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**Fannie Mae  
REMICs backed  
by multifamily  
MBS are created  
with customized  
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the needs of a wide  
range of investors.  
They can be used  
as effective tools  
in the portfolios  
of insurance  
companies,  
commercial banks,  
pension funds,  
money managers  
and other investors.**

## Multifamily REMICs

Fannie Mae multifamily REMICs are structured transactions backed by MBS.<sup>1</sup> There is a great deal of flexibility in the types of multifamily MBS that can be used as underlying collateral for Fannie Mae multifamily REMICs. Fannie Mae can also structure different classes of multifamily REMICs that are tailored to investor needs, making MBS/DUS-backed REMICs a highly desirable product for a variety of investors.

In this publication, we review Multifamily MBS/DUS and discuss Fannie Mae's continued commitment to enhancing its multifamily business through its structured transactions program. We review the structures and collateral incorporated into Fannie Mae multifamily REMICs issued in 2009 and 2010 year-to-date. We also discuss the investor benefits of multifamily REMICs and provide market participants with valuable resources that can be used to easily analyze these securities and their underlying collateral.

### Fannie Mae Reinvigorates Multifamily MBS/DUS

In 2009, Fannie Mae reinvigorated our multifamily MBS business, expanding the investor base for MBS/DUS by shifting our primary role from portfolio lending to providing liquidity to the market via securitization. In the wake of this effort, there are a number of established dealers making markets in these securities and investors of all types have become active participants. The demand for multifamily securities has flourished and liquidity in the marketplace has notably increased. The next phase in the effort to reinvigorate our multifamily MBS business is a focus on multifamily structured transactions, including Megas and REMICs backed by multifamily MBS.

### Fannie Mae's Multifamily Business and Multifamily MBS/DUS Program

Fannie Mae MBS/DUS securities are the primary source of collateral for multifamily REMICs. Investors looking to better understand the collateral behind multifamily REMICs may find it useful to review certain aspects of our multifamily business and MBS/DUS program.

Fannie Mae is the largest government-sponsored enterprise provider of financing for the multifamily market. We support affordable multifamily housing through investments in individual properties or groups of properties, as well as through securitization of loans underlying these properties. Fannie Mae provides financing for apartment buildings, manufactured housing communities, and cooperatives with five or more individual units through a nationwide network of Delegated Underwriting and Servicing (DUS®) lenders and other lenders. In 2009, Fannie Mae's multifamily business volume,<sup>2</sup> totaled \$19.8 billion, of which 94 percent was delivered

<sup>1</sup> Fannie Mae multifamily REMICs can potentially be backed by multifamily whole loans as well.

<sup>2</sup> Includes multifamily mortgage and commercial mortgage-backed securities.

by DUS lenders. More than 20 years ago, in 1988, we began purchasing multifamily loans through the DUS program and held these loans in portfolio. In August 1994, the company began securitizing DUS loans and created DUS Mortgage-Backed Securities (MBS/DUS), thereby expanding the suite of its multifamily MBS. In the last decade, 1999-2009, Fannie Mae issued over \$64.8 billion of MBS/DUS, including Discount MBS (DMBS). MBS/DUS offer investors AAA-rated credit strength due to Fannie Mae's guaranty of timely payment of principal and interest; lower spread volatility relative to other products; liquidity enhanced by the large number of dealers engaged in market making; stable cash flows that are easy to model; and superior call protection. As of September 30, 2010, Fannie Mae's multifamily mortgage credit book of business was \$186 billion.

Initiated in 1988, Fannie Mae's DUS program grants approved lenders the ability to underwrite, close and sell loans on multifamily properties without prior Fannie Mae review. However, these DUS lenders

must abide by rigorous credit and underwriting criteria and are continuously subject to ongoing credit review and monitoring. Additionally, DUS lenders usually retain a risk position of the loans that they sell to Fannie Mae. As of October 31, 2010, Fannie Mae had 25 approved DUS lenders in the program.

Eligible multifamily properties must be income-producing multifamily rental properties or cooperatives with a minimum of five individual units. **Exhibit 1** identifies the types of multifamily properties used as collateral for loans that may be securitized into MBS/DUS. These multifamily properties must be existing, recently completed, or in need of moderate rehabilitation. A majority of the properties qualify for 30-year amortization schedules. A DUS mortgage loan for the underlying property typically ranges in size from \$1 million to \$50 million and is generally non-recourse<sup>3</sup> to the borrower.

To review specific details of each multifamily mortgaged property type, please refer to <http://www.fannie-mae.com/mbs/documents/mbs/prospectus/index.jhtml>.

### Exhibit 1: Types of Multifamily Mortgaged Properties Eligible for MBS/DUS

Property Type	Description
<b>Standard Conventional Multifamily</b>	A multifamily loan secured by a residential property composed of five or more dwelling units and in which generally no more than 20% of the net rentable area is rented to, or to be rented to, non-residential tenants.
<b>Multifamily Affordable Housing and Low-Income Housing Tax Credit</b>	A multifamily loan on a mortgaged property encumbered by a regulatory agreement or recorded restriction that limits rents, imposes income restrictions on tenants or places other restrictions on the use of the property.
<b>Seniors Housing</b>	A multifamily loan secured by a mortgaged property that is intended to be used for elderly residents for whom the owner or operator provides special services that are typically associated with either "independent living" or "assisted living." Some Alzheimer's and skilled nursing capabilities are permitted.
<b>Manufactured Housing Community</b>	A multifamily loan secured by a residential development that consists of sites for manufactured homes and includes utilities, roads and other infrastructure. In some cases, landscaping and various other amenities such as a clubhouse, swimming pool, and tennis and/or sports courts are also included.
<b>Cooperative Blanket</b>	A multifamily loan made to a cooperative housing corporation and secured by a first or subordinate lien on a cooperative multifamily housing project that contains five or more units.
<b>Student Housing/Dedicated Student Housing</b>	Multifamily loans secured by multifamily properties in which college or graduate students make up a significant portion of the tenants.
<b>Military Housing</b>	A multifamily loan secured by a multifamily property in which more than 20% of the units are occupied by persons serving in or employed by the military or which is located in an area where military and military-related employment accounts for 20% or more of the local employment base.
<b>Rural Rental Housing</b>	A multifamily loan secured by an affordable multifamily property located within specified rural areas designated by the Rural Rental Housing Guaranteed Loan Program of the USDA. The USDA guarantees up to 90% of any loss incurred upon liquidation of loans it has approved, provided that the loan was underwritten and serviced in accordance with the USDA requirements.

<sup>3</sup> Non-recourse: In the event of default, the lender agrees to take the pledged property as satisfaction for the debt and have no claim on any other assets of the borrower.

Fannie Mae MBS/DUS securities are backed by fixed-rate multifamily mortgage loans which usually have final balloon maturities and specified periods of yield maintenance. The most common MBS/DUS is a 10/9.5 (a 10-year balloon with 9.5 years of yield maintenance), followed by the 7/6.5 (a 7-year balloon with 6.5 years of yield maintenance).

MBS/DUS securities possess AAA-rated credit strength due to Fannie Mae’s guaranty of timely payment of principal and interest which provides that Fannie Mae will supplement amounts received by the MBS trust as required to permit timely payments of principal and interest on the certificates. Principal and interest payments are remitted monthly on the 25th calendar day (if the 25th calendar day is not a business day, then the next business day). Upon maturity, the entire outstanding unpaid principal balance is paid to the investor as a balloon payment due on the stated maturity date of the mortgage loan, along with accrued interest. In the event the mortgage loan is removed from the MBS trust due to delinquency, foreclosure or condemnation of the mortgage property, Fannie Mae will pay the outstanding principal balance at par to investors regardless of recovery from the mortgagor. The Fannie Mae guaranty on MBS/DUS mirrors that provided for single-family Fannie Mae MBS. Fannie Mae has never missed a scheduled payment of principal and interest on any of its mortgage-backed securities, single-family or multifamily. It is important to note that Fannie Mae MBS/DUS are not guaranteed by the United States government and do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities other than Fannie Mae. Fannie Mae alone is responsible for making payments under its guaranty.

For more comprehensive details about the Fannie Mae MBS/DUS program, please see our publication, “Twenty Years of Multifamily Mortgage Financing Through Fannie Mae’s Delegated Underwriting and Servicing (DUS®) Program” available at the link below.

[http://www.fanniemae.com/mbs/pdf/mbsenger\\_111510.pdf](http://www.fanniemae.com/mbs/pdf/mbsenger_111510.pdf)

For a thorough discussion of Fannie Mae MBS/DUS, please see our multifamily MBS Prospectus dated October 1, 2010, available at the link below.

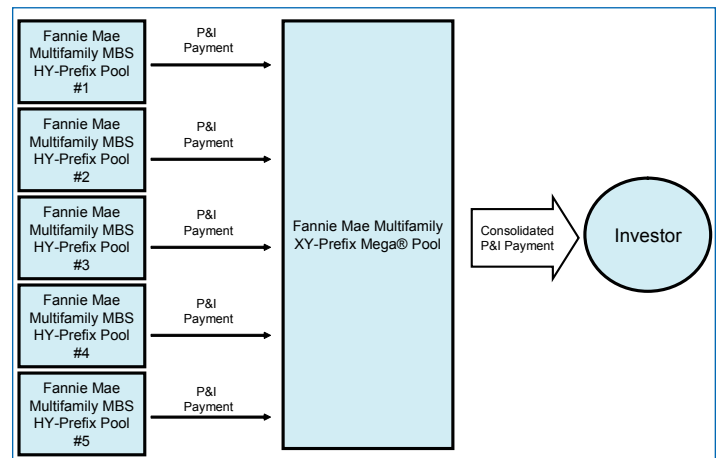
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## Structured Transactions Program – Multifamily MEGAs and REMICs

### Multifamily Megas®

To further improve the liquidity of MBS/DUS pools, and to facilitate additional geographic and borrower diversity and ease of operational administration, Fannie Mae introduced the MBS/DUS Mega program in August 1996. In an MBS/DUS Mega, MBS/DUS securities with the same prefix and same fixed-rate coupon or a combination of Fannie Mae MBS coupons are pooled together. The combination of Fannie Mae MBS coupons typically will be restricted to an inclusive 100 basis point range from the highest to lowest coupon. Fannie Mae Megas® can be resecured into Fannie Mae Megas®. Fannie Mae’s fee schedule for creating multifamily Megas can be obtained by contacting Fannie Mae’s Structured Transactions group at 202.752.7875. **Exhibit 2** depicts how cash flows from underlying multifamily MBS are incorporated into multifamily Megas®. These new weighted average fixed-rate Megas will be assigned a new prefix to designate this feature (e.g., “ML” product will be issued as a “YL” Mega; “HY” product will be issued as a “XY” Mega). Multifamily prefixes cannot be mixed except for corresponding Mega prefixes (e.g., ML and YL).

### Exhibit 2: Illustration of Fannie Mae Multifamily Mega Cash Flows



## Multifamily REMICs

In 2009 and year-to-date November 2010, Fannie Mae has issued nine REMICs backed by multifamily collateral with straightforward, sequential structures that investors such as insurance companies, commercial banks, money managers and other investors have found to be useful investment tools. The REMIC issuances were comprised of MBS/DUS collateral acquired or transferred by Fannie Mae's portfolio, but collateral for our multifamily REMICs can be provided by any other approved holder of MBS/DUS securities including dealers and investors. Fannie Mae's fee schedule for creating multifamily REMICs can be obtained by contacting Fannie Mae's Structured Transactions group at 202-752-7875.

### *Fannie Mae Multifamily REMICs issued in 2009 and Year-to-Date November 2010*

The first four issued multifamily REMICs in 2009 and early 2010 have similar structures in which the entire beneficial ownership interest in each REMIC trust consisted of principal and interest bearing classes (A1, A2 or A3); an interest-only class (X); two non-economic residual classes (R and RL). The principal and interest tranches are sequential pay classes, whereby principal payments received on the underly-

ing MBS are directed sequentially to the tranches in a prescribed sequence but without a predetermined schedule. Principal payments go to the A1 tranche until it is completely redeemed and then principal payments are allocated to the next maturity class and so on. These sequential pay classes bear interest on their respective outstanding principal balances at a fixed rate, which is determined at pricing and stated in the prospectus supplement. The X tranche is an interest-only class. It has no principal balance and bears interest during each interest accrual period at a rate equal to the excess, if any, of the weighted average coupon (WAC) of the pass-through rates for the MBS over the WAC of the A classes. Similar to REMICs backed by single-family MBS, Fannie Mae REMICs backed by multifamily collateral may include any number of classes of regular interests and must include at least one residual interest class. The residual interest classes are typically designated as the "R" classes. **Exhibit 3** illustrates this structure of the Guaranteed REMIC Pass-Through Certificates in Fannie Mae Multifamily REMIC Trusts 2010-M1, 2009-M2 and 2009-M1. The two most recently issued REMICs, 2010-M6 and 2010-M7, introduced a floater class (FA) and an inverse floater class (SA).

### Exhibit 3. Snapshots of the Cover Pages of the Prospectus Supplements for our multifamily Guaranteed REMIC Pass-Through Certificates Series 2010-M1, 2009-M2 and 2009-M1

Class	Original Class Balance(1)	Principal Type(2)	Interest Rate	Interest Type(2)	CUSIP Number	Final Distribution Date
A1 . . .	\$ 72,300,000	SEQ	3.305%	FIX	31398MGL4	September 2019
A2 . . .	\$445,053,506	SEQ	4.450%	FIX	31398MC46	September 2019
X . . . .	\$517,353,506(3)	NTL	(4)	WAC/IO	31398MC53	September 2019
R . . . .	0	NPR	0	NPR	31398MC61	September 2019
RL . . .	0	NPR	0	NPR	31398MC79	September 2019

(1) Subject to a permitted variance of plus or minus 5%.  
 (2) See "Description of the Certificates—Class Definitions and Abbreviations" in the Multifamily REMIC Prospectus.  
 (3) Notional balance. This class is an interest only class. See page S-7 for a description of how its notional balance is calculated.  
 (4) Based on the weighted average MBS pass-through rate, as further described in this prospectus supplement.

Prospectus Supplement  
(To Multifamily REMIC Prospectus dated September 1, 2007)

**\$517,353,506 (Approximate)**



**Guaranteed REMIC Pass-Through Certificates  
Fannie Mae Multifamily REMIC Trust 2010-M1**

**The Certificates**

We, the Federal National Mortgage Association (Fannie Mae), will issue the classes of certificates listed in the chart on this cover.

**Payments to Certificateholders**

We will make monthly payments on the certificates. You, the investor, will receive

- interest accrued on the balance of your certificate, and
- principal to the extent available for payment on your class.

We will pay principal at rates that may vary from time to time. We may not pay

Exhibit 3. (Continued)

Prospectus Supplement  
(To Multifamily REMIC Prospectus dated September 1, 2007)

\$585,789,960 (Approximate)



Guaranteed REMIC Pass-Through Certificates  
Fannie Mae Multifamily REMIC Trust 2009-M2

The Certificates

We, the Federal National Mortgage Association (Fannie Mae), will issue the classes of certificates listed in the chart on this cover.

Payments to Certificateholders

We will make monthly payments on the certificates. You, the investor, will receive

- interest accrued on the balance of your certificate, and
- principal to the extent available for payment on your class.

We will pay principal at rates that may vary from time to time. We may not pay principal to certain classes for long periods of time.

Class	Original Class Balance(1)	Principal Type(2)	Interest Rate	Interest Type(2)	CUSIP Number	Final Distribution Date
A1	\$ 89,900,000	SEQ	2.387%	FIX	31398GGF0	January 2019
A2	67,200,000	SEQ	3.334	FIX	31398GGG8	January 2019
A3	428,689,960	SEQ	4.001	FIX	31398GGH6	January 2019
X	585,789,960(3)	NTL	(4)	WAC/IO	31398GGJ2	January 2019
R	0	NPR	0	NPR	31398GGK9	January 2019
RL	0	NPR	0	NPR	31398GGL7	January 2019

- (1) Subject to a permitted variance of plus or minus 5%.  
 (2) See "Description of the Certificates—Class Definitions and Abbreviations" in the Multifamily REMIC Prospectus.  
 (3) Notional balance. This class is an interest only class. See page S-7 for a description of how its notional balance is calculated.  
 (4) Based on the weighted average MBS pass-through rate, as further described in this prospectus supplement.

Prospectus Supplement  
(To Multifamily REMIC Prospectus dated September 1, 2007)

\$503,816,029 (Approximate)



Guaranteed REMIC Pass-Through Certificates  
Fannie Mae Multifamily REMIC Trust 2009-M1

The Certificates

We, the Federal National Mortgage Association (Fannie Mae), will issue the classes of certificates listed in the chart on this cover.

Payments to Certificateholders

We will make monthly payments on the certificates. You, the investor, will receive

- interest accrued on the balance of your certificate, and
- principal to the extent available for payment on your class.

We will pay principal at rates that may vary from time to time. We may not pay principal to certain classes for long periods of time.

Class	Original Class Balance(1)	Principal Type(2)	Interest Rate	Interest Type(2)	CUSIP Number	Final Distribution Date
A1	\$ 66,300,000	SEQ	3.400%	FIX	31398F2M2	July 2019
A2	437,516,029	SEQ	4.287	FIX	31398F2N0	July 2019
X	503,816,029(3)	NTL	(4)	WAC/IO	31398F2P5	July 2019
R	0	NPR	0	NPR	31398F2Q3	July 2019
RL	0	NPR	0	NPR	31398F2R1	July 2019

- (1) Subject to a permitted variance of plus or minus 5%.  
 (2) See "Description of the Certificates—Class Definitions and Abbreviations" in the Multifamily REMIC Prospectus.  
 (3) Notional balance. This class is an interest only class. See page S-7 for a description of how its notional balance is calculated.  
 (4) Based on the weighted average MBS pass-through rate, as further described in this prospectus supplement.

Each class in a multifamily REMIC reports a weighted average life (WAL) at time of issuance, depending on the prepayment speed assumptions. At the time of issuance, a zero CPR is typically assumed for Fannie Mae multifamily REMICs. The WAL will be shortened if the level of prepayments of principal of the underlying collateral increases. **Exhibit 4** shows the hypothetical WAL for each class of the first four issued transactions. For example, in the 2010-M1 deal, A1, the shorter maturity amortizing bond had a WAL of approximately five years at the time of issuance. The A2 or longer maturity amortizing bond had a WAL of approximately 9.5 years.

**Exhibit 4. Weighted Average Lives (in years) for 2009-M1, 2009-M2, 2010-M1, and 2010-M2 Deals**

Classes (Years)	2009-M1	2009-M2	2010-M1	2010-M2
A1	5.2	3.6	5.3	4.9
A2	9.5	5.9	9.5	9.5
A3	–	9.1	–	–
X	8.9	7.8	8.9	8.9

**Yield Maintenance**

Prepayment premiums in the form of yield maintenance provide protection against voluntary prepayments for certain Fannie Mae multifamily collateral. If a borrower voluntarily prepays a multifamily mortgage loan during the yield maintenance period, the borrower is required to pay prepayment premiums in the form of yield maintenance fees which can potentially be passed through to the investors. Because we cannot always be sure that the prepayment premiums will be paid, Fannie Mae does not guarantee that prepayment premiums will be available to distribute to investors. A common structure for allocating prepayment premiums in REMICs is as follows:

- 70 percent to the X class, and
- 30 percent to
  - the A1 class, if principal is then payable to the A1 class,
  - the A2 class, if principal is then payable to the A2 class, or
  - the A3 class, if principal is then payable to the A3 class.

There is a great deal of flexibility in the way that yield maintenance is allocated to various classes of Fannie Mae multifamily REMICs. The recent trend has been for Fannie Mae multifamily REMICs to be structured such that yield maintenance is split 30/70, with 30% of the prepayment premium paid to the current paying class and 70% paid to the interest-only class. This 30/70 ratio approximates other prepayment formulas and is designed to be easily understood by investors.

**Collateral**

HY, HX, MX, and MY prefix MBS were used as collateral for the three most recently issued multifamily REMICs discussed above. These prefixes define the loan type, interest calculation method used, loan term and maturity. For example, loans with an HY-prefix are defined as conventional, balloon, actual/360 interest day basis calculation; multifamily; maturing or due in greater than seven years. Loans with an HX prefix are defined as conventional short-term, balloon, level-payment mortgages; actual/360 interest day basis calculation method; multifamily; maturing or due in seven years or less. These are not the only multifamily prefix MBS that can be used in our multifamily REMICs. There is a great deal of flexibility regarding the many types of multifamily MBS that can be used as collateral for multifamily REMICs. Furthermore, the multifamily MBS collateral backing our REMICs can also be held in the form of a Mega® Certificate.

Information about the MBS underlying a particular multifamily REMIC is provided in the prospectus supplement for that REMIC. Fannie Mae discloses pertinent information such as pool number, property location, MBS pass-through rate, MBS issue date, maturity date, WALA, property type, etc. for the different types of multifamily collateral (underlying loans) in the prospectus supplement. Fannie Mae is continuously working to improve the usefulness of disclosure data for multifamily REMICs. **Exhibit 5** provides some of the data disclosed for 2010-M1 in the prospectus supplement.

## Exhibit 5: Collateral information from 2010-M1 Prospectus Supplement

### The MBS and the Mortgage Loans As of February 1, 2010

Pool Number	Property City	Property State	ZIP Code	MBS Pass-Thru Rate (%)	MBS Issue Date	Maturity Date	Original Term to Maturity or Balloon (mos.)	Weighted Average Loan Age (mos.)	Original Prepayment Term (mos.)	Original Interest Only Period (mos.)	Property Type	Number of Units	Year Built	LTV (%)	DSCR	Mortgage Loan Originator
462732	Tempe	AZ	85283	4.71	7/1/2009	7/1/2019	120	7	113	N/A	Standard Multifamily	472	1983	70	1.75	ALLIANT CAPITAL LLC
463106	San Antonio	TX	78229	4.94	9/1/2009	9/1/2019	120	5	113	24	Standard Multifamily	256	1995	80	1.36	WACHOVIA MULTIFAMILY CAPITAL,
463224	Wenatchee	WA	98801	4.59	9/1/2009	9/1/2019	120	5	113	N/A	Senior	136	2004	42	2.05	WACHOVIA MULTIFAMILY CAPITAL,
463057	Montgomery	AL	36117	4.81	8/1/2009	7/1/2019	120	6	112	N/A	Standard Multifamily	200	1980	75	1.25	ARBOR COMMERCIAL FUNDING LLC
958599	Novato	CA	94945	4.98	7/1/2009	7/1/2019	120	7	113	N/A	Standard Multifamily	168	1986	51	1.67	CAPMARK FINANCE INC.
463069	Alpine	CA	91901	4.88	7/1/2009	7/1/2019	120	7	113	N/A	Standard Multifamily	144	1986	75	1.25	CBRE MULTIFAMILY CAPITAL, INC.
463361	Riverside	CA	92507	4.85	9/1/2009	9/1/2019	120	5	113	N/A	Standard Multifamily	192	1985	62	1.54	GREYSTONE SERVICING CORPORATIO
462993	Jersey City	NJ	07302	5.14	7/1/2009	7/1/2019	120	7	113	N/A	Cooperative	200	1965	26	3.46	KEYCORP REAL ESTATE CAPITAL MA
463405	Houston	TX	77057	4.61	9/1/2009	9/1/2019	120	5	113	N/A	Standard Multifamily	351	1972	75	1.39	AMERISPHERE MULTIFAMILY FINANC
463581	St. Peters	MO	63376	4.81	9/1/2009	9/1/2019	120	5	113	120	Standard Multifamily	304	1985	55	1.76	WELLS FARGO BANK N.A.
463078	Tacoma	WA	98409	4.72	7/1/2009	7/1/2019	120	7	113	N/A	Standard Multifamily	136	1966	76	1.26	WELLS FARGO BANK N.A.
958933	Las Vegas	NV	89110	5.43	8/1/2009	8/1/2019	120	6	113	N/A	Manufactured	293	1980	48	1.55	WALKER & DUNLOP, LLC
463453	West Valley City	UT	84120	4.70	9/1/2009	9/1/2019	120	5	113	N/A	Standard Multifamily	172	1963	80	1.25	ALLIANT CAPITAL LLC
463275	San Jose	CA	95117	4.75	9/1/2009	9/1/2019	120	5	113	N/A	Standard Multifamily	116	1988	65	1.43	PNC ARCS LLC
463461	Doylestown	PA	18901	4.70	9/1/2009	9/1/2019	120	5	113	N/A	Standard Multifamily	130	1961	68	1.31	SOVEREIGN BANK FSB
463216	Arvada	CO	80004	4.76	8/1/2009	9/1/2019	120	5	114	N/A	Standard Multifamily	219	1987	75	1.28	AMERISPHERE MULTIFAMILY FINANC
463287	Louisville	KY	40202	4.73	9/1/2009	9/1/2019	120	5	113	N/A	Standard Multifamily	265	1984	55	1.26	M & T REALTY CAPITAL CORPORATI
462922	Lansing	MI	48917	4.76	7/1/2009	7/1/2019	120	7	113	N/A	Standard Multifamily	288	1987	65	1.94	GRANDBRIDGE REAL ESTATE CAPITA
463480	Hollywood	CA	90028	4.63	9/1/2009	9/1/2019	120	5	113	N/A	Standard Multifamily	79	1987	75	1.25	SOVEREIGN BANK FSB
463330	Texarkana	AR	71854	4.75	9/1/2009	8/1/2019	120	5	112	N/A	Standard Multifamily	152	2005	79	1.26	WELLS FARGO BANK N.A.
463104	Oklahoma City	OK	73132	4.73	8/1/2009	8/1/2019	120	6	113	N/A	Standard Multifamily	216	1983	80	1.32	AMERISPHERE MULTIFAMILY FINANC
462987	Houston	TX	77080	5.06	8/1/2009	7/1/2019	120	7	112	N/A	Standard Multifamily	380	1972	48	1.70	ARBOR COMMERCIAL FUNDING LLC
463085	New York	NY	10025	5.29	7/1/2009	7/1/2019	120	7	113	120	Cooperative	177	1929	12	6.50	SOVEREIGN BANK FSB
463286	Pearland	TX	77581	4.72	9/1/2009	9/1/2019	120	5	113	N/A	Standard Multifamily	152	1992	60	1.80	ALLIANT CAPITAL LLC
462837	North Hollywood	CA	91601	4.80	7/1/2009	7/1/2019	120	7	113	N/A	Standard Multifamily	79	1988	69	1.25	GRANDBRIDGE REAL ESTATE CAPITA
958965	Billings	MT	59102	4.67	8/1/2009	9/1/2019	120	5	114	N/A	Standard Multifamily	98	1996	80	1.34	AMERISPHERE MULTIFAMILY FINANC
462872	Independence	MO	64055	5.26	7/1/2009	7/1/2019	120	7	113	N/A	Standard Multifamily	156	1988	71	1.25	M & T REALTY CAPITAL CORPORATI

Fannie Mae REMICs backed by multifamily collateral are easily identified by their trust number. This trust number consists of the year and a series number, beginning with “M” or “T”. For example, the REMIC backed by multifamily MBS issued in February 2010 is designated as Trust 2010-M1. In addition, REMICs backed by multifamily collateral issued in October and November 2009 are designated as Trust 2009-M1 and 2009-M2, respectively.

#### Market Trading and Pricing Data

Generally, price quotes for certain classes of Fannie Mae REMICs backed by multifamily MBS can be obtained from dealers.

#### Investor Benefits of MBS/DUS and Multifamily REMICs

A wide range of investors, including insurance companies, money managers, commercial banks, and state and local governments find Fannie Mae MBS/DUS an attractive investment. MBS/DUS offer investors Fannie Mae’s guaranty of timely payment of principal and interest; lower spread volatility relative to other products; liquidity enhanced by the large number of dealers engaged in market making; stable cash flows that are easy to model; and positive advantages related to prepayment protection.

Insurance companies, as well as pension funds, appreciate that MBS/DUS provide certain stable cash flow features that allow these institutions to more easily match their liabilities. Money managers find the positive convexity of multifamily MBS to be useful in mitigating some of their exposure to negatively convex single-family MBS. Traditional corporate bond investors find that MBS/DUS offer a mortgage security with strong prepayment stability and often higher yields over comparable duration high-grade corporate securities. For commercial banks, MBS/DUS share the same weighting of 20 percent for bank risk-based capital requirements as is the case with single-family Fannie Mae MBS. State and local governments enjoy the excellent credit quality of MBS/DUS, the prepayment stability, and the definitive final maturities of 5, 7, and 10 years that match maturity restrictions in their investment guidelines.

As with Fannie Mae REMICs backed by single-family MBS, Fannie Mae REMICs backed by multifamily MBS are created with customized cash flows that can meet the needs of a wide range of investors. REMICs take the principal and interest from underlying collateral and allocate these cash flows to different classes. The various classes of multifamily REMICs differ in duration, convexity, average life, coupon, yield and

## Exhibit 6: Recent REMIC Class Characteristics

REMIC	Class	Weighted Average Life	Coupon	Size	Characteristics
2010-M5	A1	4.98	2.26%	\$158.3	<ul style="list-style-type: none"> <li>Fixed rate amortizing front sequential</li> <li>Principal window months 1 to 80 at 0 CPY</li> <li>Receives 30% of prepayment premiums received during principal window</li> </ul>
	A2	6.70	2.81%	\$70.4	<ul style="list-style-type: none"> <li>Yield Maintenance upside compensates investors for average life variability</li> <li>Fixed rate, 7 year tight window</li> <li>Principal window months 80 to 82 at 0 CPY</li> <li>Receives 30% of prepayment premiums received during principal window</li> </ul>
	A3	8.55	3.24%	\$32.0	<ul style="list-style-type: none"> <li>Fixed rate amortizing sequential</li> <li>Principal window months 82 to 114 at 0 CPY</li> <li>Receives 30% of prepayment premiums received during principal window</li> </ul>
	A4	9.77	3.39%	\$320.0	<ul style="list-style-type: none"> <li>Fixed rate, tight window, last cash flow sequential</li> <li>Principal window months 114 to 118 at 0 CPY</li> <li>Receives 30% of prepayment premiums received during principal window</li> <li>A1 to A3 classes limit avg. life variability of A4, agency guarantee prevents extension</li> </ul>
	X	N/A	1.24%	\$580.7	<ul style="list-style-type: none"> <li>Interest only</li> <li>Notional principal window months 1 to 118 at 0 CPY</li> <li>Receives 70% of prepayment premiums received during principal window</li> </ul>
2010-M7	A1	5.33	2.45%	\$44.6	<ul style="list-style-type: none"> <li>Fixed rate amortizing front sequential</li> <li>Principal window months 1 to 100 at 0 CPY</li> <li>Receives 9% of prepayment premiums received times ratio of principal paid to A1 (equivalent to 30/70 split used for other FNA IO splits of prepayment premium)</li> </ul>
	AI	5.33	3.66%	\$14.7	<ul style="list-style-type: none"> <li>Interest only off front sequential</li> <li>Notional principal window months 1 to 100 at 0 CPY</li> <li>Receives 21% of prepayment premiums received times ratio of principal paid to A1 (equivalent to 30/70 split used for other FNA IO splits of prepayment premium)</li> </ul>
	A2	9.31	3.66%	\$389.3	<ul style="list-style-type: none"> <li>Fixed rate last cash flow sequential</li> <li>Principal window months 100 to 120 at 0 CPY</li> <li>Receives 30% of any prepayment premiums received on a pro rata basis</li> <li>A1 and FA classes limit average life variability of A2, agency guarantee prevents extension</li> </ul>
	FA	8.62	0.85%	\$131.4	<ul style="list-style-type: none"> <li>Floating rate coupon = 1mL + 60 bps, 7% cap</li> <li>Principal window months 1 to 120 at 0 CPY</li> </ul>
	SA	9.01	6.15%	\$131.4	<ul style="list-style-type: none"> <li>Inverse interest only tranche</li> <li>Floating rate coupon = 6.40 - 1mL</li> <li>Notional principal window months 1 to 120 at 0 CPY</li> <li>Receives 70% of prepayment premiums received times ratio of principal paid to A1 and A2 and 100% of prepayment premiums received times ratio of principal paid to FA</li> </ul>
	X	8.84	0	\$565.3	<ul style="list-style-type: none"> <li>Interest only, excess interest strip</li> <li>Notional principal window months 1 to 120 at 0 CPY</li> </ul>



price. In addition to the specific cash flows, investors also appreciate the potential geographic diversification and diversity of credit characteristics of the underlying collateral as well as the variety of lenders afforded by multifamily REMICs.

Lenders and borrowers appreciate the par pricing and benefit from the additional liquidity provided by multifamily REMICs and multifamily MBS. Multifamily REMICs comprised of collateral trading at a premium can be customized to create classes that trade at or near par. In addition, multifamily REMICs are offered in block sizes.

**Exhibit 6** illustrates how certain investors have been attracted to certain classes of recently issued Fannie Mae multifamily REMICs.

#### *Analysis of Fannie Mae Multifamily REMICs and Detailed Information about Collateral*

Fannie Mae multifamily REMICs can be easily analyzed using many of the same tools that industry participants use to analyze CMBS and other REMICs. Investors can find detailed information about the collateral backing Fannie Mae multifamily REMICs in our disclosure documents (REMIC prospectuses and prospectus supplements) and other reports available on Fannie Mae's Web site, [www.fanniemae.com](http://www.fanniemae.com). The following discussion provides market participants with detailed information about analytical tools and the key disclosure information about REMICs and the collateral backing these securities

#### *Analytical Tools:*

A full array of analytical tools is available to analyze Fannie Mae multifamily REMICs via Bloomberg®, Trepp® and Intex®. Investors can use these tools to access detailed information about the characteristics of multifamily REMIC classes and the collateral backing these securities. All three of these popular CMBS analytics platforms allow investors to view pool numbers, CUSIPs and other attributes of the securities underlying multifamily REMICs. They also provide investors with analytical tools such as yield table analysis and detailed geographic information about the underlying collateral as well as other pool analytics.

For example, to access information and analyze the A2 class of 2010-M1 in Bloomberg, enter "FNA 2010-M1" and hit the <MTGE> key. From there, investors can access a broad array of detailed information about the security's structure and collateral and perform yield analyses and other functions. Bloomberg's security description pages for this class are shown in **Exhibit 7** and can be found using the CUSIP by entering: "31398MC46 <MTGE> DES." These description pages are shown for illustrative purposes, but Bloomberg®, Trepp® and Intex® all provide many useful screens for deeper analysis of multifamily REMIC classes. Investors can input specific interest rate scenarios, voluntary prepayment assumptions and involuntary prepayment assumptions into these tools to determine the impact of specific scenarios on the specific classes of a multifamily REMIC. Performing these analyses provides investors with valuable information that he or she can use to determine which class will best meet his or her needs.

Exhibit 7. Bloomberg® Description Pages for 2010-M1 Class A2

QCollateral:100.0%MULTI 0.00% 0yr(ASSUMED) Mtge **DES**

**Bloomberg** Page 1 of 2  
**SECURITY DESCRIPTION**  
**FNA 2010-M1 A2** 4.45% 9/25/19  
17 Documents

CUSIP: 31398MC46 Issuer: FANNIEMAE-ACES  
 Series 2010-M1 Class A2 Col Mtgy 9/25/19  
 5) CMBS-AGENCY: SEQUENTIAL PAYER

CURRENT		ORIGINAL ISSUE	
Mar10	445,053,506	USD	445,053,506
" Fact	1.000000000	WAL	9.5Yr @ 0CPR
Coupon	4.45%	1st coupon	4.45%
Next Paymt	3/25/10	1st paymnt	3/25/10
Rcd date	2/28/10	1st settle	2/26/10
Beg accrue	2/ 1/10	Dated date	2/ 1/10
End accrue	2/28/10	px	2/19/10
Class/Deal Pct	N/A	Class/Deal Pct	86%

**NON-CALLABLE**

6) Lead Mgr: DBS

Trustee: FNM

**Monthly PAYMENT**

pays 25th day

24 day delay

accrues 30/360

65) Personal Notes      14) Identifiers      22) LDES for collateral detail

Mar10Feb10		PSA CPR	
PSA	- -	3mo	- -
CPR	- -	6mo	- -
FACT	1.00 1.00	12mo	- -
CPN	4.45 4.45	Life	- -

MinSize 100000 Incr 1

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000  
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2010 Bloomberg Finance L.P.  
 SN 705273 6445-438-1 11-Mar-2010 16:02:01

Page Mtge **DES**  
 LDES<Go> for collateral detail. Page 2 of 2

**Bloomberg** 17 Docs  
**DEAL DESCRIPTION**  
**FNA 2010-M1**

Issuer: FANNIEMAE-ACES

Series 2010-M1 CMBS: 153/ 153 Loans

DEAL - CURRENT		DEAL - ORIGINAL		Loan Status Data (% & #)			
Feb10	517,353,507	USD	517,353,507	30	0.0%	0	Cum Loss* 0.0% N/A
NetWAC	5.926%	NetWAC	4.864%	60	0.0%	0	Defeased* 0.0% 0
WAC	5.926%	WAC	5.926%	90+	0.0%	0	Prepaid* 0.0% 0
WAM	9:6 114 mo	WAM	9:6 114 mo	FOR	0.0%	0	Spc Svc 0.0% 0
AGE	0:6 6 mo	AGE	N/A	REO	0.0%	0	Bankrpt 0.0% 0
Avg Loan	3,381m	Avg Loan	3,381m	* % Orig Balance			
Loans>BBB- CS	0	Loans>BBB- CS	0	IOs(%) Curr Orig		1) Servicer:	
Loans>25mm	0.0%	Loans>25mm	0.0%	Part	4.3	4.3	Spcl Srv: N/A
WA LTV	0.000%	WA LTV	0.000%	Full	5.1	5.1	Lead Mgr: DBS
WA DSCR	0.000	WA DSCR	0.000	Total	9.4	9.4	Trustee: FNM

Curr Prepay Status (%)				Ln Terms(%)		Top 5 States (%)		Collateral(%)	
Type	Lock	Pen/Dfse	Open	3-Yr	0.0	CALIFORNIA	24.5	Country	US
Dfse	0.0	0.0	0.0	5-Yr	0.0	TEXAS	10.4	MultiFam	100.0
YM	0.0	100.0	0.0	10-Yr	100.0	NEW YORK	9.5		
Othr	0.0	0.0	0.0	>10-Yr	0.0	WASHINGTON	7.0		
						OKLAHOMA	5.2		

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000  
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2010 Bloomberg Finance L.P.  
 SN 832959 05-Mar-2010 16:11:09

## Exhibit 8. Final Data Statement for 2009-M2

File	Edit	View	Favorites	Tools	Help		
Address <a href="http://www.efanniemae.com/syndicated/documents/mbs/remic-collateral/2009-M2.txt">http://www.efanniemae.com/syndicated/documents/mbs/remic-collateral/2009-M2.txt</a>							
31413WMA0	HY-957653	090108	6.1100	6.770120090118	750000.00	741524.10106	0.00
31413WMB8	HY-957654	090108	5.7500	6.250120090118	2600000.00	2567033.90106	0.00
31413WMC6	HY-957655	080108	6.1200	6.730121090118	1850000.00	1828903.43106	0.00
31413WMF9	HY-957658	090108	5.8500	6.350120090118	1150000.00	1135732.99106	0.00
31413WVG7	HX-957659	090108	5.9800	6.590 84090115	2133000.00	2107902.12 70	0.00
31413WMM4	HY-957664	090108	6.0700	6.870120090118	1000000.00	988951.93105	0.00
31413WM28	HY-957677	100108	6.0100	6.830120100118	648000.00	641367.51107	0.00
31413WNF8	HY-957690	100108	6.0000	6.500120100118	1650000.00	1631795.80107	0.00
31413WNG6	HX-957691	090108	5.3600	6.420 84090115	989000.00	976917.19 70	0.00
31413WNH4	HY-957692	100108	5.8800	6.380120100118	980000.00	968894.13107	0.00
31413WNS0	HX-957701	090108	5.4400	6.340 85100115	11400000.00	11269657.30 71	0.00
31413WNU5	HX-957703	100108	5.3700	6.370 60100113	1975000.00	1952568.50 47	0.00
31413WNZ4	HX-957708	100108	5.5600	6.560 60100113	2711000.00	2681490.74 47	0.00
31413WPE9	HX-957721	100108	5.6000	6.400 84100115	3115000.00	3079855.88 71	0.00
31413WPF6	HX-957722	100108	5.6700	6.780 84100115	1151000.00	1139082.87 71	0.00
31413WPH2	HY-957724	090108	5.7300	6.390120090118	2265000.00	2237145.21106	0.00
31413WPP4	HX-957730	090108	5.7900	6.450 84090115	765000.00	755715.35 70	0.00
31413WPS8	HX-957733	100108	4.7000	5.700 60100113	4322000.00	4265245.57 47	0.00

### Disclosures:

#### Final Data Statements:

A Final Data statement is produced for each REMIC backed by multifamily MBS, similar to Fannie Mae single-family REMICs. The Final Data Statement provides the following information for each multifamily MBS backing the REMIC: pool prefixes, pool numbers, CUSIPs, pass-through rates, issue dates, latest loan maturity, original certificate balance, current certificate balance, current WAC, original WAM, and current WAM. If a specific REMIC structure/transaction were to contain multiple collateral groups, a separate Final Data Statement would be published for each distinct collateral group in both readable and downloadable format. The Final Data Statement also lists the following aggregate information for the group: lowest current WAC, weighted average current WAC, highest current WAC, latest loan maturity date, weighted average percent SMP (same month pooling), lowest current WAM, weighted average current WAM and highest current WAM. As an illustration of how this information is displayed (downloadable version), **Exhibit 8** shows the final data statement for REMIC Trust 2009 – M2. [http://www.efanniemae.com/syndicated/documents/mbs/remiccollateral\\_hdr/2009-M2.txt](http://www.efanniemae.com/syndicated/documents/mbs/remiccollateral_hdr/2009-M2.txt)

Final data statements are published on the day that the REMIC settles. Final data statement can be found on our Web site at the link: <http://www.fanniemae.com/mbs/documents/remic/finaldata/index.jhtml>

#### Multifamily REMIC Prospectus:

Our multifamily REMIC prospectus contains general information about our multifamily REMICs. Our multifamily REMIC prospectus discusses the nature of our guaranty, yield considerations, class definitions, abbreviations and other information. The prospectus for REMICs backed by multifamily Fannie Mae MBS is available on [www.fanniemae.com](http://www.fanniemae.com) at the following link: <http://www.fanniemae.com/mbs/documents/remic/prospectus/index.jhtml>

#### Prospectus Supplements:

A prospectus supplement is published for each REMIC backed by multifamily MBS, on or about five days prior to settlement. The prospectus supplement contains information that is specific to a particular trust and supplements the multifamily REMIC prospectus. Each prospectus supplement includes detailed information on the collateral underlying the REMIC. The prospectus supplements are to be read in conjunction with the applicable disclosure documents referred to therein, including the multifamily

REMIC prospectus. REMIC prospectus supplements are identified by their trust numbers, consisting of the year and series number and are available on [www.fanniemae.com](http://www.fanniemae.com) at the following link:

<http://www.fanniemae.com/mbs/documents/remic/remicprospectussupplements.jhtml>

#### *Securities Locator Service:*

Fannie Mae's Securities Locator Service (SLS) provides investors with an easy way to retrieve all disclosure and related securities related to a specific class of a multifamily REMIC.<sup>4</sup> By entering the class' CUSIP at the following link, investors can view, on one page, easily identified hyperlinks to the trust documents, prospectus, prospectus supplement, final data statement and pool talk data associated with the class.

<http://sls.fanniemae.com/slsSearch/>

#### **Historical Issuance of Fannie Mae Multifamily REMICs**

Investors should be aware that Fannie Mae Multifamily REMICs issued prior to 2009 differ notably in structure, type of collateral and source of collateral from the multifamily REMICs issued by Fannie Mae in 2009 and year-to-date 2010

#### **Other Resources for Market Participants**

Information about Fannie Mae multifamily REMICs and MBS used as collateral for REMIC transactions is obtainable from a number of other sources as well:

- On Fannie Mae's Web site at: [www.fanniemae.com](http://www.fanniemae.com)
- By email at: [Fixedincome\\_marketing@fanniemae.com](mailto:Fixedincome_marketing@fanniemae.com)
- By investor Helpline at : 1.800.237.8627
- By fax at: 202.752.4624
- By mail: Fannie Mae, Fixed-Income Securities Marketing, 2H/3S/17, 3900 Wisconsin Avenue, NW, Washington, DC 20016-2892.
- For details about Fannie Mae's multifamily MBS/DUS program, please see [http://www.fanniemae.com/mbs/pdf/mbsenger\\_111510.pdf](http://www.fanniemae.com/mbs/pdf/mbsenger_111510.pdf)
- For quarterly statistics on Fannie Mae multifamily MBS, please see: [http://www.fanniemae.com/mbs/pdf/MBS\\_ancillary\\_report3q10.pdf](http://www.fanniemae.com/mbs/pdf/MBS_ancillary_report3q10.pdf)
- For Fannie Mae's Securities Locator Service (SLS), please see: <http://sls.fanniemae.com/slsSearch/>

#### **Summary**

In this publication, we discussed how Fannie Mae continues to reinvigorate its multifamily MBS/DUS business and has renewed focus on issuance of multifamily REMICS. We reviewed certain aspects of MBS/DUS securities, which are the primary source of collateral for multifamily REMICs, and detailed specific multifamily REMIC transactions issued in 2009 and in 2010. In addition, we highlighted noteworthy investor benefits of our MBS/DUS securities and multifamily REMICs. Analytical tools and resources for obtaining data about the securities and underlying collateral were also examined.

## **MBSenger®**

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<sup>4</sup> For those investors familiar with Fannie Mae's Multifamily (SLS), it should be noted that Fannie Mae provides links to these documents for multifamily REMICs via the (SLS) link above, rather than the separate multifamily Securities Locator Service.