

## Summary of Terms

### Credit Insurance Risk Transfer (CIRT™)

#### CIRT 2017-5

Insured	Fannie Mae
Covered Loans	A \$20.8 billion portfolio of fully amortizing 21 to 30-year fixed rate residential mortgage loans delivered to Fannie Mae between August 1, 2016 and December 31, 2016 with original LTVs greater than 60% and less than or equal to 80%
Insurance Coverage	Aggregate Excess of Loss Credit Insurance with a limit of liability of approximately \$467.2 million (2.25% of the Total Initial Principal Balance) in excess of a retention of approximately \$103.8 million (0.50% of the Total Initial Principal Balance); the limit of liability may be stepped down at the 12 <sup>th</sup> month following the effective date and at each subsequent anniversary of the initial step down depending on loan performance and remaining insured loans (see policy for details)
Reinsurance	Insurance provider to transfer 100% of its risk to a panel of reinsurers
Claim Basis	Actual loss
Effective Date	August 1, 2017
Termination Date	July 31, 2027
Optional Cancellation	<p>On or after the 60<sup>th</sup> month following of the effective date, the Fannie Mae may cancel the policy by paying a cancellation fee (see policy for details)</p> <p>Fannie Mae may cancel the policy if the Total Current Principal Balance is reduced to no more than ten percent (10%) of the Total Initial Principal Balance.</p>

Collateral Requirement

Ratings	Collateral %
<ul style="list-style-type: none"> <li>• Standard &amp; Poor's rating equal to AA- or higher, and</li> <li>• A.M. Best Rating equal to A+ or higher</li> </ul>	<b>20%</b>
<ul style="list-style-type: none"> <li>• Standard &amp; Poor's rating equal to A+, and</li> <li>• A.M. Best Rating equal to A+ or higher</li> </ul>	<b>22.5%</b>
<ul style="list-style-type: none"> <li>• Standard &amp; Poor's rating equal to A- or higher, and</li> <li>• A.M. Best Rating equal to A- through A;</li> </ul> <p>Or</p> <ul style="list-style-type: none"> <li>• Standard &amp; Poor's rating equal to A- through A, and</li> <li>• A.M. Best Rating equal to A- or higher</li> </ul>	<b>25%</b>
<ul style="list-style-type: none"> <li>• Standard &amp; Poor's rating equal to A- or higher, and</li> <li>• No A.M. Best Rating;</li> </ul> <p>Or</p> <ul style="list-style-type: none"> <li>• No Standard &amp; Poor's rating, and</li> <li>• A.M. Best Rating equal to A- or higher</li> </ul>	<b>30%</b>
<ul style="list-style-type: none"> <li>• Standard &amp; Poor's rating equal to BBB through BBB+, and</li> <li>• A.M. Best Rating equal to B++ or higher;</li> </ul> <p>Or</p> <ul style="list-style-type: none"> <li>• Standard &amp; Poor's rating equal to BBB or higher, and</li> <li>• A.M. Best Rating equal to B++;</li> </ul> <p>Or</p> <ul style="list-style-type: none"> <li>• Standard &amp; Poor's rating equal to BBB through BBB+, and</li> <li>• No A.M. Best Rating;</li> </ul> <p>Or</p> <ul style="list-style-type: none"> <li>• No Standard &amp; Poor's rating, and</li> <li>• A.M. Best Rating equal to B++</li> </ul>	<b>50% with Premium Capture</b>
<ul style="list-style-type: none"> <li>• Standard &amp; Poor's rating equal to BBB- or lower;</li> </ul> <p>Or</p> <ul style="list-style-type: none"> <li>• A.M. Best Rating equal to B+ or lower;</li> </ul> <p>Or</p> <ul style="list-style-type: none"> <li>• No Standard &amp; Poor's rating, and</li> <li>• No A.M. Best Rating</li> </ul>	<b>75% with Premium Capture</b>