



FannieMae[®]

Fannie Mae Introduces Benchmark REMICs[™]

Benchmark REMICs, with a large issue size Guaranteed Maturity Class, represent Fannie Mae's commitment to deliver mortgage products to the marketplace in response to investor needs.

Characteristics of Benchmark REMICs

- **Syndicated dealer distribution** for maximum breadth of distribution and price transparency 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 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 GMCs of each Benchmark REMIC transaction, which help to ensure liquidity and price transparency.
- **Collateralized** by fixed-rate, first lien, single-family mortgage Fannie Mae MBS pools.

Each new Benchmark REMIC issue will be announced via press release.

Fannie Mae will engage in ongoing discussions with members of its Benchmark REMIC dealer group to gauge market demand for Benchmark REMICs.

Announcement

The structure and the maturity of the GMC, as well as the characteristics of the underlying MBS used to collateralize each Benchmark REMIC will be disclosed at announcement to facilitate investor analysis of the securities.

Price Discovery

For two to three days following the initial announcement, price discovery will occur, followed by official pricing.

Pricing

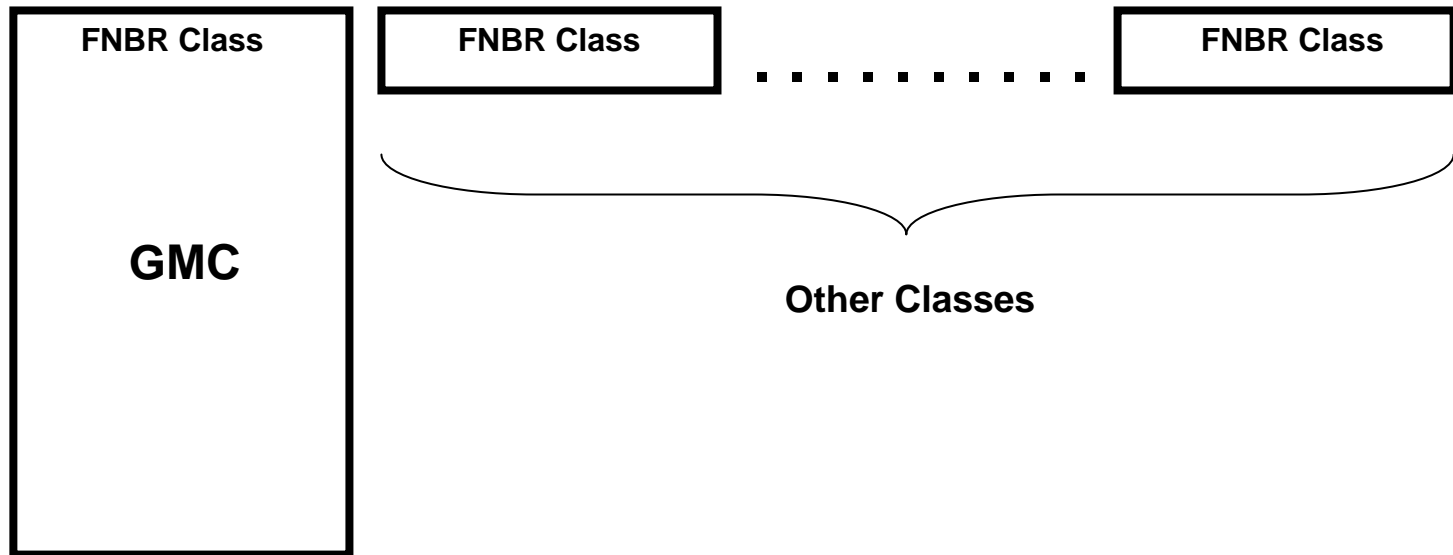
Fannie Mae will express pricing for the GMC of each Benchmark REMIC transaction as a spread, interpolated to the average life Treasury yield, for the particular coupon, average life and the prevailing Bloomberg dealer median prepayment forecast for the underlying collateral at the time of pricing.

Benchmark REMICs will be brought to market through a traditional dealer syndicate underwriting process.

Benchmark REMIC Dealer Group

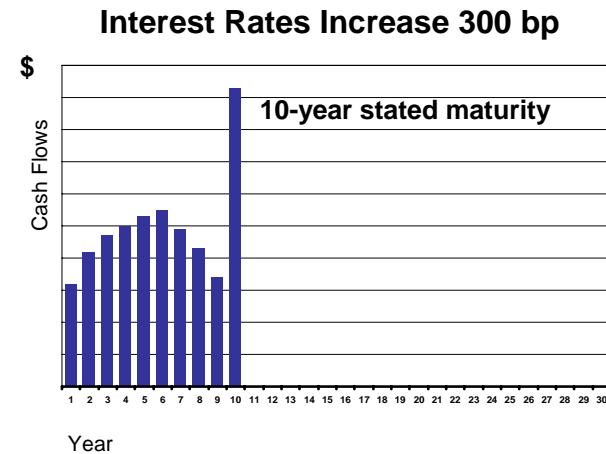
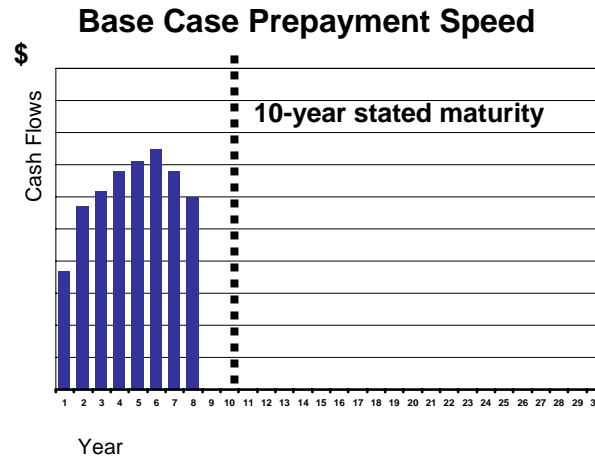
- Amherst Securities Group, L.P
- Banc of America Securities LLC
- Barclays Capital Inc.
- Bear, Stearns & Co. Inc.
- Citigroup Global Markets Inc.
- Countrywide Securities Corporation
- Credit Suisse Securities (USA) LLC
- Deutsche Bank Securities Inc.
- First Tennessee Bank National Association
- Goldman, Sachs & Co.
- Greenwich Capital Markets, Inc.
- HSBC Securities (USA) inc.
- Lehman Brothers
- Merrill Lynch, Pierce, Fenner & Smith Inc.
- Morgan Keegan & Co., Inc.
- J.P. Morgan Securities Inc.
- Morgan Stanley & Co. Incorporated
- Nomura Securities International, Inc.
- UBS Securities LLC

The GMC of each Benchmark REMIC transaction will have a stated final maturity that will be less than that of the underlying MBS collateral.

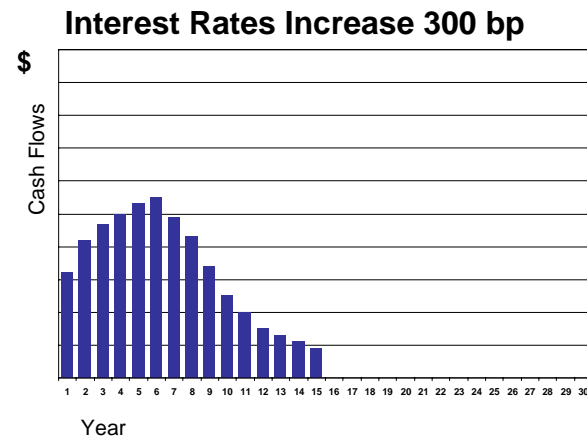
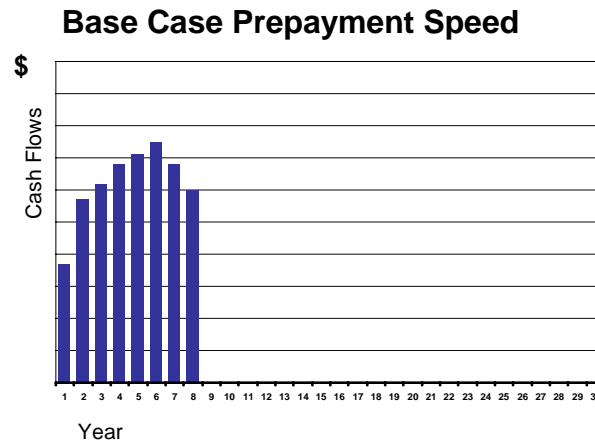


The GMC of a Benchmark REMIC has a fixed final maturity and principal payments cannot extend beyond that maturity date.

Front Sequential
GMC of
Benchmark
REMIC with
10-year fixed
stated maturity



Front Sequential
REMIC class
without fixed
stated maturity



The GMCs of Benchmark REMICs may appeal to many types of investors.

- The securities may serve as a useful introduction for investors who are new to the structured mortgage market and want to become better acquainted with the unique performance and payment features of these types of mortgage securities.
- The simplified structure and disclosure of collateral before pricing will help money managers perform prepayment analyses on these securities.
- Traditional mortgage investors seeking to reduce extension risk in a rising interest rate environment may find the fixed final maturity of Benchmark REMICs attractive.
- Benchmark REMICs carry Fannie Mae's guaranty of timely payment of principal and interest as is the case with other mortgage securities issued by Fannie Mae.

Note: Fannie Mae's obligations are solely Fannie Mae's and are not backed by the full faith and credit of the United States government.



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