SUBJECT TO COMPLETION, DATED MAY 23, 2023

Supplement
(To Offering Memorandum dated May 22, 2023)

$765,166,000
CONNECTICUT AVENUE SECURITIES TRUST 2023-R03
Issuer

FANNIE MAE
Trustor and Administrator

CONNECTICUT AVENUE SECURITIES,
Series 2023-R04 Notes Due May 2043

This is a supplement to the Offering Memorandum, dated May 22, 2023, relating to the Connecticut Avenue Securities Trust 2023-R04, Series 2023-R04 Notes due May 2043 (the "**Offering Memorandum**"). Capitalized terms used in this supplement without definition have the meanings given to them in the Offering Memorandum.

I. The first paragraph in the section entitled "*Risk Factors—Risks Relating to the Notes Being Linked to the Reference Obligations—Fannie Mae's Limited Review of a Sample of a Small Percentage of the Reference Obligations May Not Reveal All Aspects That Could Lead to Credit Events and Modification Events*" is hereby deleted in its entirety and replaced by the following:

On an ongoing basis, Fannie Mae performs certain limited post-purchase mortgage loan review procedures with respect to the underwriting and eligibility of the mortgage loans Fannie Mae acquires. Of all mortgage loans that (i) were acquired by Fannie Mae between March 1, 2022 and April 30, 2022, (ii) were held in various Fannie Mae MBS trusts established between March 1, 2022 and October 31, 2022, (iii) had original loan-to-value ratios greater than 60% and less than or equal to 80% and (iv) satisfied the Preliminary Eligibility Criteria at the time of acquisition, Fannie Mae selected 2,458 loans (approximately 2.73% by loan count) for either a random or discretionary post-purchase loan review, including 1,504 mortgage loans included in the Reference Pool. As of April 24, 2023, the Fannie Mae quality control process revealed Loan File or Underwriting Errors and possible Eligibility Defects at a rate of approximately 12.21%. Of the 2,458 mortgage loans, 99 mortgage loans remain subject to Fannie Mae's post-purchase quality control process as of April 24, 2023. Some of these mortgage loans may be determined to have Eligibility Defects. If the 99 mortgage loans were excluded from the number of mortgage loans selected for Fannie Mae's post-purchase quality control review selections, the total percentage of mortgage loans identified with Eligibility Defects would be 12.72%. Accordingly, if the rate of Loan File or Underwriting Errors and possible Eligibility Defects on the entire Initial Cohort Pool were 12.72% and such errors or defects increase the likelihood of a Credit Event or Modification Event, then investors may fail to recover their initial investment in the Notes. See "*The Reference Obligations — Results of Fannie Mae Quality Control*." Fannie Mae's reviews were not conducted specifically in connection with the Reference Pool, but with respect to a sample of all its mortgage loans in the normal course of Fannie Mae's quality control processes. In conducting Fannie Mae's post-purchase quality control reviews, Fannie Mae relied on information and documentation delivered to Fannie Mae by the respective loan sellers and on additional information and resources otherwise available to Fannie Mae. Fannie Mae's review procedures were designed to discover certain significant discrepancies and possible instances of non-compliance with Fannie Mae's underwriting and eligibility guidelines of the sample of the mortgage loans Fannie Mae reviewed. While a subset of loans was selected for complete reviews of certain mortgage loan criteria, Fannie Mae's procedures did not constitute a re-underwriting of the mortgage loans, were not designed or intended to discover every possible defect, and may not be consistent with the type and scope of review that any individual investor would deem appropriate. In addition, to the extent that Fannie Mae's limited review did reveal factors that could affect how the Reference Obligations may perform, Fannie Mae may have incorrectly assessed the potential significance of the defects that Fannie Mae identified or that Fannie Mae failed to identify. There can be no assurance that any review process Fannie Mae conducted would have uncovered relevant facts that could be indicative of how any reviewed Reference Obligations will perform. Investors should note that Fannie Mae undertook this limited loan file review with respect to only a small sample of the Reference Obligations and did not undertake any loan file review for the remaining Reference Obligations. The selection of the mortgage loans that Fannie Mae reviewed was made by Fannie Mae and not by any independent third party.

II. The tables (together with the sentence immediately preceding each such table) in the section entitled "*The Reference Obligations*" are hereby deleted in their entirety and replaced by the following:

The first table below summarizes the loan count, original unpaid principal balance and key attributes of the mortgage loans included in the Initial Cohort Pool.

Category	Loan Count	Aggregate Original Loan Balance	Average Original Loan Balance	Weighted Average Credit Score	Weighted Average LTV Ratio	Weighted Average DTI
Initial Cohort Pool (>60% and <=80%)	72,860	$23,314,417,000	$319,989	742	74.75%	36.97%
less loans that did not satisfy the delinquency criteria set forth in clause (d) of the definition of Eligibility Criteria, less loans that paid in full, less quality control removals	5,876	$1,910,353,000				
Reference Pool	66,984	$21,404,064,000	$319,540	744*	74.77%	36.90%

** The weighted average Credit Score does not take into account any Reference Obligation for which such data was unavailable.*

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(1)										Total
	Current	30	60	90	120	150	180	>180	Paid in Full	QC Removal	
Current	308(2)	0	0	0	0	0	0	0	241	26	**575**
30	4,150	439	0	0	0	0	0	0	27	2	**4,618**
60	269	55	78	0	0	0	0	0	2	1	**405**
90	67	7	10	31	0	0	0	0	1	0	**116**
120	27	4	0	0	26	0	0	0	2	0	**59**
150	15	3	1	2	1	20	0	0	0	0	**42**
180	12	0	0	1	0	0	11	0	0	0	**24**
>180	4	1	0	1	0	0	0	30	0	1	**37**
Total	**4,852**	**509**	**89**	**35**	**27**	**20**	**11**	**30**	**273**	**30**	**5,876**

(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 April 24, 2023 and therefore are excluded from eligibility.

III. The section entitled "*The Reference Obligations—Results of Fannie Mae QC Loan Reviews*" is hereby deleted in its entirety and replaced by the following:

Results of Fannie Mae QC Loan Reviews

Fannie Mae's loan level post-purchase QC reviews are designed to allow Fannie Mae to evaluate independently whether loans it has acquired meet its underwriting and eligibility requirements, based on Fannie Mae's determinations regarding the borrowers' credit and income and the value of the properties collateralizing the loans. These reviews are based on a combination of the documents and information submitted to Fannie Mae by the loan sellers together with information regarding the borrowers and the properties that Fannie Mae develops itself. In some instances, it is possible for an individual loan to be selected for both a random and a discretionary review. See "*Loan Acquisition Practices and Servicing Standards — Quality Control*."

The following summary is based on the most current information available as of April 24, 2023.

All Eligible Loans Acquired from March 1, 2022 through April 30, 2022	Number of Loans	% of Eligible Loans
Total Loans	90,066	
Post-Purchase Quality Control Review Selections	2,458	2.73%

Post-Purchase Quality Control Review Selections	Number of Loans	% of Reviewed Loans
Randomly Selected Loans	1,068	43.45%
Discretionary Selected Loans	1,390	56.55%
Total(1)	2,458	100.00%

Loans Identified with Eligibility Defects	Number of Loans	% of Reviewed Loans
Randomly Selected Loans	20	1.87%(2)
Discretionary Selected Loans	280	20.14%(2)
Total	300	12.21%(2)

(1) The QC loan reviews of 99 of the selected loans remain subject to the random or discretionary post-purchase review process as of April 24, 2023; some of these loans may be determined to have Eligibility Defects.

(2) If the 99 loans were excluded from the Number of Loans selected for Fannie Mae's Post-Purchase Quality Control Review selections, the percentage of randomly selected loans with Eligibility Defects would be 1.87%, the percentage of Discretionary Selected Loans Identified with Eligibility Defects would be 21.69% and the total percentage of Loans Identified with Eligibility Defects would be 12.72%.

In Fannie Mae's post-purchase QC reviews of mortgage loans acquired from March 1, 2022 through April 30, 2022 and held in various Fannie Mae MBS trusts established between March 1, 2022 and October 31, 2022, Fannie Mae has selected 2,458 mortgage loans to be reviewed out of all mortgage loans that met the Eligibility Criteria at acquisition; these loans comprise approximately a 2.73% sample by loan count. Fannie Mae's post-purchase QC loan reviews were designed to evaluate the borrowers' credit, the property valuations and the eligibility of the loans Fannie Mae acquired and the validity of the delivery data received from the loan seller. In addition, Fannie Mae conducts reviews on a subset of loans to evaluate whether the loans comply with certain laws and regulations that limit points and fees and that may result in assignee liability. Of the 2,458 loans that were selected to receive either a random or discretionary post-purchase review, 1,743 were selected to receive a full file credit and property review and the remaining 715 were determined to require a data, property or credit review. In addition, 182 of the 2,458 loans were subject to Limited Compliance Reviews. Of the 2,458 loans Fannie Mae has selected to review, 1,068 were selected randomly and 1,390 were selected using targeted, discretionary sampling employing a number of technology tools and internal models to more accurately identify loans with characteristics that merit further scrutiny in discretionary reviews, as well as other targeted review criteria. Of these 2,458 loans, 1,504 are included in the Reference Pool. Fannie Mae's post-purchase QC loan reviews are designed to validate that the loans Fannie Mae acquires meet its underwriting and eligibility guidelines. If Fannie Mae determines in its reviews that a loan has an eligibility defect, Fannie Mae requires that the loan seller repurchase the loan. Fannie Mae provides a limited opportunity for responsible parties to deliver additional information or documents to Fannie Mae to rebut its repurchase request, and responsible parties frequently are able to provide sufficient additional information for Fannie Mae to determine that the loans do not have Eligibility Defects. As of April 24, 2023, 20 of the randomly selected loans (approximately 1.87% of the randomly selected reviewed loans) and 280 of the loans selected on a discretionary basis (approximately 20.14% of the discretionally selected reviewed loans) were identified by Fannie Mae as having Eligibility Defects. Of the 2,458 loans Fannie Mae selected for review, 99 mortgage loans remain subject to Fannie Mae's post-purchase QC process as of April 24, 2023. If the 99 mortgage loans were excluded, the percentage of randomly selected loans with Eligibility Defects would be 1.87%, the percentage of Discretionary Selected Loans Identified with Eligibility Defects would be 21.69% and the total percentage of Loans Identified with Eligibility Defects would be 12.72%. Fannie Mae may select additional loans for QC review in the future and may make additional repurchase requests or require other alternatives to repurchase in the future for any additional loans that Fannie Mae determines to have Eligibility Defects as a result of Fannie Mae's QC reviews.

Investors should make their own determination about the appropriateness and suitability of, as well as the extent to which they should rely upon, the sampling methodology and review the results described above. See "*Risk Factors — Risks Relating to the Notes Being Linked to the Reference Obligations — Fannie Mae's Limited Review of a Sample of a Small Percentage of the Reference Obligations May Not Reveal All Aspects That Could*

Lead to Credit Events and Modification Events" for additional information regarding the limitations of Fannie Mae's reviews.

Borrower Credit and Property Valuation Findings

The following tables describe the 573 Eligibility Defects regarding credit, property valuations or eligibility for sale to Fannie Mae identified through its post purchase borrower credit and property valuation reviews relative to the above identified 300 loans that Fannie Mae acquired from March 1, 2022 through April 30, 2022 that met the Eligibility Criteria at acquisition and that were repurchased by the respective loan sellers, were subject to open repurchase requests as of April 24, 2023 or were repaid in full after Fannie Mae's repurchase request was issued (none of which were included in the Reference Pool). The first table groups the findings by broad category of the nature of the Eligibility Defects, and the second table provides more detail regarding the specific reason for the Eligibility Defects:

Credit and Property Review Findings:	**Eligible Loans:**	
Nature of Eligibility Defect	Number of Findings	Percentage of the Findings
Appraisal	257	44.85%
Liabilities	141	24.61%
Income/Employment	107	18.67%
Borrower and Mortgage Eligibility	29	5.06%
Credit	12	2.09%
Assets	11	1.92%
Property Eligibility	9	1.57%
Legal/Regulatory/Compliance	2	0.35%
Project Eligibility	2	0.35%
MBS Pool	1	0.17%
Recourse	1	0.17%
Title/Lien	1	0.17%
Total Findings	**573**	**100.00%***

* Total may not sum to 100.00% due to rounding.

Credit and Property Review Findings:	**Eligible Loans:**	
Nature of Eligibility Defect	Number of Findings	Percentage of the Findings
Comparable Selection	128	22.34%
Liabilities Calculation/Analysis	126	21.99%
Appraisal Adjustments	62	10.82%
Appraisal Data Integrity	43	7.50%
Income/Employment Eligibility	43	7.50%
Income/Employment Calculation/Analysis	41	7.16%
Occupancy	25	4.36%
Income/Employment Documentation	23	4.01%
Appraisal Reconciliation	16	2.79%
Liabilities Documentation	15	2.62%
Asset Documentation	6	1.05%
Credit Documentation	6	1.05%
Credit Eligibility	6	1.05%
General Appraisal Requirements	5	0.87%
Asset Calculation/Analysis	4	0.70%
Subject and Improvements	4	0.70%
Zoning and Usage	4	0.70%
Appraisal Documentation	3	0.52%
Anti-Predatory Lending Violation	2	0.35%
Project Eligibility	2	0.35%
Subordinate Financing	2	0.35%
Asset Eligibility	1	0.17%
Borrower Requirements Not Met	1	0.17%
General Eligibility	1	0.17%
MBS Pool	1	0.17%
Recourse	1	0.17%
Site and Utilities	1	0.17%
Title/Lien - Selling Violation	1	0.17%
Total Findings	**573**	**100.00%***

* Total may not sum to 100.00% due to rounding.

Limited Compliance Review Findings

Fannie Mae performs Limited Compliance Reviews in order to validate the eligibility of the loans to be acquired. However, these loan reviews do not include examination of all of the documents that would be required to be reviewed to ensure that the loans comply with all applicable federal, state and local laws and regulations. Of the eligible loans acquired from March 1, 2022 through April 30, 2022 and selected for borrower credit and property valuation reviews, 182 were also subject to a Limited Compliance Review (135 of which are included in the Reference Pool). Of the mortgage loans subject to a Limited Compliance Review, two were determined to be ineligible to be sold to Fannie Mae based on the results of such Limited Compliance Review.

The Selling Guide requires each loan seller to comply with all federal, state and local laws and regulations and to implement a QC program designed to validate that the loan seller's loans do comply with all applicable laws and regulations. Fannie Mae periodically evaluates the effectiveness of a loan seller's QC programs as more fully described under "*Loan Acquisition Practices and Servicing Standards — Quality Control — Loan Seller Quality Control Requirements*." The Selling Guide also requires loan sellers to represent and warrant to Fannie Mae that loans Fannie Mae acquires were originated in compliance with all applicable laws and regulations.

The Connecticut Avenue Securities, Series 2023-R04 Notes are complex financial instruments and may not be suitable investments for you. You should consider carefully the risk factors described beginning on page 41 of this Offering Memorandum, on page 33 of Fannie Mae's Annual Report on Form 10-K for the year ended December 31, 2022 and on page 111 of Fannie Mae's Quarterly Report on Form 10-Q for the period ended March 31, 2023. You should not purchase Notes unless you understand and are able to bear these and any other applicable risks. You should purchase Notes only if you understand the information contained in this Offering Memorandum and the documents incorporated by reference in this Offering Memorandum.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES OR BLUE SKY LAWS OF ANY STATE. ACCORDINGLY, THE NOTES ARE BEING OFFERED AND SOLD ONLY (A) IN THE UNITED STATES TO "QUALIFIED INSTITUTIONAL BUYERS" WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT AND (B) IN OFFSHORE TRANSACTIONS TO PERSONS WHO ARE NOT "U.S. PERSONS" IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT. THE NOTES ARE NOT TRANSFERABLE EXCEPT TO QUALIFIED INSTITUTIONAL BUYERS OR CERTAIN OTHER ENTITIES, EACH IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED IN "*DISTRIBUTION ARRANGEMENTS — SELLING RESTRICTIONS*" ON PAGE 242 OF THIS OFFERING MEMORANDUM.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the notes or determined that this Offering Memorandum is accurate or complete. Any representation to the contrary is a criminal offense.

Prospective investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

The Notes are obligations (or interests in obligations) of the Issuer only. The RCR Notes represent interests in the related Exchangeable Notes. The Notes, including any interest or return of discount on the Notes, are not guaranteed by, and are not debts or obligations of, Fannie Mae or of the United States or any agency or instrumentality of the United States.

This Offering Memorandum may only be used for the purposes for which it has been published.

The Index of Definitions beginning on page 246 of this Offering Memorandum shows where definitions of certain defined terms appear in this Offering Memorandum.

The Notes are expected to be made eligible for trading in book-entry form through the Same-Day Funds Settlement System of The Depository Trust Company ("**DTC**"), which may include delivery through Clearstream Banking, société anonyme and the Euroclear System, against payment therefor in immediately available funds.

BofA Securities
Lead Manager and Joint Bookrunner

StoneX Financial Inc.
Co-Lead Manager and Joint Bookrunner

Citigroup
Co-Manager

Morgan Stanley
Co-Manager

Santander
Co-Manager

Wells Fargo Securities
Co-Manager

Siebert Williams Shank & Co., LLC
Selling Group Member

Drexel Hamilton, LLC
Selling Group Member

May __, 2023