

Summary of Terms

Credit Insurance Risk Transfer (CIRT™)

CIRT FE 2016-1

Insured	Fannie Mae
Covered Loans	A \$3.7 billion (approx.) portfolio of fully amortizing 30-year fixed rate residential mortgage loans to be delivered to Fannie Mae between October 1, 2016 and March 31, 2017 with original LTVs greater than 80% and less than or equal to 97%
Insurance Coverage	Aggregate Excess of Loss Credit Insurance with a limit of liability of approximately \$98 million (2.65% of the Total Initial Principal Balance) in excess of a retention of approximately \$13 million (0.35% of the Total Initial Principal Balance); the limit of liability may be stepped down initially at the 30 th month following the effective date and at each 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	October 1, 2016
Termination Date	March 31, 2027
Optional Cancellation	<p>On or after the 66th month following the effective date, 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"> • Standard & Poor's rating equal to AA- or higher 	20%
<ul style="list-style-type: none"> • Standard & Poor's rating equal to A- through A+, 	25%
<ul style="list-style-type: none"> • Standard & Poor's rating equal to BBB- through BBB+ 	50% with Premium Capture subject to the Subscribing Reinsurer's Trust Funding Obligations not to exceed 60% of the Subscribing Reinsurer's Aggregate Remaining Limit of Liability
<ul style="list-style-type: none"> • Standard & Poor's rating equal to below BBB-; Or • No Standard & Poor's rating 	75% with Premium Capture subject to the Subscribing Reinsurer's Trust Funding Obligations not to exceed 100% of the Subscribing Reinsurer's Aggregate Remaining Limit of Liability