

Summary of Terms

Credit Insurance Risk Transfer (CIRT™)

CIRT 2018-4

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| Insured | Fannie Mae |
| Covered Loans | A \$19 billion portfolio of fully amortizing 21 to 30-year fixed rate residential mortgage loans delivered to Fannie Mae between October 1, 2017 and March 30, 2018 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 \$580 million (3.00% of the Total Initial Principal Balance) in excess of a retention of approximately \$116 million (0.60% of the Total Initial Principal Balance); the limit of liability may be stepped down at the 12 th month following the effective date and at each subsequent month thereafter depending on loan performance and remaining insured loans (see policy for details) |
| Reinsurance | Insurance provider to transfer 100% of its risk to a panel of reinsurers |
| Claim Basis | Actual loss |
| Effective Date | June 1, 2018 |
| Termination Date | May 31, 2028 |
| Optional Cancellation | <p>On or after the 60th month following the effective date, Fannie Mae may cancel the policy by paying a cancellation fee (see policy for details)</p> <p>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.</p> |

Collateral Requirement

| Ratings | Collateral % |
|--|---------------------------------|
| <ul style="list-style-type: none"> • Standard & Poor's rating equal to AA- or higher, and • A.M. Best Rating equal to A+ or higher | 20% |
| <ul style="list-style-type: none"> • Standard & Poor's rating equal to A+, and • A.M. Best Rating equal to A+ or higher | 22.5% |
| <ul style="list-style-type: none"> • Standard & Poor's rating equal to A- or higher, and • A.M. Best Rating equal to A- through A; <p>Or</p> <ul style="list-style-type: none"> • Standard & Poor's rating equal to A- through A, and • A.M. Best Rating equal to A- or higher | 25% |
| <ul style="list-style-type: none"> • Standard & Poor's rating equal to A- or higher, and • No A.M. Best Rating; <p>Or</p> <ul style="list-style-type: none"> • No Standard & Poor's rating, and • A.M. Best Rating equal to A- or higher | 30% |
| <ul style="list-style-type: none"> • Standard & Poor's rating equal to BBB through BBB+, and • A.M. Best Rating equal to B++ or higher; <p>Or</p> <ul style="list-style-type: none"> • Standard & Poor's rating equal to BBB or higher, and • A.M. Best Rating equal to B++; <p>Or</p> <ul style="list-style-type: none"> • Standard & Poor's rating equal to BBB through BBB+, and • No A.M. Best Rating; <p>Or</p> <ul style="list-style-type: none"> • No Standard & Poor's rating, and • A.M. Best Rating equal to B++ | 50% with Premium Capture |
| <ul style="list-style-type: none"> • Standard & Poor's rating equal to BBB- or lower; <p>Or</p> <ul style="list-style-type: none"> • A.M. Best Rating equal to B+ or lower; <p>Or</p> <ul style="list-style-type: none"> • No Standard & Poor's rating, and • No A.M. Best Rating | 75% with Premium Capture |