## **Summary of Terms**

## **Credit Insurance Risk Transfer (CIRT™)**

## **CIRT 2020-1**

Insured Fannie Mae

Covered Loans A \$18.5 billion portfolio of fully amortizing 21 to 30-year fixed rate

residential mortgage loans delivered to Fannie Mae between July 1, 2019 and October 31, 2019 with original LTVs greater than 60% and less

than or equal to 80%

Insurance Coverage Aggregate Excess of Loss Credit Insurance with a Limit of Liability of

approximately \$553.6 million (3.00% of the Total Initial Principal

Balance) in excess of a Retention of approximately \$64.6 million (0.35%

of the Total Initial Principal Balance); the Limit of Liability may be stepped down at the 12<sup>th</sup> month following the effective date and at each subsequent month thereafter depending on loan performance and

remaining insured loans (see policy for details)

Claim Basis Actual loss

Effective Date January 1, 2020

Termination Date June 30, 2032

Optional Cancelation On or after the 60<sup>th</sup> month following the effective date, Fannie Mae

may cancel the policy by paying a cancelation fee (see policy for

details)

Fannie Mae may cancel the policy if the Total Current Principal Balance

is reduced to no more than ten percent (10%) of the Total Initial

Principal Balance.

## Collateral Requirement

		S&P Insurer Financial Strength Rating								
		AA- or higher	A+	А	A-	BBB+	BBB	BBB- or lower	Not Rated since effective date	Rating no longer maintained
AM Best Insurer Financial Strength Rating	A+ or higher	20%	22.5%	25%	25%	50%	50%	75%	30%	50%
	А	25%	25%	25%	25%	50%	50%	75%	30%	50%
	A-	25%	25%	25%	25%	50%	50%	75%	50%	75%
	B++	50%	50%	50%	50%	50%	50%	75%	75%	75%
	B+ or lower	75%	75%	75%	75%	75%	75%	100%	100%	100%
	Not Rated since effective date	30%	30%	30%	50%	50%	75%	100%	100%	100%
	Rating no longer maintained	50%	50%	50%	75%	75%	75%	100%	100%	100%

		S&P Insurer Financial Strength Rating								
		AA- or higher	A+	А	A-	BBB+	ВВВ	BBB- or lower	Not Rated since effective date	Rating no longer maintained
AM Best Insurer Financial Strength Rating	A+ or higher					Premium Capture	Premium Capture	Premium Capture		
	А					Premium Capture	Premium Capture	Premium Capture		
	A-					Premium Capture	Premium Capture	Premium Capture		Premium Capture
	B++	Premium Capture	Premium Capture	Premium Capture	Premium Capture	Premium Capture	Premium Capture	Premium Capture	Premium Capture	Premium Capture
	B+ or lower	Premium Capture	Premium Capture	Premium Capture	Premium Capture	Premium Capture	Premium Capture	Premium Capture	Premium Capture	Premium Capture
	Not Rated since effective date					Premium Capture	Premium Capture	Premium Capture	Premium Capture	Premium Capture
	Rating no longer maintained				Premium Capture	Premium Capture	Premium Capture	Premium Capture	Premium Capture	Premium Capture