## **Summary of Terms**

## Credit Insurance Risk Transfer (CIRT™)

## **CIRT 2022-8**

Insured Fannie Mae

Covered Loans Approximately \$12.9 billion portfolio of fully amortizing 241 - 360

month original term FRM loans delivered to Fannie Mae between August 1, 2021 and September 30, 2021 with original LTVs greater than

80% and less than or equal to 97%

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

Liability of approximately \$354 million (2.75% of the Total Initial Principal Balance) in excess of a maximum Retention of approximately \$84 million (0.65% 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 policies for details)

Claim Basis Actual loss

Effective Date June 1, 2022

Termination Date November 30, 2034

Counterparties 1 International insurance provider

18 International & Domestic reinsurers

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

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

details).

Fannie Mae may cancel the policies if the Total Current Principal

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

Initial Principal Balance.

Fannie Mae Min Required

Collateral Amount

Fannie Mae required the participating counterparties to establish collateral trust accounts that hold cash, Treasuries, and other eligible securities. The initial aggregate minimum required collateral amount was approximately \$75.7 million. The minimum required collateral amount will change over the life of the transaction, based upon - among other things - the external ratings of each reinsurer, the remaining Limit of Liability, and the performance of the covered pool.

## Collateral Requirement

		S&P Insurer Financial Strength Rating								
		AA- or higher	A+	А	Α-	BBB+	ВВВ	BBB- or lower	Not Rated since effective date	Rating no longer maintained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%	40%	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	Rating no longer maintained	50%	50%	50%	75%	75%	75%	100%	100%	100%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