



Connecticut Avenue Securities, Series 2018-C03  
CONFIDENTIAL PRELIMINARY TERM SHEET



**Fannie Mae**  
Issuer

**Connecticut Avenue Securities, Series 2018-C03**

\$1,050,028,000  
(Approximate)  
**Confidential Term Sheet**

April 25, 2018

Wells Fargo Bank, N.A.  
Global Agent and Exchange Administrator





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Connecticut Avenue Securities, Series 2018-C03  
CONFIDENTIAL PRELIMINARY TERM SHEET

**CLASS 1M-1, CLASS 1M-2 and CLASS 1B-1 NOTES\***  
**\$1,050,028,000\*\* (Approximate)**

Class	Approximate Initial Class Principal Balance or Class Notional Amount (\$) <sup>(4)</sup>		Expected Approximate Initial Credit Support (%)	Interest Rate <sup>(2)</sup>	Expected Ratings (Fitch/DBRS)	Expected WAL (yrs) <sup>(1)</sup>	Principal Payment Window (mos) <sup>(1)</sup>	Interest Accrual Basis	Maturity Date <sup>(3)</sup>	Class Type
	Amount Issued	Reference Tranches								
1A-H <sup>(4)(5)</sup>	Reference Tranche Only	\$29,874,114,644	4.05% <sup>(5)</sup>							Senior
1M-1 <sup>*(6)</sup>	\$251,415,000		3.20%	1mL + ___%	BBB-sf / BBB (sf)	1.61	1 – 32	Actual/360	October 2030	Mezzanine
1M-1H <sup>(4)</sup>	Reference Tranche Only	\$13,233,228	3.20%							Mezzanine
1M-2A <sup>(6)(7)</sup>	\$204,090,000		2.51%	1mL + ___%	BB+sf / BBB (low) (sf)	3.54	32 – 55	Actual/360	October 2030	Mezzanine
1M-AH <sup>(4)</sup>	Reference Tranche Only	\$10,742,091	2.51%							Mezzanine
1M-2B <sup>(6)(7)</sup>	\$201,132,000		1.83%	1mL + ___%	BB-sf / BB (sf)	5.70	55 – 84	Actual/360	October 2030	Mezzanine
1M-BH <sup>(4)</sup>	Reference Tranche Only	\$10,586,582	1.83%							Mezzanine
1M-2C <sup>(6)(7)</sup>	\$201,132,000		1.15%	1mL + ___%	Bsf / B (high) (sf)	8.55	84 – 120	Actual/360	October 2030	Mezzanine
1M-CH <sup>(4)</sup>	Reference Tranche Only	\$10,586,582	1.15%							Mezzanine
1M-2 <sup>*(7)</sup>	\$606,354,000		1.15%	1mL + ___%	Bsf / B (high) (sf)	5.92	32 – 120	Actual/360	October 2030	RCR/Mezzanine
1B-1 <sup>*(6)</sup>	\$192,259,000		0.50%	1mL + ___%	NR/NR	9.96	120 – 120	Actual/360	October 2030	Subordinate
1B-1H <sup>(4)</sup>	Reference Tranche Only	\$10,119,056	0.50%							Subordinate
1B-2H <sup>(4)</sup>	Reference Tranche Only	\$155,675,428	0.00%	1mL + 10.00% <sup>(8)</sup>						Subordinate
<b>Total:</b>	<b>\$1,050,028,000**</b>	<b>\$30,085,057,611</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-X1, Class 1-X2, Class 1-X3, Class 1-X4, Class 1-Y1, Class 1-Y2, Class 1-Y3 and Class 1-Y4 Notes. For a more detailed description of the RCR Notes, see Schedule I hereto.

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Connecticut Avenue Securities, Series 2018-C03  
CONFIDENTIAL PRELIMINARY TERM SHEET

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 prospectus.

- (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 and Class 1B-1 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 May 2018 and the Early Redemption Option is exercised on the Payment Date in April 2028.
- (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-1H Reference Tranche and Class 1B-2H Reference Tranche will not have corresponding Notes and will be referenced only in connection with making calculations of payments required to be made by Fannie Mae and reductions and increases in the principal amounts of the Notes.
- (5) The Class 1A-H Reference Tranche will have an approximate initial subordination percentage of 4.05%, with a required subordination percentage of 4.40%.
- (6) The Class 1M-1 Notes, Class 1M-2A Notes, Class 1M-2B Notes, Class 1M-2C Notes and Class 1B-1 Notes will have corresponding Reference Tranches for the purpose of making calculations of principal payments required to be made by Fannie Mae and reductions and increases in the principal amounts of the Notes.
- (7) 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 (together, the "Exchangeable Notes"), and vice versa. Additionally, the Holders of the Class 1M-2A, Class 1M-2B and Class 1M-2C Notes 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 Notes are Offered Notes.

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Connecticut Avenue Securities, Series 2018-C03  
CONFIDENTIAL PRELIMINARY TERM SHEET

- (8) The Class 1B-2H Reference Tranche is assigned a class coupon solely for purposes of calculations in connection with the allocation of Modification Loss Amounts to the Mezzanine and Subordinate Reference Tranches.

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## Transaction Overview

The Notes will be unsecured general obligations of Fannie Mae, or the "Issuer", and 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. The transaction is designed to furnish credit protection to Fannie Mae with respect to Reference Obligations that experience losses relating to Credit Events and Modification Events. 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"). Fannie Mae 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), will be 12.5-year, uncapped LIBOR-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 and Class 1B-1 Notes. The transaction is structured to provide credit protection to Fannie Mae with respect to Reference Obligations as to which certain credit and modification events occur. This credit protection is achieved in part by allowing Fannie Mae 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.

Although the Notes will be unsecured general obligations of Fannie Mae, and Fannie Mae alone will make all of the principal and interest payments on the Notes, 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, subordinate interests will not receive allocations in respect of 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 Fannie Mae 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.

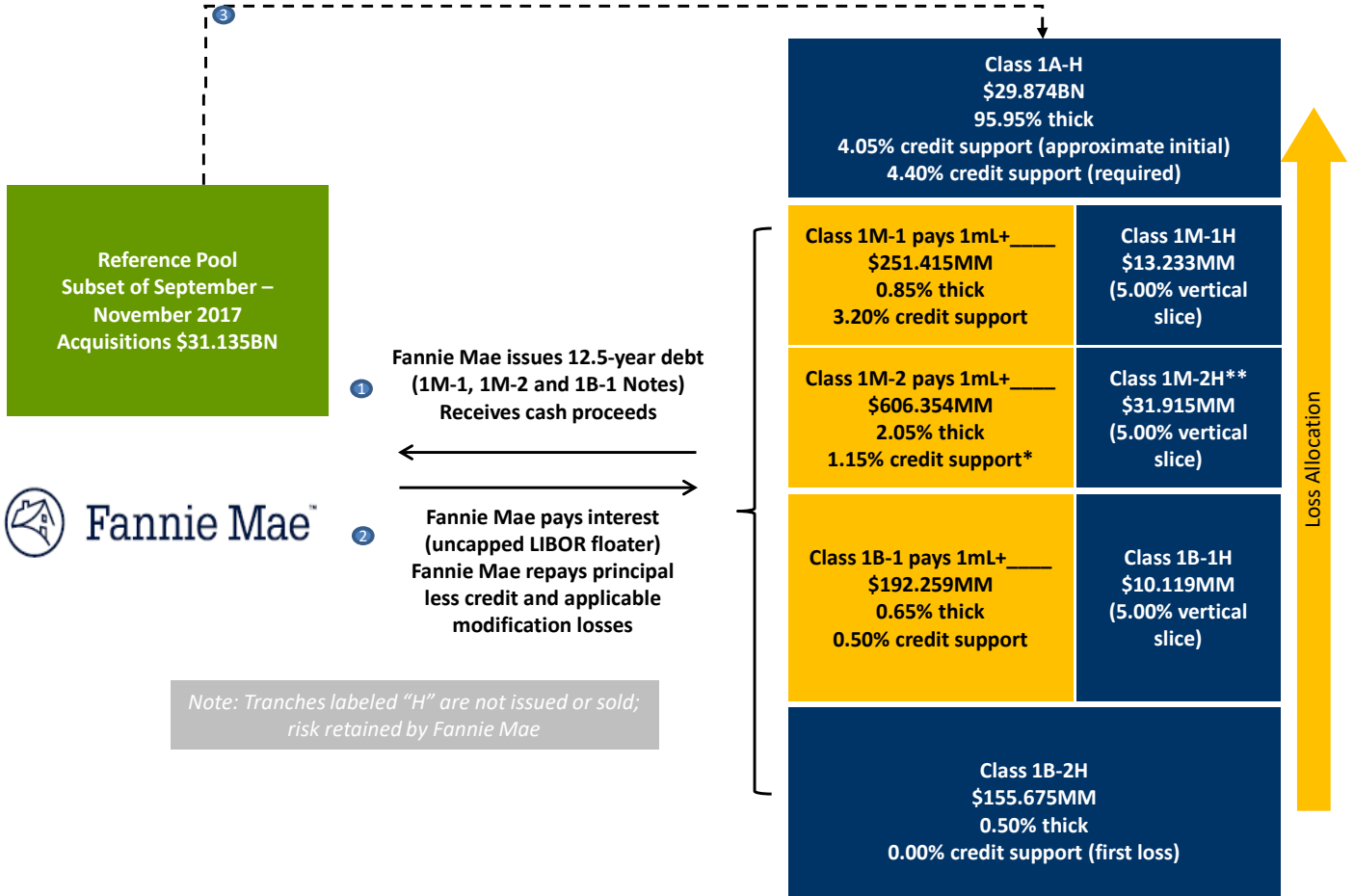
Capitalized terms used in this term sheet are defined when first used or in the "*GLOSSARY OF CERTAIN DEFINED TERMS*."

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Connecticut Avenue Securities, Series 2018-C03  
**Fannie Mae™ CONFIDENTIAL PRELIMINARY TERM SHEET**

Credit and prepayment performance of the Reference Obligations determines performance of Notes



\*Approximate initial credit support will be 2.51% for the Class 1M-2A Notes, 1.83% for the Class 1M-2B Notes and 1.15% for the Class 1M-2C Notes.

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

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**GENERAL INFORMATION**

<b>Issuer</b>	Fannie Mae
<b>Title of Series</b>	Connecticut Avenue Securities ("CAS"), Series 2018-C03
<b>Offered Notes</b>	Class 1M-1, Class 1M-2 and Class 1B-1 Notes
<b>Global Agent</b>	Wells Fargo Bank, N.A., as the Global Agent of Fannie Mae, will perform certain reporting and administrative functions with respect to the Notes, including calculating payments on the Notes. Fees and expenses of the Global Agent will be paid by the Issuer.
<b>Exchange Administrator</b>	Wells Fargo Bank, N.A. will act as the Exchange Administrator for the RCR Notes and the Exchangeable Notes. The Exchange Administrator 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 Global Agent of all such exchanges.
<b>Master Servicer</b>	Fannie Mae
<b>Lead Managers and Joint Bookrunners</b>	Barclays (Structuring Lead) and Morgan Stanley (Co-Lead Manager)
<b>Co-Managers</b>	Citigroup, Goldman Sachs, J.P. Morgan and BofA Merrill
<b>Selling Group Members</b>	CastleOak Securities, L.P. and The Williams Capital Group, L.P.
<b>Cut-off Date</b>	For this term sheet and for the prospectus February 28, 2018
<b>Closing Date</b>	On or about May 9, 2018
<b>Payment Date</b>	The 25 <sup>th</sup> day of each calendar month (or, if not a business day, the following business day), commencing in May 2018
<b>Accrual Period</b>	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 an Accrual Period and a 360-day year.

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<b>Note Rate</b>	The Note Rate on each Class of Notes for any Accrual Period will be equal to the floating or fixed per annum rate specified for such class as set forth in the final prospectus.
<b>Legal Status</b>	The Notes will be unsecured general obligations having the same priority as all of Fannie Mae's other unsecured debt. The RCR Notes represent interests in the Class 1M-2A Notes, Class 1M-2B Notes and/or Class 1M-2C Notes. <b>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 the United States or any agency or instrumentality of the United States other than Fannie Mae.</b>
<b>Notes</b>	<p>The Class 1M-1 Notes, Class 1M-2 Notes (together with the Class 1M-2A Notes, Class 1M-2B Notes, Class 1M-2C Notes and the additional RCR Notes set forth on Schedule I hereto) and Class 1B-1 Notes.</p> <p>The Class 1M-2A, Class 1M-2B and Class 1M-2C 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.</p>
<b>RCR Notes</b>	<p>The Related Combinable and Recombinable Notes, or "RCR Notes" are set forth on Schedule I hereto. Holders of Class 1M-2 Notes may exchange all or part of those Notes for proportionate interests in the related Exchangeable 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; <i>provided</i>, that no such exchange will occur on any Payment Date or Record Date. Additionally, Holders of Class 1M-2A, Class 1M-2B and Class 1M-2C 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. 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 Fannie Mae on the related Exchangeable Notes will be allocated to and payable to the related RCR Notes entitled to principal. In</p>

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addition, all 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. Further, all 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 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-1 Reference Tranche, Class 1B-1H Reference Tranche and Class 1B-2H Reference Tranche (collectively, the "Reference Tranches"), which are described solely for the purpose of calculating principal payments required to be made on the Notes by Fannie Mae, 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 and Class 1B-1 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 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 and Class 1M-BH Reference Tranche, Class 1M-2C Reference Tranche and Class 1M-CH Reference Tranche (collectively, the "Mezzanine Reference Tranches").

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<b>Subordinate Reference Tranches</b>	The Mezzanine Reference Tranches, the Class 1B-1 Reference Tranche, Class 1B-1H Reference Tranche and the Class 1B-2H Reference Tranche (collectively, the "Subordinate Reference Tranches").
<b>Class Notional Amount of Reference Tranches</b>	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 or 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, and 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. For the avoidance of doubt, no Tranche Write-up Amount or Tranche Write-down Amount will be applied twice on the same Payment Date.
<b>Settlement</b>	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).
<b>Ratings/Rating Agencies</b>	The Issuer has engaged Fitch Ratings, Inc. and DBRS, Inc. to rate the Class 1M-1 Notes, Class 1M-2A Notes, Class 1M-2B Notes, Class 1M-2C Notes, Class 1M-2 Notes and certain additional Classes of RCR Notes set forth on Schedule I hereto on the Closing Date. No rating agency has been engaged to rate the Class 1B-1 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>	On the Payment Date in October 2030, 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. However, the Notes may be paid in full prior to the Maturity Date on (a) the Payment Date on which the Early Redemption Option, if any, is exercised with respect to such Notes or (b) the Payment Date on which the aggregate Class

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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.

**Early Redemption Option**

The Issuer may redeem the Class 1M-1 Notes, Class 1M-2A Notes, Class 1M-2B Notes, Class 1M-2C Notes and Class 1B-1 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 or (ii) the Payment Date occurring in April 2028, by paying an amount equal to the outstanding Class Principal Balance of the Class 1M-1 Notes, Class 1M-2A Notes, Class 1M-2B Notes, Class 1M-2C Notes and Class 1B-1 Notes, plus accrued and unpaid interest and related unpaid fees and expenses of the Global Agent. If on the Early Redemption Date a Class of RCR Notes is outstanding, all principal amounts that are payable by Fannie Mae 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 Payment Date, if any, on which the Notes are redeemed by the Issuer pursuant to the Early Redemption Option.

**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 Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C and Class 1B-1 Notes plus related unpaid fees and expenses of the Global Agent have otherwise been paid in full.

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**Expected Credit Enhancement**

<b>Notes/Tranches</b>	<b>Tranche Size</b>	<b>Approximate Initial Credit Support</b>
Class 1A-H	95.95%	4.05% <sup>(1)</sup>
Class 1M-1 and Class 1M-1H	0.85%	3.20%
Class 1M-2 <sup>(2)</sup> and Class 1M-2H <sup>(3)</sup>	2.05%	1.15%
Class 1B-1 and Class 1B-1H	0.65%	0.50%
Class 1B-2H	0.50%	0.00%

- (1) Required credit support for the Class 1A-H Reference Tranche will be 4.40%.
- (2) Approximate initial credit support will be 2.51% for the Class 1M-2A Notes, 1.83% for the Class 1M-2B Notes and 1.15% for the Class 1M-2C Notes.
- (3) Shown for illustrative purposes only. Represents the sum of the Class 1M-AH, Class 1M-BH and Class 1M-CH 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-2H 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. 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

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- (b) collected during the related Reporting Period, *plus* 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, 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 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 underwater 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.

### Recovery Principal

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.

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**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) the Senior Percentage of the Scheduled Principal for such Payment Date;
- (b) 100% of the Unscheduled Principal for such Payment Date; and
- (c) 100% of the Recovery Principal for such Payment Date.

As noted above, the Minimum Credit Enhancement Test will not be satisfied at issuance and may not be satisfied for an indefinite period thereafter.

With respect to each Payment Date, if the Minimum Credit Enhancement Test and the Delinquency Test are 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 Recovery Principal 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 Recovery Principal for such Payment Date, less the Senior Reduction Amount.

**Allocation of Senior Reduction Amount**

On each Payment Date prior to the Termination Date, the Senior Reduction Amount will be allocated to the Senior Reference Tranche until its Class Notional Amount is reduced to zero, and then to the Subordinate Reference Tranches, in order of seniority, per "*Allocation of Subordinate Reduction Amount.*"





Because the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C and Class 1B-1 Notes correspond to the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C and Class 1B-1 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 or Class 1B-1 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 or Class 1B-1 Notes, as applicable. Such reductions in the Class Principal Balance of the Class 1M-2A, Class 1M-2B or Class 1M-2C Notes will result in a corresponding reduction in the Class Principal Balance or Class Notional Amount, as applicable, of the related RCR Notes.

**Allocation of Subordinate Reduction Amount**

On each Payment Date prior to the Termination Date, the Subordinate Reduction Amount will be allocated to the Subordinate Reference Tranches:

- (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 until their Class Notional Amounts have been reduced to zero;
- (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 until their Class Notional Amounts have been reduced to zero;
- (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 until their Class Notional Amounts have been reduced to zero;
- (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 until their Class Notional Amounts have been reduced to zero;
- (v) *fifth*, concurrently, on a pro rata basis based on their Class Notional Amounts, to the Class 1B-1 and Class 1B-1H Reference Tranches until their Class Notional Amounts have been reduced to zero; and
- (vi) *sixth*, to the Class 1B-2H Reference Tranche until its Class Notional Amount has been reduced to zero.

Any Subordinate Reduction Amount remaining after the allocation in the immediately preceding sentence will be allocated to reduce the Class Notional Amount of the Class 1A-H Reference Tranche.

Because the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C and Class 1B-1 Notes correspond to the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C and Class 1B-1 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 or Class 1B-1 Reference Tranche will result in a corresponding reduction in the Class Principal

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Balance of the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C or Class 1B-1 Notes, as applicable. The Class 1B-2H 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 or fourth* 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.

### ***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-2H 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 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-2H 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

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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-2H Reference Tranche, until the amount allocated to the Class 1B-2H Reference Tranche is equal to the Class 1B-2H Reference Tranche Interest Accrual Amount;

*second*, to the Class 1B-2H Reference Tranche, until the aggregate amount allocated to the Class 1B-2H Reference Tranche is equal to the aggregate of the Preliminary Class Notional Amount of the Class 1B-2H Reference Tranche for such Payment Date;

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

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

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for such Payment Date;

*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, until the amount allocated to the Class 1M-2C Reference Tranche is equal to the Class 1M-2C Notes Interest Accrual Amount;

*sixth*, 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;

*seventh*, 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;

*eighth*, 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;

*ninth*, 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;



*tenth*, 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;

*eleventh*, 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

*twelfth*, 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-1, Class 1M-2C, Class 1M-2B, Class 1M-2A or Class 1M-1 Reference Tranches in the *third, fifth, sixth, seventh* or *eleventh* priority above will result in a corresponding reduction of the Interest Payment Amount of the Class 1B-1, 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-2H 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-2H 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-2H, Class 1B-1, Class 1M-2C, Class 1M-2B, Class 1M-2A or Class 1M-1 Reference Tranches in the *second, fourth, eighth, ninth, tenth* or *twelfth* 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 *fifth, sixth* or *seventh* 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.

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**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, eighth, ninth, tenth and twelfth* 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

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

Because the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C and Class 1B-1 Notes correspond to the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C and Class 1B-1 Reference Tranches, respectively, any Tranche Write-down Amounts allocated to the Class 1M-1, Class 1M-2A,

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Class 1M-2B, Class 1M-2C or Class 1B-1 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 or Class 1B-1 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. The Class 1B-2H 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-1 and Class 1B-1H Reference Tranches, pro rata, based on their Class Notional Amounts, and
- (vii) *seventh*, to the Class 1B-2H Reference Tranche.

Because the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C and Class 1B-1 Notes correspond to the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C and Class 1B-1 Reference Tranches, respectively, any Tranche Write-up Amounts allocated to the Class 1M-1, Class 1M-2A, Class 1M-2B, Class 1M-2C or Class 1B-1 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 or Class 1B-1 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-2H Reference Tranche will not have corresponding Notes.

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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 Overcollateralization Amounts used to offset Tranche Write-down Amounts on all prior Payment Dates.

### ***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 agrees to a full indemnification of Fannie Mae or provides 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, agrees to a full indemnification agreement or 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; or

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- (7) 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), (e), (f), (i) and (j) 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 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

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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 Warranty 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 September 1, 2017 and November 30, 2017 that meet the Eligibility Criteria, as defined below. The Reference Pool summary attached to this term sheet provides additional details about the Reference

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Obligations in the Reference Pool.

**Reference Pool  
Eligibility Criteria**

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

- (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 September 1, 2017 and November 30, 2017;
- (c) has not been 30 or more days delinquent from the date of acquisition to the Cut-off Date;
- (d) 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);
- (e) has an original combined loan-to-value ratio less than or equal to 97%;
- (f) 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);
- (g) was not originated under certain non-standard programs;
- (h) is a conventional loan (i.e. is not guaranteed by the Federal Housing Administration or the U.S. Department of Veterans Affairs);
- (i) has an original loan-to-value ratio that is (i) greater than 60% and (ii) less than or equal to 80%; and
- (j) 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 multi-step process described below.

- All mortgage loans that Fannie Mae acquired between September 1, 2017 and November 30, 2017 (other than mortgage loans that were included as reference obligations in a previous Fannie Mae risk sharing transaction) were divided into two segments on a random basis.
- Loans that were included in the first segment were made available for potential selection for the Reference Pool. From the first segment, Fannie Mae identified all of the loans that met the Eligibility Criteria

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(such loans, the "Available Loans").

- The loans included in the second segment were made available for potential selection for one or more unrelated Fannie Mae credit risk transactions and will not be included in the Reference Pool.

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	131,673	\$32,506,883,000
less loans that did not satisfy the delinquency criteria set forth in clause (c) of the Eligibility Criteria, less loans that paid in full, less quality control removals	<u>4,129</u>	<u>\$1,034,886,000</u>
Reference Pool	127,544	\$31,471,997,000

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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	Repurchase	
<b>Current</b>	21 <sup>(2)</sup>	0	0	0	0	0	0	0	1,475	4	0	<b>1,500</b>
<b>30</b>	1,736	592	0	0	0	0	0	0	30	0	0	<b>2,358</b>
<b>60</b>	98	15	56	0	0	0	0	0	2	0	0	<b>171</b>
<b>90</b>	9	2	2	39	0	0	0	0	2	0	0	<b>54</b>
<b>120</b>	2	0	0	0	28	0	0	0	0	0	0	<b>30</b>
<b>150</b>	0	0	0	0	0	16	0	0	0	0	0	<b>16</b>
<b>180</b>	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>&gt;180</b>	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>Total</b>	<b>1,866</b>	<b>609</b>	<b>58</b>	<b>39</b>	<b>28</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>1,509</b>	<b>4</b>	<b>0</b>	<b>4,129</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 March 26, 2018 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 prospectus, 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

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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 87.68% 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

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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

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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 from September 1, 2017 through November 30, 2017, Fannie Mae reviewed 4,023 mortgage loans out of the eligible production for the period September 1, 2017 through November 30, 2017, an approximate 3.00% sample, of which 3,794 are in the Reference Pool. Of the 4,023 mortgage loans, approximately 43.95% (or 1,768 mortgage loans) remain subject to Fannie Mae's post-purchase QC process as of March 26, 2018.

The following summary is preliminary based on the most current information available as of March 26, 2018. The prospectus will contain additional information about the results of Fannie Mae's post purchase QC reviews.

<u>Type of Sample</u>	<u>Number of Loans Reviewed*</u>	<u>Loans With Eligibility Defects</u>	<u>Share of Sample with Eligibility Defects</u>
Randomly Selected ..	1,818	15	0.83%
Discretionary Selections .....	<u>2,205</u>	<u>15</u>	<u>0.68%</u>
<b>Total .....</b>	<b>4,023</b>	<b>30</b>	<b>0.75%</b>

\*1,768 loans remain subject to the random or discretionary post-purchase review process as of March 26, 2018, some of which may be determined to have eligibility defects.

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None of the loans determined by Fannie Mae to have Eligibility Defects as of March 26, 2018 were included in the Reference Pool.

**Quarterly 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 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 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 third quarter 2017 acquisitions, the relevant Diligence Provider selected a Diligence Sample of 999 mortgage loan files from a broader population of 4,473 loans (all of which met the Preliminary Eligibility Criteria). The related Diligence Sample included 135 Reference Obligations that were included in the final selection of the Reference Pool. The results of the third quarter 2017 review are described more fully in the related sections set forth under "The Reference Obligations" in the prospectus.

In its review of fourth quarter 2017 acquisitions, the relevant Diligence Provider selected a Diligence Sample of 999 mortgage loan files from a broader population of 4,565 loans (all of which met the Preliminary Eligibility Criteria). The related Diligence Sample included 234 Reference Obligations that were included in the final selection of the Reference Pool. The results of the fourth quarter 2017 review are described more fully in the related sections set forth under "The Reference Obligations" in the prospectus.

The "Preliminary Eligibility Criteria" are the Eligibility Criteria other than the criteria specified in clauses (b), (c) and (f) of the definition thereof, and provided that for this purpose clause (i) 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**

**Debt Agreement**

The Notes will be issued pursuant to a debt agreement. 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

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- (b) to the initial Class Principal Balance of such Class of Notes, *minus* the aggregate amount of principal paid by Fannie Mae 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-2H 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.

**Interest Payment Amount**

With respect to each outstanding Class of Notes and any Payment Date, the amount that Noteholders thereof will be entitled to receive from 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 Fannie Mae on the related Exchangeable Notes will be allocated to and payable on any outstanding RCR Notes.

**Principal Payment**

Except as described below, on each Payment Date, Fannie Mae will pay 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 Senior Reduction Amount or Subordinate Reduction Amount, as applicable, allocated 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, Fannie Mae 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

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Notes).

In each case, principal amounts that are payable by Fannie Mae 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 Debt Agreement will consist of:

- (a) any failure by Fannie Mae to pay principal or interest on a Note that continues unremedied for 30 days;
- (b) any failure by Fannie Mae to perform in any material respect any other obligation under the Debt Agreement if the failure continues unremedied for 60 days after Fannie Mae 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); or
- (c) specified events of bankruptcy, insolvency or similar proceedings involving Fannie Mae.

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 under the Debt Agreement continues unremedied, Holders of not less than 50% of the Class Principal Balance amount of each Class of Notes (with the outstanding Class Principal Balances of Exchangeable Notes to be determined without regard to any exchanges for RCR Notes) to which such Event of Default relates may, by written notice to Fannie Mae, declare such Notes due and payable.

No Noteholder has any right under the Debt Agreement 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 Fannie Mae written notice of an

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- Event of Default and of the continuance thereof;
- (b) the Holders of not less than 50% of the outstanding Class Principal Balance of each Class of Notes to which such Event of Default relates (with the outstanding Class Principal Balances of the Exchangeable Notes to be determined without regard to any exchanges for RCR Notes) have given Fannie Mae written notice of the Event of Default; and
- (c) the Event of Default continues uncured for 60 days following such notice.

The Holders of not less than 50% of the outstanding Class Principal Balance of each Class of Notes (with the outstanding Class Principal Balances of the Exchangeable Notes to be determined without regard to any exchanges for RCR Notes) to which an Event of Default relates may waive, rescind or annul such Event of Default as it relates to such Class at any time.

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 prospectus.

**Exchange Administration**

Under the Global Agency Agreement, 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 Global Agency Agreement, 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 Global Agent of all such exchanges. The Exchange Administrator will notify the Global Agent with respect to any exchanges of Exchangeable Notes for RCR Notes (and vice versa) at the time of such exchange, and the Global Agent 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**

Fannie Mae expects to receive an opinion from Hunton & Williams LLP that, although the matter is not free from doubt, each of the Class 1M-1, Class 1M-2A, Class 1M-2B and Class 1M-2C Notes sold on the Closing Date (including through a sale of RCR Notes) to a person unrelated to Fannie Mae will be characterized as indebtedness for U.S. federal income tax purposes. Fannie Mae and each Holder of such a Note, by acceptance of such Note, will agree to treat such Note as indebtedness of Fannie Mae for all U.S. federal income tax purposes unless otherwise required by law. 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

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in the applicable Exchangeable Notes for U.S. federal income tax purposes.

The Class 1B-1 Notes could be characterized as derivatives, guarantee contracts, debt instruments or equity instruments for U.S. federal income tax purposes. While the characterization is not entirely clear, Fannie Mae intends to take the position that each Class 1B-1 Note will be treated as a notional principal contract for U.S. federal income tax purposes (other than for purposes of U.S. federal withholding tax).

Because the U.S. federal income tax characterization of the Class 1B-1 Notes is uncertain, the characterization of payments on the Class 1B-1 Notes for U.S. withholding tax purposes is also uncertain. As a result, to the extent that Fannie Mae makes payments to a beneficial owner not exempt from withholding with respect to a Class 1B-1 Note, Fannie Mae and its paying agent intend to withhold U.S. federal income tax on the entire amount of each class coupon payment (as adjusted as a result of any Modification Events) with respect to such Class 1B-1 Note. Further, Fannie Mae expects that other withholding agents making such payments to a non-U.S. beneficial owner will also withhold on such payments. Fannie Mae will not gross up for such withheld amounts. Accordingly, potential investors that are not U.S. persons should consult with their tax advisors regarding the suitability of the Class 1B-1 Notes for investment.

**ERISA Considerations** Subject to the terms and considerations in the prospectus, the 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.

**EU Risk Retention** In connection with Article 405(1) of EU Regulation 575/2013, Fannie Mae will retain a material net economic interest in the exposure related to the Notes issuance transaction of not less than 5%.

**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.

**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

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**Fannie Mae**<sup>™</sup>

Connecticut Avenue Securities, Series 2018-C03  
CONFIDENTIAL PRELIMINARY TERM SHEET

Institutional Buyers" (as defined in Rule 144A 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.

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**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 May 2018:

March 1 through March 31	Reporting Period	The Master Servicer will report principal payments on the Reference Obligations received during the related Reporting Period (March 1 through March 31) from borrowers including scheduled principal and full and partial principal prepayments.
March 31	Delinquency Determination Date	The Master Servicer will report the MBA delinquency status on the Reference Obligations determined as of the Delinquency Determination Date (March 31).
May 10	Master Servicer Remittance Date	Master Servicer will provide remittance file in respect of the Reference Obligations to the Global Agent on or prior to the 8th business day of each month.
May 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.
May 25	Payment Date	On the 25 <sup>th</sup> day of each month (or if the 25 <sup>th</sup> day is not a business day, the next business day), the Issuer will make payments to Noteholders.

Succeeding months will follow the same pattern.

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**SCHEDULE I**

**CONNECTICUT AVENUE SECURITIES, SERIES 2018-C03  
RCR NOTES  
AVAILABLE COMBINATIONS AND RECOMBINATIONS**

Combination	Class of Exchangeable or RCR Note	Original Balance (\$)	Exchange Proportions (%) <sup>(1)</sup>	Class of RCR Note	Maximum Original Balance / Notional Amount (\$)	Exchange Proportions (%) <sup>(1)</sup>	Class Coupon (%)	Expected Ratings (Fitch/DBRS)
1	1M-2A	\$204,090,000	33.6585558931%	1M-2	\$606,354,000	100.0000000000%	1mL + ___%	Bsf / B (high) (sf)
	1M-2B	\$201,132,000	33.1707220535%					
	1M-2C	\$201,132,000	33.1707220535%					
2	1M-2A	\$204,090,000	100.0000000000%	1E-A1	\$204,090,000	100.0000000000%	1mL + ___%	BB+sf / BBB (low) (sf)
				1A-I1	\$204,090,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(3)</sup>	BB+sf / BBB (low) (sf)
3	1M-2A	\$204,090,000	100.0000000000%	1E-A2	\$204,090,000	100.0000000000%	1mL + ___%	BB+sf / BBB (low) (sf)
				1A-I2	\$204,090,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(3)</sup>	BB+sf / BBB (low) (sf)
4	1M-2A	\$204,090,000	100.0000000000%	1E-A3	\$204,090,000	100.0000000000%	1mL + ___%	BB+sf / BBB (low) (sf)
				1A-I3	\$204,090,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(3)</sup>	BB+sf / BBB (low) (sf)
5	1M-2A	\$204,090,000	100.0000000000%	1E-A4	\$204,090,000	100.0000000000%	1mL + ___%	BB+sf / BBB (low) (sf)
				1A-I4	\$204,090,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(3)</sup>	BB+sf / BBB (low) (sf)
6	1M-2B	\$201,132,000	100.0000000000%	1E-B1	\$201,132,000	100.0000000000%	1mL + ___%	BB-sf / BB (sf)
				1B-I1	\$201,132,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(3)</sup>	BB-sf / BB (sf)
7	1M-2B	\$201,132,000	100.0000000000%	1E-B2	\$201,132,000	100.0000000000%	1mL + ___%	BB-sf / BB (sf)
				1B-I2	\$201,132,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(3)</sup>	BB-sf / BB (sf)
8	1M-2B	\$201,132,000	100.0000000000%	1E-B3	\$201,132,000	100.0000000000%	1mL + ___%	BB-sf / BB (sf)
				1B-I3	\$201,132,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(3)</sup>	BB-sf / BB (sf)
9	1M-2B	\$201,132,000	100.0000000000%	1E-B4	\$201,132,000	100.0000000000%	1mL + ___%	BB-sf / BB (sf)
				1B-I4	\$201,132,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(3)</sup>	BB-sf / BB (sf)
10	1M-2C	\$201,132,000	100.0000000000%	1E-C1	\$201,132,000	100.0000000000%	1mL + ___%	Bsf / B (high) (sf)
				1C-I1	\$201,132,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(3)</sup>	Bsf / B (high) (sf)
11	1M-2C	\$201,132,000	100.0000000000%	1E-C2	\$201,132,000	100.0000000000%	1mL + ___%	Bsf / B (high) (sf)
				1C-I2	\$201,132,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(3)</sup>	Bsf / B (high) (sf)
12	1M-2C	\$201,132,000	100.0000000000%	1E-C3	\$201,132,000	100.0000000000%	1mL + ___%	Bsf / B (high) (sf)
				1C-I3	\$201,132,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(3)</sup>	Bsf / B (high) (sf)
13	1M-2C	\$201,132,000	100.0000000000%	1E-C4	\$201,132,000	100.0000000000%	1mL + ___%	Bsf / B (high) (sf)
				1C-I4	\$201,132,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(3)</sup>	Bsf / B (high) (sf)
14	1E-A1	\$204,090,000	50.3649851193%	1E-D1	\$405,222,000	100.0000000000%	1mL + ___%	BB-sf / BB (sf)
	1E-B1	\$201,132,000	49.6350148807%					
15	1E-A2	\$204,090,000	50.3649851193%	1E-D2	\$405,222,000	100.0000000000%	1mL + ___%	BB-sf / BB (sf)
	1E-B2	\$201,132,000	49.6350148807%					
16	1E-A3	\$204,090,000	50.3649851193%	1E-D3	\$405,222,000	100.0000000000%	1mL + ___%	BB-sf / BB (sf)
	1E-B3	\$201,132,000	49.6350148807%					
17	1E-A4	\$204,090,000	50.3649851193%	1E-D4	\$405,222,000	100.0000000000%	1mL + ___%	BB-sf / BB (sf)
	1E-B4	\$201,132,000	49.6350148807%					
18	1M-2A	\$204,090,000	50.3649851193%	1E-D5	\$405,222,000	100.0000000000%	1mL + ___%	BB-sf / BB (sf)
	1M-2B	\$201,132,000	49.6350148807%					
19	1E-B1	\$201,132,000	50.0000000000%	1E-F1	\$402,264,000	100.0000000000%	1mL + ___%	Bsf / B (high) (sf)
	1E-C1	\$201,132,000	50.0000000000%					
20	1E-B2	\$201,132,000	50.0000000000%	1E-F2	\$402,264,000	100.0000000000%	1mL + ___%	Bsf / B (high) (sf)
	1E-C2	\$201,132,000	50.0000000000%					

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Combination	Class of Exchangeable or RCR Note	Original Balance (\$)	Exchange Proportions (%) <sup>(1)</sup>	Class of RCR Note	Maximum Original Balance / Notional Amount (\$)	Exchange Proportions (%) <sup>(1)</sup>	Class Coupon (%)	Expected Ratings (Fitch/DBRS)
21	1E-B3	\$201,132,000	50.0000000000%	1E-F3	\$402,264,000	100.0000000000%	1mL + ___%	Bsf / B (high) (sf)
	1E-C3	\$201,132,000	50.0000000000%					
22	1E-B4	\$201,132,000	50.0000000000%	1E-F4	\$402,264,000	100.0000000000%	1mL + ___%	Bsf / B (high) (sf)
	1E-C4	\$201,132,000	50.0000000000%					
23	1M-2B	\$201,132,000	50.0000000000%	1E-F5	\$402,264,000	100.0000000000%	1mL + ___%	Bsf / B (high) (sf)
	1M-2C	\$201,132,000	50.0000000000%					
24	1A-I1	\$204,090,000 <sup>(2)</sup>	50.3649851193%	1-X1	\$405,222,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(4)</sup>	BB-sf / BB (sf)
	1B-I1	\$201,132,000 <sup>(2)</sup>	49.6350148807%					
25	1A-I2	\$204,090,000 <sup>(2)</sup>	50.3649851193%	1-X2	\$405,222,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(4)</sup>	BB-sf / BB (sf)
	1B-I2	\$201,132,000 <sup>(2)</sup>	49.6350148807%					
26	1A-I3	\$204,090,000 <sup>(2)</sup>	50.3649851193%	1-X3	\$405,222,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(4)</sup>	BB-sf / BB (sf)
	1B-I3	\$201,132,000 <sup>(2)</sup>	49.6350148807%					
27	1A-I4	\$204,090,000 <sup>(2)</sup>	50.3649851193%	1-X4	\$405,222,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(4)</sup>	BB-sf / BB (sf)
	1B-I4	\$201,132,000 <sup>(2)</sup>	49.6350148807%					
28	1B-I1	\$201,132,000 <sup>(2)</sup>	50.0000000000%	1-Y1	\$402,264,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(4)</sup>	Bsf / B (high) (sf)
	1C-I1	\$201,132,000 <sup>(2)</sup>	50.0000000000%					
29	1B-I2	\$201,132,000 <sup>(2)</sup>	50.0000000000%	1-Y2	\$402,264,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(4)</sup>	Bsf / B (high) (sf)
	1C-I2	\$201,132,000 <sup>(2)</sup>	50.0000000000%					
30	1B-I3	\$201,132,000 <sup>(2)</sup>	50.0000000000%	1-Y3	\$402,264,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(4)</sup>	Bsf / B (high) (sf)
	1C-I3	\$201,132,000 <sup>(2)</sup>	50.0000000000%					
31	1B-I4	\$201,132,000 <sup>(2)</sup>	50.0000000000%	1-Y4	\$402,264,000 <sup>(2)</sup>	100.0000000000%	___% <sup>(4)</sup>	Bsf / B (high) (sf)
	1C-I4	\$201,132,000 <sup>(2)</sup>	50.0000000000%					

- <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. In accordance with the exchange proportions, Holders of 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.
- <sup>(2)</sup> 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 Exchangeable or RCR Note or Notes.
- <sup>(3)</sup> 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 One-Month LIBOR is less than the applicable value set forth below (the "Negative LIBOR 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.

Class of Interest Only RCR Notes	Negative LIBOR Trigger
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	___%

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(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 One-Month LIBOR is less than the applicable Negative LIBOR 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 LIBOR 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 .....	- ___%

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**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

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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, bankruptcy 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 4.400000%.

"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, less the greater of (i) the related servicing fee and (ii) 35 basis points.

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"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 Obligations, calculated based on a formula to be derived by Fannie Mae from the actual net recovery experience 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, if any. In the absence of manifest error, Fannie Mae's determination of the Projected Recovery Amount shall be final.

The prospectus will contain further information regarding the Projected Recovery Amount.

"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.

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### 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 outstanding 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 April 2018;
- (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 Recovery Principal; 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;

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- (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 May 2018;
- (11) there are no purchases, removals, reinstatements, or substitutions of Reference Obligations;
- (12) there are no Modification Events or data corrections in connection with the Reference Obligations;
- (13) the Maturity Date is the Payment Date in October 2030;
- (14) there is no Early Redemption Option exercised (except in the case of Weighted Average Life in Years (to Early Redemption Option));
- (15) the Closing Date is May 9, 2018;
- (16) one-month LIBOR stays constant at 1.89563%;
- (17) 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";
- (18) there are no Reversed Credit Event Reference Obligations;
- (19) the Projected Recovery Amount is zero;
- (20) there are no Originator Rep and Warranty Settlements; and
- (21) the Class 1M-1 margin is equal to 0.70%, the Class 1M-2 margin is equal to 2.00% and the Class 1B-1 margin is equal to 3.85%.

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.

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

Assumed Reference Obligation Group Number	Outstanding Principal Balance (\$)	Remaining Term to Maturity (months)	Original Term to Maturity (months)	Current Mortgage Rate (%)
1	129,840.69	354	360	3.000
2	1,804,072.91	355	360	3.125
3	7,944,031.38	355	360	3.250
4	18,073,762.99	355	360	3.374
5	116,947,419.81	355	359	3.500
6	419,251,928.97	355	359	3.624
7	1,768,989,918.24	355	359	3.750
8	3,593,137,633.76	355	359	3.874
9	5,429,153,929.12	355	359	3.996
10	4,183,612,305.22	355	359	4.124
11	4,489,757,769.80	355	359	4.246
12	3,195,289,484.30	355	359	4.374
13	1,993,115,465.41	355	359	4.499
14	1,477,108,649.17	355	360	4.618
15	1,523,065,376.64	355	359	4.749
16	1,288,416,696.31	355	359	4.874
17	540,774,627.94	355	359	4.995
18	363,322,703.21	356	360	5.124
19	415,953,219.04	355	359	5.249
20	163,084,690.83	355	359	5.373
21	91,732,940.06	355	360	5.499
22	28,886,471.21	356	360	5.625
23	11,981,630.83	355	360	5.750
24	9,627,394.46	356	360	5.875
25	1,038,416.96	355	360	6.000
26	2,885,231.82	356	360	6.125

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***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
April 25, 2019	92	92	84	61	35	10	0	0
April 25, 2020	83	75	30	0	0	0	0	0
April 25, 2021	74	44	0	0	0	0	0	0
April 25, 2022	65	15	0	0	0	0	0	0
April 25, 2023	55	0	0	0	0	0	0	0
April 25, 2024	45	0	0	0	0	0	0	0
April 25, 2025	34	0	0	0	0	0	0	0
April 25, 2026	23	0	0	0	0	0	0	0
April 25, 2027	12	0	0	0	0	0	0	0
April 25, 2028	0	0	0	0	0	0	0	0
April 25, 2029	0	0	0	0	0	0	0	0
April 25, 2030	0	0	0	0	0	0	0	0
April 25, 2031	0	0	0	0	0	0	0	0
Weighted Average Life (years) to Maturity .....	5.33	2.76	1.61	1.14	0.85	0.68	0.54	0.49
Weighted Average Life (years) to Early Redemption Date* .....	5.33	2.76	1.61	1.14	0.85	0.68	0.54	0.49

\* The Early Redemption Date occurs on the first eligible Payment Date.

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

Date	<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
April 25, 2019	100	100	100	100	100	100	92	84
April 25, 2020	100	100	100	95	78	62	46	34
April 25, 2021	100	100	93	70	49	31	14	1
April 25, 2022	100	100	75	49	26	8	0	0
April 25, 2023	100	95	59	31	8	0	0	0
April 25, 2024	100	84	45	16	0	0	0	0
April 25, 2025	100	73	33	4	0	0	0	0
April 25, 2026	100	64	22	0	0	0	0	0
April 25, 2027	100	54	12	0	0	0	0	0
April 25, 2028	100	46	3	0	0	0	0	0
April 25, 2029	95	37	0	0	0	0	0	0
April 25, 2030	89	29	0	0	0	0	0	0
April 25, 2031	0	0	0	0	0	0	0	0
Weighted Average Life (years) to Maturity .....	12.30	9.32	5.93	4.15	3.12	2.48	2.01	1.72
Weighted Average Life (years) to Early Redemption Date* .....	9.96	8.42	5.92	4.15	3.12	2.48	2.01	1.72

\* The Early Redemption Date occurs on the first eligible Payment Date.

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

Date	<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
April 25, 2019	100	100	100	100	100	100	100	100
April 25, 2020	100	100	100	100	100	100	100	100
April 25, 2021	100	100	100	100	100	100	100	100
April 25, 2022	100	100	100	100	100	100	75	38
April 25, 2023	100	100	100	100	100	70	27	0
April 25, 2024	100	100	100	100	82	31	0	0
April 25, 2025	100	100	100	100	47	2	0	0
April 25, 2026	100	100	100	80	19	0	0	0
April 25, 2027	100	100	100	52	0	0	0	0
April 25, 2028	100	100	100	30	0	0	0	0
April 25, 2029	100	100	86	11	0	0	0	0
April 25, 2030	100	100	64	0	0	0	0	0
April 25, 2031	0	0	0	0	0	0	0	0
Weighted Average Life (years) to Maturity .....	12.46	12.46	11.98	9.23	7.00	5.57	4.54	3.84
Weighted Average Life (years) to Early Redemption Date* .....	9.96	9.96	9.96	8.98	7.00	5.57	4.54	3.84

\*The Early Redemption Date occurs on the first eligible Payment Date.

**Credit Event Sensitivity Table**

**Cumulative Credit Events (as % of the Cut-off Date 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%	2.69%	2.03%	1.56%	1.22%	0.98%	0.80%	0.66%	0.56%
0.50%	5.31%	4.01%	3.09%	2.42%	1.94%	1.59%	1.32%	1.12%
0.75%	7.87%	5.94%	4.58%	3.60%	2.89%	2.37%	1.97%	1.67%
1.00%	10.35%	7.83%	6.05%	4.76%	3.83%	3.14%	2.62%	2.22%
1.50%	15.11%	11.48%	8.89%	7.02%	5.66%	4.65%	3.89%	3.30%
2.00%	19.63%	14.95%	11.61%	9.20%	7.44%	6.13%	5.13%	4.36%
3.00%	27.94%	21.42%	16.74%	13.34%	10.84%	8.97%	7.54%	6.43%

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*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%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.50%	45.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2.00%	60.89%	51.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3.00%	75.04%	71.73%	65.93%	15.91%	0.00%	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%	8.72%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.75%	39.83%	16.40%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.00%	70.10%	39.42%	17.63%	1.99%	0.00%	0.00%	0.00%	0.00%
1.50%	100.00%	83.86%	52.27%	29.53%	12.95%	0.63%	0.00%	0.00%
2.00%	100.00%	100.00%	85.50%	56.12%	34.63%	18.63%	6.47%	0.00%
3.00%	100.00%	100.00%	100.00%	100.00%	76.13%	53.31%	35.89%	22.29%

**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%	26.67%	1.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.50%	100.00%	77.32%	41.76%	16.31%	0.00%	0.00%	0.00%	0.00%
0.75%	100.00%	100.00%	99.28%	61.70%	34.40%	14.22%	0.00%	0.00%
1.00%	100.00%	100.00%	100.00%	100.00%	70.40%	43.84%	23.79%	8.32%
1.50%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	72.60%	49.85%
2.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	90.69%
3.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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*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%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%
0.25%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%
0.50%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%
0.75%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%
1.00%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%
1.50%	(6.46)%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%
2.00%	(15.41)%	(8.09)%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%
3.00%	(34.60)%	(26.80)%	(17.26)%	0.83%	2.61%	2.61%	2.61%	2.61%

**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%	3.93%	3.93%	3.93%	3.93%	3.93%	3.93%	3.93%	3.93%
0.25%	3.93%	3.93%	3.93%	3.93%	3.93%	3.93%	3.93%	3.93%
0.50%	3.34%	3.93%	3.93%	3.93%	3.93%	3.93%	3.93%	3.93%
0.75%	0.48%	2.71%	3.93%	3.93%	3.93%	3.93%	3.93%	3.93%
1.00%	(4.24)%	0.41%	2.32%	3.72%	3.93%	3.93%	3.93%	3.93%
1.50%	(27.80)%	(8.57)%	(1.73)%	0.24%	2.01%	3.83%	3.93%	3.93%
2.00%	(43.14)%	(32.91)%	(9.84)%	(3.75)%	(1.70)%	0.33%	2.51%	3.93%
3.00%	(72.30)%	(63.42)%	(52.18)%	(35.77)%	(10.06)%	(7.45)%	(5.09)%	(2.59)%

**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%	5.81%	5.81%	5.81%	5.81%	5.81%	5.81%	5.81%	5.81%
0.25%	3.96%	5.75%	5.81%	5.81%	5.81%	5.81%	5.81%	5.81%
0.50%	(18.09)%	(3.53)%	2.18%	4.63%	5.81%	5.81%	5.81%	5.81%
0.75%	(37.76)%	(29.12)%	(16.72)%	(1.14)%	2.45%	4.40%	5.81%	5.81%
1.00%	(57.16)%	(49.02)%	(39.03)%	(25.20)%	(3.50)%	0.41%	2.71%	4.68%
1.50%	(92.06)%	(85.40)%	(77.45)%	(67.72)%	(54.92)%	(33.24)%	(6.80)%	(3.06)%
2.00%	*	*	*	*	(92.84)%	(81.15)%	(64.01)%	(16.03)%
3.00%	*	*	*	*	*	*	*	*

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

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*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%	5.33	2.76	1.61	1.14	0.85	0.68	0.54	0.49
0.25%	5.62	3.34	1.79	1.20	0.90	0.69	0.58	0.50
0.50%	5.98	4.22	2.02	1.30	0.95	0.74	0.61	0.50
0.75%	6.47	5.63	2.33	1.42	1.01	0.77	0.63	0.50
1.00%	6.97	6.68	2.76	1.56	1.08	0.81	0.65	0.53
1.50%	7.22	7.52	4.41	1.97	1.25	0.91	0.71	0.58
2.00%	6.08	7.39	7.88	2.71	1.49	1.01	0.77	0.62
3.00%	4.43	5.09	6.25	8.44	2.60	1.41	0.95	0.72

**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%	12.30	9.32	5.93	4.15	3.12	2.48	2.01	1.72
0.25%	12.39	10.57	7.01	4.64	3.40	2.65	2.15	1.78
0.50%	12.37	11.64	8.21	5.34	3.76	2.85	2.28	1.87
0.75%	11.27	12.00	9.36	6.34	4.22	3.11	2.44	1.97
1.00%	9.69	10.99	9.90	7.36	4.91	3.43	2.61	2.09
1.50%	6.49	8.20	9.48	7.91	6.18	4.60	3.15	2.40
2.00%	4.75	5.62	7.32	7.70	6.34	5.09	4.03	2.90
3.00%	3.10	3.42	3.90	4.83	5.89	5.10	4.28	3.57

**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%	12.46	12.46	11.98	9.23	7.00	5.57	4.54	3.84
0.25%	11.97	12.46	12.46	11.02	8.29	6.35	5.07	4.17
0.50%	7.23	9.16	10.80	11.75	10.15	7.60	5.80	4.63
0.75%	4.67	5.44	6.94	8.99	9.80	8.77	7.12	5.31
1.00%	3.46	3.84	4.42	5.57	7.72	8.06	7.30	6.27
1.50%	2.27	2.42	2.62	2.90	3.33	4.28	5.75	5.67
2.00%	1.69	1.77	1.87	1.99	2.16	2.40	2.80	4.01
3.00%	1.12	1.15	1.19	1.23	1.29	1.35	1.44	1.55

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**Reference Pool Summary**

*Statistics for the Reference Obligations listed below are based on statistical Cut-off Date information as of February 28, 2018.*

<b>Collateral Summary</b>				
	<u>Aggregate</u>	<u>Weighted Average</u>	<u>Minimum</u>	<u>Maximum</u>
Number of Reference Obligations	127,544	-	-	-
Aggregate Original Principal Balance	\$31,471,997,000	\$246,754 <sup>(1)</sup>	\$14,000	\$1,223,000
Aggregate Unpaid Principal Balance	\$31,135,085,611	\$244,113 <sup>(1)</sup>	\$5,079	\$1,216,847
Gross Mortgage Rate	-	4.249%	3.000%	6.125%
Remaining Term to Stated Maturity	-	355 Months	247 Months	358 Months
Original Term	-	359 Months	252 Months	360 Months
Loan Age	-	4 Months	2 Months	7 Months
Original Loan-to-Value Ratio	-	75.47%	61.00%	80.00%
Original Combined Loan-to-Value Ratio	-	76.12%	61.00%	97.00%
Debt-to-Income Ratio	-	35.98%	0.11%	50.00%
Credit Score	-	743	620	834
% Refinance	46.69%			
% Owner Occupied	85.54%			
% SFR/PUD	89.54%			
Top Five Geographic Concentration of Mortgage Loans (States)				
CA	22.97%			
TX	7.02%			
FL	5.22%			
CO	4.75%			
WA	4.49%			

(1) Average

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<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	127,544	31,135,085,611	100.00	4.249	743	75.47	76.12
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</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	25	545,941	*	4.854	717	76.81	76.81
25,000.01 - 50,000.00	1,050	43,816,084	0.14	4.737	736	76.53	76.73
50,000.01 - 75,000.00	3,633	232,449,295	0.75	4.609	737	75.97	76.24
75,000.01 - 100,000.00	6,896	614,200,378	1.97	4.480	738	75.12	75.39
100,000.01 - 125,000.00	9,698	1,091,362,692	3.51	4.419	739	75.45	75.73
125,000.01 - 150,000.00	11,067	1,515,321,656	4.87	4.368	739	75.59	75.82
150,000.01 - 200,000.00	21,711	3,797,198,028	12.20	4.312	740	75.65	75.86
200,000.01 - 250,000.00	19,573	4,365,120,251	14.02	4.249	743	75.71	75.94
250,000.01 - 300,000.00	16,367	4,453,042,084	14.30	4.212	744	75.96	76.18
300,000.01 - 350,000.00	11,811	3,805,058,423	12.22	4.184	744	76.00	76.29
350,000.01 - 400,000.00	9,856	3,666,084,046	11.77	4.153	746	75.98	76.48
400,000.01 - 450,000.00	8,405	3,496,100,115	11.23	4.175	744	74.24	76.72
450,000.01 - 500,000.00	2,340	1,104,506,354	3.55	4.291	741	74.96	75.51
500,000.01 - 550,000.00	1,739	905,014,649	2.91	4.280	744	74.92	75.52
550,000.01 - 600,000.00	1,671	955,050,300	3.07	4.270	744	75.31	76.64
600,000.01 - 650,000.00	1,492	926,827,870	2.98	4.277	741	73.63	75.97
650,000.01 - 700,000.00	58	38,833,069	0.12	4.574	751	73.16	73.28
700,000.01 - 750,000.00	50	35,996,558	0.12	4.496	749	73.81	74.52
750,000.01 - 800,000.00	31	24,035,405	0.08	4.578	747	71.85	72.18
800,000.01 - 850,000.00	33	26,812,563	0.09	4.749	756	70.38	71.44
850,000.01 - 900,000.00	7	6,179,296	0.02	4.947	733	70.25	70.25
900,000.01 or greater	31	31,530,555	0.10	4.666	757	71.32	71.32
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</b>
<b>Average (\$)</b>	<b>246,754.04</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.

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*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	64	1,195,228	*	4.512	751	77.19	77.23
25,000.01 - 50,000.00	1,119	46,453,247	0.15	4.703	738	76.55	76.75
50,000.01 - 75,000.00	3,756	240,690,929	0.77	4.596	738	75.96	76.23
75,000.01 - 100,000.00	7,073	632,118,383	2.03	4.473	739	75.16	75.43
100,000.01 - 125,000.00	9,827	1,111,755,255	3.57	4.414	739	75.47	75.74
125,000.01 - 150,000.00	11,091	1,526,650,826	4.90	4.367	739	75.57	75.81
150,000.01 - 200,000.00	21,808	3,835,839,816	12.32	4.309	740	75.66	75.87
200,000.01 - 250,000.00	19,636	4,411,647,277	14.17	4.248	743	75.71	75.95
250,000.01 - 300,000.00	16,167	4,433,446,320	14.24	4.211	744	75.95	76.17
300,000.01 - 350,000.00	11,912	3,869,278,990	12.43	4.182	744	76.05	76.34
350,000.01 - 400,000.00	9,592	3,600,040,846	11.56	4.155	745	75.91	76.44
400,000.01 - 450,000.00	8,184	3,425,268,317	11.00	4.177	744	74.21	76.71
450,000.01 - 500,000.00	2,314	1,100,157,146	3.53	4.294	741	74.96	75.55
500,000.01 - 550,000.00	1,741	912,699,714	2.93	4.282	744	74.95	75.58
550,000.01 - 600,000.00	1,625	936,579,414	3.01	4.266	745	75.24	76.54
600,000.01 - 650,000.00	1,429	890,380,016	2.86	4.281	741	73.60	76.01
650,000.01 - 700,000.00	59	39,822,178	0.13	4.552	750	73.66	73.77
700,000.01 - 750,000.00	46	33,253,487	0.11	4.509	749	73.56	74.33
750,000.01 - 800,000.00	33	25,680,932	0.08	4.623	746	71.80	72.11
800,000.01 - 850,000.00	30	24,417,440	0.08	4.737	757	70.22	71.39
850,000.01 - 900,000.00	7	6,179,296	0.02	4.947	733	70.25	70.25
900,000.01 or greater	31	31,530,555	0.10	4.666	757	71.32	71.32
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</b>
<b>Average (\$)</b>	<b>244,112.51</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.

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<i>Gross Mortgage Rates of the Mortgage Loans as of the Cut-off Date</i>							
Range of Gross Mortgage Rates (%)	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 (%)
2.751 - 3.000	1	129,841	*	3.000	795	80.00	80.00
3.001 - 3.250	45	9,748,104	0.03	3.227	763	74.68	74.68
3.251 - 3.500	460	135,021,183	0.43	3.483	770	74.63	74.87
3.501 - 3.750	7,642	2,188,241,847	7.03	3.726	770	75.12	75.37
3.751 - 4.000	34,243	9,022,291,563	28.98	3.947	764	75.49	75.86
4.001 - 4.250	34,330	8,673,370,075	27.86	4.187	749	75.47	76.30
4.251 - 4.500	22,040	5,188,404,950	16.66	4.422	727	75.33	76.27
4.501 - 4.750	13,822	3,000,174,026	9.64	4.685	713	75.42	76.14
4.751 - 5.000	9,141	1,829,191,324	5.88	4.910	704	75.77	76.52
5.001 - 5.250	4,151	779,275,922	2.50	5.191	688	76.42	76.91
5.251 - 5.500	1,368	254,817,631	0.82	5.419	676	76.93	77.07
5.501 - 5.750	229	40,868,102	0.13	5.662	666	77.10	77.76
5.751 - 6.000	58	10,665,811	0.03	5.887	664	76.70	76.95
6.001 - 6.250	14	2,885,232	0.01	6.125	681	77.06	77.06
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</b>
<b>Weighted Average (%)</b>	<b>4.249</b>						

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

<i>Seasoning of the Mortgage Loans as of the Cut-off Date</i>							
Seasoning (months)	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 (%)
2	6,583	1,548,355,949	4.97	4.247	744	75.53	76.26
3	29,866	7,284,708,549	23.40	4.217	740	75.17	75.74
4	38,906	9,535,166,567	30.63	4.219	743	75.44	76.02
5	38,049	9,251,096,743	29.71	4.291	743	75.63	76.29
6	12,189	3,002,207,880	9.64	4.268	747	75.77	76.55
7	1,951	513,549,922	1.65	4.395	743	75.72	76.97
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</b>
<b>Weighted Average (months)</b>	<b>4.21</b>						

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

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<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	9,888	2,421,708,423	7.78	4.183	742	63.38	64.85
65.01 - 70.00	17,876	4,583,615,565	14.72	4.237	734	68.51	69.55
70.01 - 75.00	28,012	6,852,593,859	22.01	4.309	745	74.00	74.77
75.01 - 80.00	71,768	17,277,167,764	55.49	4.238	745	79.60	79.97
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</b>
<b>Weighted Average (%)</b>	<b>75.47</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	9,377	2,237,561,294	7.19	4.180	742	63.38	63.38
65.01 - 70.00	17,134	4,318,654,978	13.87	4.233	734	68.49	68.52
70.01 - 75.00	27,090	6,517,761,916	20.93	4.309	745	73.94	74.01
75.01 - 80.00	70,472	16,909,135,909	54.31	4.233	745	79.48	79.60
80.01 - 85.00	520	164,265,369	0.53	4.292	735	73.88	83.86
85.01 - 90.00	1,929	683,510,933	2.20	4.332	743	75.01	89.53
90.01 - 95.00	948	291,543,370	0.94	4.420	737	75.73	94.55
95.01 - 97.00	74	12,651,843	0.04	4.343	728	76.77	96.78
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</b>
<b>Weighted Average (%)</b>	<b>76.12</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	139	32,256,593	0.10	4.823	620	74.73	74.86
621 - 640	3,772	834,007,760	2.68	4.767	631	74.54	74.78
641 - 660	5,350	1,167,363,569	3.75	4.729	651	74.75	75.15
661 - 680	7,845	1,788,556,936	5.74	4.615	671	74.89	75.37
681 - 700	10,958	2,644,853,331	8.49	4.429	691	75.07	75.83
701 - 720	13,583	3,365,256,651	10.81	4.322	710	75.48	76.40
721 - 740	14,631	3,690,480,858	11.85	4.220	730	75.64	76.56
741 - 760	16,796	4,225,043,007	13.57	4.150	751	75.68	76.43
761 - 780	19,567	4,928,633,154	15.83	4.127	771	75.71	76.34
781 - 800	22,112	5,527,107,422	17.75	4.104	790	75.67	76.17
801 - 820	12,595	2,892,925,072	9.29	4.094	807	75.48	75.80
821 - 840	196	38,601,258	0.12	4.122	824	74.95	75.12
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</b>
<b>Weighted Average</b>	<b>743</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>
0.001 - 20.000	8,264	1,777,105,403	5.71	4.140	765	75.44	75.74
20.001 - 25.000	11,429	2,639,122,433	8.48	4.146	758	75.67	76.11
25.001 - 30.000	16,022	3,813,169,093	12.25	4.182	752	75.69	76.22
30.001 - 35.000	19,963	4,858,728,026	15.61	4.233	745	75.73	76.41
35.001 - 40.000	22,965	5,651,610,674	18.15	4.272	740	75.53	76.38
40.001 - 45.000	28,275	7,052,000,287	22.65	4.317	733	75.41	76.29
45.001 - 50.000	20,626	5,343,349,694	17.16	4.286	735	75.03	75.39
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</b>
<b>Weighted Average (%)</b>	<b>35.98</b>						

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<i>Occupancy Status of the Mortgage Loans as of the Cut-off Date</i>							
<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	105,239	26,631,457,418	85.54	4.202	740	75.58	76.31
Investment Property	16,031	3,104,410,086	9.97	4.711	754	74.07	74.08
Second Home	6,274	1,399,218,107	4.49	4.120	763	76.57	76.86
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</b>

<i>Loan Purpose of the Mortgage Loans</i>							
<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>
Purchase	69,142	16,599,087,583	53.31	4.173	754	77.01	77.84
Cash-Out Refinance	37,996	9,013,397,249	28.95	4.454	725	73.70	73.76
No Cash-Out Refinance	20,406	5,522,600,779	17.74	4.146	738	73.75	74.78
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</b>

<i>Property Type of the Mortgage Loans as of the Cut-off Date</i>							
<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	78,075	18,828,597,074	60.47	4.269	740	75.21	75.76
PUD	34,598	9,050,371,728	29.07	4.207	746	75.99	76.91
Condo	13,132	2,944,783,394	9.46	4.251	752	75.43	75.89
Co-op	814	181,935,681	0.58	4.134	759	76.71	76.76
Manufactured Housing	925	129,397,735	0.42	4.457	741	76.59	76.76
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</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	20,134	7,150,618,137	22.97	4.288	737	74.06	74.68
Texas	10,132	2,187,033,085	7.02	4.305	738	76.22	77.10
Florida	8,077	1,624,620,243	5.22	4.320	741	76.00	76.68
Colorado	5,253	1,478,004,952	4.75	4.263	743	74.73	75.32
Washington	4,792	1,399,206,082	4.49	4.280	742	75.10	75.62
New York	4,328	1,275,281,355	4.10	4.269	744	75.49	75.78
Arizona	4,354	934,900,801	3.00	4.329	742	75.81	76.19
Illinois	4,331	883,288,118	2.84	4.212	747	76.24	76.99
Massachusetts	2,786	830,373,354	2.67	4.199	740	75.09	75.55
New Jersey	2,940	821,121,658	2.64	4.226	746	75.88	76.34
Virginia	2,800	772,633,396	2.48	4.188	749	75.98	77.23
Georgia	3,564	760,839,533	2.44	4.211	746	76.07	77.24
North Carolina	3,608	753,902,000	2.42	4.181	752	76.39	77.22
Oregon	2,877	753,816,492	2.42	4.283	745	75.15	75.72
Michigan	4,347	745,521,387	2.39	4.249	743	76.24	76.53
Pennsylvania	3,529	706,437,999	2.27	4.176	751	76.46	77.34
Minnesota	2,919	640,859,488	2.06	4.137	753	76.58	77.51
Utah	2,464	609,668,732	1.96	4.206	746	75.55	75.99
Maryland	1,936	528,546,710	1.70	4.195	745	75.73	76.80
Wisconsin	2,745	514,970,556	1.65	4.096	754	76.57	77.07
Nevada	2,107	479,221,230	1.54	4.393	735	75.69	76.05
Tennessee	2,416	477,809,030	1.53	4.243	744	76.00	76.78
Ohio	3,055	472,365,043	1.52	4.217	746	76.60	77.10
Missouri	2,349	407,655,632	1.31	4.193	749	76.53	77.11
South Carolina	1,913	377,662,408	1.21	4.225	749	76.56	77.26
Indiana	1,953	311,099,036	1.00	4.249	743	76.85	77.49
Idaho	1,296	257,421,609	0.83	4.190	747	76.26	76.63
Connecticut	1,106	251,667,487	0.81	4.131	748	76.44	77.07
Louisiana	1,083	213,592,161	0.69	4.218	739	75.80	76.29
Alabama	1,133	209,313,930	0.67	4.177	750	76.45	77.01
Hawaii	477	200,839,789	0.65	4.145	738	74.18	74.94
Iowa	1,164	200,453,247	0.64	4.066	752	76.69	77.91
Kentucky	1,080	190,109,412	0.61	4.222	744	76.54	77.21
Oklahoma	1,002	176,098,617	0.57	4.239	747	76.61	77.24
Nebraska	862	156,366,845	0.50	4.131	755	76.78	77.32
New Hampshire	646	144,728,109	0.46	4.209	742	76.00	76.19
Montana	594	134,327,664	0.43	4.170	748	76.22	76.40
Kansas	695	128,856,354	0.41	4.156	753	76.68	77.03
New Mexico	599	116,087,665	0.37	4.249	747	76.00	76.51
Arkansas	702	115,881,477	0.37	4.154	750	76.15	76.36
District of Columbia	269	105,675,088	0.34	4.220	747	73.76	75.51
Mississippi	552	97,611,264	0.31	4.183	744	76.64	77.09
Delaware	409	90,459,800	0.29	4.186	749	76.29	76.87
Rhode Island	348	78,283,094	0.25	4.244	741	75.82	76.34
Maine	344	70,430,576	0.23	4.216	747	75.73	76.00
South Dakota	369	70,343,671	0.23	4.039	756	76.35	77.03
North Dakota	246	54,244,941	0.17	4.050	753	76.17	76.53
Wyoming	246	52,955,864	0.17	4.136	750	76.16	76.87
Alaska	185	46,886,107	0.15	4.242	747	75.91	75.99
West Virginia	229	35,694,202	0.11	4.241	747	76.69	77.13
Vermont	160	33,451,144	0.11	4.201	748	75.54	75.71
Puerto Rico	31	4,036,913	0.01	4.109	744	75.70	75.70
Guam	6	1,226,490	*	3.826	763	72.69	72.69
Virgin Islands	2	585,633	*	4.459	704	80.00	80.00
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</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.

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<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	5,790	2,374,387,700	7.63	4.287	737	73.69	74.17
Non-Metro	10,859	1,974,336,542	6.34	4.219	746	76.04	76.42
New York-Newark-Jersey City, NY-NJ-PA	5,528	1,781,546,627	5.72	4.261	744	75.50	75.84
Dallas-Fort Worth-Arlington, TX	4,175	954,468,841	3.07	4.316	736	76.06	77.03
Seattle-Tacoma-Bellevue, WA	2,729	920,918,984	2.96	4.273	741	74.80	75.34
Denver-Aurora-Lakewood, CO	3,102	907,744,321	2.92	4.270	741	74.47	75.15
Riverside-San Bernardino-Ontario, CA	3,175	886,826,069	2.85	4.294	729	74.82	75.50
San Francisco-Oakland-Hayward, CA	1,808	812,596,296	2.61	4.284	738	73.37	74.18
Washington-Arlington-Alexandria, DC-VA-MD-WV	2,401	807,455,799	2.59	4.181	746	75.35	76.81
Chicago-Naperville-Elgin, IL-IN-WI	3,534	786,657,672	2.53	4.229	746	76.18	76.90
Other	84,443	18,928,146,760	60.79	4.241	744	75.78	76.44
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</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>
80134	120	39,280,869	0.13	4.186	740	74.65	75.21
95747	106	37,366,586	0.12	4.236	742	76.23	76.70
94513	84	36,600,151	0.12	4.227	728	74.65	75.39
92336	107	35,414,601	0.11	4.334	723	76.21	77.31
75070	125	34,624,734	0.11	4.116	748	76.11	77.03
92880	88	33,750,500	0.11	4.191	721	73.42	74.72
93065	78	32,927,285	0.11	4.212	741	73.75	74.61
98012	81	31,293,991	0.10	4.172	743	74.94	75.66
95630	83	30,352,803	0.10	4.234	743	74.76	75.85
80504	102	30,165,431	0.10	4.222	740	75.63	76.05
Other	126,570	30,793,308,660	98.90	4.250	743	75.48	76.12
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</b>

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

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<i>Original Term to 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	4	740,797	*	4.139	747	66.45	68.43
260 - 279	71	13,745,629	0.04	4.304	730	74.30	74.65
280 - 299	39	7,673,982	0.02	4.137	753	72.75	73.03
300 - 319	1,438	318,336,280	1.02	4.215	739	73.75	74.08
320 - 339	249	62,709,716	0.20	4.187	742	74.37	74.51
340 - 359	216	54,437,597	0.17	4.149	746	75.50	75.50
360	125,527	30,677,441,608	98.53	4.250	743	75.50	76.14
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</b>
<b>Weighted Average (months)</b>	<b>359</b>						

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

<i>Remaining Term to 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>
250 or less	3	423,984	*	4.335	741	69.78	73.23
251 - 260	14	2,633,440	0.01	4.125	748	72.93	73.10
261 - 270	13	2,205,041	0.01	4.408	716	74.48	74.97
271 - 280	47	9,711,846	0.03	4.318	728	74.22	74.55
281 - 290	35	6,749,788	0.02	4.116	755	72.66	72.98
291 - 300	1,366	300,666,012	0.97	4.213	739	73.77	74.11
301 - 357	119,545	29,277,662,230	94.03	4.250	743	75.49	76.13
358 or greater	6,521	1,535,033,270	4.93	4.248	744	75.54	76.27
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</b>
<b>Weighted Average (months)</b>	<b>355</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.

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<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>
Wells Fargo Bank, N.A.	25,412	6,671,628,228	21.43	4.195	749	75.94	76.67
Quicken Loans Inc.	12,762	3,030,282,273	9.73	4.290	731	74.21	74.36
JPMorgan Chase Bank, NA	5,432	1,377,783,623	4.43	4.235	755	75.73	76.39
United Shore Financial Services LLC	4,307	1,310,334,326	4.21	4.160	753	74.80	75.18
Flagstar Bank, FSB	2,281	640,408,853	2.06	4.362	731	74.89	75.46
loanDepot.com, LLC	2,421	632,683,855	2.03	4.403	720	74.72	75.19
Caliber Home Loans Inc.	1,910	619,528,500	1.99	4.303	735	74.87	75.63
AmeriHome Mortgage Company, LLC	2,528	604,149,391	1.94	4.366	729	75.07	75.37
SunTrust Mortgage Inc.	2,070	577,057,148	1.85	4.227	749	75.34	76.41
Movement Mortgage, LLC	2,172	490,152,983	1.57	4.349	745	76.90	77.94
Other	66,249	15,181,076,429	48.76	4.254	742	75.61	76.33
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</b>

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

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<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>
Wells Fargo Bank, N.A.	25,412	6,671,628,228	21.43	4.195	749	75.94	76.67
Quicken Loans Inc.	12,762	3,030,282,273	9.73	4.290	731	74.21	74.36
JPMorgan Chase Bank, NA	5,432	1,377,783,623	4.43	4.235	755	75.73	76.39
United Shore Financial Services LLC	4,307	1,310,334,326	4.21	4.160	753	74.80	75.18
Matrix Financial Services Corporation	5,085	1,198,203,300	3.85	4.291	746	76.29	77.13
Freedom Mortgage Corp.	2,986	750,392,595	2.41	4.322	739	75.85	76.60
Flagstar Bank, FSB	2,232	627,614,935	2.02	4.362	731	74.93	75.51
Caliber Home Loans Inc.	1,910	619,528,500	1.99	4.303	735	74.87	75.63
AmeriHome Mortgage Company, LLC	2,528	604,149,391	1.94	4.366	729	75.07	75.37
SunTrust Mortgage Inc.	2,070	577,057,148	1.85	4.227	749	75.34	76.41
Other	62,820	14,368,111,290	46.15	4.257	741	75.55	76.25
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</b>

<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	74,659	17,080,059,131	54.86	4.265	741	75.42	75.86
Correspondent	40,149	10,276,806,537	33.01	4.233	746	75.80	76.82
Broker	12,736	3,778,219,943	12.13	4.223	744	74.84	75.37
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</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	123,230	29,678,331,007	95.32	4.246	743	75.56	75.56
Yes	4,314	1,456,754,604	4.68	4.312	740	73.64	87.35
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</b>

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

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<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>
August 2017	1,951	513,549,922	1.65	4.395	743	75.72	76.97
September 2017	12,189	3,002,207,880	9.64	4.268	747	75.77	76.55
October 2017	38,049	9,251,096,743	29.71	4.291	743	75.63	76.29
November 2017	38,906	9,535,166,567	30.63	4.219	743	75.44	76.02
December 2017	29,866	7,284,708,549	23.40	4.217	740	75.17	75.74
January 2018	6,583	1,548,355,949	4.97	4.247	744	75.53	76.26
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</b>

<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>
2038	3	423,984	*	4.335	741	69.78	73.23
2039	18	3,500,563	0.01	4.093	745	73.11	73.55
2040	54	10,561,879	0.03	4.361	726	74.33	74.64
2041	37	7,237,673	0.02	4.133	753	72.74	73.04
2042	1,365	300,523,205	0.97	4.213	739	73.77	74.11
2043	60	14,225,743	0.05	4.232	740	73.53	73.69
2044	128	32,219,543	0.10	4.206	743	73.91	74.00
2045	135	34,306,377	0.11	4.179	741	74.68	74.85
2046	169	41,797,059	0.13	4.156	745	75.96	75.96
2047	125,575	30,690,289,585	98.57	4.250	743	75.50	76.14
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</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.

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*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	107,215	26,314,995,328	84.52	4.271	742	75.08	75.65
Yes	20,329	4,820,090,283	15.48	4.129	745	77.65	78.64
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</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	68,086	15,430,410,307	49.56	4.264	744	75.39	75.95
2 or more	59,458	15,704,675,304	50.44	4.235	742	75.56	76.28
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</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	123,796	30,103,916,429	96.69	4.236	743	75.57	76.23
2	2,610	669,210,460	2.15	4.582	746	73.29	73.41
3	538	165,576,531	0.53	4.704	748	71.55	71.58
4	600	196,382,191	0.63	4.707	754	72.16	72.16
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</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	127,544	31,135,085,611	100.00	4.249	743	75.47	76.12
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</b>

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

	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>Delinquency Status</b>							
Current	127,544	31,135,085,611	100.00	4.249	743	75.47	76.12
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</b>

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

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<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	127,544	31,135,085,611	100.00	4.249	743	75.47	76.12
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</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	124,353	30,550,569,970	98.12	4.251	743	75.44	76.09
Yes	3,191	584,515,641	1.88	4.148	726	77.24	77.72
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</b>

<i>Property Inspection Waiver</i>							
<b>Property Inspection 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	117,791	28,263,010,935	90.78	4.265	743	75.76	76.46
Yes	9,753	2,872,074,677	9.22	4.092	742	72.64	72.78
<b>Total:</b>	<b>127,544</b>	<b>31,135,085,611</b>	<b>100.00</b>	<b>4.249</b>	<b>743</b>	<b>75.47</b>	<b>76.12</b>

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

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