

## Fannie Mae Mega<sup>®</sup> and Fannie Majors<sup>®</sup> Update

Mortgage market participants seeking mortgage-backed securities (MBS) with potentially more diverse characteristics often look to Fannie Mae Megas which allow investors to accumulate and aggregate pools of similar, existing mortgage-backed securities to form a larger, single security with its own pool number and CUSIP. Another type of identifiable Fannie Mae mortgage security that may offer investors the benefits of a more diversified pool of loans is a Fannie Majors mortgage-backed security. This edition of MBSenger provides investors with an update on our Fannie Mae Megas and Fannie Majors pool issuance programs and reviews how investors can obtain key information regarding these securities.

### Fannie Mae Mega<sup>®</sup> Update

#### Description of Fannie Mae Megas

Fannie Mae Megas (Megas) are MBS pools in which the underlying collateral is comprised of groups of existing Fannie Mae MBS or other Fannie Mae-backed Megas with similar features. Fannie Mae can create Megas from either fixed-rate or adjustable rate (ARM) MBS. The cash flows from the underlying, previously issued Fannie Mae MBS provide the cash flows for the Mega pool. The securities that back a Mega pool may be single-family or multifamily Fannie Mae MBS<sup>1</sup> or other Fannie Mae Mega pools<sup>2</sup>.

The chief requirements for pooling underlying mortgage pools for a fixed-rate Mega are that the pools must all have the same prefix and the same coupon. For example, only 30-year fixed-rate CL prefix MBS with a 6.0% coupon can be used as the underlying collateral for a 30-year fixed-rate CL prefix Fannie Mae Mega pool with a coupon of 6.0%. For ARM Megas, the underlying ARM MBS pools must have both the same prefix and same subtype, but the coupons on the underlying pools may differ. For example, to create a 5/1 ARM Mega, the underlying mortgage securities might all have prefix LB and subtype P92, designating an ARM with a one year LIBOR index, an initial fixed period of 43 to 66 months, annual payment and rate adjustments, with a plus or minus 5% cap on the first rate adjustment and a plus or minus 2% cap on rate adjustments thereafter. Megas are most commonly created from more seasoned, paid-down pools; from newly issued pools purchased in the TBA market; or from a combination of both new and seasoned pools.

For a list of Fannie Mae pool prefixes and their definitions, see the Pool Prefix Glossary on our web site at:

<https://capmkt.fanniemae.com/resources/file/mbs/pdf/pool-prefix-glossary.pdf>

For a list of ARM subtypes and what they mean, see ARM MBS Subtypes at:

<https://capmkt.fanniemae.com/portal/jsp/mbs/data/mbs/armsubtypes.html>

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<sup>1</sup> Single-family MBS certificates are backed by residential mortgage loans secured by single-family one-to-four-unit dwellings. Multifamily MBS certificates are backed by residential mortgage loans secured by multifamily properties that contain at least five residential units.

<sup>2</sup> Prior to January 1, 2006, Fannie Mae also issued Megas backed by Ginnie Mae securities.



## Investor Benefits of Megas

Many investors value the operational efficiency that may be afforded by consolidating smaller pools into a larger Mega pool where they can administer and track valuation information on a single security. Receiving one monthly principal and interest payment from a Mega pool, rather than multiple payments from a number of smaller pools, can simplify back office operations. Large sized pools can also result in enhanced liquidity. It can sometimes be more efficient to buy or sell a large size pool in the market than complete the same transaction with many smaller sized pools. In addition, the consolidation of smaller pools facilitated by Fannie Megas results in a potentially greater chance for enhanced geographical diversity and the potential for more predictable prepayment patterns.

## Purchase and Creation of Mega Pools

Investors can purchase Mega pools in several ways. Most often, an investor communicates the characteristics of a Mega pool that they would like to purchase to a dealer. The dealer subsequently accumulates the necessary smaller sized pools and delivers them to Fannie Mae. The resulting Mega pool is delivered back to the dealer and then sold to the investor. Investors who have established relationships with Fannie Mae’s Capital Markets Sales Desk can create a Mega pool by interacting directly with Fannie Mae. In this process, the investor delivers the smaller sized pools to Fannie Mae and receives a Mega pool security in return. After pricing a Mega transaction, settlement can occur in as little as two days, but is often longer, depending on the dealer’s or investor’s needs. At settlement, the dealer or investor provides Fannie Mae with the smaller sized pools to be used as collateral in the morning and receives the Mega pool later that same day. Fannie Mae charges a nominal fee for creating the Mega pool with the dealer or the investor. To obtain information about Fannie Mae Mega transaction fees, dealers and investors can contact Fannie Mae’s Structured Transactions Group by telephone at 202.752.7875. More information can be in Fannie Mae’s Basics of Structured Transactions: <https://capmkt.fanniemae.com/resources/file/mbs/pdf/basics-structured-transactions.pdf>

## Information Available about Megas

Investors can identify Megas by their designated pool series numbers. **Table 1** lists previously issued Mega Pool series numbers and current issue Mega pool series numbers. Investors can obtain detailed information about a Mega security from PoolTalk®. PoolTalk is Fannie Mae’s easy-to-use Web-based tool that allows users to retrieve pool level information for Fannie Mae MBS. Investors can access Pool Talk from [www.fanniemae.com](http://www.fanniemae.com), by clicking “Mortgage-Backed Securities” then “Search Tools and Resources” then “Pool Talk.”

Disclosure and related governing legal documents for our mortgage-backed securities, including Megas can be found here: <https://capmkt.fanniemae.com/portal/funding-the-market/mbs/mbsdisclosure.html>

**Table 1: Pool Number Blocks for Fannie Mae Megas**

Previously Issued Majors Pool Series Numbers	
070000-070999	323000-323999
124000-124999	535000-535999
190000-190999	545000-545999
303000-303999	555000-555999
310000-310010	725000-725999
313000-313999*	735000-735999
Current and Upcoming Issue Mega Pool Series Numbers	
745000-745999	888000-889999

\* Note: Pool 313314 is not a Mega Pool.



## Mega Sizes

Fannie Mae Mega pool sizes can vary from less than \$100 million to over \$5 billion.

**Table 2** shows the number of Mega pools issued by size per month from August 2005 through July 2006. Over this period of time, Fannie Mae issued 673 Mega pools with sizes less than \$100 million; 229 Mega pools between \$100 million and \$500 million in size; 38 Mega pools between \$501 million and \$1 billion; 22 mega pools, between \$1.001 billion and \$5 billion; and three Mega pools greater than \$5 billion. The largest Mega Fannie Mae has issued to date in 2006 is \$15 billion. There is no limit on the maximum size for a Fannie Mae Mega and we will issue Mega certificates in minimum denominations of \$1,000 with additional increments of \$1.

Many investors value the operational efficiency that may be afforded by consolidating smaller pools into a larger Mega pool where they can administer and track valuation information on a single security.

**Table 2: Fannie Mae Mega Pool Issuance By Size of Pool August 2005 through July 2006**

Month	Total Issuance	Total Number of Mega Pools	<\$100 million	\$100 million to \$500 million	\$501 million to \$1 billion	\$1.001 billion to \$5 billion	>\$5 billion
Aug-05	\$6,233,463,238	43	28	12	1	2	0
Sep-05	\$22,276,109,265	107	73	30	0	3	1
Oct-05	\$13,444,904,196	92	70	15	5	2	0
Nov-05	\$9,064,719,287	65	43	16	6	0	0
Dec-05	\$13,915,492,455	108	76	26	5	1	0
Jan-06	\$27,125,123,693	66	38	23	3	1	1
Feb-06	\$23,168,196,640	93	63	21	4	5	0
Mar-06	\$23,854,653,667	87	69	13	2	2	1
Apr-06	\$12,026,487,247	56	35	18	1	2	0
May-06	\$12,630,449,329	76	49	21	4	2	0
Jun-06	\$8,952,612,318	96	80	15	0	1	0
Jul-06	\$14,518,657,543	76	49	19	7	1	0
<b>Total</b>	<b>\$187,210,868,878</b>	<b>965</b>	<b>673</b>	<b>229</b>	<b>38</b>	<b>22</b>	<b>3</b>

## Mega Volume

From August 2005 through July 2006, Fannie Mae issued \$187 billion in Fannie Mae Megas. Of this amount, 30-year fixed-rate collateral was most frequently used for creating Megas amounting to \$130 billion. Another \$32 billion in Fannie Mae Megas were created using other types of fixed-rate MBS collateral, including \$228 million in fixed-rate, interest-only MBS collateral with prefixes NP or NQ. Fannie Mae has also been moderately active in creating Megas backed by ARM MBS collateral with \$25 billion in ARM Mega issuance over this period of time. **Table 3** provides details of monthly Fannie Mae Mega issuance from August 2005 to July 2006. These figures do not include Fannie Mae's issuance of multiple-lender Majors pools.



**Table 3: Fannie Mae Mega Issuance August 2005 through July 2006**

(\$ billions)	Aug 05	Sep 05	Oct 05	Nov 05	Dec 05	Jan 06	Feb 06	Mar 06	Apr 06	May 06	Jun 06	Jul 06	Total
<b>30-year Fixed-Rate by Coupon</b>													
4.5	0.00	0.00	0.92	0.03	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.07	1.52
5.0	0.30	9.57	0.25	0.09	2.47	15.01	10.03	0.00	6.00	2.20	0.24	1.62	47.78
5.5	1.83	3.31	5.50	3.14	0.30	4.13	2.60	18.75	1.48	2.91	0.13	2.48	46.56
6.0	0.24	3.64	0.41	0.79	0.87	2.37	2.62	1.60	0.85	4.21	1.35	3.35	22.30
6.5	0.22	0.17	0.10	0.91	0.22	0.17	0.36	0.07	0.59	0.77	3.84	3.26	10.68
Other	0.00	0.05	0.01	0.18	0.01	0.13	0.33	0.11	0.03	0.03	0.06	0.53	1.47
<b>30-year Fixed-Rate Total</b>	<b>2.59</b>	<b>16.74</b>	<b>7.19</b>	<b>5.14</b>	<b>4.37</b>	<b>21.81</b>	<b>15.94</b>	<b>20.53</b>	<b>8.95</b>	<b>10.12</b>	<b>5.62</b>	<b>11.31</b>	<b>130.31</b>
<b>Other Fixed-Rate Total</b>	<b>1.64</b>	<b>2.64</b>	<b>2.13</b>	<b>1.98</b>	<b>5.48</b>	<b>3.96</b>	<b>6.04</b>	<b>1.58</b>	<b>2.43</b>	<b>1.49</b>	<b>0.30</b>	<b>1.98</b>	<b>31.65</b>
<b>Fixed-Rate Total</b>	<b>4.23</b>	<b>19.38</b>	<b>9.32</b>	<b>7.12</b>	<b>9.85</b>	<b>25.77</b>	<b>21.98</b>	<b>22.11</b>	<b>11.38</b>	<b>11.61</b>	<b>5.92</b>	<b>13.29</b>	<b>161.96</b>
<b>ARMs Total</b>	<b>2.00</b>	<b>2.90</b>	<b>4.12</b>	<b>1.94</b>	<b>4.07</b>	<b>1.36</b>	<b>1.19</b>	<b>1.75</b>	<b>0.65</b>	<b>1.02</b>	<b>3.03</b>	<b>1.23</b>	<b>25.26</b>
<b>Total</b>	<b>6.23</b>	<b>22.28</b>	<b>13.44</b>	<b>9.06</b>	<b>13.92</b>	<b>27.13</b>	<b>23.17</b>	<b>23.86</b>	<b>12.03</b>	<b>12.63</b>	<b>8.95</b>	<b>14.52</b>	<b>187.22</b>

### Description of Mega Certificates

Each Mega certificate represents a fractional undivided ownership interest in the principal and interest distributions from the MBS certificates underlying the Mega certificates. Fannie Mae issues Mega certificates in book-entry form on the book-entry system of the U.S. Federal Reserve Banks, unless we specify a different system in any related prospectus supplement. Fannie Mae Megas have no clean-up call option.

## Fannie Majors® Update

### Description of Fannie Majors

Another popular identifiable type of Fannie Mae mortgage-backed security which facilitates diversified pool characteristics is Fannie Majors. Fannie Majors are mortgage-backed securities backed by potentially more varied loans which are generally contributed by multiple lenders and available for groups of amortizing fixed-rate (10-, 15-, 20-, 30-, and 40-year) mortgages, 7-year balloons, certain adjustable-rate mortgages and interest-only mortgages. Each Majors pool is comprised of a single mortgage type and includes loans originated within 12 months of the issue date. Since January 2005, the average size of issuance for Fannie Mae Majors has been approximately \$50 million. One issue exceeded \$1 billion.

### Investors Benefits

Investors purchase Fannie Majors through the same process they purchase any Fannie Mae MBS, either in the TBA market or in the specified market. Because lenders from all over the United States can participate each month in creating a single Fannie Majors issue, these securities are potentially advantageous for investors seeking this type of diversity from an MBS. As such, the pools generated by the Fannie Majors program may provide investors with the potential for more predictable prepayment patterns.

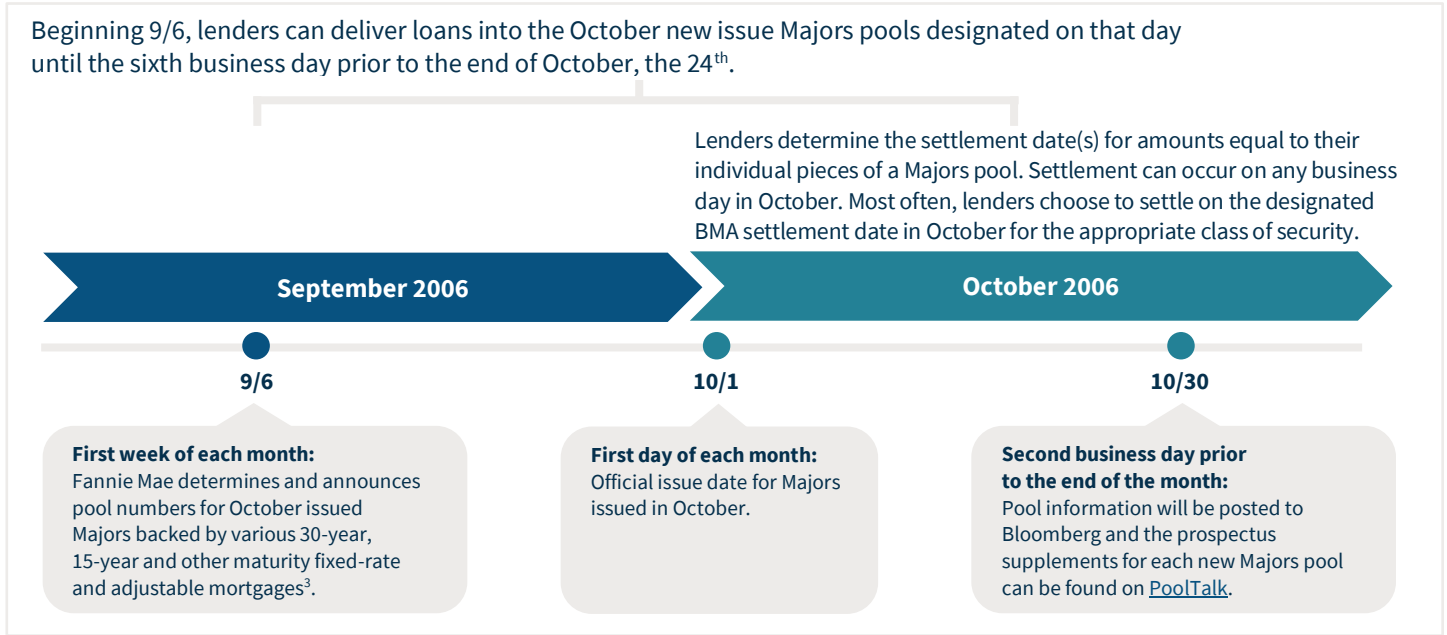
### Creation of Fannie Majors

In addition to the investor benefits mentioned above, mortgage lenders derive value by securitizing loans through Fannie Majors pools. Fannie Majors allow mortgage lenders to receive the liquidity benefits afforded by MBS execution even if they do not have the volume of a specific loan type in a specific month necessary to meet the minimum pool size requirements for a Fannie Mae single-issuer MBS.



During the first week of each month, Fannie Mae determines the pool numbers for the following month’s Fannie Majors pools for current production coupon 30-year, 15-year, 20-year and 10-year fixed-rate mortgages<sup>3</sup>.

**Figure 1: Timeline for Fannie Majors Issued in October 2006**



In addition, Fannie Mae often simultaneously creates other pool numbers for Fannie Majors backed by loans with other terms and characteristics based on lender requests, for example, pools backed by 7-year balloons or 40-year fixed rate and adjustable-rate mortgages. Issuance of Fannie Majors collateralized by fixed-rate, interest only mortgages has expanded over the past year, as well.

**Figure 1** provides a timeline for the creation of Fannie Majors pools which will be issued in October 2006. For Majors pools that will be issued in October 2006, the pool numbers were designated on September 6, 2006. Beginning on September 6, 2006, lenders were able to deliver loans into the Majors pools designated on that day and can continue to do so until the sixth business day prior to the end of October, the 24<sup>th</sup>. Lenders determine the settlement date(s) for amounts equal to their individual pieces of a Majors pool. Settlement can occur on any business day in October. Most often, lenders choose to settle on the designated BMA settlement date in October for the appropriate class of security. Approximately two days before the last business day of October, the 30<sup>th</sup>, Majors pool information will be posted on Bloomberg and the prospectus supplements for each resulting Majors pool will be published on [fanniemae.com](#). The official issue date for all Fannie Majors issued in October will be October 1.

Fannie Majors are mortgage-backed securities backed by potentially more varied loans which are generally contributed by multiple lenders and available for groups of amortizing fixed-rate (10-, 15-, 20-, 30-, and 40-year) mortgages, 7-year balloons, certain adjustable-rate mortgages and interest-only mortgages.

### Aggregate Information about Open Fannie Majors Pools

Investors can obtain aggregate securities balances and other details on currently open Major pools on [www.fanniemae.com](#) by clicking on “Mortgage-Backed Securities” then “Monthly Reporting Data” then “MBS” then “Fannie Majors.” After clicking the desired product type from this page, aggregate open pools are displayed by pool number and CUSIP, along with daily updated aggregate balances. **Table 4** shows the data as displayed on [www.fanniemae.com](#) for 30-year fixed-rate Majors as of September 21, 2006.

<sup>3</sup> At the request of lenders, Fannie Mae may also determine pool numbers for Fannie Majors two months in advance or intra month.



**Table 4: Aggregate Information on 30-year Fixed Rate Majors**

	Aug. Pool	Aug. CUSIP	Daily Aggregate Balance	Sept. Pool	Sept. CUSIP	Daily Aggregate Balance	Oct. Pool	Oct. CUSIP	Daily Aggregate Balance
4.0%									
4.5%									
5.0%	256414	31371MYK7	8,880,093.00	256454	31371MZT7	6,841,149.00			
5.5%	256403	31371MX85	55,842,331.00	256457	31371MZW0	62,486,722.00	256485	31371M2S5	0.00
6.0%	256393	31371MXW2	738,412,030.00	256436	31371MY92	723,940,672.00	256476	31371M2H9	0.00
6.5%	256394	31371MX0	623,577,827.00	256437	3137MZA8	356,059,558.00	256477	31371M2J5	0.00
7.0%	256404	31371MX93	195,959,242.00	256438	31371MZB6	143,053,321.00	256484	31371M2R7	0.00
7.5%	256415	31371MYL5	12,116,449.00	256468	31371MZ91	11,335,177.00			
8.0%	256416	31371MYM3	33,830,752.00	256465	31371MZ67	14,112,460.00			

**For more information, call Fannie Mae’s Capital Market’s Sales Desk at 1-800-752-0257**

The aggregate balance of a Majors pool disclosed in the Daily Aggregate Balance column represents the aggregate balance of all outstanding Fannie Mae mortgage-backed securities for a Majors pool from the issue date through the close of business on the most recent business day. Because some of the related mortgage-backed securities may not yet be issued and outstanding, the aggregate securities balance for a Majors pool may be less than the aggregate balance of the mortgage loans in the related loan pool.

[Fannie Mae Fixed-Rate 30-yr Majors] Last Pool Added 09/07/06

### Pool Level Information about Fannie Majors

Investors can find the CUSIPs for specific Fannie Majors and obtain geographic distribution and other data for Fannie Majors on our Web site via PoolTalk, which provides pool level information for Majors, as it does for Fannie Megas and other mortgage-backed securities. The current issue Majors Pool series numbers and previously issued Majors pools series numbers are shown on **Table 5**. In addition to geographic distribution data, PoolTalk provides detailed pool level information about loan size, coupon, loan to value (LTV), credit score, loan term, loan age, months remaining to maturity, origination year, servicer(s), sellers(s), loan purpose, property type, occupancy type and other information.

**Table 5: Pool Number Blocks for Fannie Mae Majors**

<b>Previously Issued Majors Pool Series Numbers</b>	
050000-050999	150000-150999
062050-062150	250000-259999
<b>Current Majors Pool Series Numbers</b>	
250000-259999	

An example of a Fannie Majors pool with broad geographic diversification comprised of 30-year, fixed-rate loans originated mostly in 2006 is pool number 256233 or CUSIP 31371MSW8 with a 6.0% coupon. **Table 6** shows the geographic distribution and other pool level data available for this security as displayed on PoolTalk. This Fannie Majors pool is backed by loans from 49 states plus the District of Columbia. Three hundred eighty-two loans representing 8.46 percent of the total security balance are from the state of Florida making up the largest portion of the mortgage loans backing this security. Loans from California, Maryland and Washington also constitute at least five percent each of the total security balance. The loans from these four states combined account for only 27 percent of the total security balance, with the remaining 73 percent coming from a combination of the other 45 states and the District of Columbia.

The Prospectus and prospectus supplement can be found on [PoolTalk](#).



**Table 6: Pool Talk Display: Majors Pool 256233**

Loan Size		Coupon		LTV		Credit Score	
MAX	\$504,000.00	MAX	7.5000	MAX	100.000	MAX	823
75%	\$292,000.00	75%	6.5000	75%	80.000	75%	762
MED	\$216,000.00	MED	6.3750	MED	80.000	MED	720
25%	\$157,920.00	25%	6.2500	25%	70.000	25%	675
MIN	\$15,000.00	MIN	6.2500	MIN	10.000	MIN	499

Loan Term		Loan Age		Months Remaining to Maturity	
MAX	360	MAX	10	MAX	361
75%	360	75%	0	75%	360
MED	360	MED	0	MED	360
25%	360	25%	0	25%	360
MIN	300	MIN	-1	MIN	299

Origination Year			
Year	Loan Count	% of the Total Security Balance	Aggregate UPB
2005	44	0.97	\$8,696,332.93
2006	4099	99.03	\$884,150,447.15

Geographic Distribution							
State	Loan Count for each State	% of the Total Security Balance	Aggregate UPB	State	Loan Count for each State	% of the Total Security Balance	Aggregate UPB
ALABAMA	127	2.08	\$18,578,125.10	MISSOURI	104	1.83	\$16,378,523.34
ALASKA	1	0.02	\$198,524.69	MONTANA	12	0.27	\$2,402,694.38
ARIZONA	186	4.44	\$39,675,933.70	NEBRASKA	52	0.94	\$9,374,066.78
ARKANSAS	16	0.23	\$2,078,629.41	NEVADA	62	1.75	\$15,667,426.17
CALIFORNIA	229	6.82	\$60,905,144.00	NEW HAMPSHIRE	35	0.73	\$6,556,718.82
COLORADO	65	1.45	\$12,957,565.27	NEW JERSEY	130	3.39	\$30,275,786.34
CONNECTICUT	17	0.45	\$3,974,908.98	NEW MEXICO	46	0.82	\$7,276,798.57
DELAWARE	29	0.74	\$6,595,851.24	NEW YORK	100	2.14	\$19,100,530.97
DISTRICT OF COLUMBIA	15	0.44	\$3,932,230.85	NORTH CAROLINA	111	1.91	\$17,084,501.87
FLORIDA	382	8.46	\$78,516,939.05	NORTH DAKOTA	1	0.01	\$76,000.00
GEORGIA	238	4.43	\$39,541,902.84	OHIO	76	1.42	\$12,677,781.10
HAWAII	17	0.68	\$6,092,975.25	OKLAHOMA	70	1.13	\$10,115,535.31
IDAHO	136	2.40	\$21,442,019.36	OREGON	114	2.74	\$24,460,843.36
ILLINOIS	168	3.72	\$33,187,588.32	PENNSYLVANIA	162	3.12	\$27,626,081.43
INDIANA	169	2.76	\$24,639,967.74	RHODE ISLAND	33	0.78	\$7,001,889.59
IOWA	26	0.32	\$2,816,718.58	SOUTH CAROLINA	49	0.86	\$7,705,087.85
KANSAS	51	0.73	\$6,543,148.94	TENNESSEE	241	4.14	\$36,969,751.71
KENTUCKY	23	0.41	\$3,627,783.02	TEXAS	158	3.14	\$28,063,131.12
LOUISIANA	55	0.79	\$7,075,221.16	UTAH	61	1.19	\$10,629,194.85
MAINE	53	1.01	\$9,039,018.00	VERMONT	5	0.11	\$1,024,567.18
MARYLAND	198	5.04	\$45,024,025.31	VIRGINIA	110	2.80	\$25,034,458.91
MASSACHUSETTS	113	3.26	\$29,134,020.42	WASHINGTON	267	6.44	\$67,518,434.54
MICHIGAN	161	3.12	\$27,898,760.50	WEST VIRGINIA	10	0.13	\$1,166,616.81
MINNESOTA	31	0.69	\$6,147,725.41	WISCONSIN	43	0.86	\$7,652,450.08
MISSISSIPPI	182	2.70	\$24,068,636.86	WYOMING	5	0.12	\$1,094,556.00

Servicer			
Servicer Name	# of Loans	% of UPB	Aggregate UPB
FIRST TENNESSEE MORTGAGE SERVICES	2473	53.82	\$480,496,131.66
REMAINING	1054	20.99	\$187,466,821.75
JP MORGAN CHASE BANK, NA	742	14.25	\$127,198,198.09
ABN AMRO MORTGAGE GROUP, INC.	265	5.80	\$51,766,020.11
AMERICAN HOME MORTGAGE CORPORATION	209	5.14	\$45,918,606.47

Seller	
Name	
MULTIPLE	

Loan Purpose			
Type	# of Loans	% of UPB	Aggregate UPB
PURCHASE	2857	57.76	\$515,726,245.30
REFINANCE	1886	42.24	\$377,120,534.78

Property Type			
# of Units	# of Loans	% of UPB	Aggregate UPB
1	4657	97.60	\$871,438,796.01
2 - 4	86	2.40	\$21,407,984.07

Occupancy Type			
Type	# of Loans	% of UPB	Aggregate UPB
PRINCIPAL RESIDENCE	4235	90.15	\$804,931,902.98
SECOND HOME	238	5.25	\$46,879,921.31
INVESTOR	270	4.60	\$41,034,955.79

Interest Only Distribution Information			
Months Remaining to Scheduled Amortization	# of Loans	% of UPB	Comment
No Interest Only Information Found			

Non-Standard Loan Type			
Loan Type	# of Loans	% of UPB	Aggregate UPB
No Non-Standard Loan Distribution Information Found			

First Scheduled Amortization			
Type	# of Loans	% of UPB	Aggregate UPB
No First Scheduled Amortization Information Found			





## Majors Volume

During the 12 months ending July 31, 2006, Fannie Mae issued \$42 billion in Fannie Majors. Of this total amount, \$19 billion were 30-year fixed-rate securities. An additional \$23 billion were other fixed-rate securities, including \$8.4 billion in Fannie Majors backed by fixed-rate interest-only mortgages, all with NP or NQ prefixes. Creation of ARM Majors was rather modest at about \$150 million.

**Table 7** provides details of monthly Fannie Majors issuance from August 2005 through July 2006.

Investors continue to value the efficiency and unique characteristics which can be obtained through our Mega program. Fannie Majors continue to provide investors with the benefits of a potentially more diversified pool of loans.

**Table 7: Fannie Mae Majors Issuance August 2005 through July 2006**

(\$ billions)	Aug 05	Sep 05	Oct 05	Nov 05	Dec 05	Jan 06	Feb 06	Mar 06	Apr 06	May 06	Jun 06	Jul 06	Total
<b>30-year Fixed-Rate by Coupon</b>													
4.5	0.07	0.04	0.02	0.02	0.02	0.01	0.00	0.01	0.00	0.00	0.02	0.01	0.22
5.0	1.03	0.72	0.41	0.24	0.17	0.08	0.05	0.12	0.06	0.03	0.22	0.05	3.18
5.5	0.61	0.77	1.05	0.86	0.76	0.60	0.51	0.51	0.42	0.23	0.73	0.67	7.72
6.0	0.11	0.13	0.12	0.17	0.31	0.50	0.26	0.49	0.90	0.85	0.48	0.74	5.06
6.5	0.02	0.03	0.02	0.04	0.09	0.09	0.07	0.07	0.16	0.21	0.36	0.56	1.72
Other	0.01	0.01	0.01	0.01	0.02	0.06	0.14	0.09	0.06	0.10	0.06	0.04	0.61
<b>30-year Fixed-Rate Total</b>	<b>1.85</b>	<b>1.70</b>	<b>1.63</b>	<b>1.34</b>	<b>1.37</b>	<b>1.34</b>	<b>1.03</b>	<b>1.29</b>	<b>1.60</b>	<b>1.42</b>	<b>1.87</b>	<b>2.07</b>	<b>18.51</b>
<b>Other Fixed-Rate Total</b>	<b>1.70</b>	<b>2.07</b>	<b>1.78</b>	<b>1.72</b>	<b>1.79</b>	<b>1.94</b>	<b>1.94</b>	<b>2.17</b>	<b>1.79</b>	<b>1.40</b>	<b>2.45</b>	<b>2.19</b>	<b>22.94</b>
<b>Fixed-Rate Total</b>	<b>3.55</b>	<b>3.77</b>	<b>3.41</b>	<b>3.06</b>	<b>3.16</b>	<b>3.28</b>	<b>2.97</b>	<b>3.46</b>	<b>3.39</b>	<b>2.82</b>	<b>4.32</b>	<b>4.26</b>	<b>41.45</b>
<b>ARMs Total</b>	<b>0.02</b>	<b>0.02</b>	<b>0.02</b>	<b>0.01</b>	<b>0.02</b>	<b>0.02</b>	<b>0.01</b>	<b>0.01</b>	<b>0.00</b>	<b>0.01</b>	<b>0.00</b>	<b>0.01</b>	<b>0.15</b>
<b>Total</b>	<b>3.57</b>	<b>3.79</b>	<b>3.43</b>	<b>3.07</b>	<b>3.18</b>	<b>3.30</b>	<b>2.98</b>	<b>3.47</b>	<b>3.39</b>	<b>2.83</b>	<b>4.32</b>	<b>4.27</b>	<b>41.60</b>

## Summary

In this MBSenger, we review our large size pool program, Fannie Mae Megas, and our multiple lender mortgage-backed securities program, Fannie Majors. Investors continue to value the efficiency and unique characteristics which can be obtained through our Mega program. Fannie Majors continue to provide investors with the benefits of a potentially more diversified pool of loans. Investors can easily obtain detailed pool level information on both Fannie Megas and Fannie Majors, including geographic distribution, from our web-based easy-to-use tool, PoolTalk.