

MBS Volumes*

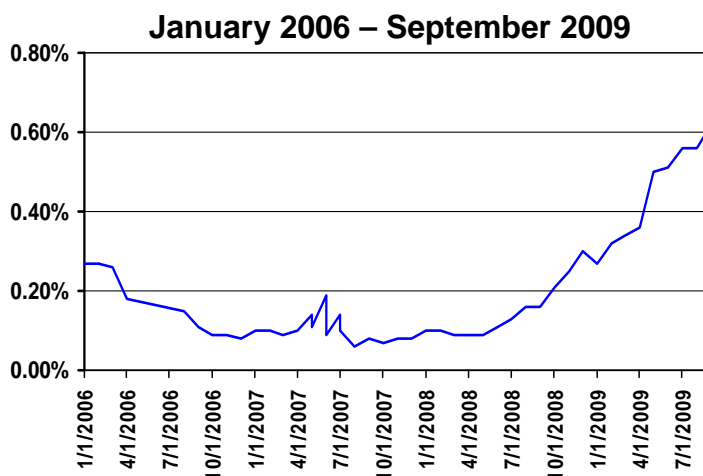
	2 nd Quarter 2009	3 rd Quarter 2009
MF MBS Issuance (\$ billions)	\$4.72	\$4.64
MF MBS Outstanding (\$ billions)	\$41.78	\$45.30

Spreads

Week of	Spread over 10-year Swaps
08/28/09	80
09/11/09	80
09/18/09	80
09/25/09	75
10/02/09	70
10/16/09	70
10/23/09	68
10/30/09	68

Source: J.P. Morgan Chase

Serious Delinquency Rate **



For general questions, please contact
 Fixed-Income Investor Helpline at 800.237.8627

* Excludes Negotiated Transaction (NT) MBS and other non-flow MBS products

** Includes multifamily loans and securities 60 days or more past due and is calculated based on the UPB or delinquent multifamily loans owned by Fannie Mae or underlying Fannie Mae guaranteed securities, divided by the UPB of multifamily loans owned by Fannie Mae or underlying Fannie Mae guaranteed securities.

MBS Highlights

Year-to-Date 2009 Fannie Mae Multifamily MBS Issuance

❖ Through September 2009, Fannie Mae has issued a total of \$11.73 billion in multifamily MBS. This multifamily MBS issuance amount already exceeds the total amount of multifamily MBS issued in the full year of 2008, which was \$4.17 billion. (Excludes Negotiated Transaction (NT) MBS and other non-flow MBS products)

MBS Product: MBS Multifamily Structured ARM (SARM)

- ❖ These loans have an adjustable interest rate that is equal to 1-month or 3-month LIBOR plus a mortgage margin.
- ❖ No embedded periodic or lifetime caps in the loan structure, providing the advantage of an uncapped adjustable-rate security.
- ❖ Principal is paid in equal installments over the life of the loan, providing greater predictability to investors if the loan amortizes (interest-only loans also available).
- ❖ Loan sizes typically exceed \$25 million, improving the marketability of the MBS.
- ❖ Loan terms of 5-, 7-, or 10-years with day count convention of Actual/360.
- ❖ Two types of Prepayment Premiums (No portion of prepayment premium will be passed on to the investor.):
 - 1) 1-Year Lockout, then 1% until 3 months before maturity, then open
 - 2) 1-Year Lockout, then a Declining Prepayment until 3 months before maturity, then open
- ❖ Eligible for conversion to a fixed rate after the first 12 months of the loan, based on meeting eligibility criteria established at origination. An exercise of the conversion option would result in the repurchase of the MBS/SARM loan from the MBS pool.
- ❖ MBS/SARM loans identified by the ARM Plan Numbers below:
 - 1) 1-month LIBOR: ARM Plan # 03488; and,
 - 2) 3-month LIBOR: ARM Plan # 03487.
- ❖ For more details, see the Fannie Mae Multifamily Delegated Underwriting and Servicing Guide found on AllRegs®.

Notable News

The Third Quarter 2009 MBS Performance Data file for MBS/DUS 10/9.5 will be available at:
<http://www.fanniemae.com/mbs/data/multifamily/dusp/performancedata.ihmtl>