



Fannie Mae

**Basics of
Structured Transactions:
Megs, REMICs, Grantor Trusts and SMBS Securities**

May 2017



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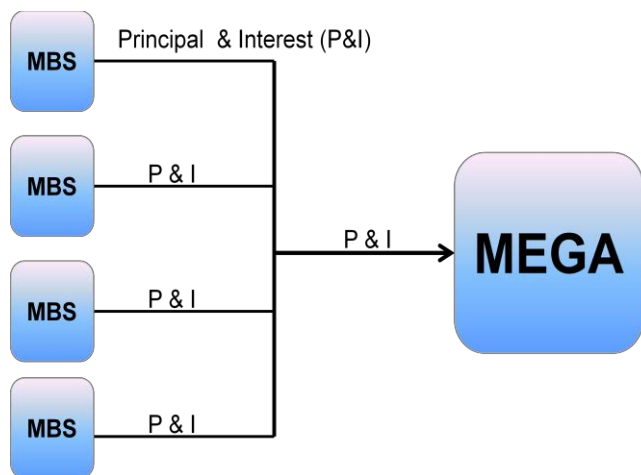
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Basics of Megs

Fannie Megs[®] (Megs) are pass-through securities in which the underlying collateral consists of groups of existing Fannie Mae MBS or other Fannie Mae- issued Megs. These Mega pools are similar to Fannie Mae MBS pools, except that the latter pools consist of groups of mortgage loans. The cash flows from the underlying Fannie Mae MBS provide the cash flows for the Mega pool. The securities that back a Fannie Mega may be single-family or multifamily Fannie Mae MBS or other Fannie Mega pools. Fannie Megs issued prior to January 1, 2006 also may have been backed by Ginnie Mae securities.

Fannie Megs enable investors to accumulate pieces of similar, existing mortgage-backed securities to form a larger security with its own unique characteristics. Investors can consolidate small or paid-down pools in a Mega, resulting in a potentially greater chance for enhanced geographical diversity.



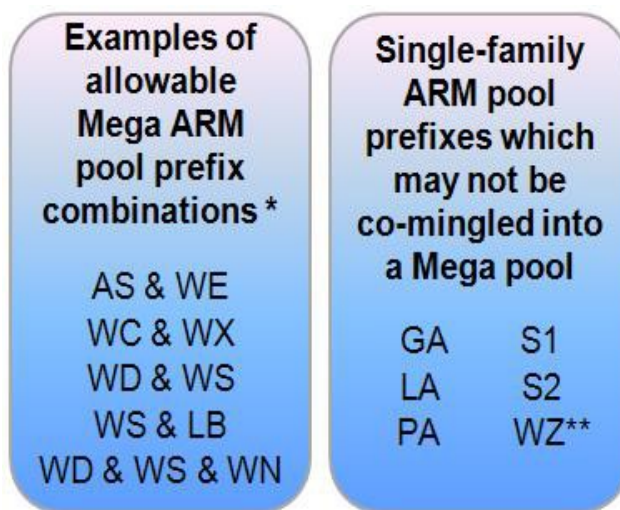
Pooling Requirements

MBS-Backed Megs

Pools of Fannie Mae MBS or previously-issued Megs submitted for a single-family, fixed-rate Mega transaction must have the same pool prefix (e.g., all CL, CI, or CT pools) and same pass-through rate, except as described under REMIC-Backed Megs and Single-Family Weighted Average Megs (JU Prefix).

Pools of Fannie Mae adjustable-rate (ARM) MBS or previously issued ARM Megs submitted for an ARM Mega transaction must have the same subtype.

Some ARM prefixes may or may not be combined in a Mega transaction.



* Examples based on previously-issued Mega pools. Contact Structured Transactions for allowable ARM pool prefix combinations.

** WS pools issued prior to June 1, 2005, with original maturities greater than 360 months, but not exceeding 480 months, are ineligible for 30-year ARM Megs but may be combined with WZ pools to form a Mega with a WZ prefix.

Mega-Backed Megs

Previously issued Megs are also eligible collateral for all new issue Megs.

REMIC-Backed Megs

Fannie Mae has the flexibility to create Megs from certain REMIC bonds as well. Certain REMIC classes, including fixed and floater/inverse classes and last cash flow sequential classes may be used as collateral for a REMIC-backed Mega. In many cases, the cash flows available to the holder of such seasoned securities are identical to the cash flows from the underlying collateral.

REMIC-Backed Megs may be used as collateral for other Megs that have the same type of underlying collateral characteristics (ultimately backed by MBS with the same prefix and pass-through rate). For example, a ZL Mega can back a CL Mega.



Single-Family Weighted Average Megs (JU Prefix)

JU is a Mega prefix that allows for the creation of weighted-average fixed-rate Megs backed by single-family, level-payment mortgages. Unlike other fixed-rate Single-Family Megs, the interest rates, maturity dates and prefixes on the underlying collateral may vary. This product was created in response to market interest in having the ability to co-mingle prefixes and coupons in a Mega. Only prefixes supporting single-family, fixed-rate pools are eligible to collateralize JU Megs. This excludes the following collateral types:

- Multifamily
- ARMs
- Interest-Only (IO) (unless all pools are IO)
- Ginnie Mae-Backed Megs

Multi-dealer Odd-lot Megs

Multi-dealer Odd-lot Megs allow market participants to aggregate odd-lot pieces in a Mega for enhanced liquidity and efficiency. The pool must meet current pooling requirements, and each pool delivered into the Mega must have a current face amount of \$500,000 or less.

Fannie Mae will reach out to our Mega counterparties from time to time to determine interest for an Odd-lot Mega and which prefix and coupon are in greatest demand for that particular Mega. We also encourage dealers to proactively engage us if there is an interest in creating a particular Odd-lot Mega.

Multifamily Megs

Multifamily Mega pools are pass-through securities, like their Single Family counterparts, except that the underlying collateral consists of existing Fannie Mae Multifamily MBS or other Fannie Mae-backed Multifamily Megs.

Features:

- pools of DUS securities with the same prefix and the same pass-through rate or more typically, a combination of Fannie Mae MBS pass-through rates
- provides for operational efficiency.

Multifamily Mega pools use unique pool prefixes that correspond to the Multifamily MBS pool prefixes:

Multifamily Pool Prefixes

MBS Prefix	Equivalent Mega Prefix	MBS Prefix	Equivalent Mega Prefix
2M	→ 2Y	HX	→ XX
H2	→ X2	HY	→ XY
HA	→ XA	MG	→ YG
MB	→ XB	MI	→ YI
HI	→ XI	ML	→ YL
HL	→ XL	MN	→ YN
AM	→ XM	MS	→ YS
HN	→ XN	MT	→ YT
HR	→ XR	MX	→ YX
HS	→ XS	MY	→ YY
HT	→ XT		

Fannie Mae GeMS™ Megs

Fannie Mae's Guaranteed MBS Pass-through Securities (Fannie Mae GeMS) program also includes syndicated Megs. Syndicated Mega deals will be managed by broker-dealers and offered in issuance sizes similar to Mega transactions. The program expansion builds upon Fannie Mae's successful Mega issuances, providing additional Fannie Mae GeMS products with similar features and liquidity.

Fannie Mae GeMS Megs are identifiable by their unique pool numbers, beginning with 'FN', for example: FN0036.

For more information about GeMS Mega refer to [Fannie Mae GeMS](#).

Mega Transaction Fees

For Mega Transaction Fees, please contact Fannie Mae Structured Transactions at (202) 752-7875 or structured_transactions@fanniemae.com.

Setting up a Mega

To set up a Mega, an authorized counterparty contacts the Fannie Mae Structured Transactions Desk at (202) 752-7875 or structured_transactions@fanniemae.com.



Please have available the following:

- pool prefix;
- subtype for adjustable-rate Fannie Mae MBS;
- pass-through rate for fixed-rate Fannie Mae MBS; range of pass-through rates restricted to an inclusive 100 basis point range for MF MBS current face amount; and,
- settlement date.

Upon execution of the Mega, you will receive the following:

- Mega pool number (see below)
- Mega transaction fee amount.

Fannie Mae Megas

070000 - 070999	725000 - 725999
124000 - 124999	735000 - 735999
190000 - 190999	745000 - 745999
303000 - 303999	888000 - 890999
310000 - 310999	995000 - 955999
313000 - 313999	AD0000 - AD0999
323000 - 323999	AE0000 - AE0999
535000 - 353999	AL0000 - AL9999
545000 - 545999	BM0000 - BM9999
555000 - 555999	FN0000 - FN9999

Ginnie Mae Megas*

100000 - 100299	458000 - 458999
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Exceptions

- Certain securities are ineligible for re-securitization. For more information, see the Securities Ineligible for Re-Securitization list on www.fanniemae.com.

* Previously-issued Ginnie Mae Mega pools. This program has since been discontinued.

Mega Pool Numbers

Megas are identified by the following series of pool numbers:

Delivery and Settlement Procedures

Each month, settlements on fixed-rate Megas backed by Fannie Mae MBS or by other Fannie Mae-backed Megas can occur beginning one business day following the release of trading factors (trading factors are released on or about the 4th business day of the month). Settlement for adjustable-rate Megas may occur on or after the 7th business day of the month.



Please provide the latest loan maturity to Fannie Mae Securities Trading Operations at (202) 752-4800 and submit pool information via e-mail.

Pool Information Submission

Investors can send a file with pool information via e-mail using the following steps:

Create an Excel spreadsheet with the following pool information in four columns:

- CUSIP;
- Pool number (with capitalized alphanumeric pools);
- Original face value (in \$50 million increments); and,
- Current face value.

Send the spreadsheet via email to Capital Markets Operations at: sto_megas@fanniemae.com.

Wiring Instructions

Fannie Mae collateral for Mega settlement is to be delivered "free" according to the following instructions:

Bank ABA Number: 021039539

Telegraphic: FMAE DC MBS

Receiver Sub Account: FNCTRL

Reference: G01859

The Mega will be delivered versus the Mega fee.



Basics of REMICs

A Real Estate Mortgage Investment Conduit (REMIC) is a type of multiclass mortgage-related security in which interest and principal payments from mortgages are structured into separately traded securities. REMICs further enhance the mortgage securities market by customizing cash flows for investors and thereby increasing demand for MBS.

In a REMIC, the cash flow from the underlying mortgage-related collateral is directed to several classes, wherein each class may have a different pass-through rate, average life, prepayment sensitivity, and final maturity from other classes in the same REMIC. Investors with different investment strategies can invest in a class that satisfies their investment and portfolio needs. Classes are distinguished by their sensitivity to the prepayment risk of the underlying mortgage-related collateral.

REMIC Collateral

Collateral for REMICs includes mortgage loans that have been pooled together as Fannie Mae MBS (single-family or multifamily), stripped mortgage-backed securities (SMBS), classes from other REMICs, and whole loans (single-family or multifamily).

Basic REMIC Structure

The REMIC structure allows issuers to design classes that meet investor needs and respond to market conditions. The types of REMIC classes described below are defined according to general characteristics. Investors, however, should carefully evaluate how the security is likely to perform under a range of economic assumptions.

Sequential pay classes -- also called Plain Vanilla, Clean Pay, or Current Pay classes -- are the most basic classes within a REMIC structure. The principal on these classes is retired sequentially; that is, one class begins to receive principal payments from the underlying securities only after the principal on any previous class has been completely paid off. The principal payments, including prepayments, are directed to the first sequential class (A) until it is retired, and then the payments are directed to the next sequential class (B) until it is retired. The process continues until the last sequential pay class

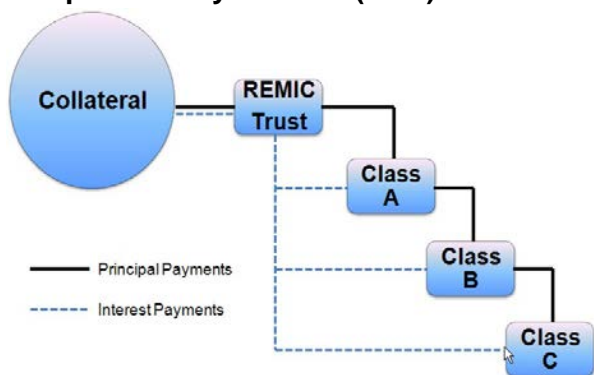
(C) is retired. While the class A principal is paying down, B and C class holders receive monthly interest payments at the pass-through rate on their principal.

When prepayments are faster than the prepayment speed assumed when the security was purchased (at pricing) the principal is retired earlier than expected, thereby shortening the average life of the class.

Changes in the average life of the class may affect the yield-to-maturity of the bond. "Average life" represents the average amount of time that each principal dollar is expected to be outstanding. If the bond was purchased at a discount (below par), the shortened average life will increase the bond's yield-to-maturity. If the bond was purchased at a premium (above par), the shortened average life will decrease the bond's yield-to-maturity.

The opposite occurs when prepayments are slower than those assumed at pricing – in such case, the average life of a sequential pay class will be longer. In this case, securities purchased at a discount will produce a lower yield-to-maturity than anticipated at pricing, while those purchased at a premium will produce a higher yield-to-maturity.

Sequential Pay Classes (SEQ)



Planned Amortization Classes (PACs)

PACs are designed to produce more stable cash flow by directing prepayments from the underlying mortgage-related collateral to other classes, called companion or support classes. The PAC investor is scheduled to receive fixed principal payments (the PAC "schedule") over a predetermined period of time (the PAC "window") through a range of prepayment scenarios (the PAC "band"). The schedule will be met only if the underlying mortgage-related collateral prepays at a constant rate within the range assumed



for the structuring of the PAC. The initial or "stated" PAC band, principal payment schedule, and PAC window are set out in the prospectus or prospectus supplement.

Cash flow variability from changes in the prepayment speed of the underlying mortgage-related collateral is distributed among other classes, but it is not eliminated from the underlying mortgage-related collateral as a whole. The integrity of the PAC schedule is directly influenced by the amount and structure of the support classes, so it is essential to understand the nature of the support classes in a particular transaction when evaluating a PAC. A REMIC may contain any number of PAC classes.

The underlying mortgage-related collateral is not likely to prepay at a constant rate within the PAC band. The range of prepayment speeds that will, in fact, preserve the principal payment schedule may change from month-to-month. The range of prepayment speeds that will maintain the principal payment schedule at any given time is the "effective band." The effective band changes because of the impact of prepayments on the support class (es) and on the amount of underlying mortgage-related collateral available to produce principal cash flow.

The effective band is more important to an investor than the stated band because it gives the investor an idea of the actual range of prepayment speeds that will protect the schedule.

Sustained periods of fast prepayments may completely eliminate a PAC's outstanding support class (es). When this occurs, the PAC is called a "busted" or "broken" PAC. A busted PAC behaves like a sequential pay class and the investor is subject to the same yield fluctuations as a sequential pay class investor. On the other hand, when prepayments are very slow, there may not be enough cash flow to meet the PAC's schedule, resulting in an extension of the average life of the class and a negative effect on the investor's yield.

Because PAC classes have less cash flow variability, their average lives and yields-to-maturity are more stable than other REMIC class types. They are priced to yield less than the less stable REMIC classes, such as sequential pay classes with similar average lives. In addition, all other things being equal, a PAC with a wide band should be priced to yield less than a PAC with a narrower band. Busted PACs are priced like sequential pay classes.

Targeted Amortization Classes (TACs)

TACs pay a "targeted" principal payment schedule at a single, constant prepayment speed. As long as the underlying securities do not prepay at a rate slower than this speed, the schedule will be met. TACs may provide protection against increasing prepayments and early retirement of the investment ("call" or "contraction" risk). In contrast, PACs offer investors both call and extension protection. In some cases, if prepayments increase, excess cash flow will be paid to support classes and the TAC will pay principal according to the schedule given in the prospectus or prospectus supplement. If prepayments are slow, the average life of the TAC will extend because there will be insufficient funds available to meet the principal payment schedule.

TACs are usually found in REMIC transactions that have PAC classes and they may act as support classes. The actual behavior of a TAC class depends on the amount and structure of the support classes and whether or not PACs are present in the transaction. The support classes absorb the cash flow variability redistributed from both the PAC and TAC classes, while the TAC serves to absorb some of the cash flow variability directed away from PAC classes.

TAC investors can expect higher yields than PAC investors because TACs have more cash flow uncertainty and greater extension risk. TACs may be priced to yield less than sequential classes because TACs may have more stable cash flow than sequential classes.

Support or Companion Classes

Prepayment variability from the underlying mortgage-related collateral cannot be eliminated; it can only be redistributed. PACs, TACs, and other scheduled classes rely on companion classes to absorb this variability. Support classes have the most volatile cash flow behavior, even more than the underlying mortgage-related collateral.

When prepayment speeds fluctuate, the average life of a support class can change dramatically. Their average lives are longer during periods of low prepayments and shorter during periods of faster prepayments. Principal cash flows are paid to any PAC, TAC, or other scheduled class in a REMIC transaction before they are paid to support classes.



Any excess principal cash flow is used to pay down the principal on the outstanding support class (es). If no support class remains outstanding, then the principal cash flow is used to retire the outstanding PACs, TACs, and scheduled classes in order of their stated priorities, without regard to the principal repayment schedule for that class. On the other hand, when principal cash flow is slower than expected, support classes may not receive any principal during that period.

Since the prepayment behavior of the underlying mortgage-related collateral has a direct impact on a support class, it is important to understand the nature of the underlying mortgage-related collateral and how it may be expected to prepay. It is also important to understand the number and type of classes that the support class supports as well as the number of support classes in a REMIC transaction. The more classes that a support class supports, the more volatile its average life will be.

Support class average lives and yields-to-maturity may vary widely over time. They are priced at a higher yield than more stable classes to compensate investors for the risk of that variability. However, if prepayments vary over time, this yield advantage may be lost. For example, depending on the price paid, faster-than-expected prepayments will increase the actual yield-to-maturity on a support class purchased at a discount, while slower-than-expected prepayments will decrease the actual yield on such a class.

Accrual Classes (Z)

In an accrual class, or Z class, investors receive no cash flow from the security until certain other classes are paid off. Unlike other classes that pay interest each month, interest that would have been paid to the Z class is added to its principal balance until the applicable prior classes have paid off. Over time the balance grows and the interest earned, but not paid, is calculated upon this increasing balance. Once the prior classes have paid off, the Z class becomes an interest-paying amortizing class that pays down like a sequential pay class.

The Z classes are often the last regular interest class in a REMIC transaction and may have long average lives.

Interest-Only and Principal-Only Classes (IO/PO)

REMIC structures can contain two classes that resemble a stripped mortgage-backed security (SMBS). Each class receives a portion of the monthly principal or interest payments from the underlying monthly-related collateral by "stripping apart" the principal and interest cash flow streams. The underlying mortgage-related collateral's scheduled principal amortization and prepayments go to the principal-only (PO) class. The interest cash flow goes to the interest-only (IO) class.

IOs and POs are complex securities that are extremely sensitive to interest rate changes because prevailing rates affect prepayments. Slower-than-expected prepayments (usually associated with rising interest rates) will have a negative effect on the yield of a PO class. Faster-than-expected prepayments (usually associated with falling interest rates) will have a negative effect on the yield of an IO class.

Because IO classes will produce cash flow to the investor only if the underlying mortgage-related collateral has principal outstanding on which to base an interest calculation, the investor may, in certain cases, receive less cash back than invested, resulting in an actual loss on the investment.

Floating – Rate and Inverse Floating – Rate Classes (FLT/INV)

A floating-rate class (also called a "floater") is structured so that the coupon rate payable to the investor adjusts periodically (usually monthly) by adding a certain amount (the "spread") to a benchmark index (the "index"), subject to a lifetime maximum coupon (the "cap"). The one-month London Interbank Offered Rate (LIBOR) is a popular index, but other various indices have been used.

Inverse floating-rate classes ("inverse floaters") have coupon rates that periodically adjust in the opposite direction of the index. The coupon payable often is derived by subtracting a calculated amount from a given lifetime cap [Coupon Life Cap - (Multiplier x Index)].



The yield of any floater or inverse floater is sensitive to the rate of prepayments as well as the level of the applicable index, particularly if the coupon fluctuates as a multiple of the index (so-called "super floaters"). Low levels of the index will reduce the yield of a floating-rate class and the interest rate cap will limit the investor's yield when the level of the index is high. Because the rate of interest paid on an inverse floating-rate class often varies inversely with a multiple of the index, any change in the index may have an exaggerated effect on the yield to the investor. High levels of the index will significantly lower the yield of an inverse floating-rate class because its interest rate can fall to zero percent.

Moreover, changes in the level of the index may not correlate with changes in prevailing mortgage interest rates. Some indices used for floating-rate and inverse floating-rate classes are more sensitive to fluctuations in short-term rates than others. For example, LIBOR is very sensitive to short-term rates. Mortgage interest rates usually respond to longer-term rate movements. It is possible that lower prevailing interest rates, which might be expected to result in faster prepayments, could occur at the same time as an increase in the level of the index. Under these high-prepayment/high-index situations, investors in inverse floating-rate classes may not recoup their initial investment, resulting in an actual loss on the investment.

Any REMIC transaction that contains a floater will also contain an inverse floater tied to the same index.

Multifamily REMICs

Fannie Mae Multifamily REMICs are also known in the marketplace as ACES® (Alternative Credit Enhancement Securities) or FNA's, as they are known on Bloomberg. Multifamily REMICs are a type of multiclass mortgage-related security in which interest and principal payments from multifamily mortgages are structured into separately traded securities. The primary source of underlying collateral is Fannie Mae DUS securities. Structures may include straight-forward pass-through or sequential structures, with fixed-rate classes and/or floater and inverse floater classes.

Fannie Mae GeMS™ REMICs

Fannie Mae GeMS REMICs, built upon Fannie Mae's successful DUS MBS program, are structured multifamily securities created from multifamily MBS collateral selected by Fannie Mae Multifamily Capital Markets. The GeMS REMICs attract additional capital to multifamily finance from larger institutional investors who might not find the characteristics of smaller, single-loan DUS MBS attractive. Structures provide block size, collateral diversity, pricing close to par, and customized cash flows to meet investor demand. GEMS REMICs are distributed to the marketplace through a dealer syndicate and trade regularly in the secondary market.

WAS REMICs

Wisconsin Avenue Securities (WAS) is the trade name for Fannie Mae senior/subordinated REMIC security in which both cash flows and credit losses are passed through to investors. Collateral may include either whole loan single-family or whole loan multifamily mortgages.

The senior bonds pass through principal and interest to investors, but do not absorb any credit losses because they are fully guaranteed by Fannie Mae.

The subordinated bonds receive principal and interest payments as well. However, if there is a loss, they will absorb credit losses from the collateral by having their balances reduced when losses are realized.

Fannie Mae guarantees the timely payment of principal and interest to investors for only the senior bonds. Fannie Mae does not guarantee the subordinated bonds issued as Wisconsin Avenue Securities (WAS). Therefore, investors in the subordinated bonds bear credit risk.



Benchmark REMICs

Fannie Mae's Benchmark REMICs™ have several characteristics designed to facilitate improved liquidity and price transparency for specific REMIC classes issued through this process.

These characteristics include:

- Syndicated dealer distribution for maximum breadth of distribution as well as to encourage active secondary market support in a number of time zones.
- Inclusion in each Benchmark REMIC transaction of a large issue size Guaranteed Final Maturity Class (GMC) with a stated final maturity.
- Minimum new issue size of \$1 billion for each GMC to promote liquidity in these securities.
- Enhanced price transparency features represented by live price quotes on TradeWeb for the GMCs of each Benchmark REMIC transaction.

REMICs and Your Taxes

REMICs are complex investments that require careful consideration of various issues prior to investment, including tax issues. Tax consequences of investing in a REMIC depend on, among other things:

the prepayment structure of the REMIC class, the price at which the class was originally issued, and the price the investor paid.

In addition, the actual principal payments received, as well as the projected speed of remaining principal payments, influence certain components of the investor's taxable REMIC investment income.

Because there are many tax-related questions concerning REMIC investments, investors should consult a tax advisor for more specific information.

Before You Invest in REMICs

REMICs are complex securities and may not be suitable for every investor. Before investing in a REMIC, you should have an understanding of the issuer, structure and potential risks of the security. To help you gain that understanding, you should read and understand the related REMIC disclosure documents and consult with your financial and tax advisors before investing in REMICs.



Basics of Grantor Trusts

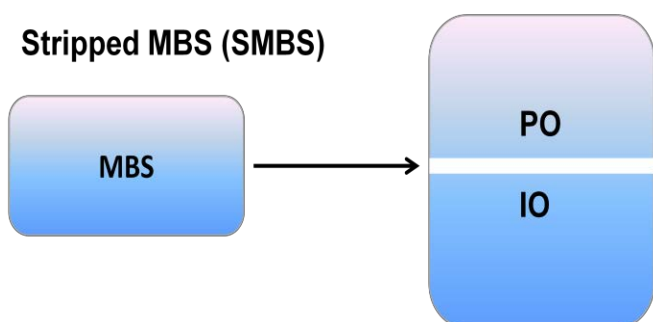
A grantor trust is a pass-through vehicle that, like a REMIC, issues separately-traded classes. However, grantor trusts are treated differently than REMICs for federal income tax purposes. Furthermore, unlike a REMIC, the classes in grantor trusts cannot be "time-tranched"; each grantor trust class must receive its proportionate share of cash flow from the underlying collateral each month until such collateral is paid off. Each holder of a grantor trust certificate is treated for tax purposes as owning an undivided interest in the underlying collateral. The collateral providing the cash flow for Fannie Mae grantor trusts are mortgage-related assets, which are specifically described in the trust's disclosure documents.

Grantor Trust Structure

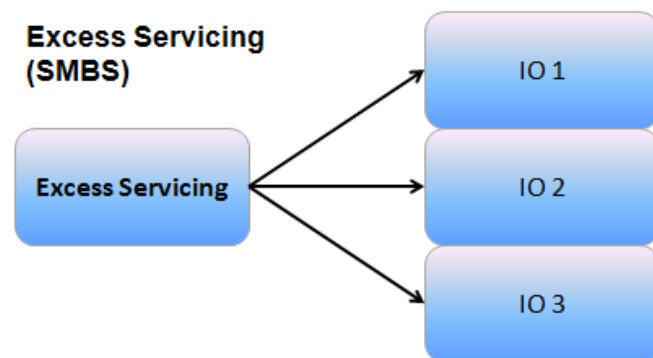
Fannie Mae has issued grantor trusts backed by various types of collateral, including single-family and multifamily MBS, REMIC securities and whole mortgage loans. Similar to Megas and MBS, the grantor trust securitization vehicle combines the cash flows of the underlying collateral. Fannie Mae grantor trusts are typically issued under the "T" series (for example "2005-T1" or "2004-T10").

Basics of SMBS

"Stripped" Mortgage-backed Securities ("SMBS") are pass-through grantor trust securities created by "stripping apart" the principal and interest payments from the underlying mortgage-related collateral into two (or occasionally more) classes of securities. The interest-only ("IO") class receives the interest cash flow. The principal-only ("PO") class receives the principal cash flow. Most SMBS deals are structured so that the IO and PO classes may be recombined at a future date.



Collateral for SMBS deals may include MBS, REMICs, other SMBS, and Excess Servicing from loans that are in existing MBS. Excess Servicing SMBS deals are 100% interest-only deals.



Potential SMBS investors need a high degree of familiarity with the mortgage-backed securities markets and should have the tools and techniques to assess the risks associated with SMBS. SMBS are most commonly identified by a trust number (e.g., Stripped Mortgage-Backed Security Trust 318) and class (e.g., 1 or 2).



SMBS appeal to investors with particular hedging needs or interest rate outlooks. They are extremely sensitive to interest rate changes because of the effect that prevailing interest rates have on prepayment speeds. Each investor has different investment needs and a different risk tolerance, so a potential investor in SMBS should consult financial and legal advisors to determine whether it is a suitable investment.

Prepayments & Yield

The rates of prepayments on the underlying mortgage loans directly and often disproportionately affect the value and yields on SMBS classes. Slower- than-expected prepayments -- usually associated with rising interest rates -- will have a negative effect on the yield and value of a PO class. At the same time, slower-than-expected prepayments will have a positive effect on the yield and value of an IO class. Conversely, faster-than-expected prepayments -- usually associated with falling interest rates -- will have a positive effect on PO classes and a negative effect on IO classes.

Investors in IO classes risk the actual loss of some or all of their original investment because IO classes will produce cash flow only as long as the underlying collateral has principal outstanding. As such, in a very fast prepayment environment, the interest payable on a rapidly declining balance may, over time, be less than the initial outlay for the investment, resulting in an actual loss of principal.

Investing in SMBS

SMBS are complex securities and may not be suitable for every investor. Before investing in SMBS, you should have an understanding of the issuer, structure, and potential risks of the security. To help you gain that understanding, you should read and understand the related SMBS disclosure documents and consult with your financial and tax advisors before investing in SMBS.

Fannie Mae Guaranty

Fannie Mae securities (except for the subordinated classes of WAS REMICs) carry a guaranty of timely payment of principal and interest to investors as described in the related prospectus. The value of the guaranty is important to investors because it reduces credit risk and increases the marketability of the securities; it does not, however, eliminate interest rate or market risk. The guaranty of Fannie Mae is not

backed by the full faith and credit of the U.S. government. Please review the prospectus and related documents for further information on the guaranty.

Disclosure Documents

Megas

Prospectus:

Contains general information about Megas issued during its effective period. The information includes the nature of the guaranty, yield considerations, class definitions, and abbreviations.

Prospectus Supplement:

Contains information about specific issuance of Mega securities. The information in a Mega Prospectus Supplement may be different or more complete than the information in the Mega Prospectus because it describes a specific Mega.

New Issue Mega Statistics (NIMS):

NIMS is a daily at-issuance report for newly issued Single-Family Megas. This report provides timely and full disclosure the morning after a Mega pool is issued. The disclosure includes security-level statistics as well as a variety of collateral stratifications and a list of collateral backing the Mega.

Final Data Statements:

The Mega final data statement identifies the underlying securities for that issuance.

- The final data statement for Mega certificates backed by MBS securities provides certain data about the underlying securities, including information related to weighted average coupon, and weighted average remaining term.
- The final data statement for Mega certificates backed by REMIC securities will present aggregate data on the MBS underlying the REMIC securities held in the related trust.
- For multifamily Mega certificates, a multifamily Mega supplement is also prepared to the final data statement that includes data for the underlying securities backing the Mega, including property name and property address for each related multifamily mortgage loan.



REMICs & Grantor Trusts

Grantor Trust Prospectuses

Contains information about a specific grantor trust and its collateral, including full descriptions of its classes and how they will be paid, risk factors, yield and prepayment considerations, a summary of the trust agreement and the nature of the Fannie Mae guaranty. Sometimes a grantor trust prospectus has an associated prospectus supplement to update or give additional information about the related trust and is often attached to, and a part of, the trust's prospectus.

REMIC Prospectus

Contains basic information about REMICs, including the nature of the guaranty, yield considerations, class definitions, and abbreviations. It is frequently referred to as a base prospectus because information in the prospectus supplement is based on, or builds upon, the information in the prospectus.

Prospectus Supplement

Contains information about a specific REMIC trust, including the description of the classes within that REMIC, its collateral, the rules for distributing the collateral's cash flow, and risk factors. The information in the REMIC Prospectus Supplement is specific to a particular trust and should be read together with the REMIC Base Prospectus and any other disclosure documents referred to in the Prospectus Supplement. REMIC Prospectus Supplements are identified by a year and a trust number.

For REMICs backed by mortgage loans, the disclosure documents may include a transaction specific REMIC Prospectus or a REMIC Base Prospectus and Prospectus Supplement.

Final Data Statements

The final data statement for each series of REMIC certificates identifies the series trust assets for that series.

- For REMICs with MBS, Megas and certain SMBS collateral, the final data statement will contain the pool number, the current weighted average coupon and the current weighted average maturity of the mortgage loans backing each of the MBS, Megas or certain SMBS as of the issue date of the certificates.

- We typically do not prepare a separate final data statement for a series trust that is a resecuritization of REMIC Certificates. In that case, an exhibit to the related prospectus supplement serves as the final data statement.

Other Documentation

Fannie Mae may also provide other related documents incorporated by reference in the offering documents.

SMBS

Prospectuses

Contains general information about SMBS, including the nature of the guaranty, yield considerations, and the SMBS certificates.

Prospectus Supplement / Preliminary Data Statement

Contains information about a specific SMBS. Prospectus Supplements are used to provide the details related to a particular transaction and supplement but do not replace the information in the SMBS Prospectus.

Prospectus Supplements are prepared for each issue of SMBS certificates at the time of issue, and should be read together with the SMBS Prospectus and any other disclosure documents referred to in the Prospectus Supplement. Prior to 2008, Preliminary Data Statements were prepared instead of Prospectus Supplements.

Final Data Statements

The final data statement for a series of SMBS certificates identifies the trust assets for that series.

- For SMBS certificates backed by MBS, Mega certificates and previously issued SMBS certificates, the final data statement will contain the pool number, the current weighted average coupon and the current weighted average maturity of the related mortgage loans as of the issue date of the SMBS certificates.



- For SMBS certificates backed by Fannie Mae or Ginnie Mae REMIC certificates, the final data statement will contain the principal balances (or notional principal balances) of the applicable REMIC certificates as of the issue date of the SMBS certificates.
- For SMBS certificates backed by excess servicing, the final data statement will include certain additional information, on an aggregate basis, with respect to the mortgage loans included in the mortgage loan group associated with each class of SMBS certificates. Mortgage loan groups are referred to as “pseudo pools” in the final data statement.
- For SMBS certificates backed by Ginnie Mae underlying securities other than Ginnie Mae REMIC certificates, the final data statement will contain information generally comparable to the information provided for SMBS certificates backed by Fannie Mae underlying securities (to the extent available).

SEC Filings

Quarterly/Annual Results on Forms 10-Q/10-K

Describes the business and operations of Fannie Mae and our financial condition as of a specified date. It contains audited financial information and is filed with the SEC annually. Fannie Mae also files quarterly and current reports, among other documents, with the SEC.

Additional reports filed with the SEC

Certain reports filed with the SEC subsequent thereto.

Other Useful Information

[PoolTalk](#)[®]

An online tool that provides information about Fannie Mae MBS, SMBS, Mega, REMIC, and Grantor Trust securities. PoolTalk includes current and historical factors, CUSIP numbers, original issue balances, interest rates, issue and maturity dates, weighted- average coupons, weighted- average maturities, and other data.

[Recently Priced Transactions](#)

Provides preliminary security-level information for each priced Mega, REMIC and SMBS securities.

[Latest Postings](#)

Provides access to Prospectuses and additional relevant disclosure documents for Mega, REMICs and SMBS securities.

[Relay Files](#)

Contains summary information for loading REMIC and SMBS deals onto a user's system, including issuer, pricing date, settlement date, number of tranches, and trustee.

[Tax Factors](#)

The Fannie Mae Tax Factors application allows users to search for tax reporting information on all Fannie Mae-issued MBS, REMIC and SMBS securities by CUSIP or deal number for a specified year.

[Remittance Reports](#)

Monthly Remittance Reports provide data on securities and underlying collateral, including Principal and Interest Distributions, and Factors for certain REMIC and SMBS securities.

[Pool Prefix Glossary](#)

Lists the different prefixes that identify the type of Fannie Mae MBS pool that may be used for collateral in Mega, REMIC and SMBS securities. The prefix identifies the type of loans, the original terms, and other information regarding the pool's characteristics.

[Fannie Mae ARM MBS Subtypes](#)

The subtypes summarize key features of the adjustable-rate mortgages that may be used for collateral in Mega, REMIC and SMBS securities.

Contact Information

Investors may contact Fannie Mae's Fixed Income Marketing department by [e-mail](#) or dialing

1-800-2FANNIE.



Appendix: Structured Transactions Disclosures & Links

	Megas	REMICs	Grantor Trusts	SMBS	
Disclosures	Prospectus	✓	✓	✓	✓
	Prospectus Supplement	✓	✓	✓	✓
	Final Data Statement	✓	✓	✓	✓
	Quarterly/Annual Results	✓	✓	✓	✓
	Other reports filed with the SEC	✓	✓	✓	✓
	Other related documents incorporated by reference	✓	✓	✓	
Useful Links	PoolTalk	✓	✓	✓	✓
	Recently Priced Transactions	✓	✓	✓	✓
	Latest Postings	✓	✓	✓	✓
	Relay Files		✓	✓	✓
	Tax Factors	✓	✓	✓	✓
	Remittance Reports		✓	✓	✓
	Pool Prefix Glossary	✓	✓	✓	✓
	ARM MBS Subtypes	✓	✓		✓
	New Issue Mega Statistics (NIMS)	✓			

PoolTalk: <https://mbsdisclosure.fanniemae.com/PoolTalk2/index.html>

Recently Priced Transactions:

Megas - <http://fanniemae.com/portal/jsp/mbs/data/mega/recentlypricedmega.html>

REMICs & SMBS - <http://fanniemae.com/portal/jsp/mbs/data/remic/recentlypriced.html>

Latest Postings:

Megas - <http://fanniemae.com/portal/jsp/mbs/documents/mega/latestpostings.html>

REMICs - <http://fanniemae.com/portal/jsp/mbs/documents/remic/latestpostings.html>

SMBS - <http://fanniemae.com/portal/jsp/mbs/documents/smbs/latestpostings.html>

REMIC & SMBS Relay Files: <http://fanniemae.com/portal/jsp/mbs/data/remic/remicrelay.html>

Tax Factors: <http://taxfactors.efanniemae.com/taxfactors/searchForm.do>

REMIC & SMBS Remittance Reports: <http://fanniemae.com/portal/jsp/mbs/data/remic/remittancereport.html>

Pool Prefix Glossary: <http://fanniemae.com/resources/file/mbs/pdf/pool-prefix-glossary.pdf>

ARM MBS Subtypes: <http://fanniemae.com/portal/jsp/mbs/data/mbs/armsubtypes.html>