DU model overlays with set maximum LTV ratio and minimum reserves requirements for those loans.
- *May result in additional loans receiving Approve/Eligible in DU.*

2018

## March 2018: DU 10.2

- Revised DU's risk assessment to limit risk layering.
- *May yield a reduction in Approve/Eligible recommendation on loans that have multiple higher-risk characteristics.*

## December 2018: DU 10.3

- Enhanced DU's management of multiple risk layers. Six months of reserves for cash-out refinances with DTI over 45% to address increase in high DTI acquisitions.
- *May yield a reduction in loan case files most notably for loans with multiple risk factors.*

2019

## July 2019: DU 10.3

- *Certain new loan casefiles submitted to DU will receive an Ineligible recommendation when multiple high-risk factors are present.*
- Updated the DU eligibility assessment to better align the mix of business delivered to us with the composition of business in the overall market.

2020

## April 2020: DU 10.3

- In response to changing market conditions and economic uncertainty surrounding COVID 19 Pandemic and support sustainable homeownership we revised DU's risk and eligibility assessments to result in *modest reduction of loan casefiles with high-risk factors receiving an Approve/Eligible recommendation.*

Learn more: [singlefamily.fanniemae.com/applications-technology/desktop-underwriter-desktop-originator](https://singlefamily.fanniemae.com/applications-technology/desktop-underwriter-desktop-originator)



# CAS REMIC: Commodity Futures Trading Commission (CFTC) Considerations

## CAS REMIC structure allows transaction to be created in a manner that does not involve swaps



Transaction documents are traditional commercial transactions



None of the transaction documents will utilize an International Swaps and Derivatives Association (ISDA) or similar agreement



The substance of all transaction documents will be commercial (securities and capital contribution) agreements



Outside counsel to Fannie Mae and the Issuer will deliver an opinion letter that the transaction does not involve any swaps



Since the transaction does not involve any swaps, the Issuer is not considered a commodity pool and, therefore, does not need to register with the CFTC



# CAS: Summary of Key Tax, Legal and Regulatory Considerations

Topic	CAS Direct Debt	CAS REMIC
<b>Issuer</b>	Fannie Mae	CAS REMIC Trust, a wholly-owned, non-consolidated subsidiary of Fannie Mae. Fannie Mae is sponsor and depositor.
<b>Registration</b>	Exempt under Fannie Mae Charter Act.	Exempt under Rule 144A.
<b>Offering Restrictions</b>	Within the U.S.: Notes offered only to “Qualified Institutional Buyers” as defined in Rule 144A under the Securities Act.	Within the U.S.: Notes offered only to “Qualified Institutional Buyers” as defined in Rule 144A under the Securities Act.
<b>Regulation S</b>	Outside the U.S.: Notes offered only to non-U.S. persons pursuant to Regulation S of the Securities Act.	Outside the U.S.: Notes offered only to non-U.S. persons pursuant to Regulation S of the Securities Act.
<b>Sales to REITs</b>	CAS are deemed to be government securities for purposes of the REIT tax tests, so are qualifying assets for REITs, but generally are less attractive because they do not produce qualifying real property income for REITs.	A REMIC security will be a qualified REIT asset and will produce qualified income for REITs.
<b>Tax Treatment</b>	M1 and M2 are debt for tax. B1 is a contingent notional principal contract for tax.	All tranches are treated as debt for tax.

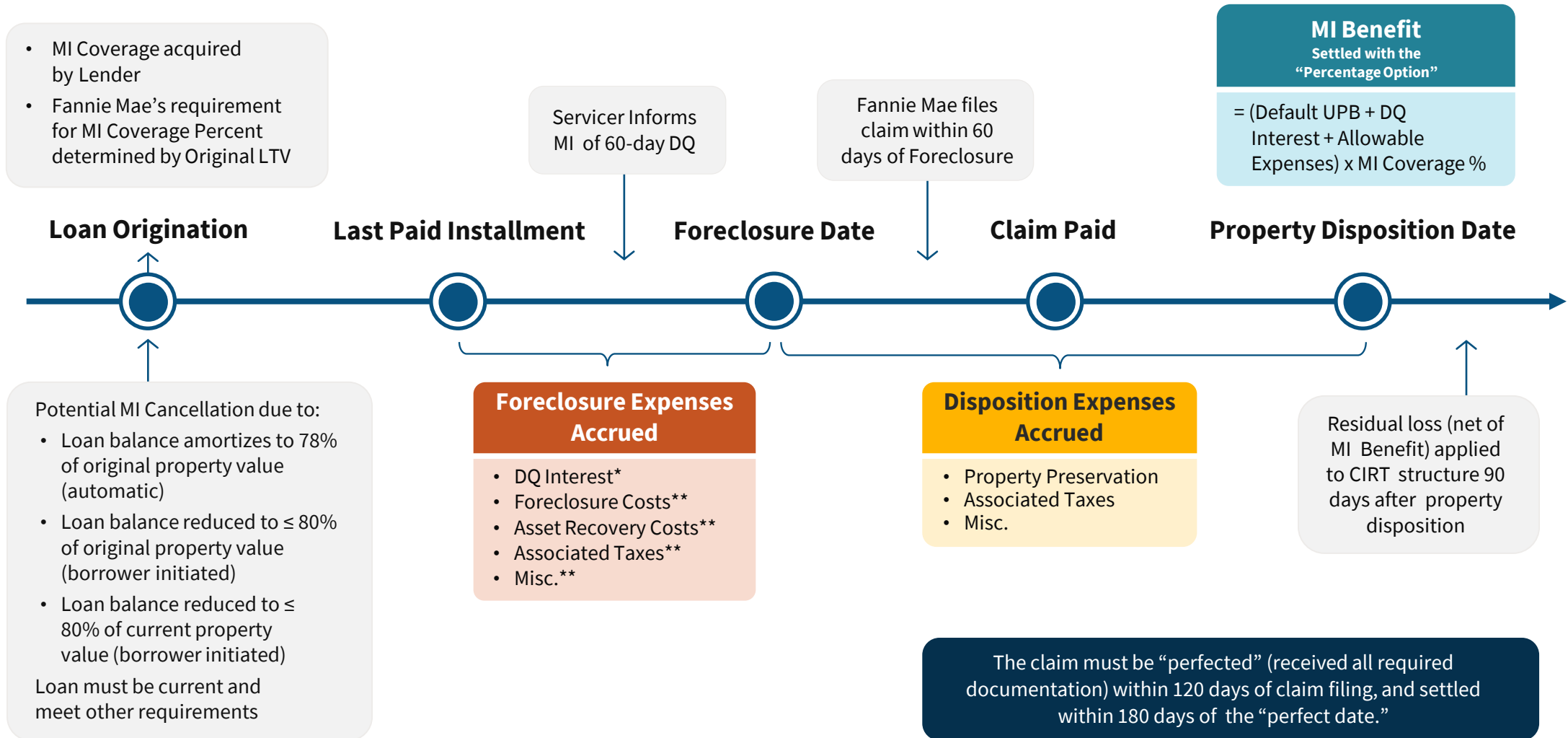


# CAS: Summary of Key Tax, Legal and Regulatory Considerations (cont.)

Topic	CAS Direct Debt	CAS REMIC
<b>Sale of B Piece</b>	B piece is generally subject to 30% withholding tax if sold to non-U.S. investors.	B piece is treated as debt-for-tax and therefore NOT subject to withholding tax if sold to overseas investors.
<b>CFTC/Commodity Pool Operator (CPO)</b>	Registration as a CPO is not required.	Registration as a CPO is not required.
<b>Investment Company Act of 1940</b>	Fannie Mae, as an instrumentality or ‘government entity’ of the United States, is exempt from registration pursuant to Section 2(b) of the Act.	As an entity wholly owned by Fannie Mae, the SPV is exempt from registration pursuant to Section 2(b) of the Act.
<b>Volcker Rule</b>	Exempt from the 1940 Act since Fannie Mae is the issuer. Securities are exempt from Volcker Rule since they are not issued in reliance upon an exemption under Section 3(c)(1) or 3(c)(7) of the 1940 Act.	The SPV will be exempt from the Act pursuant to Section 2(b). CAS REMIC notes therefore will not constitute interests in a “covered fund” for purposes of the Volcker Rule since the Volcker Rule applies only to securities issued in reliance on Sections 3(c)(1) or 3(c)(7) of the Act.
<b>ERISA Eligibility</b>	Non-rated and below investment grade rated notes are ERISA eligible because they represent either (i) debt for tax or (ii) equity in an operating company (Fannie Mae).	The M1 and M2 notes will be ERISA-eligible because they are both able to meet certain criteria to be characterized as debt-for-tax independent of the REMIC election. In 2023 issuances, the B1 bond is not expected to be ERISA-eligible.



# How MI Works: Typical Loan



\* The covered loss may be curtailed based upon eligibility under MI policy

\*\* The covered loss may be estimated under MI factor



# How MI Works

## Disaster Event / Physical Damage

Under MI Master policies, an MI claim can be denied if there is material physical damage to the property that was the principal cause of default. The damage could be the result of natural disaster (e.g., flood, earthquake, hurricane, etc.) or otherwise (e.g., defects in construction, fire, environmental impairment).

Physical damage means any injury, physical damage or impairment to a property that the MI reasonably estimates to be in excess of the greater of \$5,000 or 2% of the original property value, whether caused by accident, natural disaster or otherwise.

If physical damage is the principal cause of default and manifested itself after the MI issued its commitment, the MI can deny the claim.

### Physical damage is deemed to be the principal cause of default if:

- 1) the property has not been restored; and
- 2) there was no hazard insurance or insufficient hazard insurance to restore the property; or
- 3) there was sufficient hazard insurance, but a claim was not filed, or a claim was filed but the proceeds have not been received, or the proceeds have been received but not applied to restore the property.

If the MI provides notification of its intent to deny the claim and we promptly notify the MI of our intent to restore the property and actually restore it within 180 days (or up to 1 year if certain requirements are met), the MI cannot deny the claim.

If physical damage is not the principal cause of default, the MI may curtail (but not deny) the claim in accordance with policy parameters that depend on whether the MI can reasonably estimate the cost of restoration.

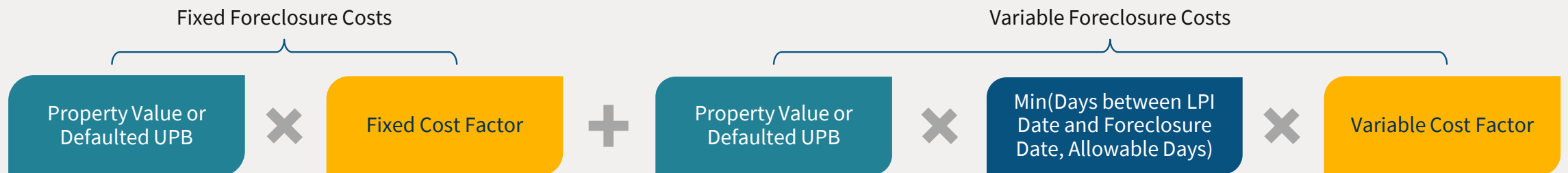


# MI Factor

## Streamline calculation of MI claims, accelerate payment, and reduce uncertainty

- Investors in CAS and CIRT transactions are now expecting timelier, more predictable settlement of MI claims with no expected material impact on aggregate proceeds received
- MI Factor is used to determine only the foreclosure/property preservation cost component of an MI claim, which typically represents **approximately 5%** of the claim but requires the most work for all parties involved
  - Prior practice of using actual foreclosure/property preservation costs to determine a claim amount is replaced by a calculation that applies a numerical factor to the property value or default UPB (shown below)<sup>1</sup>
- Factor applied to a given loan determined by using a grid that allows consideration of relevant loan characteristics that impact foreclosure/property preservation costs
- Factor was developed by back-testing against 13 years of claim data covering a number of economic environments. We found costs can be predicted with great accuracy using four loan attributes: disposition types, geography clusters, statistically-derived home value buckets, and property type buckets
- To capture changing market dynamics, Fannie Mae will evaluate the selection of loan attributes and determination of factors annually

### MI Factor Calculation of Foreclosure/Property Preservation Costs



<sup>1</sup>Property value is used for Short Sales whereas default UPB is used for REO and Third-Party Sales claims.



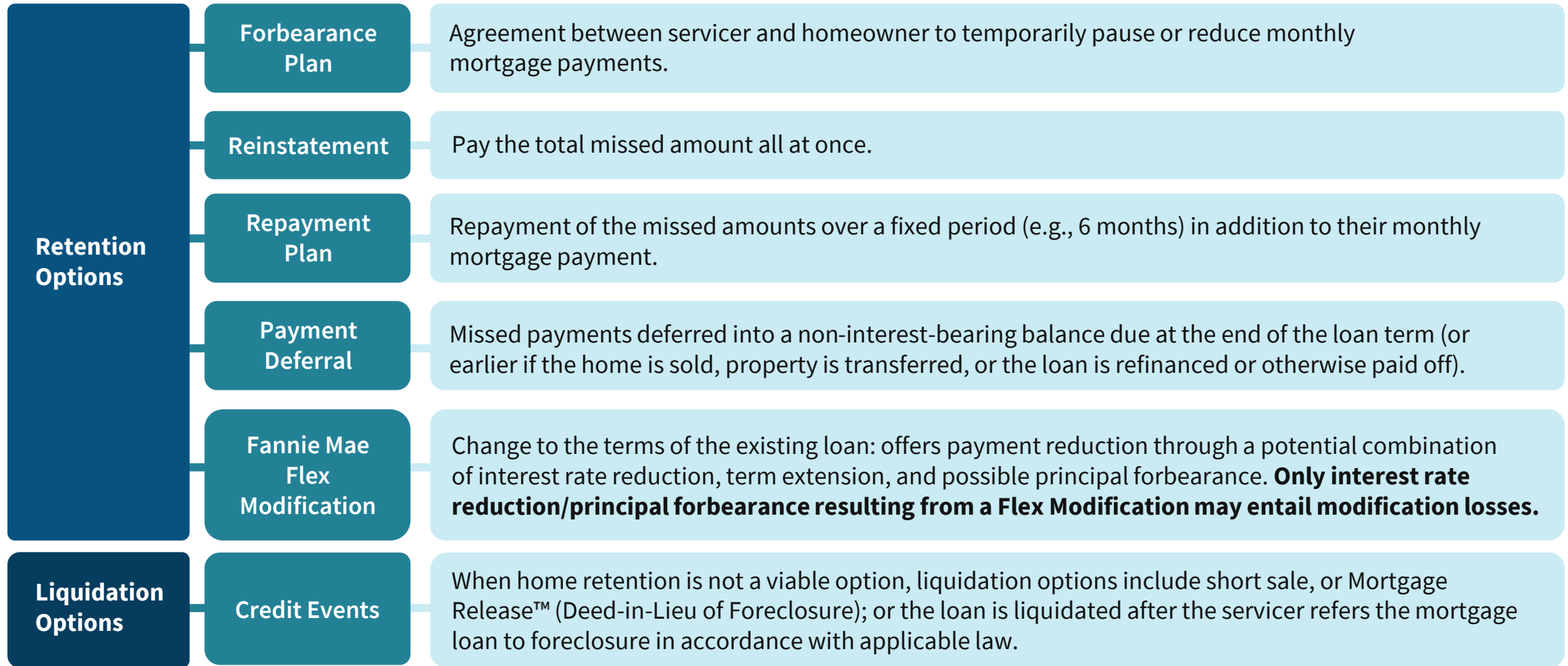
# Comparing MI Options

Key Feature	BPMI	LPMI
<b>Buyer of MI</b>	Lender	Lender
<b>MI Premium Paid By</b>	Borrower	Lender
<b>Can borrower lower mortgage payment through MI cancellation?</b>	Yes	No
<b>MI Cancellation Provision</b>	<ul style="list-style-type: none"> <li>• Must be automatically canceled, e.g., when LTV ratio scheduled to reach 78%</li> <li>• May be canceled by borrower based upon paydown of loan or property appreciation</li> </ul>	None – coverage exists for life of loan
<b>Length / Term of Coverage</b>	Terminates upon cancellation (see MI cancellation provisions above)	Life of Loan
<b>Policy</b>	Approved MI companies, selected by borrower/lender	Approved MI Companies, selected by lender
<b>Origination Guidelines</b>	Fannie Mae and MI guidelines	Fannie Mae and MI guidelines
<b>Loan Quality Reviews</b>	Fannie Mae and MI guidelines	Fannie Mae and MI guidelines
<b>Claim Filing</b>	Fannie Mae files claims	Fannie Mae files claims



# Workout Hierarchy

Fannie Mae offers a suite of workout options to manage delinquent loans and avoid foreclosure.



\*CAS: Payment deferrals are currently not treated as modification events in the structure.

\*CIRT: Beginning with CIRT 2023-1, Payment Deferral is a covered modification expense in the CIRT structure. Losses associated with payment deferrals are a covered modification loss in the CIRT structure.



# Modification Losses

	Modification	Borrower Impact	Loss to Investor
Fannie Mae Flex Modification Payment Reduction Levers	<b>Interest Rate Reduction</b>	Reduces monthly interest rate borrower pays on loan obligation	Losses passed through based on the difference between the modified and original note rate paid on the outstanding loan balance
	<b>Principal Forbearance</b>	Deferral of a portion of the unpaid principal balance as part of a loan modification ( <b>not as part of a Payment Deferral</b> ) until the loan's maturity date or early payoff of the mortgage loan	Loss reflects foregone interest on non-interest bearing portion of UPB. Recognized in Non-interest Bearing UPB field in monthly reporting <sup>^</sup>
	<b>Term Extension</b>	Loan term is extended to reduce borrower monthly payments	No loss to investor

Modification losses are passed through to noteholders on a monthly basis once a permanent modification takes effect. No losses are incurred during a modification trial period (typically 3 months).

<sup>^</sup>Principal forbore as part of a Payment Deferral is recognized in Total Deferral Amount field in monthly reporting and does not constitute a modification loss



# Temporary Interest Rate Buydowns

Mortgage loans acquired by Fannie Mae may be subject to a temporary interest rate buydown, which is used to reduce a borrower's monthly payment through a temporary reduction in the interest rate. They can be classified as "Moderate" or "Significant".

- **Moderate (SFC 9) – A Moderate buydown is less than or equal to 2% and for less than or equal to 24 months**
- **Significant (SFC 14) - A Significant buydown is greater than 2% and/or for greater than 24 months**

Temporary Interest Rate Buydown Loans are underwritten without consideration of the bought-down rate, and the DTI reported in our disclosures reflects such rate.

CRT disclosures will include a one-time loan level file posted on Data Dynamics with a buydown indicator flag denoting SFC 9 / 14 or not applicable.

## Example from CAS 2024-R02 G1 Offering Memorandum:

Category	Loan Count	Unpaid Principal Balance (\$) <sup>(3)</sup>	Unpaid Principal Balance (%) <sup>(3)</sup>	W.A. Mortgage Rate (%)	W.A. Original Credit Score	W.A. Original LTV Ratio (%)	W.A. Debt-to-Income Ratio (%)	W.A. First Time Homebuyer Ratio (%)	Debt-to-Income Ratio > 45% (%)
Moderate - Less than or equal to 1% <sup>(1)</sup>	518	195,018,263	1.05	6.44	760	76.5	37.2	34.3	23.5
Moderate - Less than or equal to 2% <sup>(2)</sup>	884	392,498,745	2.11	6.44	762	76.5	38.9	37.2	28.6
Significant	126	57,718,378	0.31	6.33	761	75.7	38.0	37.9	27.4
<b>Subtotal or Weighted Average</b>	<b>1,528</b>	<b>645,235,386</b>	<b>3.47</b>	<b>6.43</b>	<b>761</b>	<b>76.4</b>	<b>38.3</b>	<b>36.4</b>	<b>27.0</b>
No Rate Buydown	54,157	17,962,890,790	96.53	6.42	760	75.5	37.1	31.8	21.7
<b>Reference Pool Total or Weighted Average</b>	<b>55,685</b>	<b>18,608,126,176</b>	<b>100.00</b>	<b>6.42</b>	<b>760</b>	<b>75.6</b>	<b>37.1</b>	<b>31.9</b>	<b>21.9</b>

(1) An interest rate buydown in which the interest rate is bought down by 1% or less and for a period of 12 months or less.

(2) An interest rate buydown in which the interest rate is bought down by greater than 1% and less than or equal to 2% and for a period of greater than 12 months and less than or equal to 24 months.

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

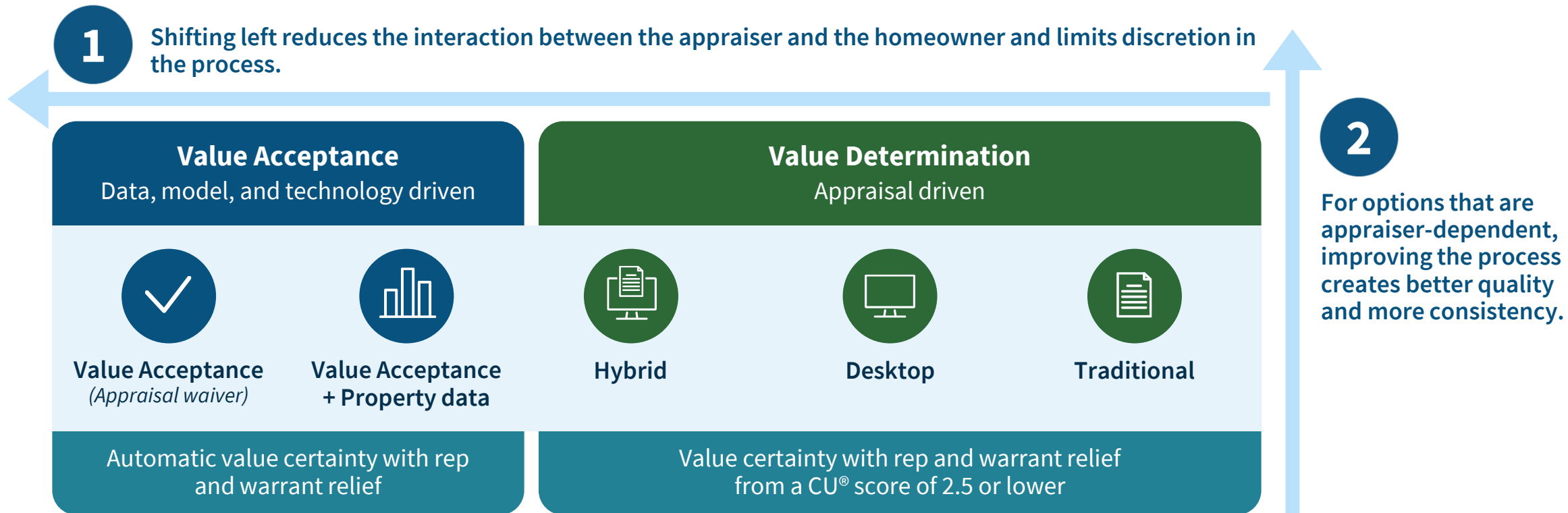
See Temporary Interest Rate Buydowns in the [Selling Guide](#) for additional details.



# The Modern Valuation Spectrum

Leveraging data, models, and technology enhances valuation accuracy, lowers borrower costs, and mitigates appraisal bias.

## VALUATION MODERNIZATION HAS TWO KEY OBJECTIVES:



By shifting left in the spectrum and increasing the quality of appraiser-driven products, we will decrease costs for borrowers, alleviate appraiser capacity, reduce the risk of appraisal bias, and more effectively align products to transactional risk.



# Value Acceptance

Fannie Mae's technology-driven approach uses data and modeling, combining the capabilities of DU and CU, to offer value acceptance for certain lower-risk loans. Most transactions continue to require an appraisal, especially in a purchase money market.

## STEP 1: DU eligibility exclusion checks

Once a loan is submitted by the lender to DU, **DU checks for initial eligibility** for value acceptance. For example, **generally the subject property must have a prior appraisal in CU**, and it must meet an LTV threshold.

## STEP 2: CU eligibility exclusion checks

**CU checks the eligibility of the prior appraisal; not all are acceptable.** For example, if the prior appraisal had overvaluation or property eligibility flags, it is ineligible for value acceptance.

If the prior appraisal is acceptable, CU **assesses the reasonableness of the lender-provided property value** using the prior appraised value and Fannie Mae's Home Price Index. In certain circumstances when there is no prior appraised value, we will use our proprietary AVM.

## STEP 3: Value acceptance and Value Acceptance plus Property Data

If the **lender-provided property value is reasonably supported**, **value acceptance is offered** to the lender through DU.

Sometimes when there is no qualified prior appraisal observation, we may still have high confidence in our value benchmark. In this instance, **we may offer value acceptance contingent upon the lender obtaining property data** ("value acceptance plus property data" or "VA + PD").

*Value acceptance was previously known as appraisal waivers.*



# Value Acceptance (Appraisal Waiver) Eligibility

## Transactions considered for a value acceptance offer:\*

- Loan casefiles that receive an Approve/Eligible recommendation
- One-unit properties, including condominiums
- **Limited cash-out refinance transactions:** principal residences and second homes up to 90% LTV/CLTV. Investment properties up to 75% LTV/CLTV
- **Cash-out refinance transactions:** principal residences up to 70% LTV/CLTV. Second homes and investment properties up to 60% LTV/CLTV
- **Purchase transactions:** principal residences and second homes up to 80% LTV/CLTV
- Properties in high-needs rural locations, as identified by FHFA

\*The majority of transactions will not receive a value acceptance offer; they will require use of one of the value determination methods involving a qualified residential appraiser as described earlier.

## The following are *not eligible* for a value acceptance offer:

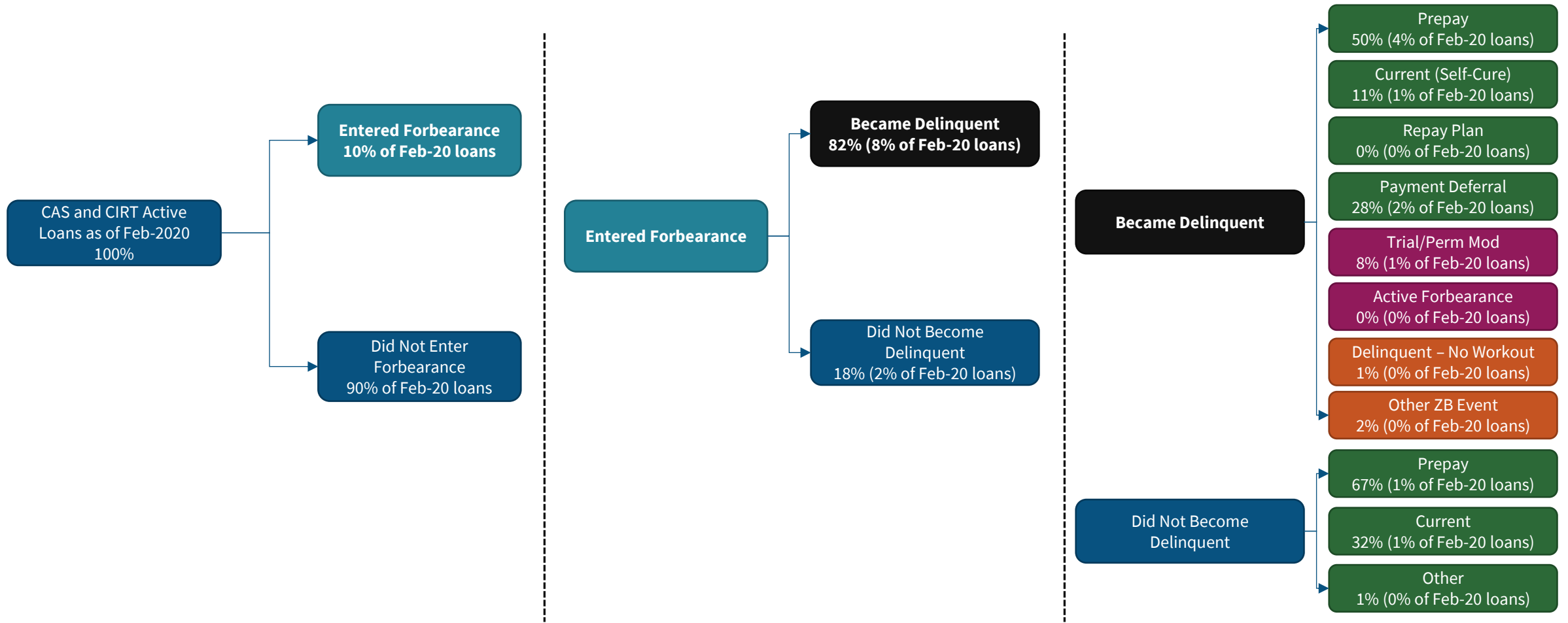
- Texas 50(a)6 loans
- When the lender has any reason to believe an appraisal is warranted
- Construction and construction-to-permanent loans
- Two-to four-unit properties, cooperative units, and manufactured homes
- Loan casefiles in which the value of the subject property provided to DU is \$1,000,000 or greater
- HomeStyle® mortgage products (Renovation and Energy)
- Leasehold properties
- Community land trust homes or other properties with resale restrictions
- DU loan casefiles that receive an ineligible recommendation
- Loans for which the mortgage insurance provider requires an appraisal
- Loans for which rental income from the subject property is used to qualify

Visit [singlefamily.fanniemae.com/originating-underwriting/appraisal-waivers](https://singlefamily.fanniemae.com/originating-underwriting/appraisal-waivers) for more information.



# Pandemic-Related Hardships Resolving

Refi wave and strong housing market enabled a significant portion of COVID-affected borrowers to prepay



Source: Fannie Mae. Shows CAS and CIRT combined performance through January 31, 2024. Outcomes only shown for loans active as of Feb 29, 2020. Excludes cancelled CIRT deals, fixed severity CAS deals, and HARP/lender recourse deals. Note: Percentages calculated using loan count



# Contact Us

Information is available for investors and potential investors about Fannie Mae's products, the company's financial performance, and disciplined management of credit risk and interest rate risk.



[www.fanniemae.com/AskCM](http://www.fanniemae.com/AskCM)



[www.fanniemae.com/CMSignUp](http://www.fanniemae.com/CMSignUp)



**800-2FANNIE (800-232-6643)**

Fannie Mae is headquartered in Washington DC and operates regional offices throughout the country.

**Headquarters**

1100 15th Street, NW  
Washington, DC 20005

