

**THIS TRUST AGREEMENT made, executed and published as of the first day of April 1988 at Washington, D. C. by the Federal National Mortgage Association (herein called "Fannie Mae"), a body corporate organized and existing under the laws of the United States, in its corporate capacity and in its capacity as trustee:**

**WITNESSETH**

**WHEREAS, Fannie Mae is authorized pursuant to Section 304(d) of Title III of the National Housing Act (12 U.S.C. § 1719(d)) to set aside mortgage loans held by it under such Section 304 and to issue and sell securities based upon the mortgage loans so set aside;**

**WHEREAS, Fannie Mae has purchased and intends to purchase mortgage loans evidenced by Fannie Mae guaranteed mortgage pass-through securities;**

**WHEREAS, Fannie Mae intends to set aside into separate trusts administered by it groups of such mortgage loans evidenced by Fannie Mae guaranteed mortgage pass-through securities; and**

**WHEREAS, Fannie Mae intends to issue separate issues of Guaranteed MBS Pass-Through Securities evidencing beneficial ownership interests in the Fannie Mae guaranteed mortgage pass-through securities held in each such trust formed by Fannie Mae, the Guaranteed MBS Pass-Through Securities of a particular issue evidencing the right to receive principal and interest distributions on the underlying Fannie Mae guaranteed mortgage pass-through securities.**

**NOW THEREFORE, the parties to this Trust Agreement, in the several capacities hereinabove set forth, do hereby declare and establish this Trust Agreement and do hereby undertake and otherwise agree as follows:**

## ARTICLE I

### Defined Terms

Whenever used in this Trust Agreement, the following words and phrases, unless the context otherwise requires, shall have the following meanings:

**Authorized Officer:** The Chairman of the Board, the President or any Executive Vice President, Senior Vice President or Vice President of Fannie Mae.

**Business Day:** Any day other than (i) a Saturday or a Sunday, or (ii) a day on which the Federal Reserve Bank of New York authorizes banking institutions in the Second Federal Reserve District to be closed.

**Certificate:** A guaranteed MBS pass-through security which is issued in book-entry form and is maintained in the name of a record owner as an entry on the books of a Reserve Bank under a designation specifying the Issue and denomination thereof.

**Certificate Principal Factor:** As to any Issue and as of any Distribution Date, a fraction the numerator of which is the Outstanding Certificate Principal Amount and the denominator of which is the Original Certificate Principal Amount.

**Certificateholder or Holder:** As to any Certificate, the record owner on the appropriate Reserve Bank's books.

**Default Under the Trust Indenture:** With respect to any Fannie Mae Security, any condition, occurrence or event which, if continued for any specified period of time after the giving of any requisite notice, would be an "Event of Default" under Section 9.03 (or any similar provision) of the Trust Indenture pursuant to which such Fannie Mae Security was issued.

**Deferred Interest:** With respect to a Deposit Period and adjustable rate Fannie Mae Security evidencing a fractional undivided interest in a pool of mortgage loans having deferred interest features, the amount of any addition to the principal balance of such Fannie Mae Security during such Deposit Period on account of such features (assuming, for such purpose, that no such addition is offset in whole or in part by any concurrent distributions of principal on account of principal prepayments or otherwise).

**Deposit Period:** As to any Distribution Date, the period beginning immediately following the preceding Distribution Date (or, in the case of the first Distribution Date, beginning with

the month of such Distribution Date) and ending on such Distribution Date.

Distribution Date: The 25th day of any month, beginning, as to any particular Issue, with the 25th day of the month following the month of the Issue Date, or, if such 25th day is not a Business Day, the Business Day immediately following.

Event of Default: As defined in Section 6.04.

Event of Default Under the Trust Indenture: With respect to any Fannie Mae Security, any "Event of Default" under Section 9.03 (or any similar provision) of the Trust Indenture pursuant to which such Fannie Mae Security was issued.

Fannie Mae Distribution Amount: As to any Issue, an amount as to principal and an amount as to interest equal to the respective amounts, if any, specified in the applicable Issue Supplement.

Fannie Mae Securities: As to each Trust Fund, the Fannie Mae guaranteed mortgage pass-through securities held therein and identified in the related Fannie Mae Security Schedule.

Fannie Mae Security Schedule: As to each Trust Fund, the schedule of Fannie Mae Securities attached as Exhibit A to the related Issue Supplement, such schedule setting forth as to each Fannie Mae Security (i) the Fannie Mae pool number, (ii) the pass-through rate if such Fannie Mae Security is a fixed rate Fannie Mae Security and (iii) the principal balance as of the Issue Date (as defined in the related Trust Indenture) after giving effect to the principal component of the scheduled distribution for the month of the Issue Date.

Fannie Mae Security Trust Fund: As to any Fannie Mae Security, the trust fund in which such Fannie Mae Security evidences a fractional undivided interest.

Interest Distribution Amount: As to each Issue and Distribution Date, the distributions of interest due on the Fannie Mae Securities during the related Deposit Period (exclusive of any Deferred Interest) less, in the case of the initial Distribution Date, the interest component of any Fannie Mae Distribution Amount.

Issue: As to any Trust Fund, all of the Certificates issued and outstanding and evidencing, in the aggregate, the entire beneficial ownership interest therein.

Issue Date: As to any Issue, the first day of the month during which the Certificates comprising such Issue are initially issued.

Issue Distribution Amount. As to each Issue and Distribution Date, the sum of the related Interest Distribution Amount and Principal Distribution Amount.

Issue Supplement: An instrument substantially in the form of Exhibit A hereto published by Fannie Mae pursuant to Section 2.01 which supplements this Trust Agreement and identifies and establishes a particular Trust Fund and a particular Issue of Certificates related to such Trust Fund.

Opinion of Counsel: A written opinion of counsel, who may be counsel for Fannie Mae.

Original Certificate Principal Amount: As to any Issue, the aggregate of the denominations of the Certificates of such Issue.

Outstanding Certificate Principal Amount: As to any Issue and Distribution Date, the sum of (i) the Original Certificate Principal Amount and (ii) the aggregate of any amounts of Deferred Interest for previous Deposit Periods in respect of the related Fannie Mae Securities, less the aggregate of the portions of all previous Issue Distribution Amounts which represent the Principal Distribution Amount component thereof.

Percentage Interest: As to any Certificate, the percentage interest in each related Issue Distribution Amount evidenced thereby, such percentage interest being obtained by dividing the principal denomination of such Certificate by the aggregate of the principal denominations of all Certificates of the same Issue.

Principal Distribution Amount: As to each Issue and Distribution Date, all distributions of principal, including Deferred Interest for previous Deposit Periods, which were due on the Fannie Mae Securities during the related Deposit Period less, in the case of the initial Distribution Date, the principal component of any Fannie Mae Distribution Amount.

Record Date: As to any Distribution Date, the last day of the month next preceding the month of such Distribution Date.

Reserve Bank: Any Federal Reserve Bank, including its branches.

Trust Agreement: This Trust Agreement, dated as of April 1, 1988, by and between Fannie Mae, in its corporate capacity and in its capacity as Trustee, as the same is originally executed,

amended or supplemented in accordance with the applicable provisions hereof.

Trust Fund: As to any Issue, the corpus of the trust created by this Trust Agreement and the Issue Supplement applicable thereto, consisting of the Fannie Mae Securities and all distributions thereon and all rights thereunder.

Trust Indenture: As to any Fannie Mae Security, the trust indenture and applicable issue supplement pursuant to which such Fannie Mae Security was issued.

Trustee: The Federal National Mortgage Association, in its capacity as trustee hereunder, or its successor in interest in such capacity, or any successor trustee appointed as herein provided.

## ARTICLE II

### Issue Supplement

Section 2.01. Issue Supplement. An Issue Supplement establishing a Trust Fund and creating the Issue of Certificates evidencing the entire beneficial ownership interest therein shall be substantially in the form annexed hereto as Exhibit A (with such changes therein as Fannie Mae in its sole discretion shall determine) and shall be executed by Fannie Mae, in its corporate capacity and by Fannie Mae, acting in its capacity as Trustee and filed pursuant to Section 2.05 in the office of the Corporate Secretary of Fannie Mae at the time of the issuance of Certificates related to such Trust Fund. Each Issue Supplement shall be executed on behalf of Fannie Mae in its corporate capacity and in its capacity as Trustee by an Authorized Officer, under its seal affixed by impression, printing or rubber stamp duly attested by the Corporate Secretary or an Assistant Corporate Secretary. Any attestation of the Corporate Secretary or an Assistant Corporate Secretary may be by manual or facsimile signature.

Each Issue Supplement shall identify and relate to a particular Issue of Certificates evidencing beneficial ownership interests in the related Trust Fund. Fannie Mae shall prepare and maintain for each such Trust Fund a Fannie Mae Security Schedule which may be in microfiche form.

Section 2.02. Issue Supplement and Trust Agreement. With respect to each Trust Fund established by an Issue Supplement and the related Certificates, the collective terms of this Trust Agreement and such Issue Supplement shall govern the issuance and administration of all Certificates related to such Trust Fund, and all matters related thereto, and shall have no applicability to any other Trust Fund or Certificates. As applied to each Trust Fund established by an Issue Supplement, and the related Certificates, the collective terms of such instruments shall constitute an agreement relating exclusively to such Trust Fund and Certificates to like effect as if the collective terms of all such instruments were set forth in a separate instrument, duly executed and delivered by Fannie Mae in its corporate capacity and in its capacity as Trustee.

Section 2.03. Authorized Officers. The manual or facsimile signature of any individual appearing on an Issue Supplement designated as the signature of an Authorized Officer of Fannie Mae shall constitute conclusive evidence that such individual is, in fact, authorized by Fannie Mae to execute such Issue Supplement on behalf of Fannie Mae in its corporate capacity and in its capacity as Trustee, notwithstanding that such authorization may have

lapsed prior to the effective date of such Issue Supplement or delivery thereof.

Section 2.04. Delivery of Instruments. Fannie Mae shall furnish to each Holder, upon request, copies of this Trust Agreement and the related Issue Supplement, without attachments, applicable to the Certificate(s) held by such Holder.

Section 2.05. Notice. An original counterpart of this Trust Agreement is filed, and an original counterpart of each Issue Supplement shall be filed, in the office of the Corporate Secretary of Fannie Mae, 3900 Wisconsin Avenue, N.W., Washington, D.C. 20016, and shall be available for inspection by any Holder of a Certificate in the related Trust Fund upon request and during normal business hours.

## ARTICLE III

### Distributions

Section 3.01. Accounting Records. The Trustee shall establish and maintain, as to each Trust Fund, accounting records in which distributions on the Fannie Mae Securities included in such Trust Fund are recorded. Fannie Mae shall allocate in such Accounting Records each distribution on a Fannie Mae Security among the Principal Distribution Amount and the Interest Distribution Amount for the related Issue.

Section 3.02. Distributions; Fannie Mae Guaranty. On each Distribution Date, the Trustee shall distribute or cause to be distributed to each Certificateholder of record on the preceding Record Date in Federal Funds such Certificateholder's Percentage Interest in the applicable Issue Distribution Amount. On the initial Distribution Date the Trustee shall pay over to Fannie Mae any Fannie Mae Distribution Amount. Fannie Mae guarantees to the Holders of Certificates of each Issue that (i) the amount distributed by Fannie Mae in respect thereof on each Distribution Date will include an Interest Distribution Amount which is equal to one month's interest on the Outstanding Certificate Principal Amount at the pass-through rate borne by the underlying Fannie Mae Securities, in the case of fixed rate Fannie Mae Securities, or at the weighted average of the effective rates at which interest is being distributed during the related Deposit Period in the case of adjustable rate Fannie Mae Securities and (ii) principal will be distributed on each Distribution Date in an amount equal to the Principal Distribution Amount, the aggregate of such principal distributions over the life of an Issue of Certificates, together with any amount distributed as principal in connection with any election by Fannie Mae to terminate the Trust Fund pursuant to Section 7.01 hereof, being equal to the sum of (i) the Original Certificate Principal Amount and (ii) the aggregate of any Deferred Interest in respect of the related Fannie Mae Securities.

Section 3.03. Information to Certificateholders. As soon as practicable following each calculation by Fannie Mae of the Issue Distribution Amount for a particular Distribution Date and Issue of Certificates, Fannie Mae will make available generally to financial publications the Certificate Principal Factor for such Issue after giving effect to any Deferred Interest for the related Deposit Period and to the distribution of the Principal Distribution Amount on the following Distribution Date. With or prior to each distribution to Holders of Certificates of an Issue, Fannie Mae shall forward or cause to be forwarded to each Holder thereof a statement setting forth the total cash distribution on such Distribution Date with respect to each Certificate held by



such Holder together with information as to the portion thereof which is allocable to principal and to interest.

Within a reasonable time after the end of each calendar year, Fannie Mae shall furnish, pursuant to the Internal Revenue Code of 1986, as amended, and interpretations thereof as from time to time in force, such information to such persons as shall be required thereby.

## ARTICLE IV

### Certificates

Section 4.01. Issuance of Certificates. The Certificates of any Issue shall be issued in book-entry form and shall be maintained in the names of the record owners thereof as entries on the books of a Reserve Bank. The Certificates of any Issue shall be in authorized denominations of \$1,000 and integral multiples of \$1 in excess thereof and may be transferred or pledged in accordance with and subject to regulations governing Fannie Mae's use of the book-entry system (as the same shall be in effect at the time of any such transfer or pledge), Federal Reserve Bank of New York Operating Circulars 21 and 21A and procedures that are followed generally for book-entry securities.

If an Issue Supplement for an Issue so provides, an Issue of Certificates, including for this purpose, may be issued in definitive or temporary form to facilitate the sale thereof outside of the United States. Certificates issued in such form shall be subject to the provisions of the related Issue Supplement, including without limitation, provisions regarding denominations, registration, transfer, exchange, and, if applicable, conversion to book-entry form.

Section 4.02. Fannie Mae as Certificateholder. Fannie Mae shall have the right to purchase and hold for its own account any Certificate issued pursuant to the terms of this Trust Agreement and any Issue Supplement, notwithstanding the rights and duties conferred and imposed upon Fannie Mae by this Trust Agreement and any such applicable Issue Supplement. In determining whether the Holders of the requisite amount of Certificates have given any request, demand, authorization, direction, notice, consent or waiver hereunder, any Certificate evidencing a beneficial ownership interest in the related Trust Fund held by Fannie Mae in its corporate capacity shall be disregarded and deemed not to be outstanding.

Section 4.03. Reserve Banks as Agent. For each Certificate, the appropriate Reserve Bank shall be considered to be acting as the agent of Fannie Mae in providing to and conferring upon the owners of the Certificate, as such owners shall appear on the records of such Reserve Bank, the substantive rights and benefits which are provided for herein for Holders of Certificates. Accordingly, the substantive effect of all provisions herein providing rights and benefits to Holders of Certificates, including, without limitation, provisions relating to distributions, voting and notices, shall apply to such record owners on the books of the Reserve Bank, through the appropriate Reserve Bank acting as agent for Fannie Mae.

## ARTICLE V

### Limitation of Liability

Section 5.01. General Limitation. Fannie Mae shall be liable under the terms of the Certificates, this Trust Agreement and any related Issue Supplement only to the extent of faithful performance of the duties and responsibilities imposed by the terms of the Certificates, this Trust Agreement and any such related Issue Supplement.

Section 5.02. Measure of Liability. Neither Fannie Mae nor any of the directors, officers, employees or agents of Fannie Mae shall be under any liability for any action taken or for refraining from the taking of any action in good faith pursuant to the terms of this Trust Agreement and any related Issue Supplement or for errors in judgment; provided, however, that this provision shall not protect Fannie Mae or any such person against any liability for action or inaction by reason of willful misfeasance, bad faith or gross negligence, or by reason of willful disregard of obligations and duties.

Fannie Mae shall have no obligation to appear in, prosecute or defend any legal action which is not incidental to its duties under this Trust Agreement and any related Issue Supplement and which in its opinion may involve it in expense or liability; provided, however, that Fannie Mae in its discretion may undertake any such legal action which it may deem necessary or desirable in the interests of Certificateholders.

In the event that Fannie Mae in its discretion so determines to undertake any such legal action, Fannie Mae for its own account shall pay and defray the expense of any such action, including attorneys' fees. Such expense, and any liability to Fannie Mae resulting from any such legal action, shall not be reimbursable to Fannie Mae out of the related Trust Fund.

## ARTICLE VI

### Fannie Mae

Section 6.01. Resignation. Fannie Mae shall not resign from the duties imposed upon Fannie Mae in its corporate capacity or in its capacity as Trustee by the terms of this Trust Agreement and any Issue Supplement except upon determination that the performance of such duties is not permissible under applicable law. Any such determination shall be based upon and consistent with an Opinion of Counsel. In the event that the basis of any such Opinion of Counsel shall relate to the dual nature of Fannie Mae's activities hereunder and the conclusion of such Opinion of Counsel may be changed by Fannie Mae's resigning in its corporate capacity or resigning in its capacity as Trustee, Fannie Mae shall resign in its capacity as Trustee and shall continue to act hereunder in its corporate capacity. No resignation shall become effective until a successor shall have been appointed and shall have assumed all duties imposed by the terms of this Trust Agreement and any Issue Supplement; provided, however, that no successor to Fannie Mae in its corporate capacity hereunder shall be obligated to perform under Fannie Mae's guaranty of Certificates pursuant to Section 3.02. Fannie Mae, notwithstanding any such resignation, shall continue to be obligated under its guaranty of the Certificates pursuant to Section 3.02.

In the event of any such resignation, Fannie Mae promptly shall furnish written notice thereof to all Holders of Certificates, together with an explanation of the reason or reasons therefor, and at its own cost and expense shall proceed promptly to petition a court of competent jurisdiction for the appointment of a successor to assume the duties imposed by this Trust Agreement and any Issue Supplement in respect of the capacity or capacities as to which Fannie Mae shall have resigned. Fannie Mae shall take all such action and execute and deliver all such instruments as may be necessary and appropriate to prosecute such petition and to comply with all final orders and decrees of the court.

Section 6.02. Merger or Consolidation. Any corporation or other entity into which Fannie Mae is merged or consolidated, or any corporation or other entity resulting from any merger, conversion or consolidation to which Fannie Mae shall be a party, or any corporation or other entity succeeding to the business of Fannie Mae, shall succeed to and assume all duties imposed upon Fannie Mae in its corporate capacity and in its capacity as Trustee by the terms of this Trust Agreement and all Issue Supplements, without the filing of any instrument or the performance of any further act by Fannie Mae or any Certificateholder. Fannie Mae

promptly shall furnish written notice of such succession to all Certificateholders.

**Section 6.03. Event of Default Under the Trust Indenture.** In the event that, as to any Trust Fund and Fannie Mae Security included therein, there shall be a Default Under the Trust Indenture or an Event of Default Under the Trust Indenture, the Holders of Certificates of the related Issue may, in the event that the Trustee shall not take any such action on their behalf, give such notice and take such action as certificateholders under such Trust Indenture shall be permitted to take in respect thereof. For purposes of any Trust Indenture pursuant to which any such action shall be taken or notice given, the holders of the fractional undivided interest in the related Fannie Mae Security Trust Fund shall be considered to have approved any such action or given any such notice in an amount which is equal to such fractional undivided interest multiplied by a percentage equal to the Percentage Interest evidenced by Certificates of such Issue, the Holders of which have taken such action or given such notice as permitted hereby.

**Section 6.04. Succession Upon Default.** With respect to any Trust Fund, each of the following events shall constitute an Event of Default by Fannie Mae:

(i) any failure by Fannie Mae to distribute to Holders of Certificates of the related Issue any payment required to be made under the terms hereof which continues for a period of fifteen days after the date upon which written notice of such failure, requiring the same to be remedied, shall have been given to Fannie Mae by the Holders of Certificates of such Issue evidencing Percentage Interests aggregating not less than 5%; or

(ii) failure on the part of Fannie Mae duly to observe or perform in any material respect any other of the covenants or agreements on the part of Fannie Mae in the Certificates or in this Trust Agreement and the related Issue Supplement which continues unremedied for a period of 60 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to Fannie Mae by the Holders of Certificates in the related Trust Fund evidencing Percentage Interests aggregating not less than 25%; or

(iii) a decree or order of a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator, receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding-up

or liquidation of its affairs, shall have been entered against Fannie Mae and such decree or order shall have remained in force undischarged or unstayed for a period of 60 days; or

(iv) Fannie Mae shall consent to the appointment of a conservator, receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings relating to Fannie Mae or to all or substantially all of its property; or

(v) Fannie Mae shall admit in writing its inability to pay its debts generally as they become due, file a petition to invoke any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors, or voluntarily suspend payment of its obligations.

With respect to any Trust Fund, upon the occurrence of an Event of Default, and so long as such Event of Default shall not have been remedied, the Holders of Certificates of the related Issue evidencing Percentage Interests aggregating not less than 25% may (a) terminate all obligations and duties of Fannie Mae hereunder both in its corporate capacity and as Trustee, and (b) name and appoint a successor to succeed to and assume all of such obligations and duties. Such actions shall be effected by notice in writing to Fannie Mae and shall become effective upon receipt of such notice by Fannie Mae and the acceptance of such appointment by such successor or successors.

On and after the receipt by Fannie Mae of such written notice and the acceptance by the successor or successors to Fannie Mae, all obligations (other than its continuing obligations as set forth in the first paragraph of Section 6.01) and duties imposed upon Fannie Mae in its corporate capacity and in its capacity as Trustee under this Trust Agreement and the related Issue Supplement shall pass to and vest in the successor or successors named in the notice, and such successor or successors shall be authorized, and hereby are authorized, to take all such action and execute and deliver all such instruments and documents on behalf of Fannie Mae, as attorney in fact or otherwise, as may be necessary and appropriate to effect the purposes of such written notice, including, without limitation, the transfer of legal title in and to the Fannie Mae Securities, comprising the related Trust Fund and all proceeds and avails thereof then held by Fannie Mae.

## ARTICLE VII

### Termination

Section 7.01. Termination Upon Distribution to Certificate-holders. The respective obligations and responsibilities of Fannie Mae in its corporate capacity and in its capacity as Trustee created hereby and by an Issue Supplement shall terminate as to the related Trust Fund upon the distribution by Fannie Mae to all Holders of Certificates evidencing beneficial ownership interests in such Trust Fund of all amounts required to be distributed hereunder and thereunder upon the final payment of the last Fannie Mae Security remaining in the related Trust Fund; provided, however, that in no event shall any trust created hereby and the related Issue Supplement continue beyond the expiration of 21 years from the death of the survivor of the descendants of Joseph P. Kennedy, the late ambassador of the United States to the Court of St. James, living on the Issue Date of the related Issue of Certificates.

Notice of any termination shall be given promptly by Fannie Mae to Holders of Certificates evidencing beneficial ownership interests in the related Trust Fund by letter mailed not earlier than 45 days and not later than 30 days prior to the final Distribution Date specified therein, unless notice cannot be given within this time frame because of unscheduled principal prepayments in which case notice shall be given as promptly as practicable after Fannie Mae determines that such final payment is required to be made (such notice to be given in such manner as shall reasonably assure its prompt receipt).

## ARTICLE VIII

### Supplemental Agreements

**Section 8.01. Permissible Without Action by Certificateholders.** Fannie Mae, from time to time and at any time, may, without the consent of or notice (other than in the case of any instrument supplemental thereto pursuant to clause (ii) below) to any Holder of a Certificate, enter into an agreement or other instrument supplemental hereto and which thereafter shall form a part hereof, for any one or more of the following purposes:

(a) to add to the covenants of Fannie Mae, whether applicable to one or more Trust Funds;

(b) to evidence the succession pursuant to Article VI of another successor or successors to Fannie Mae and the assumption by such successor or successors of the obligations of Fannie Mae hereunder in its corporate capacity or in its capacity as Trustee or in both such capacities;

(c) to eliminate any right reserved to or conferred upon Fannie Mae in its corporate capacity; or

(d) to take such action to cure any ambiguity or correct or supplement any provision in this Trust Agreement or in any Issue Supplement as Fannie Mae may deem necessary or desirable, provided such action shall not adversely affect the interests of any Holder of any Certificate which is outstanding immediately prior to the execution of such instrument supplemental thereto.

**Section 8.02. Waivers and Supplemental Agreements with Consent of Holders.** With the consent of the Holders of Certificates in the related Trust Fund evidencing Percentage Interests aggregating not less than 66%, (i) compliance by Fannie Mae with any of the terms of this Trust Agreement or the related Issue Supplement may be waived or (ii) Fannie Mae, in its corporate capacity and in its capacity as Trustee, may enter into any Supplemental Agreement for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Trust Agreement or the related Issue Supplement or of modifying in any manner the rights of the Holders of the Certificates issued under this Trust Agreement and the related Issue Supplement; provided that no such waiver or Supplemental Agreement shall:

(a) without the consent of all Certificateholders affected thereby reduce in any manner the amount of, or delay



the timing of, distributions which are required to be made on any Certificate; or

(b) without the consent of all Certificateholders (i) terminate or modify Fannie Mae's guaranty of the Certificates pursuant to Section 3.02, or (ii) reduce the aforesaid percentages of Certificates, the Holders of which are required to consent to any waiver or any Supplemental Agreement.

It shall not be necessary for Holders to approve the particular form of any proposed Supplemental Agreement, but it shall be sufficient if such Holders shall approve the substance thereof.

Promptly after the execution of any Supplemental Agreement pursuant to this Section, Fannie Mae shall give written notice thereof to Holders of Certificates. Any failure of Fannie Mae to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Agreement.

Section 8.03. Amendment to Any Trust Indenture; Waivers. In the event that Fannie Mae shall desire to amend any Trust Indenture pursuant to Section 11.02 (or any similar provision) thereof, under circumstances requiring the vote of certificateholders thereunder, the Trustee may not vote the related Fannie Mae Security on behalf of Certificateholders of the related Issue except upon the direction to do so from the Holders of Certificates of such Issue evidencing Percentage Interests aggregating not less than 66%. Similar direction shall be required in order for the Trustee to waive compliance with any provision of a Trust Indenture where the vote of certificateholders is required pursuant to Section 11.02 (or any similar provision) thereof.

## ARTICLE IX

### Miscellaneous

Section 9.01. Certificateholders. The death or incapacity of any Certificateholder shall neither operate to terminate this Trust Agreement or any Issue Supplement, nor entitle such Certificateholder's legal representative or heirs to claim an accounting or to take any action or proceeding in any court for a partition or winding up of the affairs of the related Trust Fund, nor otherwise affect the rights, duties and obligations of any of the parties to this Trust Agreement or any such Issue Supplement.

Except as provided in Article VI and Article VIII, no Certificateholder shall have any right to vote or in any manner otherwise control the operation and management of the Trust Fund, or the obligations of the parties hereto, nor shall anything herein set forth, or contained in the terms of the Certificates, be construed so as to constitute the Certificateholders from time to time as partners or members of an association; nor shall any Certificateholder be under any liability to any third person by reason of any action taken by the parties to this Trust Agreement pursuant to any provision hereof.

No Certificateholder shall have any right by virtue of any provision of this Trust Agreement or any Issue Supplement to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Trust Agreement or any Issue Supplement unless an Event of Default shall have occurred and be continuing in respect of the related Trust Agreement and Issue Supplement. It is understood and intended, and is expressly covenanted by each Certificateholder with every other Certificateholder and the Trustee, that no one or more Holders of Certificates shall have any right in any manner whatever by virtue of any provision of this Trust Agreement or any Issue Supplement to affect, disturb or prejudice the rights of the Holders of any other such Certificates, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under this Trust Agreement or any Issue Supplement, except in the manner herein provided and for the equal, ratable and common benefit of all Certificateholders. For the protection and enforcement of the provisions of this Section, each and every Certificateholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Section 9.02. Governing Law. The terms of this Trust Agreement and any Issue Supplement shall be construed in accordance with the laws of the District of Columbia.

Section 9.03. Demands, Notices, Communications. All formal demands, notices and communications by and between Fannie Mae and the Holder of any Certificate shall be in writing and delivered in person or by first class mail, postage prepaid (a) if to Fannie Mae, to the Corporate Secretary of Fannie Mae, 3900 Wisconsin Avenue, N.W., Washington, D.C. 20016, or to such other address as shall be set forth in a notification to Certificateholders or (b) if to the Holder of a Certificate, to the appropriate Reserve Bank at the address provided to Fannie Mae by such Reserve Bank. Any notice so mailed within the time prescribed in this Trust Agreement or any Issue Supplement shall be conclusively presumed to have been duly given whether or not the Certificateholder receives such notice.

Section 9.04. Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Trust Agreement or any Issue Supplement shall be for any reason whatsoever held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Trust Agreement or any Issue Supplement and shall in no way affect the validity or enforceability of the other provisions of this Trust Agreement or any Issue Supplement or of the Certificates or the rights of the Holders thereof.

IN WITNESS WHEREOF, the parties hereto hereby execute this Trust Agreement, as of the day and year first above written.

FEDERAL NATIONAL  
MORTGAGE ASSOCIATION,  
in its corporate capacity,  
and as Trustee

[SEAL]

Attest:

Kathleen Gibbons  
Assistant Secretary

By: 

Senior Vice President - Mortgage-  
Backed Securities and Portfolio  
Acquisition

EXHIBIT A

FEDERAL NATIONAL MORTGAGE ASSOCIATION

<u>Issue Designation</u>	<b>ISSUE SUPPLEMENT TO TRUST AGREEMENT</b>	<u>Issue Date</u>
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THIS ISSUE SUPPLEMENT accompanies and supplements a certain Trust Agreement, dated as of April 1, 1988, published by the Federal National Mortgage Association ("Fannie Mae") and filed in the office of its Corporate Secretary at its principal office, 3900 Wisconsin Avenue, N.W., Washington, D.C. 20016. Certain words and phrases appearing herein, characterized by initial capital letters, are defined in such Trust Agreement and shall have the meanings so defined.

The collective terms of said Trust Agreement and this Issue Supplement govern the composition of the Trust Fund, the beneficial ownership of which is evidenced by the Issue of Certificates having the above designation, and have no applicability to any other Trust Fund.

Fannie Mae, acting in its corporate capacity, does hereby transfer, assign, set over and otherwise convey to Fannie Mae, acting in its capacity as Trustee for the Holders of Certificates evidencing beneficial ownership interests in the Trust Fund established hereby, all of Fannie Mae's right, title and interest in and to the Fannie Mae Securities identified in the Fannie Mae Security Schedule, including all payments of principal and interest thereon received after the month of the Issue Date (other than any Fannie Mae Distribution Amount referred to below).

Fannie Mae, acting in its capacity as Trustee for the Holders of Certificates evidencing beneficial ownership interests in the Trust Fund established hereby, acknowledges the transfer and assignment to it of the Fannie Mae Securities and hereby declares that it will hold on the books of a Reserve Bank the same in trust for such Certificateholders on the terms in the Trust Agreement and in this Issue Supplement contained.

[Additional special provisions, if any, relating to the Trust Fund established by the Issue Supplement.]

IN WITNESS WHEREOF, the parties hereto hereby execute this Issue Supplement, as of the day of year first above written.

FEDERAL NATIONAL  
MORTGAGE ASSOCIATION,  
in its corporate capacity,  
and as Trustee

By: \_\_\_\_\_

[SEAL]

Attest: \_\_\_\_\_  
Secretary