
**FEDERAL NATIONAL MORTGAGE ASSOCIATION
("FANNIE MAE")**

as

Issuer, Master Servicer, Guarantor and Trustee

MASTER TRUST AGREEMENT

for

**GUARANTEED MORTGAGE
PASS-THROUGH CERTIFICATES**

evidencing undivided beneficial interests in

POOLS OF RESIDENTIAL MORTGAGE LOANS

TABLE OF CONTENTS

	Page
ARTICLE I	
DEFINED TERMS AND RULES OF CONSTRUCTION.....	1
Section 1.1	Definitions.....1
Section 1.2	Rules of Construction17
1.2(1)	Singular and Plural; Gender.....17
1.2(2)	Sections and Other Subdivisions17
1.2(3)	Headings and Examples.....17
1.2(4)	Recitals.....17
1.2(5)	Written Statements.....17
1.2(6)	Counsel; Accountants17
1.2(7)	Inclusionary Language.....18
1.2(8)	Fannie Mae.....18
1.2(9)	Individual Trusts18
1.2(10)	Direct Servicing18
1.2(11)	Rating Agency18
1.2(12)	Changes in Laws.....19
1.2(13)	Changes to Servicing Contracts and the Guide.....19
1.2(14)	Delegates, Agents, Successors and Assigns19
ARTICLE II	
CREATION OF TRUST; CONVEYANCE OF LOANS.....	20
Section 2.1	Declaration of Trust, Transfer and Conveyance of Mortgage Loans; Acceptance of Responsibilities.....20
2.1(1)	Declaration of Trust, Transfer and Conveyance of Mortgage Loans.....20
2.1(2)	Acceptance of Responsibilities20
2.1(3)	Security Interest20
2.1(4)	Equitable Interest21
2.1(5)	Prohibition Against Encumbrance21
2.1(6)	Accounting Treatment22
2.1(7)	Status of Trust.....22
2.1(8)	Use of Information.....22
Section 2.2	Issuance of Certificates22
Section 2.3	Interests Held by the Issuer or a Seller23
Section 2.4	Determination of Pool.....23
Section 2.5	Limited Purchase of Mortgage Loans or REO Property.....23
2.5(1)	Mandatory Purchase by Issuer23
2.5(2)	Optional Purchase by Guarantor24
2.5(3)	Purchase Price.....26

TABLE OF CONTENTS
(continued)

	Page
Section 2.6 Limited Right of Substitution	26
Section 2.7 Removal of Mortgage Loan from Pool	27
Section 2.8 Issuer Fee	28
ARTICLE III APPLICABLE DOCUMENTATION	28
Section 3.1 Issue Supplement	28
Section 3.2 Issue Supplement and Trust Agreement	28
Section 3.3 Access to Information	28
Section 3.4 Custody of Mortgage Documents	29
3.4(1) Delivery	29
3.4(2) Custodial Capacity	31
Section 3.5 Review, Certification and Safekeeping of Mortgage Documents	31
ARTICLE IV THE CERTIFICATES	31
Section 4.1 General Provisions	31
Section 4.2 Issuance of Certificates	31
4.2(1) Book-Entry Form	31
4.2(2) Definitive Form	32
4.2(3) Denominations	32
4.2(4) Transfer, Exchange and Pledge	32
ARTICLE V ADMINISTRATION AND SERVICING OF THE MORTGAGE LOANS	32
Section 5.1 Servicing of Mortgage Loans	32
5.1(1) Standard of Care	32
5.1(2) Master Servicer Responsibilities	32
5.1(3) Direct Servicer Responsibilities	33
5.1(4) Servicing Contracts	34
5.1(5) Master Servicer Compensation	36
5.1(6) Direct Servicer Compensation	36
5.1(7) Servicing Terminations	37
Section 5.2 Servicing Advances	37
5.2(1) Making and Reimbursement of Servicing Advances	37
5.2(2) Effect of Servicing Advances on Stated Principal Balance	37

TABLE OF CONTENTS
(continued)

		Page
Section 5.3	Collection of Mortgage Loan Payments; Limitations on Changes.....	37
	5.3(1) Payments of Principal and Interest	38
	5.3(2) Escrow and Other Accounts.....	38
	5.3(3) Limited Right to Waive or Forbear.....	39
	5.3(4) Prohibition of Certain Modifications	40
	5.3(5) Limitation on Waiver of Prepayment Charges and Other Ancillary Charges	40
	5.3(6) Initiation of Litigation.....	40
Section 5.4	Mortgage Files	41
	5.4(1) Release, Satisfaction and Reconveyance	41
	5.4(2) Mortgage Registry	41
	5.4(3) Documents, Records and Funds in Possession of the Direct Servicer or Custodian to Be Held for the Trustee on Behalf of the Trusts.....	41
Section 5.5	Additional Documents and Information	41
	5.5(1) Delivery of Documents	41
	5.5(2) Access to Certain Documentation and Information Regarding the Mortgage Loans.....	42
	5.5(3) Pool Activity Records	42
Section 5.6	Reliance on Direct Servicer	42
	5.6(1) Receipt of Mortgage Loan Payments.....	42
	5.6(2) Information and Reports	42
Section 5.7	Maintenance of Property Insurance	43
	5.7(1) Hazard Insurance	43
	5.7(2) Flood Insurance.....	43
	5.7(3) Application of Insurance Proceeds and Condemnation Proceeds.....	43
	5.7(4) Cost of Insurance	44
Section 5.8	Mortgage Insurance and Guarantees.....	44
	5.8(1) Mortgage Insurance	44
	5.8(2) Government Mortgage Loans	44
	5.8(3) Maintenance of Mortgage Insurance and Guaranties	44
	5.8(4) Assignment of Trust Assets	45
Section 5.9	Transfers of Ownership; Enforcement of Due-on-Transfer Provisions.....	45

TABLE OF CONTENTS

(continued)

	Page
5.9(1) Duty to Enforce.....	45
5.9(2) Exceptions.....	45
Section 5.10 No Default; No Removal from Pool	46
Section 5.11 Realization upon Defaulted Mortgage Loans; Determination of Excess Proceeds and Realized Losses	47
5.11(1) Foreclosure.....	47
5.11(2) Acquisition of REO Property.....	48
5.11(3) Dispositions of and Limitations on Acts Relating to REO Property	48
5.11(4) Environmental Considerations.....	49
ARTICLE VI COLLECTIONS	49
Section 6.1 Custodial Accounts	49
6.1(1) Establishment and Maintenance of Custodial Accounts	49
6.1(2) Deposit to Custodial Account	50
6.1(3) Segregation of Funds	51
6.1(4) Investments	51
6.1(5) Restriction on Sale	51
Section 6.2 Permitted Withdrawals from the Custodial Account	51
Section 6.3 Custodial Account Remittance Date	52
ARTICLE VII CERTIFICATE ACCOUNT; DISTRIBUTION; GUARANTY	52
Section 7.1 Payments.....	52
Section 7.2 Certificate Account	52
7.2(1) Establishment and Maintenance of Certificate Account; Records.....	52
7.2(2) Transfers of Funds	53
7.2(3) Investment.....	53
7.2(4) Limitations on Permitted Sales	53
Section 7.3 Calculation of Certificate Distribution Amount or Other Amounts.....	53
Section 7.4 Distributions.....	54
7.4(1) Payment from the Certificate Account	54
Section 7.5 Fannie Mae Guaranty.....	55
7.5(1) Limited Guaranty	55

TABLE OF CONTENTS

(continued)

	Page
7.5(2) Enforcement; Unconditional Obligation.....	56
7.5(3) Subrogation.....	56
7.5(4) Estimated Funding.....	56
7.5(5) No United States Guaranty.....	56
Section 7.6 Reports.....	57
7.6(1) Monthly Reports.....	57
7.6(2) Annual Reports.....	57
Section 7.7 Paying Agent.....	57
ARTICLE VIII LIMITATION OF LIABILITY.....	57
Section 8.1 General Limitation.....	57
Section 8.2 Measure of Liability.....	57
8.2(1) Good Faith.....	57
8.2(2) Standard of Care.....	57
ARTICLE IX FANNIE MAE.....	58
Section 9.1 Merger or Consolidation.....	58
Section 9.2 Fannie Mae as Holder.....	58
ARTICLE X TRUSTEE.....	58
Section 10.1 Duties of Trustee.....	58
10.1(1) In the Absence of a Guarantor Event of Default.....	58
10.1(2) When a Guarantor Event of Default Exists.....	58
10.1(3) Liability.....	58
Section 10.2 Certain Matters Affecting the Trustee.....	59
10.2(1) Reliance; Limitation of Duties.....	59
10.2(2) Indemnification of the Trustee.....	61
10.2(3) Acts of Parties.....	61
10.2(4) Legal Action.....	61
10.2(5) Expenses.....	61
10.2(6) Authority to Delegate.....	62
10.2(7) Authority to Commingle.....	62
10.2(8) Execution of Documents.....	62
Section 10.3 Trustee Not Liable.....	62
Section 10.4 Trustee May Own Certificates.....	62
Section 10.5 Eligibility Requirements for Trustee.....	62

TABLE OF CONTENTS
(continued)

	Page
Section 10.6 Resignation and Removal of Trustee	63
10.6(1) Resignation by Trustee	63
10.6(2) Removal of Trustee for Cause	63
10.6(3) Removal of Trustee Without Cause	64
10.6(4) Time of Effectiveness	64
Section 10.7 Acceptance of Appointment by Successor Trustee	64
Section 10.8 Merger or Consolidation of Trustee	65
Section 10.9 Appointment of Co-Trustee or Separate Trustee	65
10.9(1) Authority to Appoint	65
10.9(2) Authority Granted	65
10.9(3) Notices	66
10.9(4) Agency Role	66
Section 10.10 Trustee Fees	66
ARTICLE XI MASTER SERVICER	66
Section 11.1 Termination and Resignation of Master Servicer	66
11.1(1) In the Absence of a Guarantor Default	66
11.1(2) Voluntary Resignation	66
11.1(3) Servicing Events of Default	66
11.1(4) Termination for Cause	67
11.1(5) Trustee to Succeed	68
11.1(6) Cooperation; Transfer of Documents and Records	68
11.1(7) Duty to Reimburse	68
11.1(8) Limitation of Liability	69
Section 11.2 Appointment of Successor Master Servicer	69
11.2(1) Trustee to Appoint	69
11.2(2) Temporary Service by Trustee	69
11.2(3) Eligibility Requirements for Master Servicer	69
11.2(4) Bid Procedure for Appointment	70
11.2(5) Acceptance of Appointment	70
11.2(6) Successor Master Servicer	70
11.2(7) Concerning Reimbursement for Delinquency Advances, Servicing Advances and Guaranty Reimbursement Amounts	71
Section 11.3 Notification to Holders upon Termination	71

TABLE OF CONTENTS
(continued)

	Page
ARTICLE XII GUARANTOR EVENTS OF DEFAULT.....	71
Section 12.1 Guarantor Events of Default	71
ARTICLE XIII TRUST TERMINATION.....	72
Section 13.1 Termination upon Liquidation of All Mortgage Loans	72
Section 13.2 Notice of Termination.....	72
ARTICLE XIV AMENDMENTS	73
Section 14.1 Voting Rights	73
14.1(1) Transferor, Affiliates and Agents	73
14.1(2) Exceptions.....	73
14.1(3) Guarantor as Holder	73
Section 14.2 Amendments to Trust Documents	73
Section 14.3 Permissible without Action by Holders	74
Section 14.4 Waivers and Amendments with Consent of Holders.....	74
14.4(1) With 51% Holder Consent	74
14.4(2) With 100% Holder Consent.....	74
Section 14.5 Consent of Master Servicer or Guarantor to Certain Amendments	75
Section 14.6 Documentation of Amendment.....	75
14.6(1) Form of Amendment.....	75
14.6(2) Notice of Amendment.....	75
ARTICLE XV MISCELLANEOUS	75
Section 15.1 Holders.....	75
15.1(1) Death or Incapacity.....	75
15.1(2) No Right to Participate.....	75
15.1(3) No Right to Act.....	75
Section 15.2 Governing Law	76
Section 15.3 Assignment	76
Section 15.4 Demands, Notices and Communications	76
Section 15.5 Severability of Provisions.....	77
Section 15.6 Recordation.....	77
Section 15.7 Authorized Officers and Signatures.....	77

TABLE OF CONTENTS

FORMS FOR ISSUE SUPPLEMENTS:

Exhibit A – Fixed-Rate Single-Family Mortgage Loans

Exhibit B – Adjustable-Rate Single-Family Mortgage Loans

MASTER TRUST AGREEMENT

THIS MASTER TRUST AGREEMENT is executed by Federal National Mortgage Association (“Fannie Mae”), in its corporate capacities as Issuer, Master Servicer and Guarantor, and in its capacity as Trustee.

RECITALS:

- A. Fannie Mae is a corporation organized and existing pursuant to the Charter Act, and has full corporate authority and power to enter into, and to undertake the obligations set forth in, this Trust Agreement.
- B. Fannie Mae has purchased, and intends to purchase, residential mortgage loans.
- C. Fannie Mae intends to set aside and transfer residential mortgage loans acquired and held by it to various Trusts established pursuant to this Trust Agreement and the applicable Issue Supplements and to issue guaranteed mortgage pass-through certificates representing undivided beneficial ownership interests in the assets of the related Trusts.
- D. Fannie Mae intends to guarantee to each Trust sufficient funds to permit timely distributions of principal and interest on Certificates to Holders.
- E. Fannie Mae intends to be the Master Servicer of the Mortgage Loans held in each Trust and to arrange for and supervise the contractual servicing of the Mortgage Loans by Direct Servicers.
- F. Fannie Mae intends to be the Trustee for each Trust.

NOW, THEREFORE, the signatories to this Trust Agreement, in the capacities and with the responsibilities described above, irrevocably declare and establish this Trust Agreement and undertake the following:

ARTICLE I

DEFINED TERMS AND RULES OF CONSTRUCTION

Section 1.1 *Definitions*. Capitalized terms in this Trust Agreement will have the meanings given to them in this Section 1.1 or elsewhere in this Trust Agreement, unless the context clearly indicates a different meaning.

Accepted Servicing Practices: To the extent not otherwise specified (i) in the Trust Documents or (ii) if not specified in the Trust Documents, in the applicable Servicing Contract and the Guide, the customary servicing practices of prudent servicers in servicing and administering similar mortgage loans for their own account, so long as those practices are consistent with applicable laws and regulations.

Adjustable-Rate Mortgage Loan: A Mortgage Loan on which the interest rate is adjusted by reference to an Adjustment Reference, with both the Adjustment Reference and the manner of adjustment being described in the related Mortgage Documents.

Adjustment Reference: An index, formula or other specific and definite basis for the determination of the Mortgage Interest Rate of an Adjustable-Rate Mortgage Loan.

Amendment: A document that amends or supplements this Trust Agreement or an Issue Supplement.

Assignment of Mortgage: With respect to any Mortgage Loan, an assignment of the related Mortgage, notice of transfer or equivalent instrument that transfers the Mortgage.

Book-Entry Rules: The provisions in effect from time to time, currently contained in Title 24, Part 81, Subpart H of the Code of Federal Regulations, which govern the terms and conditions under which the Issuer may issue securities on the book-entry system of the Federal Reserve Banks and authorize a Federal Reserve Bank to act as the Issuer's agent in connection with such securities.

Books and Records: As to any Trust, the records, as determined by the Trustee, used to account for the activity of the Mortgage Loans in the related Pool and other assets of the related Trust Fund, including those in electronic as well as physical form, which may include but are not limited to accounting records.

Borrower: The primary obligor or obligors under a Mortgage Loan.

Business Day: Any day other than (i) a Saturday, (ii) a Sunday, (iii) a day on which the Fiscal Agent or Paying Agent is closed, (iv) a day on which the Federal Reserve Bank of New York is closed or (v) with respect to any required payment, a day on which the U.S. Federal Reserve Bank in the district where the Certificate Account is maintained is closed.

Buydown or Abatement Funds: With respect to any Mortgage Loan, funds, if any, held by a Direct Servicer for the purpose of covering all or a portion of the interest, principal or other payment obligation of the Borrower under the related Mortgage Note until such funds are applied to the payment of the Borrower's obligation or otherwise released.

Certificate: A guaranteed mortgage pass-through certificate issued pursuant to this Trust Agreement and the applicable Issue Supplement, representing an undivided beneficial interest in the related Trust Fund.

Certificate Account: An account or accounts created and maintained pursuant to Subsection 7.2(1), which may hold funds of multiple Trusts and Other Fannie Mae Trusts.

Certificate Distribution Amount: For each Distribution Date with respect to a Trust, the sum of the Certificate Interest Distribution Amount and the Certificate Principal Distribution Amount for that Trust.

Certificate Interest Distribution Amount: For each Distribution Date with respect to a Trust, one month's interest calculated as the product of the Pass-Through Rate and the aggregate Certificate Principal Balance for all outstanding Certificates of that Trust before giving effect to the distribution of principal that occurs on that Distribution Date, and, in the case of a Trust that holds a Pool of Negative Amortization Mortgage Loans, subtracting from that product the aggregate amount of Deferred Interest for all Negative Amortization Mortgage Loans in that Pool that was added to the outstanding principal balances of such Mortgage Loans during the related Due Period; provided, however, that the Master Servicer in calculating or causing to be calculated the amount to be distributed on any Distribution Date will make any adjustments as are necessary to reconcile prior payments made in error.

Certificate Principal Balance: As to any Certificate on any date of determination, the product of (i) the aggregate of the Stated Principal Balances of the Mortgage Loans in the related Pool on the immediately preceding Distribution Date (after giving effect to any principal distribution on that Distribution Date) and (ii) the Undivided Beneficial Interest represented by that Certificate.

Certificate Principal Distribution Amount: For each Distribution Date with respect to a Trust, the aggregate of the principal payments for all Mortgage Loans included in the related Pool as of the first day of the preceding calendar month, consisting, without duplication, of:

- (i) scheduled principal due on those Mortgage Loans during the related Due Period;
- (ii) the Stated Principal Balance of any Mortgage Loan as to which a Prepayment in full was received during the calendar month immediately preceding the month in which such Distribution Date occurs;
- (iii) the Stated Principal Balance of any Mortgage Loan that was purchased from the related Trust during the related Due Period; and
- (iv) any partial Prepayments received in respect of any Mortgage Loan during the second calendar month preceding the month in which that Distribution Date occurs;

provided, however, that the Master Servicer in calculating or causing to be calculated the amount to be distributed on any Distribution Date will make any adjustments as are necessary to reconcile prior payments made in error. Notwithstanding the provision in clause (ii) above, any full Prepayment of a Mortgage Loan that is received on the first Business Day of a month will be deemed received in the prior calendar month for purposes of distribution, rather than on the date of receipt, if the applicable Servicing Contract with the Direct Servicer (or, if applicable, the Subservicer) in effect on the Issue Date of the applicable Trust provides that, in the ordinary course of servicing Mortgage Loans of the same remittance type as that Mortgage Loan, the Direct Servicer will pass through those full Prepayments as though received in the prior calendar month (“alternate timing clause”). Full Prepayments on any Mortgage Loans that are subject to a servicing transfer will be serviced in accordance with the Servicing Contract applicable to Mortgage Loans of the same remittance type of the applicable transferee Direct Servicer (or, if applicable, transferee Subservicer) at the time of the servicing transfer. A Servicing Contract may be amended after the Issue Date of the applicable Trust or date of servicing transfer to add an alternate timing clause for a remittance type, but only if the amendment applies to all Mortgage Loans of that remittance type serviced by that Direct Servicer (or, if applicable, that Subservicer) for the Master Servicer or the Trustee. Once a Servicing Contract includes an alternate timing clause for a particular remittance type, it may not be amended to delete that clause for that remittance type. For purposes of this definition a “remittance type” means, as provided in the Servicing Contract, the requirements for the timing and method by which a Direct Servicer transfers principal and interest payments on Mortgage Loans and, if applicable, Delinquency Advances to the Master Servicer. PFP Loans may be categorized as one or more separate remittance types even if the terms of remittance are otherwise the same as those for other Mortgage Loans.

Charter Act: The Federal National Mortgage Association Charter Act (12 U.S.C. 1716 *et seq.*), as such statute may be amended from time to time.

Custodial Account: An account created and maintained in accordance with Subsection 6.1(1).

Custodial Account Remittance Date: With respect to each Distribution Date, the date established in the applicable Servicing Contract on which amounts held in a Custodial Account that are required to be transferred to the Certificate Account will be transferred, which date will not be later than the Business Day immediately preceding that Distribution Date.

Custodian: A Person that maintains custody of the Mortgage Notes (and may have custody of other Mortgage Documents) relating to one or more Mortgage Loans for and on behalf of the Trustee. The Custodian may be the Issuer, the related Seller, the Master Servicer, the Trustee, a Direct Servicer, an affiliate of any of them, or an unaffiliated third party.

Deferred Interest: For a Negative Amortization Mortgage Loan, the amount, if any, by which the amount of monthly interest accrued on such Mortgage Loan exceeds the Borrower's required monthly interest payment then due under the related Mortgage Note, which excess interest amount is not paid by the Borrower at that time, but rather is deferred and added to the unpaid principal balance of the Mortgage Loan.

Delinquency Advance: An amount advanced by a Direct Servicer in respect of interest and principal on one or more Mortgage Loans, to the extent required under its Servicing Contract.

Direct Servicer: A Person (who may be an independent contractor of the Master Servicer) obligated to service any Mortgage Loan or Pool pursuant to a Servicing Contract.

Distribution Date: The 25th day of any month, or if that day is not a Business Day, the next Business Day. The first Distribution Date with respect to a Trust will occur in the first month after the month in which the Issue Date occurs.

Due-on-Transfer Provision: A provision in the Mortgage Documents that permits the owner of that Mortgage Loan to accelerate the maturity of that Mortgage Loan upon certain transfers or changes in ownership of the Mortgaged Property, whether voluntary or involuntary (which may include a sale, transfer by operation of law, or other transfer), or upon a change in ownership of the Person that owns the Mortgaged Property, if other than a natural person.

Due Period: As to any Distribution Date, the period beginning on the second calendar day of the month immediately preceding the month in which such Distribution Date occurs and ending on the first calendar day of the month of such Distribution Date.

Effective Date: [to be announced by Fannie Mae in 2007]

Electronic Note Registry System: A system of recording the existence and ownership of a Mortgage Note that is signed electronically.

Eligible Depository: (a) Any Federal Reserve Bank (as that term is used in Section 2 of the Federal Reserve Act, 12 U.S.C. §225, as such statute may be amended from time to time), (b) any Federal Home Loan Bank (as that term is used in Section 2 of the Federal Home Loan Bank Act, 12 U.S.C. §1422, as such statute may be amended from time to time), or (c) any other depository institution that:

- (i) has its accounts insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;

- (ii) is rated as “well capitalized” by its applicable federal or state regulator; and
- (iii) has a financial rating that meets or exceeds at least one of the following criteria:
 - (a) a short-term issuer rating by S&P of “A-3,” or if no short-term issuer rating by S&P is available, a long-term issuer rating of “BBB-” by S&P;
 - (b) a short-term bank deposit rating by Moody’s of “P-3,” or if no short-term bank deposit rating by Moody’s is available, a long-term bank deposit rating of “Baa3” by Moody’s;
 - (c) a financial rating of 125 by IDC ;
 - (d) a financial rating of C+ by LACE; or
 - (e) satisfies any other standard determined by the Guarantor, provided that such other standard is comparable to the rating requirements set forth above.

If a depository institution satisfies the standards in clauses (i) and (ii) and has a rating that meets or exceeds at least one of the ratings specified in clause (iii), that depository institution will be considered an “Eligible Depository” even if such depository institution is rated by another organization below the minimum level specified.

Eligible Investment: Any one or more of the following obligations, securities or holdings, provided that its term satisfies the applicable maturity requirement in this Trust Agreement:

- (i) obligations of, or obligations guaranteed as to the full and timely payment of principal and interest by, the United States;
- (ii) obligations of any agency or instrumentality of the United States that have a long-term rating or a short-term rating, as applicable, from S&P or from Moody’s, in either case in one of its two highest ratings categories for long-term securities or in its highest ratings category for short-term securities;
- (iii) federal funds, certificates of deposit, time deposits and bankers’ acceptances of any depository institution or trust company, provided that the short-term securities of the depository institution or trust company are rated by S&P or Moody’s in the highest applicable ratings category for short-term securities;

- (iv) commercial paper of any corporation that is rated by S&P or Moody's in its highest short-term ratings category;
- (v) asset-backed commercial paper that is rated by S&P or Moody's in its highest short-term ratings category;
- (vi) debt securities that have a long-term rating or a short-term rating, as applicable, from S&P or from Moody's, in either case in one of its two highest ratings categories for long-term securities or in its highest ratings category for short-term securities;
- (vii) money market funds that satisfy the investment guidelines and other requirements in Rule 2a-7 of the Securities and Exchange Commission, or any successor to that rule, and are rated by S&P or Moody's in one of its two highest ratings categories for money market funds;
- (viii) discount notes and other short-term debt obligations issued by Fannie Mae, a Federal Home Loan Bank, the Federal Home Loan Bank System, the Federal Farm Credit Bank or another entity that is an agency or instrumentality of the United States, provided that the issuer then has a long-term rating or short-term rating, as applicable, from S&P or Moody's, in either case in one of its two highest ratings categories for long-term securities or in its highest ratings category for short-term securities;
- (ix) repurchase agreements on obligations that are either specified in any of clauses (i), (ii) or (vi) above or are mortgage-backed securities insured or guaranteed by Fannie Mae or another entity that is an agency or instrumentality of the United States; provided that the counterparty to the repurchase agreement is an entity whose short-term debt securities are rated by S&P or Moody's in its highest ratings category for short-term securities and the repurchase agreement would otherwise be accounted for as a secured lending arrangement by the investor in accordance with accounting principles that are generally accepted in the United States; and
- (x) any other investment that is approved by the Guarantor and is within the two highest ratings categories of the applicable rating agency for long-term securities or the highest ratings category of the applicable rating agency for short-term securities.

In each case in which a rating level is required, if the relevant securities, issuer or fund is rated by both S&P and Moody's, both such ratings must meet the stated rating level in order for the requirement to be satisfied. The rating level will be construed as provided in Subsection 1.2(11) and, accordingly, will not be satisfied

by a rating that is the minimum rating followed by a minus sign.

Escrow Account: An account created and maintained pursuant to paragraph (a) of Subsection 5.3(2).

Estimated Funding: Amounts transferred to the Certificate Account by the Master Servicer or Guarantor pursuant to Subsection 7.5(4).

Excess Spread: With respect to a Mortgage Loan, that portion of the Spread that exceeds the sum of (i) the applicable Servicing Fee, (ii) any applicable LPMI Charge, (iii) the applicable Guaranty Fee, and (iv) any other fee or expense authorized to be paid out of the Spread.

Fannie Mae: Federal National Mortgage Association, a body corporate organized and existing under the laws of the United States, or any successor.

Final Distribution Date: With respect to a Trust, the first Distribution Date after the Due Period or calendar month, as applicable, in which the final payment is made or would be considered made for purposes of determining the Certificate Principal Distribution Amount (whether by a Borrower, through a Delinquency Advance or Guaranty payment, as a result of a purchase pursuant to Section 2.5, a full Prepayment or otherwise) with respect to the last Mortgage Loan then remaining in that Trust, but in no event later than the first Distribution Date after the Final Maturity Date.

Final Maturity Date: With respect to a Trust, the date, calculated as of the Issue Date and shown on the related Issue Supplement, that is the first day of the month coinciding with the last scheduled payment date of the Mortgage Loan in that Trust that has the latest final scheduled payment date (or, if the Mortgage Loan's payment dates do not fall on the first day of the month, then the first day of the month next following the last scheduled payment date of the Mortgage Loan in that Trust that has the latest final scheduled payment date).

Fiscal Agent: A Person designated by the Issuer to perform the functions of a fiscal agent under the Trust Documents, currently the Federal Reserve Bank of New York.

Fixed-Rate Mortgage Loan: A Mortgage Loan that, as of the related Issue Date (or, in the case of a substitute Mortgage Loan, as of the date the Mortgage Loan is transferred to the Trust), provides for an interest rate that is a fixed rate of interest and by its terms remains unchanged (other than after a default) until the last scheduled payment date of that Mortgage Loan.

Forbearance: An agreement by the Direct Servicer not to pursue remedies for default under a Mortgage Loan for a period of up to four consecutive months that does not extend, in whole or in part, beyond the last scheduled payment date of that Mortgage Loan and provides, as to a delinquency, for a temporary suspension or reduction in the Borrower's payments. A period of

Forbearance begins on the date the Forbearance is entered in the Books and Records.

Government Mortgage Loan: A Mortgage Loan that is insured or guaranteed in whole or in part by an agency or department of the government of the United States (including the Federal Housing Administration, the Veterans Administration, the Rural Housing Service, the Department of Housing and Urban Development or any successor agency to any of them), any state or territory of the United States or the District of Columbia.

Guarantor: Fannie Mae, in its corporate capacity as guarantor under this Trust Agreement, or any successor.

Guarantor Event of Default: An event of default described in Section 12.1 that has not been cured or waived.

Guaranty: The Guarantor's guaranty obligations to a Trust, as described in Section 7.5.

Guaranty Fee: With respect to each Mortgage Loan in a Pool, a fee payable to the Guarantor for providing the Guaranty.

Guaranty Reimbursement Amount: The amount, if any, recovered with respect to a Mortgage Loan as to which the Guarantor has made payment pursuant to its Guaranty (including any Estimated Funding paid by the Guarantor) and has not been previously reimbursed.

Guide: The Issuer's Servicing Guide, as it is amended from time to time, as applicable to loans of the type included in the Pool with respect to any Trust.

Holder: With respect to any Certificate, the Person in whose name that Certificate is registered in the records of the Fiscal Agent.

IDC: IDC Financial Publishing or its successor.

Interest-Only Mortgage Loan: A Mortgage Loan that provides for scheduled payments solely of interest on one or more payment dates, and not of any principal on such dates.

Internal Revenue Code: The United States Internal Revenue Code of 1986, as such statute may be amended from time to time.

Issue Date: As to any Trust, the first day of the month in which at least one Certificate evidencing undivided beneficial interests in the related Trust Fund is issued.

Issue Date Loan Balance: As to any Mortgage Loan, the principal balance of that Mortgage Loan as of the related Issue Date (after giving effect to

all scheduled payments of principal due on or before such Issue Date), as that principal balance is stated in the Mortgage Loan Schedule; provided, however, that in the case of any substitute Mortgage Loan, the Issue Date Loan Balance is the principal balance on the first day of the month of substitution, after giving effect to all scheduled payments of principal due on or before such day.

Issue Date Pool Balance: As to any Trust, the sum of the Issue Date Loan Balances of all Mortgage Loans included in that Trust, without regard to any substitute Mortgage Loans.

Issue Supplement: An instrument, which may be in electronic or other form, prepared by the Issuer that, together with this Trust Agreement, documents the establishment of a Trust, which may be substantially in either of the forms appended to this Trust Agreement as Exhibit A and B.

Issuer: Fannie Mae, in its capacity as sponsor of each issuance of Certificates and settlor of each of the Trusts.

Issuer Fee: With respect to each Trust, a fee payable to the Issuer pursuant to Section 2.8.

LACE: LACE Financial Corporation or its successor.

LPMI Charge: The premium required to be paid by a Direct Servicer for insurance to protect against Borrower default on a Mortgage Loan if the Borrower is not required under the terms of the Mortgage Documents to pay such charges and the Direct Servicer is required under its Servicing Contract to pay such charges (sometimes called "lender paid mortgage insurance").

Master Servicer: Fannie Mae, in its capacity as master servicer under this Trust Agreement, or any successor or assign that will have the responsibilities specified for this capacity in this Trust Agreement.

Master Servicer Fee: With respect to each Trust, a fee payable to the Master Servicer for its services as such in accordance with Subsection 5.1(5).

Moody's: Moody's Investors Service, Inc. or its successor.

Mortgage: The mortgage, deed of trust, security agreement, security instrument or other instrument creating a lien on the Mortgaged Property securing a Mortgage Note, or, in the case of a cooperative share loan, the loan security agreement or other security instrument creating a lien on the Mortgaged Property securing a Mortgage Note.

Mortgage Documents: With respect to each Mortgage Loan, the applicable documents identified in Subsection 3.4(1).

Mortgage Interest Rate: With respect to a Mortgage Loan and any Distribution Date, the annualized rate at which interest accrues on such Mortgage Loan in accordance with the provisions of the related Mortgage Note during the monthly, biweekly or other contractual accrual period or periods ending in the calendar month immediately preceding that Distribution Date.

Mortgage Loan: (i) A loan secured by a Mortgage on a one- to four-unit residential dwelling, (ii) a residential cooperative share loan, (iii) a Participation Interest, or (iv) a loan secured by a lien on a manufactured housing unit, any of which has been identified in the Mortgage Loan Schedule for the related Trust. Any reference to “Mortgage Loans” or “residential mortgage loans” will be deemed to include any loan or interest described in (i) through (iv) above as the context requires in order to effectuate the purposes of the Trust Documents.

Mortgage Loan Schedule: The list of Mortgage Loans that is included as part of each Issue Supplement pursuant to Section 3.1.

Mortgage Note: The note or other instrument evidencing the indebtedness of a Borrower under a Mortgage Loan.

Mortgage Registry System: A system of recording beneficial ownership, identity of servicer, and transfers of mortgages electronically that is acceptable to the Master Servicer, which may include the system operated by Mortgage Electronic Registration Systems, Inc., a corporation organized and existing under the laws of the State of Delaware, or any successor.

Mortgaged Property: The real property or, in the case of manufactured housing that is not considered real property under applicable state law, personal property, and all improvements on and appurtenant to such property, that secures a Mortgage Loan through the lien of a Mortgage, or, in the case of a Mortgage Loan that is a cooperative share loan, the cooperative housing corporation stock, shares, membership certificate or other contractual agreement evidencing ownership, and the appurtenant proprietary lease or occupancy agreement, that secures a Mortgage Loan.

Negative Amortization: Any increase in the unpaid principal balance of a Mortgage Loan resulting from the addition of Deferred Interest to that principal balance.

Negative Amortization Mortgage Loan: A Mortgage Loan under the terms of which the required periodic payment, at one or more times during the life of the Mortgage Loan, may be less than the interest accrued for the period to which that payment relates.

Net Rate: With respect to a Mortgage Loan and any Distribution Date, (a) for a Fixed Rate Mortgage Loan, the Pass-Through Rate of the related Trust, and (b) for an Adjustable Rate Mortgage Loan (i) the related Mortgage Interest Rate minus (ii) the Spread Rate for that Mortgage Loan.

Opinion of Counsel: An opinion from legal counsel, which, except as otherwise expressly provided in this Trust Agreement, may be given by counsel employed or retained by the Issuer.

Other Fannie Mae Trust: Any trust established pursuant to an instrument other than this Trust Agreement pursuant to which mortgage-backed securities are issued by Fannie Mae.

Other Trust Expenses: As to any Trust, the fees and expenses allocable to that Trust (including indemnification under Subsection 10.2(2) and legal expense reimbursements under Subsection 10.2(5), but excluding any fees and expenses paid out of the Spread) that are properly incurred by the Trustee pursuant to the Trust Documents.

Participation Interest: A certificate or other written document or book entry evidencing an undivided fractional beneficial interest in one or more mortgage loans secured by a lien on one or more one- to four-unit residential dwellings, cooperative shares in a residential dwelling or one or more units of manufactured housing.

Pass-Through Rate: As to any Pool of Mortgage Loans and a Distribution Date, the rate of interest that is used to calculate the Certificate Interest Distribution Amount, which is either (a) as to a Pool of Fixed-Rate Mortgage Loans, the rate specified as such in the Issue Supplement, or (b) as to a Pool of Adjustable-Rate Mortgage Loans, the rate equal to the weighted average of the Net Rates for that Distribution Date for all of the Mortgage Loans in the Pool, weighted on the basis of their respective Stated Principal Balances as of such Distribution Date before giving effect to any principal distribution made on that Distribution Date. Unless otherwise provided in the applicable Issue Supplement, the Pass-Through Rate will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Paying Agent: Any paying agent designated by the Trustee or, with the consent of the Trustee, by the Master Servicer, to serve in that capacity with respect to the Certificates of one or more Trusts.

Person: Any legal person, including any individual, corporation, partnership, limited liability company, financial institution, joint venture, association, joint stock company, trust, unincorporated organization or governmental unit or political subdivision of any governmental unit.

PPF Loan: A Mortgage Loan that is transferred to a Trust from Fannie Mae's investment portfolio.

Pool: All of the Mortgage Loans held in a particular Trust.

Pool Proceeds: As to any Pool, all payments and recoveries received by the Direct Servicer, Master Servicer or Trustee with respect to any of the

Mortgage Loans in such Pool, regardless of their source, including any scheduled payment received from the related Borrower, any Prepayment, any contractual right to receive the purchase price of any Mortgage Loan or REO Property purchased out of the Pool, any Delinquency Advance, Estimated Funding and Guaranty payment, in each case, received after the Issue Date or, in the case of a substitute Mortgage Loan, its date of substitution, **excluding**:

- (i) any Borrower principal or interest payment that was due on or before the Issue Date;
- (ii) any Prepayment received after the Issue Date that was received and applied prior to the establishment of the Issue Date Loan Balance as shown on the Mortgage Loan Schedule;
- (iii) any amounts received upon the liquidation or other final payment of a Mortgage Loan that exceed the Stated Principal Balance of that Mortgage Loan;
- (iv) any prepayment charge or other ancillary charge received with respect to a Mortgage Loan, unless the related Issue Supplement expressly provides otherwise; and
- (v) any interest or other earnings on funds on deposit in any Custodial Account or any Certificate Account.

Prepayment: Any unscheduled payment of principal on a Mortgage Loan, whether made voluntarily by the Borrower or otherwise, including payments received from foreclosure, liquidation, condemnation or insurance proceeds (other than insurance proceeds used for repair and renovation in accordance with the Mortgage Documents), other similar proceeds (including environmental recoveries and governmental payments), proceeds of purchases or other removal of a Mortgage Loan from a Pool or any other unscheduled payment. A Prepayment may represent a partial prepayment or full prepayment of principal on a Mortgage Loan, and is subject to allocation of funds received as provided in the Mortgage Documents.

Prospectus: As to any issue of Certificates, either (i) the form of prospectus or other offering document generally in use by the Issuer at the time for the offering of guaranteed mortgage pass-through certificates, together with the applicable prospectus supplement and any other related supplement to that prospectus, or (ii) any other separate offering prospectus for an applicable Trust, including in each case documents or other information incorporated by reference.

Record Date: As to any Distribution Date, the close of business on the last day of the calendar month immediately preceding the calendar month in which that Distribution Date occurs.

Relief Act: Any federal, state or local law that, from time to time, requires mortgagees generally to adjust loan terms, including the Servicemembers Civil Relief Act of 2004, as such statute may be amended from time to time.

Repayment Plan: Following a delinquency on a Mortgage Loan (including during a period of Forbearance) or the Direct Servicer's receipt of information indicating that the Borrower will be unable to make scheduled payments, an agreement between the applicable Direct Servicer and the Borrower that provides for payments by the Borrower in accordance with a schedule pursuant to which all delinquent or past due payments of principal and interest will be paid within a period of not more than 18 months from the first day of the month in which the adjusted payment schedule commences (including any month in which no payment is required to be made), provided the Repayment Plan does not include any Mortgage Loan modification of the types prohibited by Subsection 5.3(4).

REO Property: A Mortgaged Property or, with respect to a Participation Interest, an interest in a Mortgaged Property as evidenced by the related participation certificate, acquired on behalf of the Trust through foreclosure or deed in lieu of foreclosure or other means of conversion by which title to a Mortgaged Property or interests in that Mortgaged Property may be transferred to or for the benefit of the Trust.

S&P: Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., or its successor.

Securitized Excess Spread: Any portion of the Excess Spread that has been transferred in the manner contemplated by paragraph (b) of Subsection 5.1(6).

Seller: With respect to any Pool, the Person that, for legal purposes, sells or assigns the Mortgage Loans in that Pool to the Issuer for cash or in exchange for Certificates, or for a combination of cash and Certificates.

Servicing Advance: As to any Trust, an amount advanced by a Direct Servicer under an applicable Servicing Contract or by the Master Servicer (i) in order to maintain the Mortgaged Property or the lien on the Mortgaged Property, including payments of taxes, assessments by special assessment districts, condominium or homeowners' association assessments, hazard, flood, earthquake or other insurance premiums, mortgage insurance premiums (if the responsibility of the Borrower) and ground rents that are not paid by the Borrower when due, and other costs and expenses of or relating to the Mortgaged Property, and (ii) in the case of any REO Property, to pay for taxes, assessments by special assessment districts, insurance premiums, ground rents, repairs and maintenance, and other costs and expenses of or relating to the REO Property.

Servicing Contract: An agreement between the Master Servicer and a Direct Servicer relating to the servicing of Mortgage Loans. The Servicing Contract may be a general agreement that is entered into before or after the formation of any particular Trust, may include more than one written document (including a mortgage selling and servicing contract, a master agreement and any applicable pool purchase contract), and may apply to Mortgage Loans in one or more Pools and loans in Other Fannie Mae Trusts or owned by other Persons.

Servicing Event of Default: Any of the events described in Subsection 11.1(3).

Servicing Fee: The minimum fee determined in accordance with the applicable Servicing Contract that, together with any portion of the Excess Spread that is not Securitized Excess Spread, is payable from time to time to a Direct Servicer for the collection of payments, loan administration and management of operational procedures and other services related to servicing one or more Mortgage Loans, as provided pursuant to Subsection 5.1(6).

Significant Change to a Permitted Activity: With respect to any Amendment or other instrument entered into pursuant to Article XIV, a change to the activities of a Trust that would (a) allow the Transferor to regain control over the assets transferred to the Trust, (b) cause the Trust to cease to be a “qualifying special purpose entity” under accounting principles generally accepted in the United States or (c) either adversely or positively affect the interests of any Holder in a manner that would be viewed as significant by a reasonable person (determined in the sole judgment of Fannie Mae). This definition will be interpreted in a manner consistent with the requirements of Statement of Financial Accounting Standards No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*, or any successor to that accounting standard, and any other relevant authoritative accounting literature, as such requirements are applicable from time to time.

Spread: With respect to a Mortgage Loan, an amount calculated as the product of the Spread Rate and the Stated Principal Balance of such Mortgage Loan.

Spread Rate: The annualized rate equal to either (a) as to any Fixed-Rate Mortgage Loan, the Mortgage Interest Rate minus the Net Rate, or (b) as to any Adjustable-Rate Mortgage Loan, the rate specified as such in the applicable Issue Supplement.

Stated Principal Balance: With respect to a Mortgage Loan on any date of determination in any Trust, the Issue Date Loan Balance, reduced by all distributions with respect to principal on that Mortgage Loan that have been paid to Holders after the Issue Date, from whatever source, and, in the case of a Negative Amortization Mortgage Loan, increased by any Deferred Interest that has been added to the outstanding principal balance of such Mortgage Loan as a

result of Negative Amortization after the Issue Date and through the last day of the immediately preceding Due Period.

Subservicer: A Person that is engaged, directly or indirectly, by a Direct Servicer to provide some or all of the functions that the Direct Servicer is obligated to perform under a Servicing Contract with respect to Mortgage Loans.

Supplemental Account: An account created and maintained pursuant to paragraph (c) of Subsection 5.3(2).

Transferor: For purposes of Section 2.5 and Article XIV, (a) a Person, acting in its capacity as principal, that transfers Mortgage Loans to the Issuer for securitization in exchange for cash or Certificates, or a combination of cash and Certificates; or (b) in the case of a Pool of PFP Loans, the Issuer. This definition of Transferor will be interpreted in a manner consistent with the requirements of Statement of Financial Accounting Standards No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*, or any successor to that accounting standard, and any other relevant authoritative accounting literature, as such requirements are applicable from time to time.

Trust: A fixed investment trust created pursuant to the Trust Documents.

Trust Agreement: This Master Trust Agreement, by and among Fannie Mae in its corporate capacities as Issuer, Master Servicer and Guarantor, and Fannie Mae in its capacity as Trustee, as the same may be amended in accordance with its terms.

Trust Documents: As to any Trust, only this Trust Agreement, the related Issue Supplement and any applicable Amendment to either of them.

Trust Fund: As to any particular Trust, the assets consisting of (a) the Mortgage Loans that constitute the Pool, (b) Pool Proceeds, (c) any REO Property, (d) any other assets related to or derived from such Mortgage Loans, Pool Proceeds and REO Property that may from time to time serve as collateral for a Mortgage Loan (such as insurance proceeds held pending their application to repair damage) and (e) the right to receive payments under the Guaranty, but excluding any investment earnings on any of those assets.

Trustee: Fannie Mae, in its capacity as trustee, its successors or assigns, which will have the responsibilities specified for this capacity in this Trust Agreement.

Trustee Fee: Any fee payable to the Trustee pursuant to Section 10.10 as compensation for its services as such.

Undivided Beneficial Interest: With respect to each Certificate, the fraction represented by the initial principal balance of that Certificate divided by the Issue Date Pool Balance.

United States: The United States of America.

Voting Rights: As to the Certificates of a Trust, the rights of Holders to vote, give notice or consent, or otherwise take action under this Trust Agreement, as determined on the basis of Holders' respective Certificate Principal Balances, but excluding those Certificates that are required to be excluded pursuant to Section 14.1.

Section 1.2 *Rules of Construction.* The rules of construction set forth in this Section 1.2 apply to the Trust Documents.

1.2(1) *Singular and Plural; Gender.* The singular form of any word includes the plural, and vice versa, unless the context otherwise requires. The use of a pronoun of one gender includes correlative words of the other gender and neuter words, and the use of a neuter term includes words of both genders.

1.2(2) *Sections and Other Subdivisions.* All references to "Articles," "Sections," "Subsections" and other subdivisions (unless stated to be of a document other than the Trust Agreement) are to the corresponding Articles, Sections, Subsections and other subdivisions of the Trust Agreement; and the words "in this Trust Agreement," "of this Trust Agreement," "under this Trust Agreement," "of the Trust Agreement," and other words of similar import refer to the Trust Agreement as a whole and not to any particular Article, Section, Subsection or other subdivision, unless specified.

1.2(3) *Headings and Examples.* Any captions, headings or titles of the various Articles, Sections, Subsections and other subdivisions (including the numbering of them), and the table of contents are solely for convenience of reference, and none of them limits or otherwise affects the meaning, construction or effect of the Trust Documents or describes the scope or intent of any provision. In addition, any examples are included by way of illustration and not limitation.

1.2(4) *Recitals.* Each of the recitals set forth at the outset of this Trust Agreement is deemed a statement by Fannie Mae as to the purpose and scope of the various Trusts and its roles with respect to those Trusts, as further defined and limited in the Trust Documents.

1.2(5) *Written Statements.* Every "request," "order," "demand," "appointment," "notice," "statement," "certificate," "consent," "direction" or similar action by any party must be in writing, which includes an electronic transmission of a writing.

1.2(6) *Counsel; Accountants.* All references to "counsel," "attorneys" or the like mean and include inside or outside counsel, whether or not suit is instituted; and all references to fees of such persons include fees and disbursements preparatory to and during trial and appeal and in any bankruptcy or arbitration proceedings, as well as advice relating to the application or interpretation of the Trust Documents. All references to "accountants" or the like

mean and include accountants employed or engaged by Fannie Mae. In determining compliance with accounting standards, the opinion of the accountants employed by Fannie Mae will be conclusive.

1.2(7) *Inclusionary Language.* Whenever the word “includes” or “including” is used, such word means “includes or including by way of example and not limitation.”

1.2(8) *Fannie Mae.* As defined in Section 1.1, any reference to Fannie Mae means Fannie Mae in one or more of its corporate capacities, as specified or as provided in context, and not in its capacity as Trustee unless expressly provided otherwise. A successor to Fannie Mae means a Person that succeeds to the entire business or the relevant portion of the business of Fannie Mae, by merger, reorganization or purchase of all or substantially all of the assets, or a Person that succeeds to Fannie Mae in the applicable capacity under this Trust Agreement.

1.2(9) *Individual Trusts.* With respect to each Trust, and unless expressly stated otherwise, the provisions of the Trust Documents will be interpreted as referring only to the Certificates of that Trust, the Holders of those Certificates, the Trust Fund related to that Trust, the Pool included in that particular Trust Fund, and the Mortgage Loans that constitute that particular Pool; and terms such as “Direct Servicer” and “Seller” will be construed to mean a Person acting in such capacity with regard to the related Mortgage Loans.

1.2(10) *Direct Servicing.* With respect to each Direct Servicer, and unless expressly stated otherwise, the provisions of the Trust Documents will be interpreted as referring only to the Mortgage Loans serviced by the Direct Servicer. Terms such as “Custodial Account,” “Escrow Account” and “Supplemental Account” will be construed to mean accounts pertaining to only the Mortgage Loans serviced by that Direct Servicer. With respect to each Mortgage Loan, unless expressly stated otherwise, references to the “Direct Servicer” will mean the particular Direct Servicer (and any Subservicer engaged by that Direct Servicer) that is then servicing that Mortgage Loan.

1.2(11) *Rating Agency.* Whenever reference is made to any rating agency (i) if that rating agency has been merged into another entity, no longer exists, no longer rates the type of security or entity that is the subject of the reference, or no longer uses the ratings system that is included in the reference, and if there is a successor rating agency, then the reference will be deemed to mean that successor rating agency; (ii) if so selected by the Issuer for purposes of this Trust Agreement, the reference will be deemed to refer to another nationally recognized statistical rating organization that has been designated as such by the Securities and Exchange Commission (or successor governmental body); or (iii) for money market funds, if neither S&P nor Moody’s has rated, or if each has ceased to rate, a money market fund, then the Issuer may select any other rating agency widely used by the market for rating money market funds, such as

Morningstar RatingsTM, Fitch, Inc., Lipper, Inc., Duff & Phelps Credit Rating Co., Dominion Bond Rating Service or any comparable rating agency. In the case of (i), (ii) or (iii), the referenced ratings categories will be deemed to refer to the comparable ratings categories in the rating system used by the rating agency that succeeds that rating agency. In determining the number of applicable ratings categories of a particular rating agency, pluses and minuses (or numbered subcategories) will be ignored, except that a minimum alpha-numeric rating that is followed by a minus sign (or by the least desirable numeric indication) will not be considered to be in the required category. For example, as of the Effective Date, (a) the two highest ratings categories for long-term securities are AAA and AA for S&P and Aaa and Aa for Moody's; (b) the highest ratings categories for short-term securities are A-1 for S&P and P-1 for Moody's; (c) the two highest ratings categories for money market funds are AAAM and AAM for S&P and Aaam and Aam for Moody's; and (d) a long-term rating of AA- by S&P or Aa3 by Moody's will not be considered in the two highest ratings categories.

1.2(12) *Changes in Laws.* Whenever a statute, regulation, governmental body, accounting standard or accounting body is identified in this Trust Agreement, the reference includes any modification of, successor to or renamed statute, regulation, governmental body, accounting standard or accounting body.

1.2(13) *Changes to Servicing Contracts and the Guide.* The Guide or any Servicing Contract may be more restrictive than the Trust Documents. Changes can be made to the Guide or any Servicing Contract without the approval of any Holder, provided that such changes do not cause the Guide or a Servicing Contract to permit any activity with respect to any Mortgage Loan that conflicts with (other than being more restrictive than) a requirement of the Trust Documents. If a change in the Guide or any Servicing Contract, as applied to a Mortgage Loan, would conflict with (other than being more restrictive than) a requirement of the Trust Documents, then that change will not be effective with respect to that Mortgage Loan unless that change is approved in the manner prescribed in Article XIV as if it were an Amendment of the Trust Documents. If there is a conflict between the Trust Documents and any Servicing Contract or the Guide (other than the Servicing Contract or the Guide being more restrictive than the Trust Documents), the provisions of the Trust Documents will control.

1.2(14) *Delegates, Agents, Successors and Assigns.* Whenever a Person is referenced in this Trust Agreement, and except as provided in Subsection 1.2(8) with respect to Fannie Mae, the reference includes that Person's successors and assigns, by merger, acquisition, operation of law, reorganization, inheritance or similar occurrence, as well as any Person who succeeds in the relevant capacity pursuant to the terms of this Trust Agreement. A Person may exercise any of the rights or powers granted to it or perform any duties under the Trust Documents either directly or by or through agents or attorneys.

ARTICLE II

CREATION OF TRUST; CONVEYANCE OF LOANS

Section 2.1 *Declaration of Trust, Transfer and Conveyance of Mortgage Loans; Acceptance of Responsibilities.*

2.1(1) *Declaration of Trust, Transfer and Conveyance of Mortgage Loans.* By delivering at least one Certificate of a Trust in the manner described in Section 3.1, the Issuer unconditionally, absolutely and irrevocably sets aside, transfers, assigns, sets over and otherwise conveys to the Trustee, on behalf of related Holders, all of the Issuer's right, title and interest in and to the Mortgage Loans in the related Pool, together with any Pool Proceeds. Once Mortgage Loans have been identified as being part of a particular Trust, they will remain in that Trust unless removed in a manner consistent with the Trust Documents. The transfer of Mortgage Loans to a Trust includes all right, title and interest in and to all related principal and interest, except principal and interest due on or before the applicable Issue Date, or otherwise excluded from the Mortgage Loan Schedule.

2.1(2) *Acceptance of Responsibilities.* Concurrently with the Issuer's setting aside, transferring, assigning, setting over and otherwise conveying Mortgage Loans to the Trustee for a Trust:

(a) the Trustee accepts the Mortgage Loans so conveyed and holds all of the related Trust Fund in trust for the exclusive benefit of the related Holders, in accordance with the terms of the Trust Documents;

(b) the Master Servicer accepts its responsibility to perform the functions of Master Servicer for the related Trust, in accordance with the terms of the Trust Documents; and

(c) the Guarantor agrees to make Guaranty payments as described in and in accordance with the provisions of the Trust Documents.

2.1(3) *Security Interest.* The intention in executing the Trust Documents is that the conveyance, transfer and setting aside of the Mortgage Loans by the Issuer to the Trustee be a true, absolute and unconditional sale of the Mortgage Loans by the Issuer to the Trust, and not a pledge of the Mortgage Loans to secure a debt or other obligation of the Issuer. Notwithstanding this express intention, however, if the Mortgage Loans are determined by a court of competent jurisdiction to be the property of the Issuer, then:

(a) the conveyance of the Mortgage Loans is intended to be deemed a pledge of the Mortgage Loans by the Issuer to the Trustee to secure a debt or other obligation of the Issuer; and

(b) (i) the Trust Documents are intended to be deemed a security agreement within the meaning of Articles 8 and 9 of the Uniform Commercial Code as in effect from time to time in the District of Columbia;

(ii) the conveyance provided for in Subsection 2.1(1) is intended to be deemed a grant by the Issuer to the Trustee of a security interest in: (A) all of the Issuer's right, title and interest in and to the Mortgage Loans and all amounts payable under the Mortgage Documents in accordance with their terms; and (B) all proceeds of any conversion, voluntary or involuntary, of those Mortgage Loans and amounts into cash, instruments, securities or other property, including all amounts, other than investment earnings on any Custodial Account, Certificate Account, Escrow Account, Supplemental Account or other account established in connection with the Mortgage Loans, whether in the form of cash, instruments, securities or other property;

(iii) the obligations secured by this security agreement are all of the Issuer's obligations under the Trust Documents, including the obligation to make payments to Holders;

(iv) notifications to Persons holding such property, and acknowledgments, receipts or confirmations from Persons holding such property, are intended to be deemed notifications to, or acknowledgments, receipts or confirmations from financial intermediaries, bailees or agents (as applicable) of the Trustee for the purpose of perfecting the security interest under applicable law; and

(v) immediately upon default of the deemed indebtedness of the Issuer with respect to any Trust, the Trustee will, without any further action, become the absolute owner of the Mortgage Loans securing such deemed indebtedness, free and clear of any and all interests of the Issuer in such Mortgage Loans.

2.1(4) *Equitable Interest.* If the Issuer fails to transfer the entire legal ownership in and to each Mortgage Loan to the applicable Trust, the Issuer intends that the Trust Documents nevertheless will operate to transfer the entire equitable ownership interest in and to each Mortgage Loan to the Trustee for the applicable Trust.

2.1(5) *Prohibition Against Encumbrance.* Except as may otherwise be provided expressly in the Trust Documents, neither Fannie Mae (in any of its corporate capacities) nor the Trustee will, directly or indirectly (by causing a Direct Servicer, a Custodian or other agent or independent contractor to do so), assign, sell, dispose of or transfer all or any portion of or interest in the Trust Fund, or permit all or any portion of the Trust Fund to be subject to any lien, claim, mortgage, security interest, pledge or other encumbrance of any other Person. Nothing in this Subsection 2.1(5) prevents the Borrower from causing the Mortgaged Property that secures a Mortgage Loan included in such Trust Fund to

become subject to a lien that is junior to the lien of the Mortgage, nor a Direct Servicer from pledging or transferring its rights under and in accordance with the provisions of the Servicing Contract or from transferring a portion of the Excess Spread with respect to a Mortgage Loan for securitization as provided in paragraph (b) of Subsection 5.1(6).

2.1(6) *Accounting Treatment.* Upon the creation of each Trust, that Trust is intended to be considered a “qualifying special purpose entity” under accounting principles generally accepted in the United States. Accordingly, no Trust is intended to be required to be consolidated into the financial statements of the Issuer unless the Issuer holds 100% of the Certificates of that Trust and has the unilateral ability to cause that Trust to be liquidated or to change that Trust in such a way that the Trust no longer is a “qualifying special purpose entity.” Further, it is intended that no Trust will be required to be consolidated into the financial statements of any Holder or any other Person having a beneficial interest in the Trust, other than the Issuer, because no such Holder or other Person has the unilateral ability to cause a Trust to be liquidated or to change a Trust in such a way that the Trust no longer is a “qualifying special purpose entity.”

2.1(7) *Status of Trust.* For federal income tax purposes, each Trust formed under this Trust Agreement will be treated as a fixed investment trust under the Internal Revenue Code, and not as an association taxable as a corporation. The Trustee will take any action or cause the Trust to take any action necessary to create and maintain the status of each Trust as a fixed investment trust for federal income tax purposes; provided that if any such action would require the consent of Holders under Article XIV, the Trustee will not effect that action without the requisite consent of Holders.

2.1(8) *Use of Information.* Notwithstanding anything to the contrary in Subsection 2.1(1), Fannie Mae, in each of its capacities, retains or is and will be granted, as applicable, on a nonexclusive basis, any and all licenses and rights to store, reproduce, edit, analyze, distribute and use in any manner all or part of information or data contained in the Mortgage Documents and in any other records and documentation regarding the Mortgage Loans, and all accounts, insurance policies and other matters relating to any Mortgage Loan or Pool under Article V or otherwise under the Trust Documents. Assignees and successors of the Trustee and of the Master Servicer are and will be granted, on a nonexclusive basis, any and all licenses and rights to store, reproduce, edit, analyze, distribute and use all or part of such information or data for the purpose of carrying out their respective functions.

Section 2.2 *Issuance of Certificates.* The issuance of a Certificate pursuant to the applicable Trust Documents will occur upon the date of initial settlement and transfer of consideration for such Certificate and will constitute a sale, assignment, transfer and conveyance to a Holder of an Undivided Beneficial Interest in the applicable Trust Fund, effective as of the related Issue Date. With regard to each Trust, all of the terms and conditions of the Trust Documents will

become binding and irrevocable at such time as the Issuer first causes a Certificate for that Trust to be issued to a Holder. By settlement of and transfer of consideration for a Certificate, a Holder acknowledges, accepts and agrees to be bound by all of the terms and conditions of the Trust Documents, and is deemed to waive any rights that are inconsistent with the Trust Documents.

Section 2.3 *Interests Held by the Issuer or a Seller.* Certificates held or acquired by the Issuer or a Seller from time to time and Certificates held by other Holders will have equal and proportionate benefits, without preference, priority or distinction, except to the extent expressly provided otherwise with respect to Voting Rights. No Holder will have any priority over any other Holder. If a Trust Fund includes a Participation Interest in a loan in which the Issuer has retained or acquired a separate interest, the Issuer's interest in such loan will rank equally with that of the Trust, without preference, priority or distinction.

Section 2.4 *Determination of Pool.* The Issuer will determine the Issue Date Loan Balance of, and specify the Mortgage Loans constituting, a Pool as of the Issue Date by listing the Mortgage Loans in that Pool on the Mortgage Loan Schedule. The Issuer may amend the Mortgage Loan Schedule to correct administrative errors at any time prior to the first Distribution Date. Thereafter, the identity of the Mortgage Loans included in the Pool will not change except that (a) Mortgage Loans may be paid off, purchased, liquidated, foreclosed upon, or become REO Property (as permitted and described in this Trust Agreement), and (b) Mortgage Loans may be substituted as provided in Section 2.6, but errors in data pertaining to the Mortgage Loans may be corrected at any time. Not later than the first Distribution Date, the Issuer will establish the final Issue Date Pool Balance of the Pool on the Books and Records.

Section 2.5 *Limited Purchase of Mortgage Loans or REO Property.*

2.5(1) *Mandatory Purchase by Issuer.* The Issuer will purchase a Mortgage Loan or REO Property, or cause the Mortgage Loan or REO Property to be purchased, from a Trust at the purchase price specified in Subsection 2.5(3) under any of the following circumstances:

(a) as soon as practicable, if (i) the Issuer, a court of competent jurisdiction or a governmental agency duly authorized to oversee or regulate the Issuer's mortgage acquisition business determines that the Issuer's acquisition of that Mortgage Loan was unauthorized; or (ii) a court or governmental agency requires purchase of that Mortgage Loan out of a Pool;

(b) as soon as practicable once the Master Servicer has been notified or otherwise has been made aware that an event of any of the following types will occur, and in any case before the occurrence of such event: (i) the Mortgage Interest Rate becomes a fixed rate following the Borrower's exercise of an option in the Mortgage Documents to convert the Mortgage Interest Rate from adjustable to fixed; (ii) a different Adjustment Reference is applied to calculate

the Mortgage Interest Rate, following the Borrower's exercise of an option in the Mortgage Documents to change the Adjustment Reference; (iii) a modification (other than an assumption of the Mortgage Loan by a new owner of the related Mortgaged Property) of the Mortgage Loan is effective, following the Borrower's exercise of a conditional modification option; (iv) the Direct Servicer and the Borrower enter into a commitment to refinance a Mortgage Loan by modifying the Mortgage Loan in connection with the Direct Servicer's retention strategy; (v) in the case of an Adjustable-Rate Mortgage Loan, the maximum or minimum Mortgage Interest Rate or the margin used in calculating the Mortgage Interest Rate changes as the result of an assumption of the Mortgage Loan;

(c) as soon as practicable, if any governmental unit, agency or court demands or requires the transfer of the Mortgage Loan or Mortgaged Property (other than to a co-Borrower or in connection with a divorce or other transfer provided in Section 5.9 or 5.10), including transfer required as a result of an environmental hazard or as part of a settlement of a legal controversy;

(d) if the Mortgage Loan becomes and remains contractually delinquent (without regard to any grace period or cure period) under the related Mortgage Documents for twenty-four consecutive months (the period for calculating delinquency for this purpose being inclusive of any time that a Forbearance or a Repayment Plan is in effect), calculated as directed by the Master Servicer; provided that for this purpose such period will be extended for so long as the Borrower is in compliance with a Forbearance or Repayment Plan then in effect;

(e) as soon as practicable, if any insurer or guarantor of the Mortgage Loan or Mortgaged Property requires transfer to it of the Mortgage Loan or REO Property in order to obtain the benefits of the insurance or guaranty;

(f) in the case of any Government Mortgage Loan or Mortgage Loan that is covered by mortgage insurance, if the requirements of the applicable program of mortgage insurance or guaranty require forbearance, indulgence or other delay in or failure of enforcement of the contractual terms of the Mortgage Loan for a period of time longer than that otherwise permitted under the Trust Documents; or

(g) on the Final Distribution Date of the Trust, to the extent any Mortgage Loan in the related Pool remains outstanding or any REO Property remains in the Trust.

2.5(2) *Optional Purchase by Guarantor.* The Guarantor may purchase a Mortgage Loan or REO Property, or cause the Mortgage Loan or REO Property to be purchased, at the purchase price specified in Subsection 2.5(3) under any of the following circumstances:

(a) if there is a material breach of a representation and warranty with respect to a Mortgage Loan made by the Seller that sold the Mortgage Loan to the Issuer, or if there is a material defect in the Mortgage Documents for a Mortgage Loan;

(b) at any time (i) after the principal and interest payments required by the related Mortgage Documents have not been made in full on each payment due date in four consecutive months (even if any payment has been partially paid and without regard to any grace or cure period under the related Mortgage Documents) or (ii) after such Mortgage Loan becomes and remains contractually in material default (other than in respect of the payment of principal or interest) under the related Mortgage Documents, including failure to maintain insurance required under the Mortgage Documents or lack of compliance with occupancy requirements of the Mortgage Documents, in each case without regard to any grace or cure period, for sixty consecutive days (the periods for calculating delinquency or default for this purpose being inclusive of any time that a Forbearance or Repayment Plan is in effect);

(c) if a bankruptcy court approves a plan that either (i) affects the Mortgage Interest Rate, the principal balance, the amount or timing of principal or interest payments, term or the last scheduled payment date of that Mortgage Loan or (ii) authorizes a transfer or substitution of all or part of the related Mortgaged Property, provided in either case that the option to purchase that Mortgage Loan is exercised within six months after the court's action is final;

(d) if compliance with applicable laws (including a Relief Act) would require modification of that Mortgage Loan in a way that would change that Mortgage Loan (such as a change in the Mortgage Interest Rate, principal balance, amortization schedule, timing of payments or last scheduled payment date), provided that the option to purchase that Mortgage Loan is exercised within six months after the date the change to such Mortgage Loan becomes effective;

(e) if that Mortgage Loan does not conform in any material respect to the description contained in the related Issue Supplement or the Prospectus pursuant to which the related Certificates were sold;

(f) if the related Mortgaged Property has suffered damage as a result of a disaster, terrorist attack or other catastrophe caused by either nature or a Person other than the Borrower, and has suffered a reduction of at least 5% in value following that disaster, attack or catastrophe;

(g) prior to assumption of a Mortgage Loan or before a transfer of the related Mortgaged Property, or as soon as practicable after the Direct Servicer becomes aware of a transfer, if the Direct Servicer has been notified or otherwise made aware that such Mortgage Loan will be or has been assumed or the Mortgaged Property transferred, under circumstances in which the Master Servicer or Direct Servicer reasonably believes that a Due-on-Transfer Provision

is enforceable, unless an exception set forth in Subsection 5.9(2) otherwise applies;

(h) if the Master Servicer or the Trustee is advised by counsel (who are not inside counsel and employees of the Transferor with respect to the relevant Trust) that removal of that Mortgage Loan from the Trust is necessary or advisable in order to maintain the status of the Trust as a fixed investment trust for federal income tax purposes;

(i) if the related Mortgaged Property is acquired by the Trust as REO Property; or

(j) if the Mortgage Loan has ceased to be secured by the related Mortgaged Property.

2.5(3) *Purchase Price.* The purchase price for any Mortgage Loan or REO Property purchased from a Trust on any date in accordance with Subsection 2.5(1) or 2.5(2) will be calculated as of the Distribution Date that immediately precedes the date of purchase, and will be equal to the sum of (a) the Stated Principal Balance of that Mortgage Loan on that Distribution Date (after giving effect to distributions made on that Distribution Date), plus (b) one month's interest calculated at the Net Rate for that Mortgage Loan for that Distribution Date. In the case of REO Property, the Net Rate and any Deferred Interest will be determined on the basis of the contractual terms of the related Mortgage Loan as if that Mortgage Loan had remained outstanding.

Section 2.6 *Limited Right of Substitution.* If a Mortgage Loan may be purchased under clause (a) or (e) of Subsection 2.5(2), the Issuer may substitute another Mortgage Loan in its place within the same Due Period as the withdrawal occurs, so long as that substitution takes place within 90 days of the Issue Date of the related Certificates (or, if there is a material defect in the related Mortgage Documents or a failure of conformity to the description of the Mortgage Loans in the Issue Supplement or Prospectus, within two years of the Issue Date of the related Certificates). Any substitute Mortgage Loan will satisfy the following criteria at the time of substitution:

(i) the substitute Mortgage Loan is not delinquent (taking into consideration any applicable grace period) as to any payment as of the date of substitution;

(ii) the outstanding principal balance of the substitute Mortgage Loan as of the date of substitution may not exceed the Stated Principal Balance of the withdrawn Mortgage Loan at the time it is removed from the Pool;

(iii) the Mortgaged Property securing the substitute Mortgage Loan is located in the same state or territory of the United States as the Mortgaged Property that secures the withdrawn Mortgage Loan;

(iv) if the withdrawn Mortgage Loan is a Fixed-Rate Mortgage Loan, the substitute Mortgage Loan will be a Fixed-Rate Mortgage Loan having the same Mortgage Interest Rate as the withdrawn Mortgage Loan;

(v) if the withdrawn Mortgage Loan is an Adjustable-Rate Mortgage Loan, the substitute Mortgage Loan will be an Adjustable-Rate Mortgage Loan having the same Adjustment Reference, frequency of adjustments, margin, payment caps and Mortgage Interest Rate as the withdrawn Mortgage Loan;

(vi) if the withdrawn Mortgage Loan is an Interest-Only Mortgage Loan, the substitute Mortgage Loan will be an Interest-Only Mortgage Loan having the same or a substantially similar interest-only period;

(vii) if the withdrawn Mortgage Loan is a Negative Amortization Mortgage Loan, the substitute Mortgage Loan will be a Negative Amortization Mortgage Loan;

(viii) the last scheduled payment date of the substitute Mortgage Loan may not be later than, or more than two years earlier than, the last scheduled payment date of the withdrawn Mortgage Loan;

(ix) if the withdrawn Mortgage Loan is a Government Mortgage Loan, the substitute Mortgage Loan will be a Government Mortgage Loan under the same governmental program with the same type of insurance or guaranty; and

(x) if the withdrawn Mortgage Loan is a Participation Interest, the substitute Mortgage Loan will be a Participation Interest.

Not later than the Distribution Date next following the date on which a Mortgage Loan is substituted, the Issuer will deposit, or cause to be deposited, into the Certificate Account the amount, if any, by which the Stated Principal Balance of the withdrawn Mortgage Loan exceeds the Issue Date Loan Balance of the substitute Mortgage Loan on the date of substitution, together with interest on such excess amount calculated at the Net Rate required for the related Distribution Date, multiplied by that excess principal amount.

Section 2.7 Removal of Mortgage Loan from Pool. A Mortgage Loan or REO Property that is properly purchased from the Trust in accordance with this Trust Agreement or that is the subject of a Prepayment in full will cease to be included in the Pool when (a) an appropriate entry is made in the Books and Records reflecting the purchase of the Mortgage Loan or REO Property from the Trust or the payment of the Mortgage Loan and (b) the Trust receives either funds or a contract right to receive funds in the amount of the purchase price as calculated in Subsection 2.5(3). The funds for the purchase price, Prepayment or final scheduled payment, as applicable, will be deposited in the Custodial Account or the Certificate Account and passed through to Holders at the time and

to the extent provided in Article VII. As to any Mortgage Loan that has not been paid in full at the time the Mortgage Loan ceases to be included in the Pool, the Mortgage Loan will be assigned to, or at the direction of, the Guarantor.

Section 2.8 *Issuer Fee*. For its services in establishing each Trust, the Issuer will be entitled to a fee of \$1,000, payable as provided in Subsection 7.2(3).

ARTICLE III

APPLICABLE DOCUMENTATION

Section 3.1 *Issue Supplement*. An Issue Supplement documents the establishment of a particular Trust and relates to an issue of Certificates representing the beneficial ownership interests in the related Trust Fund. Each Issue Supplement will relate to a specific Pool of Mortgage Loans and the Certificates representing the beneficial ownership interests in the related Trust Fund. The Issuer will identify the related Mortgage Loans on a Mortgage Loan Schedule attached to or otherwise made part of the related Issue Supplement. If for any reason the creation of an Issue Supplement is delayed, the Issuer will create one as soon as practicable, and such delay will not affect the validity or existence of the Trust or the related Certificates. Any one or more documents or data entries made in the ordinary course of identifying Mortgage Loans as being in a Pool that conclusively identify the Mortgage Loans within a Pool and the relevant Pass-Through Rate or Spread Rate will be deemed to be an Issue Supplement for purposes of documenting the establishment of a Trust. Delivery of one or more Certificates of the related Trust together with information, documents or data entries in the Books and Records identifying the Mortgage Loans in a Pool will constitute the issuance of Certificates, and the collective information so delivered will be deemed to be an Issue Supplement for purposes of documenting the establishment of a Trust.

Section 3.2 *Issue Supplement and Trust Agreement*. With respect to each Trust, the collective terms of the Trust Documents will govern the issuance and administration of the Certificates related to that Trust and all related matters. As applied to each Trust, the collective terms of the Trust Documents will constitute an agreement as if the collective terms of those instruments were set forth in one single and separate instrument. An Issue Supplement is not considered an Amendment requiring approval pursuant to Article XIV.

Section 3.3 *Access to Information*. The Trustee will provide access to this Trust Agreement and any relevant Issue Supplement to any Holder upon request. This obligation will be satisfied conclusively if the Issuer, the Master Servicer or a Direct Servicer provides or makes the Trust Agreement and any relevant Issue Supplement available in the same manner permitted for the giving of notices, as provided in Section 15.4. The Trustee may redact any information from the Mortgage Loan Schedule prior to providing it to a Holder if such information is

not a required disclosure or if providing it would violate the privacy of any Borrower or any applicable law.

Section 3.4 *Custody of Mortgage Documents.*

3.4(1) *Delivery.*

(a) *Documents Delivered to Trustee or Custodian.* In connection with any transfer of a Mortgage Loan into a Trust, subject to paragraph (d) of this Subsection 3.4(1), the following documents, if applicable to that Mortgage Loan, will be delivered (electronically or otherwise) to the Trustee or a Custodian:

- (i) (x) the original Mortgage Note or other instrument evidencing the Borrower's indebtedness, endorsed in blank or in favor of the Issuer or the Trustee (except if clause (ii) or (iii) applies), and (y) if applicable, the original, or if the original is unavailable, a copy, of any documents that modify the terms and conditions of the Mortgage Note (such as a modification agreement, name affidavit or allonge); or
- (ii) for state law compliant consolidation, extension and modification agreements, a separate originally executed consolidated Mortgage Note endorsed in blank or all originals of prior executed Mortgage Notes and a new originally executed Mortgage Note (if additional funds are advanced), each endorsed in blank, together with the consolidation, extension and modification agreement (or a certified copy, if the original has been submitted for recordation), or such other documentation as may be used in the applicable state with respect to consolidation of loans; or
- (iii) for a Participation Interest, if the same is in certificated form, the original certificate of participation or other evidence of the Participation Interest endorsed in blank or to the Issuer or the Trustee, and if it is not in certificated form, original documentation, according to the terms of the instruments establishing the Participation Interest, that evidences the conveyance of the Participation Interest, executed in blank or to the Issuer or the Trustee.

(b) *Other Mortgage Documents.* Subject to paragraph (d) of this Subsection 3.4(1), the following documents, if applicable for a Mortgage Loan, will be held by the Direct Servicer or, upon a request by the Master Servicer or Trustee, will be delivered to the Trustee or a Custodian, in either case in a file that is clearly identified by electronic or other means as being held for the benefit of the Trustee:

- (i) the original or a copy of the applicable power of attorney, if an attorney-in-fact signed the Mortgage Note on behalf of the Borrower;
- (ii) the original or a copy of the Mortgage;
- (iii) except in the case of a Mortgage Loan with respect to which the Mortgage is registered under a Mortgage Registry System, either the Assignment of Mortgage to the Issuer or the Trustee or in blank, which may be a blanket assignment covering two or more Mortgages, or a power of attorney authorizing the Issuer or the Trustee to execute the Assignment of Mortgage and other documents on behalf of the record holder;
- (iv) with respect to a cooperative share loan, in lieu of the items listed in (ii) and (iii) above, the cooperative housing corporation stock, shares, membership certificate or other contractual agreement evidencing ownership that secures a Mortgage Loan; and
- (v) with respect to a loan secured by manufactured housing if under the applicable law security interests in the manufactured housing unit are subject to creation and assignment through the use of certificates of title, in lieu of the items listed in (ii) and (iii) above, a duly issued certificate of title, endorsed by the title holder in blank or to the Issuer or the Trustee, or if such security interests are subject to creation through a security agreement, a UCC1 financing statement that has been filed in the appropriate place and a UCC3 assignment in favor of the Issuer or the Trustee, in form and substance acceptable for filing.

(c) *Missing or Unavailable Documents.* In lieu of any original document required to be delivered or held under paragraph (a) or (b) of this Subsection 3.4(1), an affidavit of an authorized representative of the Issuer, the Seller, or an agent of either of them will either be delivered or held, certifying (a) that the original document has been lost or destroyed and (b) either (x) that an attached copy of the document is a true and accurate copy, or (y) what the material terms of the missing document are. To the extent that any required original document is not available to be so delivered because it has been sent for recordation in the recorder's office for the appropriate jurisdiction and has not been returned as of the Issue Date, the Issuer will cause a copy of the document to be delivered to the Trustee, Custodian or Direct Servicer, as applicable, and will forward the original document to the Trustee, Custodian or Direct Servicer as soon as it becomes available. If a required or requested document is not delivered in due course, the related Mortgage Loan will be considered defective and may be purchased or substituted pursuant to Section 2.5 or 2.6.

(d) *Electronic Documents.* If and to the extent that a Mortgage Note is an electronically signed document, then in lieu of delivery or endorsement of the Mortgage Note to the Trustee or Custodian, all necessary steps will be taken on the applicable Electronic Note Registry System for the Trustee to be considered in control of that Mortgage Note.

3.4(2) *Custodial Capacity.* Subject to Subsection 5.4(3), the Master Servicer or Trustee may permit a Direct Servicer or Custodian (without regard to whether such Person is also the Seller of a Mortgage Loan or its affiliate) to hold Mortgage Documents in a custodial capacity. The Master Servicer may adopt and modify its policies and procedures regarding the custody of Mortgage Documents from time to time, subject to the general standard of care in Subsection 5.1(1). Neither the Master Servicer nor the Trustee will have liability arising from the possession of Mortgage Documents by a Seller or its affiliate in accordance with this Section 3.4(2), provided the custody of Mortgage Documents is in accordance with the policies and procedures of the Master Servicer at that time.

Section 3.5 *Review, Certification and Safekeeping of Mortgage Documents.* The Master Servicer will establish procedures for the review and maintenance of Mortgage Documents, including provisions for the release of documents by the Custodian in connection with the servicing of the Mortgage Loans. The Master Servicer may amend the procedures from time to time with respect to the administrative and ministerial aspects of the safekeeping and monitoring of the Mortgage Documents and Mortgage Loan files. The Master Servicer will obligate the Direct Servicer and Custodian to follow such procedures in servicing the Mortgage Loans.

ARTICLE IV

THE CERTIFICATES

Section 4.1 *General Provisions.* The Certificates issued with respect to each Trust will consist of only one class of certificates designated generally as guaranteed mortgage pass-through certificates, with any additional designations specified in the related Issue Supplement.

Section 4.2 *Issuance of Certificates.*

4.2(1) *Book-Entry Form.* Except as provided in Subsection 4.2(2), the Certificates will be issued in book-entry form in the names of Holders and maintained as entries on the books of the Fiscal Agent, in accordance with the Book-Entry Rules. Holders will have no right to a definitive Certificate, unless otherwise provided in the related Issue Supplement. Transfers, exchanges and redemption of Certificates will be conducted in accordance with the Book-Entry Rules.

4.2(2) *Definitive Form.* The Issuer may provide in the Issue Supplement that all or a portion of the Certificates for a Trust may be issued in definitive or temporary form, either as to individual Certificates or as to a global Certificate held by a securities registry acceptable to the Issuer (in which case individual interests in the global Certificate will be held and transferred in the manner provided in the rules of the applicable securities registry). If a definitive or temporary Certificate is used, the form of the Certificate, including denominations, as well as the necessary procedures for the registration, transfer, exchange and replacement of the Certificates, and, if applicable, conversion to book-entry form, will be provided in the Issue Supplement.

4.2(3) *Denominations.* Certificates will be issued, held and transferred in minimum original principal amounts of \$1,000.00 and additional increments of \$1.00, unless the related Issue Supplement otherwise provides. Certificates may not be transferred if, as a result of the transfer, the transferor or the new Holder would hold Certificates of the same issue having an aggregate principal amount of less than the minimum denomination.

4.2(4) *Transfer, Exchange and Pledge.* The transfer, exchange, replacement or pledge of Certificates will be governed by agreement between the Issuer and the Fiscal Agent. The Fiscal Agent may act only upon the instruction of the Holder in recording Certificate transfers, and only upon payment by the Holder of amounts required to cover transfer fees, taxes and any other associated charges.

ARTICLE V

ADMINISTRATION AND SERVICING OF THE MORTGAGE LOANS

Section 5.1 *Servicing of Mortgage Loans.*

5.1(1) *Standard of Care.* The Mortgage Loans in each Pool will be serviced for and on behalf of Holders in accordance with the Trust Documents, and to the extent not inconsistent with the Trust Documents, the applicable Servicing Contract and the Guide, and to the extent not covered by the Trust Documents, the applicable Servicing Contract or the Guide, then in accordance with Accepted Servicing Practices.

5.1(2) *Master Servicer Responsibilities.* The Master Servicer will have the full power and authority on behalf of and for the benefit of, and is responsible to, each Trust, to do the following:

(a) enter into Servicing Contracts with Direct Servicers providing for the servicing and administration of the Mortgage Loans in accordance with the applicable Trust Documents (except that the Servicing Contract may be more restrictive);

(b) supervise and monitor the servicing of the Mortgage Loans by the Direct Servicers;

(c) make Servicing Advances if a Direct Servicer does not do so and the Master Servicer determines to do so pursuant to Subsection 5.2(1);

(d) establish procedures for the retention, release and return of Mortgage Documents by the related Custodian, including procedures for the release of Mortgage Documents to the Trustee, or to the Master Servicer or Direct Servicer for servicing purposes, and for the return of those Mortgage Documents to the applicable Custodian when such Person's need for them has ended, until such time as that Mortgage Loan or the related REO Property is no longer included in the related Trust Fund;

(e) maintain records regarding each Trust as provided in Subsection 5.5(3);

(f) manage and dispose of REO Property as provided in Subsections 5.11(2) and 5.11(3); and

(g) make and authorize withdrawals from the Custodial Account as provided in Sections 6.2 and 6.3.

If the Master Servicer is otherwise eligible to do so, it may act as an interim servicer (when replacing a Direct Servicer) or as a Direct Servicer.

5.1(3) *Direct Servicer Responsibilities.* Each Direct Servicer will be responsible, on behalf of and for the benefit of each Trust for which that Direct Servicer services Mortgage Loans, to do the following:

(a) service and administer the related Mortgage Loans in accordance with the standard of care stated in Subsection 5.1(1);

(b) without limiting the generality of clause (a), service the related Mortgage Loans in accordance with Sections 5.2 through 5.11, including without limitation:

(i) collect payments on the Mortgage Loans as provided in Section 5.3 and deposit payments of principal and interest on those Mortgage Loans as provided in Section 6.1;

(ii) maintain and utilize Escrow Accounts and Supplemental Accounts as provided in Subsection 5.3(2);

(iii) make any Servicing Advances required by its Servicing Contract;

(iv) waive, forbear and modify provisions of the Mortgage Loans to the extent provided in Subsection 5.3(3), except as limited by Subsections 5.3(4) and 5.3(5);

(v) process releases, satisfactions and reconveyances (or deactivation on the Mortgage Registry System) when Mortgage Loans are repaid in full, as provided in Subsections 5.4(1) and 5.4(2);

(vi) deliver documents to the applicable Custodian, hold documents and maintain records regarding the Mortgage Loans as provided in Subsection 5.4(3);

(vii) maintain insurance and apply any insurance proceeds and condemnation proceeds as provided in Sections 5.7 and 5.8;

(viii) enforce Due-on-Transfer Provisions as and to the extent provided in Section 5.9, subject to Subsection 5.9(2) and Section 5.10;

(ix) foreclose or otherwise realize upon defaulted loans as provided in Subsection 5.11(1);

(c) pay all expenses incurred by it in connection with its servicing activities;

(d) pay the Guaranty Fee to the Guarantor; and

(e) establish and maintain Custodial Accounts as provided in Section 6.1.

All direct servicing will be performed by Direct Servicers engaged by contract with the Master Servicer or by contract between a Subservicer and a Direct Servicer. If a Direct Servicer is terminated or resigns before a replacement Direct Servicer can be engaged, the Master Servicer may engage (or act as) an interim servicer to perform essential services.

5.1(4) *Servicing Contracts.*

(a) Each Servicing Contract entered into between the Master Servicer and a Direct Servicer will provide for the Direct Servicer to perform the servicing duties described in Subsection 5.1(3). Wherever this Trust Agreement states that the Direct Servicer will take an action or carry out a responsibility, that means that the Servicing Contract will require the Direct Servicer, directly or through a Subservicer, to take that action or carry out that responsibility. Wherever this Trust Agreement states that the Direct Servicer may not take a specified action, that means that the Servicing Contract will prohibit the Direct Servicer, directly or through a Subservicer, from taking that action. Each Servicing Contract will include provisions to the following effect:

(i) any successor to the Master Servicer under this Trust Agreement will automatically succeed to the rights of the Master Servicer under any Servicing Contract, with regard to the applicable Mortgage Loans;

(ii) the Master Servicer will have the right to terminate any Servicing Contract as to the Mortgage Loans being serviced under that contract;

(iii) the Trustee, on behalf of the related Trust, and the Guarantor are third-party beneficiaries of the applicable Servicing Contract as to the Mortgage Loans in that Pool, with the rights of enforcement, subject to paragraph (b) of this Subsection 5.1(4);

(iv) the Direct Servicer is prohibited from engaging in the solicitation of mortgage loan refinancing that is targeted solely at Borrowers of Mortgage Loans included in Pools or Other Fannie Mae Trusts (but this will not prohibit general solicitations directed toward the public at large or borrowers generally);

(v) the Direct Servicer and any Subservicer that it engages will comply with all other provisions required in this Article V, and will not take any action that is prohibited by or inconsistent with the Trust Documents;

(vi) if an investment of any funds on deposit in a Custodial Account is made in violation of this Trust Agreement, the Direct Servicer will pay any loss, charge or penalty as provided in Subsection 6.1(4);

(vii) as compensation for its services to each applicable Trust, the Direct Servicer will be entitled to receive the Servicing Fee and such other amounts (which may include LPMI Charges, any Excess Spread other than Securitized Excess Spread, and additional amounts contemplated by Subsection 5.1(6)), as agreed by the Master Servicer and the Direct Servicer in the applicable Servicing Contract;

(viii) the Direct Servicer may not transfer by any means any Mortgage Loan, but, to the extent provided in the Servicing Contract or in paragraph (b) of Subsection 5.1(6), a Direct Servicer may transfer its right to receive Servicing Fees, LPMI Charges and Excess Spread; and

(ix) the Direct Servicer will comply with any additional limitations and restrictions that the Master Servicer determines to impose, provided that they do not conflict with the Trust Documents.

(b) The respective rights of the Trustee and the Guarantor, as third-party beneficiaries, to enforce the Servicing Contract against a Direct Servicer will arise only after the Trustee or Guarantor, as applicable, has given notice of a breach to the Master Servicer and the Direct Servicer and neither has remedied the breach; and further, unless a Guarantor Event of Default has

occurred and is continuing, only the Guarantor (in addition to the Master Servicer) may enforce the Servicing Contract against the related Direct Servicer.

(c) Nothing in the Trust Documents or the applicable Servicing Contract will cause any Holder or Borrower to become a third-party beneficiary of any Servicing Contract.

5.1(5) *Master Servicer Compensation.* For its services to the Trusts, the Master Servicer will be entitled to the Master Servicer Fee. As long as Fannie Mae is the Master Servicer, it will be entitled to a fee in this capacity equal to the interest or other investment earnings, if any, on amounts in the Certificate Account, less the Trustee Fee and the Issuer Fee, and will be determined in the aggregate for all Trusts under this Trust Agreement. Each successor Master Servicer designated pursuant to Article XI will be entitled to a Master Servicer Fee as agreed between the successor Master Servicer and the Guarantor (or, if a Guarantor Event of Default has occurred and is continuing, the Trustee), provided that such Master Servicer Fee payable from the Trust may not exceed the interest and other investment earnings on amounts in the Certificate Account, minus the Trustee Fee and the Issuer Fee.

5.1(6) *Direct Servicer Compensation.*

(a) For its direct servicing activities with respect to the Trusts that include Mortgage Loans serviced by it, each Direct Servicer will be entitled to a Servicing Fee. The Servicing Fee will be determined as provided in the applicable Servicing Contract. If and to the extent provided in the applicable Servicing Contract, the Direct Servicer, in payment for its services to the Trust, will be permitted to retain its Servicing Fee and, if applicable, LPMI Charges, prior to depositing the remaining portion of collections of principal and interest into the Custodial Account. The Master Servicer will not, unless it is also an interim servicer or Direct Servicer, retain a Servicing Fee.

(b) If so provided in the Servicing Contract, a Direct Servicer will be entitled to any Excess Spread (other than Securitized Excess Spread) with respect to the Mortgage Loans serviced by that Direct Servicer, as additional compensation. The Direct Servicer may retain such Excess Spread, other than Securitized Excess Spread, at the same time and in the same manner as the Servicing Fee. To the extent permitted in the Servicing Contract, the Direct Servicer may transfer all or any portion of the Excess Spread with respect to the Mortgage Loans serviced by that Direct Servicer to the Issuer for deposit into a trust for securitization. The transfer of any portion of Excess Spread that has become Securitized Excess Spread is irrevocable. Neither the Direct Servicer nor any successor will have any right to that Securitized Excess Spread as a result of its servicing relationship. The trust through which the Securitized Excess Spread is securitized will continue to receive the Securitized Excess Spread in accordance with the terms of the transfer.

(c) Unless otherwise provided in the Issue Supplement, any additional servicing compensation in the form of assumption fees, late payment charges, prepayment charges and other administrative fees or expenses permitted under the Mortgage Documents will be retained by the Direct Servicer or the Master Servicer as provided in the Servicing Contract.

5.1(7) *Servicing Terminations.* In the event that the Master Servicer terminates a Direct Servicer, the terminated Direct Servicer will not be entitled to receive Servicing Fees, any LPMI Charges, any additional servicing compensation of the types contemplated by paragraph (c) of Subsection 5.1(6) or any portion of any Excess Spread (other than Securitized Excess Spread, to the extent the terminated Direct Servicer owns a security representing an interest in that Securitized Excess Spread) for services after the effective date of the termination. The Master Servicer will, as soon as practicable, find a replacement Direct Servicer. Until such time as a permanent replacement can be engaged, the Master Servicer will appoint (or act as) and pay an interim servicer, and may make or authorize such payment out of the available Spread on the Mortgage Loans being serviced. If the Master Servicer collects a payment from a successor Direct Servicer in connection with the appointment of the new Direct Servicer, the Master Servicer is entitled to keep the payment.

Section 5.2 *Servicing Advances.*

5.2(1) *Making and Reimbursement of Servicing Advances.* The Direct Servicer will make Servicing Advances as and to the extent provided in the Servicing Contract. The Master Servicer may, but is not required to, make Servicing Advances. Each of the Direct Servicer and the Master Servicer is entitled to reimbursement of Servicing Advances made by it from collections received from the related Borrower or otherwise with respect to the related Mortgage Loan and Mortgaged Property. Servicing Advances may not be recovered out of Pool Proceeds except from amounts received with respect to the Mortgage Loan as to which such advances were made, or as otherwise permitted under the Servicing Contract. The Master Servicer may provide in the Servicing Contract for reimbursement of Servicing Advances to the Direct Servicer other than out of Pool Proceeds.

5.2(2) *Effect of Servicing Advances on Stated Principal Balance.* Any Servicing Advance will not, for the purpose of calculating monthly distributions to Holders, be added to the Stated Principal Balance of the related Mortgage Loan, even though the terms of the Mortgage Loan may permit increases to the outstanding principal balance of the Mortgage Loan and may permit the Master Servicer or Direct Servicer, as applicable, to pursue recovery of those amounts from the Borrower. This Subsection 5.2(2) does not reduce the Borrower's obligation under the Mortgage Documents.

Section 5.3 *Collection of Mortgage Loan Payments; Limitations on Changes.* Each Direct Servicer will make reasonable efforts to collect all payments required

under the terms and provisions of the Mortgage Documents, as more particularly provided in this Section. Nothing in the Trust Documents or Accepted Servicing Practices, however, will require the Master Servicer or Direct Servicer to pursue a deficiency judgment.

5.3(1) *Payments of Principal and Interest.* Each Direct Servicer will become obligated to the related Trust to pay to the Trustee any principal and interest (to the extent of the Pass-Through Rate) received from or paid on behalf of a Borrower or otherwise realized on a Mortgage Loan or a Mortgaged Property. Each Direct Servicer will deposit payments of principal and interest received on each Mortgage Loan as provided in Section 6.1. If the amount received by a Direct Servicer from or on behalf of any Borrower for any payment date is more or less than the amount required to be paid under the applicable Mortgage Documents, then the Direct Servicer will make reasonable efforts to ascertain whether the payment constitutes interest, principal, or escrow amounts under the Mortgage Documents, and until it makes this determination, the Direct Servicer will be authorized temporarily to hold such partial or additional payments as unapplied funds in a Custodial Account, Escrow Account, or Supplemental Account for that Borrower, to the extent consistent with the Mortgage Documents and applicable law.

5.3(2) *Escrow and Other Accounts.*

(a) Each Direct Servicer will establish with an Eligible Depository (or, for a Trust to which paragraph (b) of Subsection 6.1(1) applies, a financial institution having insured deposit accounts as described in that paragraph) one or more Escrow Accounts, each of which is either a demand deposit account or an account that permits funds to be invested. The Direct Servicer will place in Escrow Accounts any funds collected for payments of a Borrower's property taxes and assessments by special assessment districts, ground rents, insurance premiums, condominium or homeowners' association or planned unit development association dues and the like, to the extent that the Mortgage Documents provide for collection of such amounts from (or on behalf of) the Borrower. The Direct Servicer may also place Buydown or Abatement Funds into an Escrow Account. To the extent permitted under applicable law, the applicable Servicing Contract and Accepted Servicing Practices, Escrow Account funds may be commingled, but only with the funds of one or more other Escrow Accounts and accounts for the same purposes held for other Trusts, Other Fannie Mae Trusts, and other loans owned by the Issuer, provided that the Direct Servicer maintains records of the amounts held in the commingled account on a loan-by-loan basis.

(b) Each Direct Servicer will withdraw from the Escrow Accounts funds needed to pay taxes, assessments by special assessment districts, ground rents, insurance premiums, condominium or homeowners' association or planned unit development association dues or comparable items, but only to the extent that amounts were previously collected and deposited in the Escrow

Accounts, and to reimburse the Borrower for excess amounts previously paid and not required to cover such items, consistent with the Mortgage Documents and the Servicing Contract. Withdrawals may also be made from Escrow Accounts (i) to reimburse the Direct Servicer out of related collections for any Servicing Advance made by it with respect to these items (but only to the extent of funds received with respect to the same Mortgage Loan for which the Servicing Advance was made), (ii) to pay interest to Borrowers on balances in the Escrow Account, if required by the terms of the related Mortgage Documents, applicable law or otherwise, (iii) in the case of Buydown or Abatement Funds, to apply such funds to the purposes for which they were received, or (iv) to clear and close the Escrow Account upon the termination of the Trust or as otherwise provided in the Mortgage Documents.

(c) A Direct Servicer may establish with an Eligible Depository (or, for a Trust to which paragraph (b) of Subsection 6.1(1) applies, a financial institution having insured deposit accounts as described in that paragraph) one or more Supplemental Accounts, in addition to the Custodial Accounts and Escrow Accounts, for different purposes in order to carry out the requirements of the Mortgage Documents. Amounts on deposit in these Supplemental Accounts may include, for example, (i) funds held under a collateral agreement relating to repair, deficit or replacement reserves; (ii) rental income on a Mortgaged Property or REO Property, (iii) insurance proceeds pending use to repair a Mortgaged Property or REO Property or (iv) Buydown or Abatement Funds. Amounts held in any Supplemental Account may not be commingled with amounts in Custodial Accounts or Escrow Accounts, but may be commingled with the funds of other Supplemental Accounts and with the funds of one or more other accounts for the same purposes held for other Trusts, Other Fannie Mae Trusts and other loans owned by the Issuer, provided that the Direct Servicer maintains records of the amounts held in the commingled account on a loan-by-loan basis.

5.3(3) *Limited Right to Waive or Forbear.* The Direct Servicer will, to the extent provided in the Servicing Contract, be permitted to (i) waive any prepayment charge, (ii) waive any assumption fee, late payment charge, or other administrative or servicing-related fee permitted by the Mortgage Documents (except as may otherwise be provided in the related Issue Supplement and in Subsection 5.3(5)), (iii) grant a Borrower a temporary indulgence of up to 30 days to enable that Borrower to repay all past due payments, (iv) agree to a Forbearance or enter into a Repayment Plan, (v) eliminate a Borrower's obligation to maintain mortgage insurance when the remaining principal balance of the related Mortgage Loan is less than 80% of the current value of the Mortgaged Property securing the Mortgage Loan, or as otherwise required by law, (vi) adjust the interest rate or other terms of any Mortgage Loan as required to comply with a Relief Act, and (vii) to the extent provided in the Mortgage Documents, reset the lifetime maximum and lifetime minimum interest rate of an Adjustable-Rate Mortgage Loan at the time of an assumption that is otherwise permitted under Section 5.9. The Direct Servicer may agree to a Forbearance or

enter into a Repayment Plan as provided in (iv) above only following a contractual delinquency or default on that Mortgage Loan. In determining its course of action with respect to a defaulted Mortgage Loan, the Direct Servicer will pursue whichever course of action it determines, in its reasonable judgment, to be likely to produce the greatest recovery for the Trust, taking into consideration the time value of money.

5.3(4) *Prohibition of Certain Modifications.* For so long as a Mortgage Loan remains in a Pool, the Mortgage Loan may not be modified if the modification has the effect of changing the principal balance (other than as a result of a payment actually received from or on behalf of the Borrower), changing the Mortgage Interest Rate (other than in accordance with any adjustable rate provisions stated in the Mortgage Documents), or delaying the time of payment beyond the last scheduled payment date of that Mortgage Loan; provided, however, that a modification that is required by a Relief Act or a court is not subject to this limitation. A change in the amortization of a Mortgage Loan that results from a partial Prepayment and is calculated in accordance with the Mortgage Documents as in effect before the partial Prepayment will not be considered a modification and is not prohibited.

5.3(5) *Limitation on Waiver of Prepayment Charges and Other Ancillary Charges.* If the Issue Supplement provides for any prepayment charge collected on a Mortgage Loan to be passed through to Holders, the Direct Servicer will not waive any portion of a prepayment charge that is to be passed through to Holders unless (i) the Mortgage Loan is in default, and the Direct Servicer determines that the waiver is more likely to result in recovery of the payments contractually due on the Mortgage Loan, or (ii) (A) the enforceability of the prepayment charge is limited (1) by court order, (2) by bankruptcy, insolvency, moratorium, receivership, or other similar law relating to creditors' rights generally or (3) due to acceleration of the Mortgage Loan's maturity in connection with a foreclosure or other involuntary payment, or (B) the Direct Servicer reasonably believes that enforceability is otherwise limited or prohibited by applicable law. The Direct Servicer may waive other ancillary service charges if permitted by the Servicing Contract.

5.3(6) *Initiation of Litigation.* None of the Issuer, the Master Servicer, a Direct Servicer or the Trustee will be required to institute or join in litigation with respect to the collection of any payment (whether under a Mortgage Document or otherwise or against any public or governmental authority with respect to a taking or condemnation) if that Person reasonably believes that enforcing any provision of the Mortgage Documents pursuant to which the payment is required is prohibited by applicable law, including any decision or order of a court of competent jurisdiction over a bankruptcy proceeding.

Section 5.4 *Mortgage Files.*

5.4(1) *Release, Satisfaction and Reconveyance.* Upon the payment in full of any Mortgage Loan, the Direct Servicer will be responsible for processing the reconveyance, satisfaction or release appropriate in the applicable jurisdiction and any related documentation in accordance with Section 5.5, including releasing the lien within the time and as required by applicable law.

5.4(2) *Mortgage Registry.* The Direct Servicer will be authorized to cause the deactivation on the applicable Mortgage Registry System of a Mortgage Loan that has been paid in full and to execute and deliver, on behalf of the Trustee, any and all instruments of satisfaction or cancellation or of partial or full release.

5.4(3) *Documents, Records and Funds in Possession of the Direct Servicer or Custodian to Be Held for the Trustee on Behalf of the Trusts.*

(a) The Direct Servicer will transmit to the related Custodian, or hold in the Direct Servicer's possession, in a file that is clearly identified by electronic or other means as being held for the benefit of the Trustee, all Mortgage Documents coming into its possession from time to time, as provided in Subsection 3.4(1). All Mortgage Documents and funds collected or held by, or under the control of, the Direct Servicer with respect to any Mortgage Loan must be held by the Direct Servicer for and on behalf of the Trust and will be and remain the sole and exclusive property of the Trust, until any release in accordance with Section 5.5.

(b) The Direct Servicer will be required to keep, or cause to be kept, accurate records of (i) collections of principal, interest and other payments received, and of expenses associated with servicing each Mortgage Loan, as the payments are received and expenses incurred, (ii) the payment of taxes, assessments, ground rents, association dues and other charges that, if unpaid, could result in a lien being placed on the Mortgaged Property, and (iii) collection and loss mitigation and foreclosure efforts with respect to Mortgage Loans that become delinquent, in each case contemporaneously with such occurrences, so as to evidence compliance with the requirements of the applicable provisions of this Article V. Each Servicing Contract must require the Direct Servicer to make these records available to the Issuer, the Master Servicer, the Guarantor and the Trustee at all times. The Issuer, Master Servicer, Guarantor and Trustee will have the right to receive, retain and use all information contained in such records.

Section 5.5 *Additional Documents and Information.*

5.5(1) *Delivery of Documents.* To the extent provided in the applicable Servicing Contract, the Direct Servicer will execute and deliver any instrument of satisfaction or cancellation or of partial or full release or discharge and all other comparable instruments with respect to the Mortgage Loans and

Mortgaged Properties when the Direct Servicer believes it appropriate in its reasonable judgment to do so.

(a) The Direct Servicer will prepare any documents requiring execution by the Direct Servicer, the Master Servicer or the Trustee that are necessary or appropriate to enable the Direct Servicer to service the Mortgage Loans.

(b) The Direct Servicer, on behalf of the Holders and the Trustee, will register or deactivate any Mortgage Loan on the applicable Mortgage Registry System in the Direct Servicer's own name, when the Direct Servicer believes, in its reasonable business judgment, it is appropriate to do so. Each Servicing Contract will authorize the Direct Servicer to execute and deliver, on behalf of the Trustee and the Holders or either of them, any and all instruments of assignment and other comparable instruments with respect to the assignment or re-recording of a Mortgage in the name of a Mortgage Registry System, solely as nominee for the Trustee and its successors and assigns.

5.5(2) *Access to Certain Documentation and Information Regarding the Mortgage Loans.* The Direct Servicer and the Custodian will provide the Master Servicer and the Trustee with access, without charge, to the Mortgage Documents, any other records and documentation regarding the Mortgage Loans, and all accounts, insurance policies and other matters relating to the Mortgage Loans and the Trust.

5.5(3) *Pool Activity Records.* As to each Trust, the Master Servicer or, if required by the Servicing Contract, the Direct Servicer will keep the records necessary to account for the activity on the related Pool, including records of the Pool Proceeds, distributions to Holders, and full and partial Prepayments, purchases, and substitutions of Mortgage Loans. In the case of a discrepancy, the records of the Master Servicer will control.

Section 5.6 *Reliance on Direct Servicer.*

5.6(1) *Receipt of Mortgage Loan Payments.* For purposes of calculations under the Trust Documents, the Trust will be deemed to have received any collections, recoveries or payments with respect to the Mortgage Loans that are received by a Direct Servicer, regardless of whether such collections, recoveries and payments so received are remitted by a Direct Servicer to the Master Servicer or by the Master Servicer to the Trustee.

5.6(2) *Information and Reports.* The Master Servicer and the Trustee may rely on the applicable Direct Servicers' reports of Mortgage Loan activity to calculate the Certificate Distribution Amount. It is understood that there may be delays or errors in processing Mortgage Loan information, such as a Direct Servicer's failure to file an accurate or timely report of its collection of principal or interest or its having filed a report that cannot be processed. If the amount

calculated as the Certificate Distribution Amount by the Master Servicer does not reflect actual payments on the related Mortgage Loans, any differences will be reconciled as soon as practicable after the applicable collection report is received or processing error corrected.

Section 5.7 *Maintenance of Property Insurance.*

5.7(1) *Hazard Insurance.* For each Mortgage Loan that is secured by a first lien, the Direct Servicer will cause hazard insurance, if available and not unreasonably expensive based on a commercially reasonable analysis, to be maintained on the related Mortgaged Property in an amount consistent with the applicable Mortgage Documents, unless no such insurance is required under the applicable Servicing Contract for that Mortgage Loan when it is transferred into the Trust. The insurance may be maintained under individual or blanket policies. If the Mortgage Loan is secured by a first lien, the standard hazard insurance policy will contain or have an accompanying endorsement that contains a standard mortgagee clause. If the Mortgage Loan is secured by a subordinate lien, the Direct Servicer will obtain evidence of appropriate property insurance on the related Mortgaged Property consistent with the Mortgage Documents unless no such insurance is required under the applicable Servicing Contract when that Mortgage Loan is transferred into the Trust. Without limiting the generality of this Subsection, the Direct Servicer will cause insurance premiums for hazard insurance on Mortgaged Property securing any first priority lien Mortgage Loan to be paid from the Escrow Account, or to verify that such premiums are otherwise paid, so as to keep all such insurance policies in effect. The hazard insurance contemplated by this Subsection 5.7(1) does not include earthquake insurance, unless required under the applicable Servicing Contract.

5.7(2) *Flood Insurance.* To the extent consistent with the applicable Mortgage Documents, and unless no flood insurance is required under the applicable Servicing Contract for that Mortgage Loan when it is transferred into the Trust, if at any time the Mortgaged Property is located in a federally designated special flood hazard area and the area is participating in the national flood insurance program, the Direct Servicer will (a) cause flood insurance, if available and not unreasonably expensive based on a commercially reasonable analysis, to be maintained with respect to the Mortgaged Property, and (b) make certain that required insurance premiums are paid, without lapse of coverage. To the extent required by this Subsection 5.7(2), the Direct Servicer will cause insurance premiums to be paid to keep all such flood insurance policies in effect.

5.7(3) *Application of Insurance Proceeds and Condemnation Proceeds.* Any insurance proceeds and any condemnation proceeds (other than, in either case, the amounts to be applied to the restoration or repair of the related Mortgaged Property or amounts released to the Borrower in accordance with the applicable Mortgage Documents, the applicable Servicing Contract and Accepted Servicing Practices) collected by the Direct Servicer will be applied as provided in the applicable Mortgage Documents. If the Mortgage Documents and

applicable law do not otherwise require, then such proceeds will be applied (i) first toward any interest amount then due and not yet paid on the Mortgage Loan; (ii) second, toward any principal then due and not yet paid on the Mortgage Loan; (iii) third, toward any amounts then due and not yet paid under the terms of the Mortgage Loan to cover taxes, assessments and insurance (whether to reimburse Servicing Advances for that Mortgage Loan or to fund an Escrow Account); and (iv) fourth, to reduce principal in the same manner as Prepayments for that Mortgage Loan.

5.7(4) *Cost of Insurance.* Any cost incurred by the Direct Servicer in maintaining any insurance required by this Section 5.7 as a Servicing Advance may be recovered by the Direct Servicer from the related Borrower to the extent provided under the terms of the applicable Mortgage Documents and the Servicing Contract.

Section 5.8 *Mortgage Insurance and Guarantees.*

5.8(1) *Mortgage Insurance.* If a mortgage insurer insuring a Mortgage Loan is obligated to recognize or deal only with a specified Person (whether that Person is the Master Servicer, a Direct Servicer or another Person) regarding the mortgagee's rights, benefits and obligations under the related insurance contract, the Direct Servicer will be responsible for instructing the applicable Person in dealing with the insurer on behalf of the Trust. If a mortgage insurer exercises an option under an insurance contract to purchase a Mortgage Loan, the proceeds of the purchase, minus any expenses, will be considered to be Pool Proceeds and will be distributed in the same manner as Prepayments.

5.8(2) *Government Mortgage Loans.* If a governmental agency or department insuring or guaranteeing a Government Mortgage Loan is obligated to recognize or deal only with a specified Person (whether that Person is the Master Servicer, a Direct Servicer or another Person) with regard to the mortgagee's rights, benefits and obligations under the related insurance or guaranty contract, the Direct Servicer will be responsible for instructing the applicable Person in dealing with the governmental agency or department. If the governmental agency or department has the right to purchase the Government Mortgage Loan and exercises that right, the proceeds of the purchase, minus any expenses, will be considered to be Pool Proceeds and will be distributed in the same manner as Prepayments.

5.8(3) *Maintenance of Mortgage Insurance and Guaranties.* If any mortgage insurance or guaranty (other than from a governmental agency or department) has been obtained at the expense of the Borrower and is in effect at the time the Mortgage Loan is transferred into the Trust, the Direct Servicer will maintain in full force and effect such mortgage insurance or guaranty with respect to that Mortgage Loan, including compliance with all terms of the insurance or guaranty arrangement, until such time as the remaining principal balance of the Mortgage Loan is less than 80% of the current value of the Mortgage Property

securing the Mortgage Loan, or until otherwise required to be terminated by law or regulation.

5.8(4) *Assignment of Trust Assets.* If a defaulted Mortgage Loan is covered by mortgage insurance or a mortgage guaranty, the Direct Servicer will assign the Mortgage Loan or the related REO Property to the mortgage insurer or guarantor, if such Person so requires, within the time required by the mortgage insurer or guarantor in order to obtain the benefits of the insurance or guaranty. Consistent with Section 2.5, the defaulted Mortgage Loan or related REO Property will be conveyed out of the Trust as soon as practicable by assigning the Mortgage Loan or related REO Property to the mortgage insurer or guarantor.

Section 5.9 *Transfers of Ownership; Enforcement of Due-on-Transfer Provisions.*

5.9(1) *Duty to Enforce.* The Direct Servicer will notify the Master Servicer and enforce the Due-on-Transfer Provision as provided in the Mortgage Documents, to the extent that the Direct Servicer has knowledge that a Mortgaged Property subject to Mortgage Documents containing a Due-on-Transfer Provision has been or is about to be conveyed by the Borrower and the Direct Servicer reasonably believes that applicable law and governmental regulations permit such enforcement, except as otherwise provided in Subsection 5.9(2) and Section 5.10.

5.9(2) *Exceptions.* The Direct Servicer will not be required to enforce a Due-on-Transfer Provision if either (i) Section 5.10 applies, or (ii) the related Mortgaged Property is transferred to a Person other than the Borrower and one of the following also applies:

(a) the Mortgage Loan does not contain a Due-on-Transfer Provision that is applicable to the proposed transfer of the related Mortgaged Property, or the contract of sale by which the Issuer acquired the Mortgage Loan from the Seller provides that the Due-on-Transfer Provision contained in the Mortgage Loan will not be enforced;

(b) the Garn-St Germain Depository Institutions Act of 1982 (P.L. 97-320, as such statute may be amended from time to time) or any other applicable federal, state or local law prohibits enforcement of the Due-on-Transfer Provision;

(c) coverage under any applicable policy or program of mortgage insurance (including, in the case of a Government Mortgage Loan, the insurance or guaranty of the applicable governmental agency) would be impaired by the enforcement of a Due-on-Transfer Provision;

(d) the transferee is a subordinate lienholder that acquired the Mortgaged Property after a default on the loan it held, including by purchase in foreclosure or by deed in lieu of foreclosure;

(e) the transferee is either (i) a relative of the transferor (or of a deceased Borrower) and the transferee will occupy the Mortgaged Property, or (ii) a trust the beneficiary of which is a relative of the transferor (or of a deceased Borrower) and such beneficiary will occupy the Mortgaged Property;

(f) the transferee is an unrelated co-Borrower who will continue to occupy the Mortgaged Property, provided at least twelve months have elapsed since the Mortgage Loan was originated;

(g) the transfer is to an inter vivos trust (or from one trust to another) provided the Borrower or Person who created the trust will be a trust beneficiary and will occupy the Mortgaged Property;

(h) the transfer occurs by operation of law after the death of the Borrower to the surviving joint tenant or tenant by the entirety or to the surviving spouse;

(i) the transferee receives the Mortgaged Property from a spouse or former spouse under a divorce decree or a legal separation agreement or from an incidental property settlement agreement, provided the transferee will occupy the Mortgaged Property;

(j) the Borrower enters into a lease of the Mortgaged Property for a term of three years or less (including any period under any renewal option) and the lessee has no option to purchase;

(k) the Borrower grants a lien on the Mortgaged Property subordinate in priority to that of the Mortgage Loan but does not transfer occupancy rights in the Mortgaged Property;

(l) the Borrower grants a purchase money security interest for household appliances to be installed or otherwise used in the Mortgaged Property;
or

(m) the Mortgage Documents include a Due-on-Transfer Provision that has an exception for a transfer to a creditworthy borrower, if the Direct Servicer determines, in accordance with the standards then used by the Issuer for its purchases of loans of the applicable type, that the proposed transferee is a creditworthy borrower.

Section 5.10 *No Default; No Removal from Pool.* Neither the Master Servicer nor a Direct Servicer will be deemed to be in default, breach or other violation of its obligations under the Trust Documents, and no Mortgage Loan will be required to be purchased from the Trust, by virtue of any transfer or assumption of a Mortgage Loan that occurs (i) by operation of law, (ii) by the terms of the Mortgage Documents or the contract by which the Issuer acquired the Mortgage Loan from the Seller, (iii) due to any assumption that the Master Servicer or the related Direct Servicer cannot prevent because it is restricted by

law (or the Master Servicer or Direct Servicer reasonably believes that it is restricted by law), or (iv) pursuant to any other exception specified in Subsection 5.9(2). For purposes of Section 5.9 and this Section 5.10, the term “assumption” is deemed to include a sale of Mortgaged Property that is not accompanied by an assumption or substitution of liability agreement.

Section 5.11 Realization upon Defaulted Mortgage Loans; Determination of Excess Proceeds and Realized Losses.

5.11(1) Foreclosure.

(a) Consistent with the standard of care stated in Subsection 5.1(1), when taking the action required by this Subsection 5.11(1), each Direct Servicer will use commercially reasonable efforts, consistent with the procedures that the Master Servicer or, if permitted by the Servicing Contract, the Direct Servicer, would use for its own account in foreclosing upon or otherwise comparably converting the lien on a residential property located in the same geographical area.

(b) Each Direct Servicer will foreclose upon or otherwise comparably convert the ownership of those Mortgaged Properties securing Mortgage Loans that come into and continue in default and as to which no satisfactory arrangements can be made for collection of delinquent payments, including acceptance of less than the full unpaid principal balance of the Mortgage Loan, consistent with the standard of care stated in paragraph (a) of this Subsection 5.11(1).

(c) Without limiting the generality of this Subsection, each Direct Servicer will be required (i) generally, to begin foreclosure proceedings not later than the time when a Mortgage Loan has been delinquent in whole or in part (without regard to any cure or grace period) on all payment dates during a period of two hundred consecutive days or, if later, promptly after the Direct Servicer is first legally permitted to commence such proceedings under applicable law, (ii) concurrently to continue working with the Borrower to bring the Mortgage Loan current, including developing a Repayment Plan or other loss mitigation alternative (such as a deed in lieu of foreclosure, a preforeclosure sale, a Forbearance or a loan modification, in each case subject to the limitations of Subsections 5.3(3) and 5.3(4)), unless the Direct Servicer determines in its reasonable judgment that there is no feasible prospect for success in such efforts, (iii) to commence or resume collection activities and foreclosure proceedings after a Forbearance (unless all delinquent funds have been received or agreement has been reached on a Repayment Plan), which collection activities and foreclosure proceedings must be commenced or resumed not later than the end of the month in which the Books and Records reflect that the Forbearance has exceeded four months, except to the extent otherwise required by applicable law, including bankruptcy proceedings, and (iv) to commence or resume foreclosure proceedings if a Borrower fails to comply with the terms of a Repayment Plan, except to the

extent otherwise required by applicable law, including bankruptcy proceedings. In determining its course of action with respect to a defaulted Mortgage Loan, the Direct Servicer will be required to pursue whichever course of action it determines, in its reasonable judgment, to be likely to produce the greatest recovery for the Trust, taking into consideration the time value of money.

(d) Notwithstanding the provisions of paragraph (c) of this Subsection 5.11(1), if the terms of any applicable mortgage insurance or guaranty require a different timing or procedure, the Direct Servicer will comply with such timing and procedure if it reasonably believes it necessary to do so in order to retain the benefits of the insurance or guaranty for the Trust.

5.11(2) *Acquisition of REO Property.* With respect to any REO Property, except to the extent otherwise required for Government Mortgage Loans or to comply with any applicable program of mortgage insurance or a guaranty, the deed or certificate of sale will be taken in, or following foreclosure put into, the name of the Trustee for the benefit of Holders (or the Trustee's nominee, which may be the Master Servicer, the related Direct Servicer, or another Person on behalf of Holders). The Trustee's (or its nominee's) name will be placed on the title to the REO Property. The REO Property will be held solely by the Trustee or its nominee in that capacity. Prior to the removal of the REO Property from the Trust pursuant to Section 2.5, the Master Servicer will, either itself or through an agent or independent contractor (which may be the Direct Servicer), manage, conserve, protect and operate the REO Property. In the case of any Government Mortgage Loan or Mortgage Loan that is covered by mortgage insurance or a guaranty, the requirements of the applicable program of mortgage insurance or guaranty must be followed; provided, however, that if those requirements are less restrictive than those provided in this Article V and following the more restrictive requirements of this Article V would violate the mortgage insurance or guaranty requirements, the action required by clause (f) of Subsection 2.5(1) must be taken.

5.11(3) *Dispositions of and Limitations on Acts Relating to REO Property.* The Master Servicer will commence the process of disposition of REO Property immediately after completion of both the acquisition of the REO Property and the resolution of any title issues, including conclusion of any applicable redemption period, have occurred. As provided in clause (i) of Subsection 2.5(2), the Guarantor may purchase any REO Property that is acquired as an asset of the Trust. Until such time as the REO Property is sold, the Master Servicer will not, and will not permit a Direct Servicer to, authorize any new lease of any REO Property, permit construction (except for continuation of construction in process at the time of foreclosure or acquisition of the REO Property by the Trust to the extent necessary to make the REO Property habitable and saleable, or make repairs necessary to make the REO Property habitable and saleable or to protect and preserve the REO Property), or direct operation of the REO Property beyond the first Distribution Date that is at least 90 days after the acquisition of the REO Property by the Trust, except, in each case, to the extent that applicable

law requires otherwise. To the extent provided in the applicable Servicing Contract, the Direct Servicer may contract with an independent contractor for all or any portion of the maintenance and disposition of REO Property, provided that any such contractor will be required to conform its actions to the requirements of this Section 5.11.

5.11(4) *Environmental Considerations.* If the Master Servicer or the Direct Servicer has knowledge that a Mortgaged Property that may be acquired on behalf of a Trust through foreclosure, a deed in lieu of foreclosure or otherwise pursuant to this Section 5.11 is located within a one-mile radius of any site with environmental or hazardous waste risks known to the Master Servicer or the Direct Servicer, the Master Servicer or Direct Servicer will consider these risks prior to causing the acquisition of the Mortgaged Property, and take action only in accordance with its established environmental review procedures that are consistent with Accepted Servicing Practices. If applicable law prohibits or delays foreclosure or other realization upon default, the Master Servicer or the Direct Servicer will follow the procedures, consistent with Accepted Servicing Practices, that the Master Servicer or the Direct Servicer would use in realizing for its own account upon other mortgage loans secured by similar property located in the same geographical area, to minimize loss on the Mortgage Loan, to the extent applicable law and such practices permit, with a view toward achieving, in its reasonable judgment, the greatest recovery for the Trust, taking into consideration the time value of money.

ARTICLE VI

COLLECTIONS

Section 6.1 *Custodial Accounts.*

6.1(1) *Establishment and Maintenance of Custodial Accounts.*

(a) Each Direct Servicer, directly or indirectly, will establish and maintain one or more Custodial Accounts (which may be the Custodial Account for one or more Trusts and Other Fannie Mae Trusts, except as provided in paragraph (b) of this Subsection 6.1(1)). Any Custodial Account will be established with an Eligible Depository, except as provided in paragraph (b) of this Subsection 6.1(1), and may either be a demand deposit account or an account that permits funds to be invested. The Custodial Account will be established in the name of the Master Servicer (or in the name of the Direct Servicer as agent, trustee, and/or bailee for the Master Servicer) and/or payments of various mortgagors and/or various owners of interests in mortgage-backed securities, and identified to the Eligible Depository as a Custodial Account.

(b) For PFP Loans, provided the Custodial Account is a demand account from which the Master Servicer has the right to withdraw at any time all funds that exceed \$2,500, then the Custodial Account (i) need not be in an

Eligible Depository, but must be established in a financial institution that has its accounts insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund and (ii) may also include funds that are principal and interest payments on other loans owned by the Issuer and serviced by that Direct Servicer.

(c) Each Direct Servicer will maintain or cause to be maintained detailed records, on a loan-by-loan basis, that will enable it to identify at any time the amount of funds in the Custodial Account that are attributable to each Pool.

6.1(2) *Deposit to Custodial Account.* The following payments and collections will be deposited into the Custodial Account:

(a) As soon as practicable, but not later than the second Business Day after receipt by the Direct Servicer, all payments from or on behalf of the Borrowers of principal and interest, other than the Servicing Fee, LPMI Charges and Excess Spread to the extent permitted to be retained by the Direct Servicer as provided in Subsections 5.1(6) and 5.1(7);

(b) On or before the Custodial Account Remittance Date, Delinquency Advances and any purchase price for Mortgage Loans purchased from a Trust pursuant to Section 2.5, in either case if and to the extent made by a Direct Servicer;

(c) As soon as practicable, but not later than the second Business Day after receipt by the Direct Servicer, all Prepayments (except as provided in clause (b) of this Subsection 6.1(2) or in Subsection 7.2(2)) and other amounts received on any of the Mortgage Loans (other than any portion of insurance proceeds, condemnation proceeds and similar amounts that are to be used for renovation and repair of the Mortgaged Property, or for the reimbursement of any insurance premiums advanced, to the extent not previously reimbursed from other sources); and

(d) Any other amounts specified in a related Issue Supplement that are required to be deposited in the Custodial Account.

The requirements in this Subsection 6.1(2) will be exclusive. Without limiting the generality of this Subsection 6.1(2), payments on the Mortgage Loans that are not expressly identified in clauses (a) through (d) of this Subsection (including payments of principal and interest on the Mortgage Loans due on or before the Issue Date, prepayment charges that are not to be passed through to Holders, late payment charges or assumption fees and other ancillary charges) are not required to be deposited in the Custodial Account, and if so deposited may be withdrawn at any time. If the Direct Servicer holds funds in an Escrow Account or Supplemental Account that are not yet due to be applied against Mortgage Loan obligations or that are received in connection with a loss mitigation arrangement,

this Subsection 6.1(2) will apply to those funds only when they are so applied.

6.1(3) *Segregation of Funds.* The amounts set forth in Subsection 6.1(2) will be held in the Custodial Account. To the extent permitted by the Servicing Contract, the Direct Servicer may commingle such funds with collections on other mortgage loans that are not part of that Trust but are held for other Trusts or Other Fannie Mae Trusts. Temporarily, prior to depositing such funds as contemplated by Subsection 6.1(2), a Direct Servicer may hold such funds in a clearing account that is either in an Eligible Depository or is a deposit account insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration, and that in either case may include collections on other mortgage loans without regard to their ownership. The Direct Servicer must maintain records on a loan-by-loan basis regarding the sources of the commingled funds.

6.1(4) *Investments.* Unless prohibited by applicable law, all amounts held in a Custodial Account must be either available on demand or invested in investments that, at the time of their acquisition, are Eligible Investments maturing on or before the Custodial Account Remittance Date applicable to the funds so invested. The investment may not require advance notice of withdrawal or the payment of a withdrawal penalty in excess of any earnings for withdrawal on the Custodial Account Remittance Date. Amounts held by a Direct Servicer in a Custodial Account are also subject to any additional limitations under the Servicing Contract. Holders will have no right to interest or other investment earnings on amounts in any Custodial Account.

6.1(5) *Restriction on Sale.* If, with respect to any investment held in the Custodial Account, the rating accorded by the applicable rating agency to the applicable issuer or investment declines by two rating levels after acquisition of the investment (and, as a result of the decline, the investment ceases to be an Eligible Investment), then the Direct Servicer will be required to cause that nonconforming investment to be sold as soon as practicable. Otherwise, except for correction of investments made in violation of this Trust Agreement, no investment may be sold while in the Custodial Account prior to its maturity.

Section 6.2 *Permitted Withdrawals from the Custodial Account.* The Master Servicer may, from time to time, make withdrawals or permit a Direct Servicer or a Subservicer to make withdrawals from a Custodial Account for the following purposes:

- (i) to reimburse the Master Servicer or the Direct Servicer for previously unreimbursed Delinquency Advances;
- (ii) to withdraw and retain earnings from investments made in accordance with Subsection 6.1(4);

(iii) to pay to the Direct Servicer the Servicing Fee, LPMI Charge and any Excess Spread other than Securitized Excess Spread (unless previously withheld for these purposes pursuant to the Servicing Contract);

(iv) to pay any Securitized Excess Spread to the trustee of the trust that holds the Securitized Excess Spread;

(v) to withdraw from the Custodial Account any amount that was not required to be deposited in the Custodial Account, as described in Subsection 6.1(2);

(vi) to transfer the amounts described in Section 6.3, and any other amounts that are permitted to be deposited in the Certificate Account, for deposit in the Certificate Account;

(vii) to pay the Guarantor the Guaranty Fee;

(viii) to withdraw such other amounts for such other purposes as may be specified in the related Issue Supplement; and

(ix) to clear the Custodial Account after termination of the Trust.

Section 6.3 *Custodial Account Remittance Date.* On or before each Custodial Account Remittance Date, the Master Servicer must transfer or cause to be transferred for deposit to the Certificate Account (directly or through a clearing account as provided in Subsection 7.2(2)) funds held in the applicable Custodial Account or Accounts in an amount equal to all payments of principal and interest (with interest calculated at the Net Rate, and reduced by any Deferred Interest on a Negative Amortization Mortgage Loan) to be included in the Certificate Distribution Amount for the related Distribution Date, including any required Delinquency Advances, for each Mortgage Loan in a Trust that is serviced by that Direct Servicer.

ARTICLE VII

CERTIFICATE ACCOUNT; DISTRIBUTION; GUARANTY

Section 7.1 *Payments.* Payments of the Certificate Distribution Amount will be made on each Distribution Date, beginning on the Distribution Date in the first month after the Issue Date, unless otherwise provided in the related Issue Supplement.

Section 7.2 *Certificate Account.*

7.2(1) *Establishment and Maintenance of Certificate Account; Records.* The Master Servicer will open with an Eligible Depository one or more accounts in the name of the Trustee (or its designee) to hold funds for the benefit

of the Holders under one or more Trusts. The Certificate Account may also contain funds that the Trustee holds in trust for Other Fannie Mae Trusts, provided that the Trustee keeps, or causes to be kept, separate records of funds held with respect to each Trust.

7.2(2) *Transfers of Funds.* On each Custodial Account Remittance Date preceding each related Distribution Date, the Master Servicer will confirm that, pursuant to Section 6.3, funds have been transferred from the Custodial Accounts to the Certificate Account or a clearing account at an Eligible Depository, such clearing account to exist for the purpose of receiving funds held in trust. If and to the extent funds have been transferred to such a clearing account, the Master Servicer or the Trustee will promptly cause such funds to be transferred from the clearing account to the Certificate Account. Any Delinquency Advances, Estimated Funding, Guaranty payments and payment of the purchase price for any Mortgage Loans purchased from a Trust pursuant to Section 2.5, to the extent paid by the Issuer or Guarantor, also may be deposited in the Certificate Account. All amounts deposited in the Certificate Account, and all investments made with such funds, excluding all investment earnings, will be held in trust in the Certificate Account, subject to withdrawal by the Trustee for the purposes set forth in Section 7.4.

7.2(3) *Investment.* All or a portion of amounts on deposit in the Certificate Account may be invested and reinvested in one or more investments that, at the time of their acquisition, are Eligible Investments maturing not later than the applicable Distribution Date. Holders will have no right to interest or other earnings on such amounts, and such earnings will not be part of the Trust Fund. Earnings on the investments in the Certificate Account will be applied to the payment of the Master Servicer Fees, Trustee Fees and Issuer Fees.

7.2(4) *Limitations on Permitted Sales.* If, with respect to any investment held in the Certificate Account, the rating accorded by the applicable rating agency to the issuer of an investment or to the investment declines by two rating levels after acquisition of the investment (and, as a result of the decline, the investment ceases to be an Eligible Investment), then the Trustee must cause that nonconforming investment to be sold as soon as practicable. Otherwise, except for correction of investments made in violation of this Trust Agreement, no investment may be sold while in the Certificate Account prior to its maturity.

Section 7.3 *Calculation of Certificate Distribution Amount or Other Amounts.*

The Master Servicer will calculate or cause to be calculated the Certificate Distribution Amount, if any, for each Pool for each Distribution Date, and unless the Master Servicer and Trustee are the same Person, will advise the Trustee of that amount prior to that Distribution Date. On or before the Distribution Date, the Trustee will notify the Paying Agent, or cause the Paying Agent to be notified, of the Certificate Distribution Amount for that Distribution Date.

Section 7.4 *Distributions.*

7.4(1) *Payment from the Certificate Account.*

(a) No later than each Distribution Date, the Trustee will withdraw and deliver to the Paying Agent, or cause to be withdrawn and so delivered, funds from the Certificate Account in the amount of the Certificate Distribution Amount for a Trust (or if sufficient funds are not then available in the Certificate Account, as much as is available).

(b) To the extent the amount distributed from the Certificate Account to the Paying Agent is insufficient to pay the Certificate Distribution Amount, the Paying Agent will receive funds pursuant to the Guaranty as described in Section 7.5.

(c) On each Distribution Date, the Trustee will instruct the Paying Agent to distribute to Holders as of the immediately preceding Record Date, in immediately available funds, the Certificate Distribution Amount, in accordance with the respective Undivided Beneficial Interests of the Holders.

(d) At any time, the Trustee is authorized to withdraw or direct the withdrawal from the Certificate Account, and pay the following (in each case, to the extent not previously paid or retained):

(i) to the Guarantor, (A) amounts to reimburse the Guarantor for funding or payments made by it with respect to amounts that are subsequently recovered by the Trust and transferred to the Certificate Account but are not required for payment to Holders, and (B) unless a Guarantor Event of Default has occurred and is continuing, the Guaranty Fee;

(ii) to the extent of investment earnings on the Certificate Account, to the Trustee, the Master Servicer and the Issuer, respectively, the Trustee Fee, the Master Servicer Fee and the Issuer Fee;

(iii) to the Trustee, any Other Trust Expenses that are then due and payable;

(iv) to the extent not withheld pursuant to Subsection 5.1(6), to the Direct Servicer the Servicing Fee, LPMI Charges and any Excess Spread other than Securitized Excess Spread;

(v) to the extent of any Securitized Excess Spread, to the trustee of the trust that holds the Securitized Excess Spread;

(vi) first to the Master Servicer and then to each Direct Servicer as reimbursement of any unreimbursed Delinquency Advances, but only to the extent that payments of principal and interest have been received (including through liquidation proceeds);

(vii) to remove amounts deposited in error and any excess Estimated Funding; and

(viii) after all other distributions have been made on the Final Distribution Date for a Trust, to the extent of any remaining amounts in the Certificate Account attributable to that Trust, first to reimburse the Master Servicer and then to reimburse each Direct Servicer for any remaining unreimbursed Delinquency Advances and Servicing Advances to the extent provided in the applicable Servicing Contract, and if any funds thereafter remain, to the Guarantor.

(e) If the funds available in the Certificate Account with respect to each Trust on any Distribution Date (after any payments are made under Section 7.5) are insufficient to pay all amounts then due, the available funds will be applied in the following order: (i) Trustee Fees and other amounts due to the Trustee; (ii) the Certificate Interest Distribution Amount; (iii) the Certificate Principal Distribution Amount; (iv) the Master Servicer Fee; (v) Servicing Fees; (vi) Excess Spread (with any Securitized Excess Spread being distributed pro rata with other Excess Spread); and (vii) LPMI Charges; in each case to the extent then due and payable with respect to that Trust and not withheld prior to the deposit of funds in the Certificate Account.

Section 7.5 *Fannie Mae Guaranty.*

7.5(1) *Limited Guaranty.* To the extent necessary with respect to each Trust, the Guarantor unconditionally and irrevocably agrees to pay to the related Trust the following amounts not otherwise available from funds in the Certificate Account pursuant to Section 7.4:

(a) on each Distribution Date, an amount equal the Certificate Distribution Amount for that Trust on such Distribution Date; and

(b) on the Final Distribution Date for that Trust, after giving effect to payments under clause (a) of this Subsection 7.5(1), the full and final payment of any previously unpaid Certificate Principal Balance;

provided the Guarantor is notified by the Master Servicer, the Trustee or Paying Agent of the insufficiency of funds in the Certificate Account to cover all such amounts, the Guarantor will transfer any such amounts to the Certificate Account or directly to the Paying Agent in immediately available funds on or before the applicable Distribution Date for payment to each related Trust. The Guaranty is limited to the payment of the amounts specified in this Subsection 7.5(1). In lieu of continuing to make payments of principal and interest with respect to a delinquent Mortgage Loan, the Guarantor may purchase that Mortgage Loan out of the Pool pursuant to the provisions of Section 2.5. Upon completing any such purchase at the purchase price specified in Subsection 2.5(3), the Guarantor will

be considered to have satisfied its Guaranty obligation with respect to that Mortgage Loan.

7.5(2) *Enforcement; Unconditional Obligation.* The Guaranty obligations pursuant to this Section 7.5 will inure to the benefit of each Trust, and will be enforceable by the Trustee of that Trust, only as provided in this Trust Agreement. The Guarantor agrees that its obligation to pay on each Distribution Date the amounts guaranteed by it under Subsection 7.5(1) will be unconditional, regardless of: (i) the validity, legality or enforceability of, or any change in or amendment to, the Trust Documents; (ii) the failure of any Person to pay any Guaranty Fee; (iii) the absence of any action to enforce the payment obligation; (iv) the waiver or consent by the requisite vote of the Holders or by the Trustee with respect to any provisions of the Trust Documents, except pursuant to Section 14.4; or (v) any action to enforce, or other circumstance that might otherwise constitute, a legal or equitable discharge or defense of a guarantor. Except as expressly provided in Subsection 7.5(1) or Section 12.1, the Guarantor waives diligence, presentment, demands of payment or otherwise, protest or notice with respect to each Certificate or the interest represented by such Certificate, and all demands whatsoever, and covenants that this Guaranty will not be discharged except upon complete and irrevocable payment of the amounts described in Subsection 7.5(1).

7.5(3) *Subrogation.* The Guarantor will be subrogated to all rights of Holders of Certificates in the related Trust with respect to amounts paid pursuant to the Guaranty. Nothing in this Subsection 7.5(3) will impair Fannie Mae's right to receive distributions in its capacity as a Holder, if it is a Holder of any Certificates.

7.5(4) *Estimated Funding.* From time to time, the Master Servicer or Guarantor may deposit Estimated Funding in the Certificate Account, determined on the basis of expected collections of principal and interest payments on the Mortgage Loans (including Delinquency Advances) and anticipated payments to be made to Holders on the following Distribution Date, which may be an estimated amount pending reconciliation and allocation of amounts owed to Holders. Any Estimated Funding amounts in excess of funds required to be distributed to Holders on a Distribution Date will, upon request of the Master Servicer or Guarantor, be reimbursed to the Master Servicer or Guarantor after reconciliation of funds actually collected and distributed from the Trust to Holders.

7.5(5) *No United States Guaranty.* The Guaranty is solely a corporate obligation of Fannie Mae. Neither the Certificates nor payments of principal and interest on the Certificates are guaranteed by the United States and neither constitutes a debt or obligation of the United States or any other agency or instrumentality of the United States.

Section 7.6 *Reports.*

7.6(1) *Monthly Reports.* The Master Servicer will provide or cause to be provided to Holders of Certificates of each Trust access to monthly reports relating to the monthly distributions on the Certificates of that Trust as of each Distribution Date.

7.6(2) *Annual Reports.* Within a reasonable time after the end of each calendar year during any portion of which a Certificate is outstanding, the Master Servicer will either (i) furnish or cause to be furnished to each Holder listed on the records of the Fiscal Agent at any time during that year a statement containing the relevant information required under federal income tax laws, or (ii) disseminate in a manner consistent with Section 15.4 information from which such relevant information can be calculated.

Section 7.7 *Paying Agent.* Any payment obligations of any Person other than the Paying Agent to Holders will be fully satisfied upon transmittal of payment to the Paying Agent of the Certificate Distribution Amount on or before the related Distribution Date.

ARTICLE VIII

LIMITATION OF LIABILITY

Section 8.1 *General Limitation.* The liability of the Issuer, Master Servicer, Guarantor and Trustee and any successor extends only to its performance in good faith of the duties and responsibilities specifically imposed by the terms of the Trust Documents. No other duties or responsibilities will be implied.

Section 8.2 *Measure of Liability.*

8.2(1) *Good Faith.* None of the Issuer, Master Servicer, Guarantor or Trustee or any successor to any of them, or any of their respective directors, officers, employees or agents, will be liable for any action taken, or for refraining from taking any action, in good faith pursuant to the terms of the Trust Documents, or for errors in judgment; provided, however, that this provision will not protect the Issuer, Master Servicer, Guarantor or Trustee or any such other Person against any liability for action or inaction resulting from willful misfeasance, bad faith, gross negligence, or willful disregard of its obligations and duties under the Trust Documents.

8.2(2) *Standard of Care.* In performing their duties and exercising their rights, the Issuer, Master Servicer, Guarantor and Trustee are obligated to act in good faith, as described in Subsection 8.2(1), but only the Trustee is acting as a fiduciary. In ascertaining whether a Mortgage Loan is to be purchased from a Pool as described in Section 2.5, it will not be considered an act of bad faith for the Master Servicer, a Direct Servicer, the Guarantor or the Trustee to take into consideration the administrative costs of the Master Servicer, the Trustee and the

Guarantor, as well as the costs of the Direct Servicer, and the Guarantor's possible exposure under the Guaranty.

ARTICLE IX

FANNIE MAE

Section 9.1 *Merger or Consolidation*. Any corporation or other entity into which Fannie Mae is merged, converted or consolidated, or any corporation or other entity resulting from any merger, conversion or consolidation to which Fannie Mae is a party, or any corporation or other entity succeeding to the business of Fannie Mae, will succeed to and assume all obligations and duties imposed upon Fannie Mae by the terms of the Trust Documents, without the filing of any instrument or the performance of any further act by Fannie Mae or any Holder. Fannie Mae will give notice promptly of such succession to all Holders.

Section 9.2 *Fannie Mae as Holder*. Fannie Mae will have the right to purchase and hold for its own account any Certificate and will have the same rights as any other Holder, except as otherwise set forth in the Trust Documents.

ARTICLE X

TRUSTEE

Section 10.1 *Duties of Trustee*.

10.1(1) *In the Absence of a Guarantor Event of Default*. For so long as there is no Guarantor Event of Default, the duties and obligations of the Trustee will be determined solely by the express provisions of the Trust Documents. The Trustee will be liable only for the performance of the duties and obligations specifically set forth in the Trust Documents. No implied covenants or obligations will be read into the Trust Documents against the Trustee. Any permissive right of the Trustee contained in the Trust Documents will not be construed as a duty.

10.1(2) *When a Guarantor Event of Default Exists*. While a Guarantor Event of Default exists, the Trustee will exercise the rights and powers vested in it by the Trust Documents and use the same degree of care and skill in their exercise as a prudent investor would exercise or use under the circumstances in the conduct of its own affairs.

10.1(3) *Liability*. No provision of the Trust Documents will be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own misconduct; provided, however, that:

(a) The Trustee will not be personally liable for an error of judgment made in good faith by any authorized officer of the Trustee, unless it is proven that the Trustee was negligent in ascertaining the pertinent facts;

(b) The Trustee will not be personally liable with respect to any action taken, permitted or omitted to be taken by it in good faith in accordance with the direction of Holders representing at least 5% of the Voting Rights of the related Trust (determined in accordance with Section 14.1) as to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under the Trust Documents;

(c) No provision of the Trust Documents will require the Trustee, in its capacity as Trustee, to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights or powers, if it has reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it;

(d) For all purposes of the Trust Documents, unless the Trustee and the Guarantor are the same Person, the Trustee will not be deemed to have knowledge of any Guarantor Event of Default or event that, with notice or lapse of time, or both, would become a Guarantor Event of Default, unless an authorized officer of the Trustee has received written notice of the event from the Master Servicer, or the Trustee has actual knowledge of the event. In the absence of such written notice or actual knowledge, no provision of the Trust Documents requiring the Trustee to take any action or to assume any duty or responsibility following the occurrence of any Guarantor Event of Default or event that, with notice or lapse of time, or both, would become a Guarantor Event of Default, will be effective as to the Trustee; and

(e) For purposes of this Article X, references to the Trustee include its directors, officers, employees and agents.

Section 10.2 *Certain Matters Affecting the Trustee.*

10.2(1) *Reliance; Limitation of Duties.* Except as otherwise provided in Section 10.1:

(a) The Trustee, upon receipt of all resolutions, certificates, statements, opinions, reports, documents, orders or other instruments furnished to the Trustee that are specifically required to be furnished pursuant to any provision of the Trust Documents, will examine them to determine whether they appear to conform *prima facie* to the requirements of the Trust Documents. If any such instrument is found not to conform *prima facie* to the requirements of the Trust Documents in any material respect, the Trustee will take whatever action it deems appropriate to have the instrument corrected, in all material respects to the Trustee's satisfaction. Unless the Trustee has actual knowledge to the contrary, the Trustee will be entitled to rely, without further inquiry, on the apparent authority of the signer of any document, and upon the representation of the Person submitting documents to it (including the Issuer, the Master Servicer, the

Guarantor, any Seller, any Direct Servicer, any Subservicer and any attorney or accounting professional (including an attorney or accounting professional employed by the Issuer, Master Servicer, Guarantor or Trustee)) that the document is genuine, which representation will be deemed given by the process of submitting the documents to the Trustee in the ordinary course of business. In the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely as to the truth of the statements and the correctness of the opinions or advice expressed in any certificates or opinions furnished to the Trustee and that conform to the requirements of the Trust Documents. The Trustee may request and, in the absence of bad faith or a pending request to investigate as provided in paragraph (d) of this Subsection 10.2(1), rely upon, and will be protected in acting or refraining from acting upon, any resolution, officers' certificate, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document *prima facie* in proper form and believed by it to be genuine and to have been signed or presented by the proper party;

(b) The Trustee may consult with legal counsel, accountants and other advisers (including counsel, accountants and advisers employed or retained by the Issuer, the Master Servicer, the Guarantor or the Trustee) with respect to any action taken or allowed to occur or omitted by it under the Trust Documents in good faith, and any advice received from counsel, accountants or other advisers (including from counsel, accountants or other advisers employed or retained by the Issuer, the Master Servicer, the Guarantor or the Trustee) will, in the absence of bad faith on the part of the Trustee, be full and complete authorization and protection as to any act or omission in accordance with such advice;

(c) The Trustee will not be obligated to exercise any of the trusts or powers vested in it by the Trust Documents or to institute, conduct or defend any litigation under or in relation to the Trust Documents at the request, order or direction of any Holder or, if the Trustee is someone other than the Guarantor, at the request, order or direction of the Guarantor, pursuant to the provisions of the Trust Documents, unless such Holders or the Guarantor, as the case may be, have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that it may incur. Nothing contained in the Trust Documents will, however, relieve the Trustee of the obligation, upon the occurrence of a Guarantor Event of Default, to exercise such of the rights and powers vested in it by the Trust Documents, and to use the same degree of care and skill in their exercise as a prudent investor would exercise or use under similar circumstances in the conduct of its own affairs; and

(d) Prior to the occurrence of a Guarantor Event of Default and after all previously existing Guarantor Events of Default have been cured, the Trustee will not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or document, as permitted

by the Trust Documents, unless requested in writing so to do by (i) the Guarantor or (ii) Holders representing at least 25% of the Voting Rights of the related Trust (determined in accordance with Section 14.1); provided, however, that in either case, within a reasonable time the Guarantor or such Holders, as the case may be, have provided the Trustee with reasonable indemnification for costs, expenses or liabilities likely to be incurred by it in the making of such investigation if, in the opinion of the Trustee, the Trustee is not reasonably assured by the security afforded to it otherwise by the terms of the Trust Documents.

10.2(2) *Indemnification of the Trustee.* Each Trust will indemnify the Trustee in its individual capacity and as Trustee and any director, officer, employee or agent of the Trustee in its individual capacity and as Trustee (each of them, an “indemnified party”) for, and hold each of them harmless against, any loss or liability incurred by any of them without negligence or bad faith on the part of the indemnified party arising out of or in connection with the acceptance or administration of the Trusts created pursuant to the Trust Documents. The amounts indemnified include the costs and expenses of defending the indemnified parties against any claim or liability incurred by any of them in connection with the exercise or performance of any of the powers or duties under the Trust Agreement, but not including any expenses incurred in the ordinary course of performing the Trustee’s duties as set forth in the Trust Documents.

10.2(3) *Acts of Parties.* The parties understand and agree that, in exercising any right under the Trust Documents, the Issuer, Master Servicer, and Guarantor will not be acting in a fiduciary capacity. Nothing in the Trust Documents will be construed to require the Issuer, Master Servicer or Guarantor to exercise any such right or to impose any liability on the Issuer, Master Servicer or Guarantor for its election, in its sole discretion, in any instance to exercise or to refrain from exercising any such right. No failure by the Issuer, Master Servicer or Guarantor to exercise such right in any instance will be deemed a waiver of such right in any other instance. Unless a Guarantor Event of Default has occurred and has not been cured, the Trustee is entitled to rely on any direction rendered to it by the Issuer, Master Servicer (unless there is then a Servicing Event of Default that has not been cured) or Guarantor in exercise of its rights pursuant to the terms of the Trust Documents without inquiry as to the propriety or validity of the direction, and will be protected in acting on such direction.

10.2(4) *Legal Action.* The Trustee will only be obligated to appear in, prosecute or defend any legal action if such legal action is directly incidental to its duties under the Trust Documents and which, in its opinion, will not involve the Trustee incurring expense or liability; provided, however, that the Trustee in its discretion may undertake any such legal action that it deems necessary or desirable in the interests of Holders.

10.2(5) *Expenses.* If the Trustee determines to undertake any such legal action, it will pay and defray the expense of any such action, including attorneys’ fees. The Trustee will be entitled to reimbursement for such expenses pursuant to

paragraph (c) of Subsection 10.1(3) or paragraph (c) of Subsection 10.2(1) or otherwise.

10.2(6) *Authority to Delegate.* The Trustee may execute any of the trusts or powers, perform any duties under the Trust Documents, and carry out any or all of its functions under this Trust Agreement either directly or by or through one or more delegates, agents or attorneys engaged by it to act on its behalf.

10.2(7) *Authority to Commingle.* The Trustee may commingle Pool Proceeds and investment earnings with respect to two or more Trusts, and may commingle Pool Proceeds and investment earnings with respect to any Trust with other proceeds and earnings held by the Trustee in trust, including assets of Other Fannie Mae Trusts, provided that records are maintained by which the separate interests of each Trust can be ascertained.

10.2(8) *Execution of Documents.* The Trustee is authorized to execute and deliver such documents as it determines to be necessary or appropriate to carry out the terms of the Trust Documents. From time to time the Trustee may receive documents prepared by the Direct Servicer or a Subservicer as described in Subsection 5.5(1) that are necessary or appropriate to enable the Direct Servicer or a Subservicer to service the Mortgage Loans. Upon receipt of those documents that require the Trustee's signature, the Trustee will execute the documents and deliver them to the Direct Servicer or Subservicer. The Trustee is authorized to rely on instructions received from the Direct Servicer or Subservicer as to the form and substance of such documents.

Section 10.3 *Trustee Not Liable.* Except as otherwise expressly provided in the Trust Documents, the Trustee will not be liable for the use or application by the Master Servicer or any Direct Servicer of any funds paid to the Master Servicer or any Direct Servicer in respect of the Mortgage Loans, or deposited in, or withdrawn from, the Custodial Account, or the calculation of the amount transferred to the Certificate Account by the Master Servicer or any Direct Servicer or transferred to the Paying Agent. The Trustee makes no representations or warranties as to the validity or sufficiency of the Mortgage Documents.

Section 10.4 *Trustee May Own Certificates.* The Trustee in its individual or any other capacity may become the owner or pledgee of Certificates of any Trust with the same rights it would have if it were not Trustee.

Section 10.5 *Eligibility Requirements for Trustee.* Fannie Mae is eligible to act as the Trustee, and is initially the Trustee for Trusts created under this Trust Agreement. Any successor to Fannie Mae as Trustee must be a corporation or association having its principal office in a state and city acceptable to the Issuer and the Guarantor and organized and doing business under the laws of such state or the United States, authorized under such laws to exercise corporate trust

powers, having combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by federal or state financial regulatory authorities. If such other corporation or association publishes reports of condition at least annually pursuant to law or to the requirements of the supervising or examining authority, then for the purposes of this Section 10.5 the combined capital and surplus will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If any such successor Trustee ceases to be eligible under this Section 10.5 at any time, that successor Trustee will resign immediately in the manner and with the effect specified in Section 10.6.

Section 10.6 *Resignation and Removal of Trustee.*

10.6(1) *Resignation by Trustee.* Any successor Trustee will resign if it ceases to be eligible in accordance with the provisions of Section 10.5. The Trustee may also resign at any other time. In either case, the Trustee may resign and be discharged as Trustee from the Trusts created by the Trust Documents only by giving 90 days' written notice of the resignation to the Guarantor and upon the effectiveness of an appointment of a successor Trustee, which may be as of a date prior to the end of the 90-day period. Upon receiving such notice of resignation, the Guarantor (or if a Guarantor Event of Default has occurred and is continuing, the Master Servicer) will promptly appoint one or more successor Trustees by written instrument, one copy of which is delivered to the resigning Trustee and one copy of which is delivered to the successor Trustee. The successor Trustee need not be identical for all Trusts. If no successor Trustee has been appointed for a Trust, or one that has been appointed has not accepted the appointment within 90 days after giving such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

10.6(2) *Removal of Trustee for Cause.* If at any time the Trustee:

- (a) ceases to be eligible in accordance with the provisions of Section 10.5 and fails to resign;
- (b) becomes substantially incapable of acting, or is adjudged bankrupt or insolvent, or a receiver for it or substantially all of its property is appointed;
- (c) voluntarily or involuntarily has had a governmental agency or regulatory entity take charge or control of it or its property or affairs for the purpose of rehabilitation, conservation or liquidation; or
- (d) has been determined by the governmental agency or regulatory entity that has primary supervisory authority for it or by a court of competent jurisdiction to be unable under applicable law and regulations to remain as Trustee;

then the Guarantor may (or if a Guarantor Event of Default has occurred and is

continuing, the Master Servicer may, and if directed by Holders representing at least 51% of the Voting Rights of the related Trust, will) remove the Trustee as to one or more Trusts and appoint a successor Trustee by written instrument, one copy of which will be delivered to the Trustee so removed and one copy of which will be delivered to the successor Trustee, and the Guarantor (or if a Guarantor Event of Default has occurred and is continuing, the Master Servicer) will give written notice of the successor Trustee to any Master Servicer, any Direct Servicer and Holders affected by the succession. Notwithstanding the termination of the Trustee, its liability under the Trust Documents arising prior to such termination will survive such termination.

10.6(3) *Removal of Trustee Without Cause.* Except when a Guarantor Event of Default has occurred and is continuing, the Guarantor may remove a successor Trustee for any reason or no reason, solely pursuant to the Trust Documents, and appoint another successor Trustee by written instrument within 90 days after the date notice is given to such predecessor Trustee of its removal. If no successor Trustee has been appointed and has accepted appointment within 90 days after the giving of such notice of removal, the predecessor Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

10.6(4) *Time of Effectiveness.* Any resignation or removal of the Trustee and appointment of a successor Trustee pursuant to any of the provisions of this Article X will become effective upon acceptance of appointment by the successor Trustee as provided in Section 10.7, and in no event will such resignation or removal become effective until a successor Trustee has been appointed and has accepted the duties of the Trustee.

Section 10.7 *Acceptance of Appointment by Successor Trustee.* Any successor Trustee appointed as provided in Section 10.6 will execute, acknowledge and deliver to the Guarantor and to its predecessor Trustee an instrument accepting such appointment under the Trust Documents. The successor Trustee may, at its own expense, secure an Opinion of Counsel to the effect that, or as to the extent to which, a Trust is exempt from federal income taxation, as well as state and local taxation in the jurisdiction where the successor Trustee is located, and qualifies as a fixed investment trust for federal tax purposes. The resignation or removal of the predecessor Trustee will become effective and the successor Trustee, without any further act, deed or conveyance, will become fully vested with all the rights, powers, duties and obligations of its predecessor Trustee, with the effect as if the successor Trustee had been originally named as Trustee under the Trust Documents. The predecessor Trustee will execute and deliver such instruments and do such other things as may reasonably be required to vest fully and confirm the successor Trustee in all such rights, powers, duties and obligations. The documentation for the succession of the successor Trustee is not considered an Amendment requiring approval pursuant to Article XIV.

Section 10.8 *Merger or Consolidation of Trustee.* Notwithstanding any provision in the Trust Documents to the contrary, any corporation or association into which the Trustee may be merged or converted or with which it may be consolidated or any corporation resulting from any merger, conversion or consolidation to which the Trustee will be a party, or any corporation succeeding to the business of the Trustee, will be the successor Trustee under the Trust Documents, without the execution or filing of any paper or any further act on the part of any of the parties to the Trust Documents, provided such corporation or association is eligible under the provisions of Section 10.5.

Section 10.9 *Appointment of Co-Trustee or Separate Trustee.*

10.9(1) *Authority to Appoint.* For the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust Fund or property securing it may at the time be located, the Guarantor and the Trustee acting jointly (or, if a Guarantor Event of Default has occurred and is continuing, the Trustee acting alone) will have the power to execute and deliver all instruments necessary to appoint a Person approved by the Trustee to act jointly with the Trustee as co-trustee, or to appoint a separate trustee for any part of the related Trust Fund, and to vest in that Person, in its trustee capacity, legal title to that part of the Trust Fund, and those powers, duties, obligations, rights and trusts as the Guarantor and the Trustee (or if Guarantor Event of Default has occurred and is continuing, the Trustee alone) consider necessary or desirable, subject to the other provisions of this Section 10.9 and consistent with the Trust Documents. No co-trustee or separate trustee will be required, however, to meet the terms of eligibility as a successor Trustee under Section 10.5. Except as specifically provided in the first sentence of this Subsection 10.9(1), the Trustee will have no other right to appoint a co-trustee.

10.9(2) *Authority Granted.* In the case of any appointment of a co-trustee or separate trustee pursuant to this Section 10.9, all rights, powers, duties and obligations conferred or imposed upon the Trustee will be conferred or imposed upon, and exercised or performed by the Trustee and such separate trustee or co-trustee jointly, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Trustee is incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations (including the holding of title to all or any part of the related Trust Fund in any such jurisdiction) will be exercised and performed by that separate trustee or co-trustee at the direction of the Trustee.

10.9(3) *Notices.* Any notice, request or other writing given to the Trustee will be deemed to have been given to each separate trustee or co-trustee appointed under this Section 10.9, as effectively as if given to each of them. Every instrument appointing any separate trustee and co-trustee will refer to the Trust Documents and the conditions of this Article X.

10.9(4) *Agency Role.* Any separate trustee and co-trustee may appoint the Trustee as its agent or attorney-in-fact, with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of the Trust Documents on its behalf and in its name. If any separate trustee or co-trustee dies, becomes incapable of acting, resigns or is removed, all of its estates, properties, rights, remedies and trusts will vest in and be exercised by the Trustee, without the appointment of a new or successor Trustee, to the extent permitted by law.

Section 10.10 *Trustee Fees.* The Trustee will be entitled to receive a Trustee Fee as compensation for its services under the Trust Documents. The Trustee's compensation will not be limited by any law on compensation of a trustee of an express trust. The Trustee Fee will be payable monthly and will be 2% of the interest or other investment earnings, if any, on amounts in the Certificate Account, after payment of the Issuer Fee; provided that if a successor Trustee is appointed, the Trustee Fee may be such other amount as is agreed between the successor Trustee and the Guarantor. As long as Fannie Mae is the Trustee, the Trustee Fee for all Trusts under this Trust Agreement will be determined in the aggregate, and not for each Trust separately.

ARTICLE XI

MASTER SERVICER

Section 11.1 *Termination and Resignation of Master Servicer.*

11.1(1) *In the Absence of a Guarantor Default.* Prior to a Guarantor Event of Default (or if a Guarantor Event of Default has occurred and has been cured) with respect to a Trust, Fannie Mae cannot be removed as Master Servicer with respect to that Trust. A successor to Fannie Mae as Master Servicer (if Fannie Mae has resigned pursuant to Subsection 11.1(2)) may be removed by the Guarantor (or, if a Guarantor Event of Default has occurred and has not been cured, by the Trustee) upon not less than 60 days' written notice to that successor Master Servicer.

11.1(2) *Voluntary Resignation.* The Master Servicer may resign at any time, by giving 120 days' written notice of the resignation to the Trustee and the Guarantor.

11.1(3) *Servicing Events of Default.* If a successor Master Servicer is serving as such, the following events are "Servicing Events of Default" with respect to a Trust:

(a) any failure by the successor Master Servicer to remit, or cause the Direct Servicer to remit, funds for deposit to the Certificate Account on the Custodial Account Remittance Date for payment to Holders, as required by Section 6.3, which failure continues uncured for one Business Day following

written notice of such failure to the successor Master Servicer by the Trustee or by Holders representing at least 25% of the Voting Rights of the related Trust (determined in accordance with Section 14.1);

(b) except as otherwise provided in clause (a) of this Subsection 11.1(3), any failure by the successor Master Servicer to perform in any material respect any of its covenants or agreements, which failure continues uncured for a period of 60 days following the earlier of written notice of the failure to the successor Master Servicer by the Trustee or by the Holders representing at least 25% of the Voting Rights of the related Trust (determined in accordance with Section 14.1);

(c) entry of a decree or order of a court or agency or supervisory authority having jurisdiction in a voluntary or involuntary case under any present or future federal or state bankruptcy, insolvency or similar law or the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceeding, or for the winding-up or liquidation of its affairs against the successor Master Servicer, and which remains in force undischarged or unstayed for a period of 60 days, if such proceeding is not being contested by that successor Master Servicer in good faith, or results in the entry of an order for relief or any such adjudication or appointment;

(d) consent by the successor Master Servicer to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings of or relating to the successor Master Servicer or of or relating to all or substantially all of its property;

(e) admission by the successor Master Servicer in writing of its inability to pay its debts generally as they become due, filing a petition to take advantage of any applicable insolvency or reorganization statute, making an assignment for the benefit of its creditors, or voluntarily suspending payment of its obligations; or

(f) failure of the successor Master Servicer to meet the standard of eligibility set forth in Subsection 11.2(3).

11.1(4) *Termination for Cause.*

(a) If a Guarantor Event of Default has occurred and is continuing while Fannie Mae is the Master Servicer, the Trustee may, or, at the direction of Holders representing at least 51% of the Voting Rights of the related Trust (determined in accordance with Section 14.1), the Trustee will, to the extent permitted by law, terminate all of the rights and obligations of the Master Servicer with respect to the related Trust only, and in and to the related Mortgage Loans and their proceeds, by notifying the Master Servicer in writing.

(b) If a Servicing Event of Default has occurred and is continuing, the Trustee may, or, at the direction of Holders representing at least 51% of the Voting Rights of the related Trust (determined in accordance with Section 14.1), the Trustee will, to the extent permitted by law, by notice in writing to the successor Master Servicer, terminate all of the rights and obligations of the successor Master Servicer with respect to the related Trust only, and in and to the related Mortgage Loans and their proceeds.

11.1(5) *Trustee to Succeed.* On or after the effective date of the Master Servicer's written termination or resignation notice, and until such time as a successor Master Servicer is appointed pursuant to Subsection 11.2, all authority and power of the Master Servicer under this Trust Agreement will pass to and be vested in the Trustee as provided in Subsection 11.2(2). The Trustee is authorized and empowered, as attorney-in-fact or otherwise, to execute and deliver on behalf of and at the expense of the terminated Master Servicer, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such notice of termination promptly, including actions necessary to complete the transfer and endorsement or assignment of the Mortgage Loans and related Mortgage Documents, or otherwise.

11.1(6) *Cooperation; Transfer of Documents and Records.* The Master Servicer agrees, at its sole cost and expense (and in any event no later than ten Business Days after notice of its termination), to provide the Trustee with all documents and records requested by it to enable it (or its designee, or the successor Master Servicer when appointed) to assume the Master Servicer's functions under this Trust Agreement, and to cooperate with the Trustee in effecting the termination of its responsibilities and rights under this Trust Agreement in the capacity of Master Servicer, including the transfer within one Business Day to the Trustee for administration by it of any Trust assets that may be held by or on behalf of the terminated Master Servicer. The terminated or resigning Master Servicer will not be entitled to receive Master Servicer Fees for services after the effective date of the termination. The terminated or resigning Master Servicer will, however, continue to be entitled to receive all amounts accrued or owing to it (in its capacity as Master Servicer) under the Trust Documents on or prior to the date of such termination, whether in respect of Delinquency Advances or otherwise.

11.1(7) *Duty to Reimburse.* The terminated or resigning Master Servicer will reimburse the Trustee (or the Trustee will be reimbursed from the Trust Fund as Other Trust Expenses if the Master Servicer is unable to fulfill its obligations as such under the Trust Documents) for all costs associated with the transfer of servicing, including any costs or expenses associated with the complete transfer of all servicing data and the completion or correction of such servicing information as may be required by the Trustee to rectify any errors or insufficiencies in the servicing information or to enable the Trustee to service the Mortgage Loans properly and effectively.

11.1(8) *Limitation of Liability.* The Master Servicer will have no liability to any Holder other than for direct damages resulting from its failure or the failure of the Direct Servicer to service in accordance with the Trust Documents, the applicable Servicing Contract and Accepted Servicing Practices, or due to a Servicing Event of Default. The Master Servicer will have no liability for consequential damages. Nothing in this Section 11.1 modifies or affects the Guarantor's obligations under the Guaranty.

Section 11.2 *Appointment of Successor Master Servicer.*

11.2(1) *Trustee to Appoint.* As soon as practicable after receipt of notification that the Master Servicer has resigned or has been terminated in such capacity, the Trustee will undertake the procedure described in Subsection 11.2(4) to appoint a successor Master Servicer satisfying the requirements set forth in Subsection 11.2(3) and acceptable to the Guarantor (unless a Guarantor Event of Default has occurred and is continuing, in which case the Guarantor's acceptance is not required). The successor Master Servicer need not be identical for all Trusts.

11.2(2) *Temporary Service by Trustee.* If the Trustee cannot appoint a successor Master Servicer prior to the effective time of the resignation or removal of the previous Master Servicer, and until the appointment of a successor Master Servicer, the Trustee will be the successor in all respects to the Master Servicer, as provided in Subsection 11.1(5), subject to all the responsibilities, duties and liabilities placed on the Master Servicer to the extent permitted by applicable laws and regulations. If the Trustee is prohibited by law or regulation from obligating itself to make Delinquency Advances or Servicing Advances, then the Trustee will not be obligated to make Delinquency Advances or Servicing Advances, as the case may be. In addition, any failure of the Trustee to perform such duties or responsibilities caused by the predecessor Master Servicer's failure to provide information required by Article V will not be considered a default by the Trustee as successor to the Master Servicer. As compensation for services rendered by it, effective upon assumption of the Master Servicer's obligations and for the period of time when it performs those obligations, the Trustee will be entitled to receive a fee on the same basis and in the same manner as if it were a successor Master Servicer as provided in this Trust Agreement. Notwithstanding Subsection 11.2(1) and subject to Subsection 11.2(4), if no Person is appointed who is willing and able to act as Master Servicer and Holders representing 51% of the Voting Rights of the related Trust (determined in accordance with Section 14.1) request in writing that the Trustee do so, the Trustee will petition a court of competent jurisdiction to appoint a successor Master Servicer.

11.2(3) *Eligibility Requirements for Master Servicer.* Fannie Mae is eligible to act as the Master Servicer and is initially the Master Servicer under this Trust Agreement. Any successor to Fannie Mae as Master Servicer must be a corporation or association having its principal office in a state and city acceptable to the Issuer and the Guarantor (unless a Guarantor Event of Default has occurred

and has not been cured) and organized and doing business under the laws of such state or the United States, authorized under such laws to purchase, sell and service residential mortgage loans, with experience in the monitoring and supervision of servicing, and having net worth of at least \$15,000,000. If such other corporation or association publishes reports of condition at least annually pursuant to law or to the requirements of a supervising or examining authority, then for the purposes of this Subsection 11.2(3) its net worth will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If any such successor Master Servicer ceases to be eligible under this Subsection 11.2(3) at any time, that successor Master Servicer will resign immediately in the manner and with the effect specified in Sections 11.1 and 11.2.

11.2(4) *Bid Procedure for Appointment.* Upon the resignation or removal of the Master Servicer, the Trustee will solicit at least three bids from qualified housing and home finance institutions, banks and mortgage servicing institutions that satisfy the requirements of Subsection 11.2(3) (which may include the Trustee or any of its affiliates). Within 30 days after the solicitation, the Trustee will negotiate in good faith and effect the sale, transfer and assignment of all rights and responsibilities of the Master Servicer to the qualified party submitting the most satisfactory bid. The compensation paid by the successful bidder will be paid to the predecessor Master Servicer, after deducting amounts sufficient to reimburse the Trustee for its expenses in conducting the bid procedure.

11.2(5) *Acceptance of Appointment.* No appointment of a successor Master Servicer will be effective until the assumption by the successor Master Servicer of all of the Master Servicer's responsibilities, duties and liabilities under this Trust Agreement. In connection with the appointment and assumption of a successor Master Servicer, the Trustee, subject to approval of the Guarantor (unless a Guarantor Event of Default has occurred and is continuing) may make such arrangements for the compensation of the successor Master Servicer as it and the successor Master Servicer may agree. No such compensation, however, that is payable from the Trust will exceed the Spread minus the sum of (i) any Securitized Excess Spread, (ii) the Servicing Fee, (iii) any LPMI Charges, and (iv) the Guaranty Fee. The Trustee and the successor Master Servicer will take such action as necessary to effectuate any succession. The documentation for the succession of the successor Master Servicer is not considered an Amendment requiring approval pursuant to Article XIV.

11.2(6) *Successor Master Servicer.*

(a) Any successor Master Servicer will succeed to the rights and obligations of the Master Servicer in all respects under this Article XI and Article V, relating to the servicing and administration of the Mortgage Loans, except that its fee will be as agreed between the Guarantor (or if a Guarantor Event of Default has occurred and is continuing, the Trustee) and such successor Master Servicer. The successor Master Servicer will not succeed to Fannie Mae's

obligations under its Guaranty, the right (in the absence of a Guarantor Event of Default) to appoint a Paying Agent or successor Trustee, the right to amend or participate in the amendment of this Trust Agreement to the extent provided in Article XIV; or in any other respect, except as expressly provided above in this paragraph (a).

(b) Any successor Master Servicer will deliver to the Guarantor and the Trustee such periodic reports as are required by applicable laws or regulations, and as may be agreed in connection with the appointment of the successor Master Servicer.

11.2(7) *Concerning Reimbursement for Delinquency Advances, Servicing Advances and Guaranty Reimbursement Amounts.* If Fannie Mae is terminated or resigns as Master Servicer pursuant to Section 11.1, the successor Master Servicer will not be permitted to reimburse itself directly or indirectly for Delinquency Advances until the Guarantor has been fully paid all Guaranty Reimbursement Amounts. Instead, the successor Master Servicer will include all amounts collected from Borrowers in respect of delinquent payments in the applicable remittance to the Certificate Account, to the extent of amounts on deposit in the Custodial Account, on the related Custodial Account Remittance Date. After paying all Guaranty Reimbursement Amounts, the Trustee is authorized to pay to the Issuer (as the prior Master Servicer) and the successor Master Servicer, as applicable, reimbursements for Delinquency Advances and Servicing Advances to the same extent that each of them would otherwise have been entitled to reimbursement for their respective Delinquency Advances and Servicing Advances.

Section 11.3 *Notification to Holders upon Termination.* The Trustee will give prompt written notice to Holders and the Guarantor upon any termination or resignation of the Master Servicer, or any appointment of a successor Master Servicer pursuant to Section 11.2.

ARTICLE XII

GUARANTOR EVENTS OF DEFAULT

Section 12.1 *Guarantor Events of Default.* With respect to any Trust, each of the following events will constitute a Guarantor Event of Default:

(a) any failure by the Guarantor to make Guaranty payments, which continues uncured for a period of fifteen days after receipt by the Guarantor and the Trustee of written notice from Holders representing at least 5% of the Voting Rights of the related Trust (determined in accordance with Section 14.1) of the failure and a demand that it be cured;

(b) any failure by the Guarantor to perform in any material respect any other covenant made by the Guarantor in the Trust Documents that

continues unremedied for a period of sixty days after receipt by the Guarantor of written notice from Holders representing at least 25% of the Voting Rights of the related Trust (determined in accordance with Section 14.1) of such failure and a demand that it be cured;

(c) a decree or order of a court, agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator, receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, has been entered against the Guarantor and such decree or order has remained in force undischarged or unstayed for a period of 60 days;

(d) the Guarantor consents to the appointment of a conservator, receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings relating to the Guarantor or to all or substantially all of its property; or

(e) the Guarantor admits in writing its inability to pay its debts generally as they become due, files a petition to invoke any applicable insolvency or reorganization statute, makes an assignment for the benefit of its creditors, or voluntarily suspends payment of its obligations.

ARTICLE XIII

TRUST TERMINATION

Section 13.1 *Termination upon Liquidation of All Mortgage Loans.* Each Trust is irrevocable, and will terminate only in accordance with the terms of the Trust Documents. The obligations and responsibilities of the Issuer, the Master Servicer, the Guarantor, the Trustee, and of any successor Trustee or Master Servicer, will terminate as to a Trust and its Holders upon the distribution to Holders of all amounts required to be distributed under the related Trust Documents, including any amounts distributed pursuant to the Guaranty; provided, however, that in no event will any Trust created by the Trust Documents continue beyond the last day of the sixtieth year following the Issue Date for that Trust.

Section 13.2 *Notice of Termination.* In connection with any termination described in Section 13.1, the Trustee will notify Holders of record in the related Trust that the final distribution will be made on the Distribution Date specified in the notice. This requirement of notice will be deemed satisfied if the Issuer or the Trustee publishes the fact that the remaining Certificate Principal Balance is zero in the manner that it customarily uses for publishing the fraction of the original Certificate Principal Balance that remains outstanding.

ARTICLE XIV

AMENDMENTS

Section 14.1 *Voting Rights.*

14.1(1) *Transferor, Affiliates and Agents.* Except as otherwise provided in Subsection 14.1(2), in determining whether Holders of the requisite amount of Certificates of a related Trust have given any request, demand, authorization, direction, notice, consent or waiver requested or permitted under this Trust Agreement, any Certificate beneficially held by a Transferor of Mortgage Loans in that Trust, or the affiliates or agents of a Transferor, will be disregarded and deemed not to be outstanding.

14.1(2) *Exceptions.* Subsection 14.1(1) above will not apply when determining whether Holders of the requisite amount of Certificates of a related Trust have given any request, demand, authorization, direction, notice, consent or waiver under this Trust Agreement (i) in respect of any matter regarding a Guarantor Event of Default or succession upon a Guarantor Event of Default or (ii) in accordance with the consent requirements in Subsection 14.4(2) of this Trust Agreement. In addition, if a Transferor beneficially owns 100% of the Certificates of a Trust, then those Certificates may be voted by the Transferor to the same extent as Certificates held by any other Holder.

14.1(3) *Guarantor as Holder.* Certificates of a Trust that are beneficially held by the Guarantor will be disregarded and deemed not to be outstanding for purposes of determining whether a Guarantor Event of Default has occurred and is continuing or whether to remove the Master Servicer or the Trustee when a Guarantor Event of Default has occurred and is continuing. In all other matters with respect to a Trust, Certificates of that Trust that are beneficially owned by the Guarantor will be deemed outstanding and may be voted by the Guarantor to the same extent as Certificates held by any other Holder, unless the Guarantor is also a Transferor with respect to that Trust. If, however, the Guarantor beneficially owns 100% of the Certificates of a Trust, the Certificates owned by the Guarantor will be deemed outstanding and may be voted by the Guarantor, even if it is a Transferor.

Section 14.2 *Amendments to Trust Documents.* This Trust Agreement and any other Trust Documents may be amended under the circumstances and in the manner described in this Article XIV. Upon satisfying the requirements set forth below, any such amendment (by waiver, modification or otherwise) will become part of the Trust Documents upon the effective date of such amendment. An Amendment may be effective to amend the Trust Documents as they relate to one or more Trusts, provided that no Amendment will be effective with respect to a Trust created prior to the date of the Amendment unless it has been approved by the Persons specified in Sections 14.3 or 14.4, as applicable.

Section 14.3 *Permissible without Action by Holders.* Subject to Section 14.5, the Issuer and the Trustee, from time to time and at any time, may, without the consent of or notice to any Holder, enter into an Amendment or other instrument supplemental to this Trust Agreement, for any one or more of the following purposes:

(a) (i) to correct an error, (ii) to correct, modify or supplement any provision in the Trust Documents that is inconsistent with any other provision of the Trust Documents or the Prospectus, or (iii) to cure an ambiguity or supplement a provision of the Trust Documents, provided that such cure of an ambiguity or supplement of a provision is not otherwise inconsistent with the provisions of this Trust Agreement; or

(b) to modify, eliminate or add to the provisions of this Trust Agreement to the extent necessary to maintain the qualification of any Trust as a fixed investment trust under the Internal Revenue Code, as it may then be in effect, as evidenced by an Opinion of Counsel satisfactory to the Trustee;

provided that no amendment may be made pursuant to clause (a)(iii) or (b) of this Section 14.3 that otherwise would require consent of Holders pursuant to Subsection 14.4(2) without first obtaining such consent.

Section 14.4 *Waivers and Amendments with Consent of Holders.*

14.4(1) *With 51% Holder Consent.* With the consent of the Holders of Certificates having Certificate Principal Balances aggregating not less than 51% of the aggregate Certificate Principal Balance of the related Trust, the Issuer and the Trustee may enter into any Amendment for any purpose or waive any provision of this Trust Agreement, other than any change to which Subsection 14.4(2) applies.

14.4(2) *With 100% Holder Consent.* Without the consent of all Holders of the Certificates of the related Trust, the Issuer and the Trustee may not enter into any Amendment, or otherwise engage in any activity, that will:

(a) reduce in any manner the amount of, or delay the timing of, distributions which are required to be made on any Certificate;

(b) (i) terminate or modify the Guaranty or (ii) reduce the percentage of Voting Rights required to consent to any waiver or any Amendment;

(c) affect the status of the Trust as a fixed investment trust for federal tax purposes, or otherwise have the effect of materially increasing taxes payable in respect of that Trust; or

(d) result in a Significant Change to a Permitted Activity.

Section 14.5 *Consent of Master Servicer or Guarantor to Certain Amendments.* No Amendment may adversely affect the interests of the Master Servicer without the consent of the Master Servicer. No Amendment may adversely affect the interests of the Guarantor without the consent of the Guarantor.

Section 14.6 *Documentation of Amendment.*

14.6(1) *Form of Amendment.* It will not be necessary for Holders of an affected Trust to approve the particular form of any proposed Amendment or waiver, but it is sufficient if Holders approve the substance of the proposed change or waiver.

14.6(2) *Notice of Amendment.* Promptly after the execution of any waiver or Amendment pursuant to Section 14.4, the Trustee will give written notice to Holders of Certificates affected by the Amendment. Any failure of the Trustee to give such notice, or any defect in the notification, will not in any way impair or affect the validity of the waiver or Amendment.

ARTICLE XV

MISCELLANEOUS

Section 15.1 *Holder.*

15.1(1) *Death or Incapacity.* The death or incapacity of any Holder will not operate to terminate any of the Trust Documents nor entitle such Holder'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, nor otherwise affect the rights, duties and obligations of any of the parties to the Trust Documents.

15.1(2) *No Right to Participate.* No Holder will have any right to control or to participate in the control and administration of any Trust or the related Trust Fund, nor will any of the terms of the Trust Documents be construed to constitute the Holders and Fannie Mae (in any capacity) as partners or members of an association, nor will any Holder have any duty or liability to any third person by reason of any action taken by the parties to the Trust Documents or pursuant to the provisions of the Trust Documents or Servicing Contracts.

15.1(3) *No Right to Act.* No Holder will have any right by virtue of any provision of the Trust Documents to institute any suit, action or proceeding in equity or at law unless a Guarantor Event of Default has occurred and is continuing. In addition, if a Guarantor Event of Default has occurred and is continuing, no Holder may institute any suit, action or proceeding in equity or at law against the Guarantor unless Holders of Certificates representing at least 25% of the Voting Rights of the related Trust have first requested in writing that the Trustee undertake enforcement efforts to collect under the Guaranty, and the

Trustee has not undertaken any such action within 120 days after receiving such written request together with reasonable security or indemnity against the costs, expenses and liabilities that it may incur as required by paragraph (c) of Subsection 10.2(1). By accepting and purchasing the Certificates, each Holder is deemed to acknowledge and agree, and expressly to covenant with every other Holder and the Trustee, that no Holder will have any right by virtue of any provision of the Trust Documents to affect, disturb or prejudice the rights of any other Holder, to obtain or seek to obtain priority over or preference to any other Holder, or to enforce any right under the Trust Documents (except as expressly provided in this Trust Agreement), except for the equal, ratable and common benefit of all Holders. For the protection and enforcement of the provisions of this Section 15.1, each and every Holder and the Trustee will be entitled to such relief as can be given either at law or in equity.

Section 15.2 *Governing Law.* The terms of the Trust Documents will be construed in accordance with the laws of the District of Columbia (without giving effect to conflicts of laws principles).

Section 15.3 *Assignment.* This Trust Agreement will be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. This Trust Agreement is for the sole benefit of the parties, the Holders and their respective successors, assigns and legal representatives and is not intended, nor shall be construed, to give any Person, other than the parties to this Trust Agreement, the Holders, and their respective successors, assigns and legal representatives, any legal or equitable right, remedy or claim under this Trust Agreement.

Section 15.4 *Demands, Notices and Communications.* All formal demands, notices and communications by and between the Issuer, Guarantor, Master Servicer or Trustee, and any Holder must be in writing (which may include an electronic message, communication over the internet or other technological method that becomes available for the transfer of information) and delivered in person or by first class mail, postage prepaid, or by facsimile or electronic transmission (which transmission will be deemed received only upon telephonic or electronic confirmation of receipt): (a) if to the Issuer, Master Servicer or Guarantor, to the General Counsel, Attention: Securitization Counsel, Fannie Mae, 3900 Wisconsin Avenue, N.W., Washington, D.C. 20016, or to such other address as will be set forth in a notification to Holders, (b) if to the Trustee, to the attention of the Office of the Trustee, Fannie Mae, 3900 Wisconsin Avenue, N.W., Washington, D.C. 20016, or to such other address as will be set forth in a notification to Holders, (c) if to a Holder, to the appropriate Fiscal Agent at the address (electronic or otherwise) provided to the Trustee by such Fiscal Agent, or in any other public manner as Fannie Mae uses to make its financial information available, including posting such information on the Fannie Mae website, which is currently www.fanniemae.com. Any notice that is mailed or sent electronically pursuant to clause (c) or posted within the time prescribed in the Trust Documents will be presumed conclusively to have been duly given, whether or not the Holder

receives the notice. In the case of voting or consent of Holders, the communication may be through the use of a web site survey or voting procedure, provided the results are tallied in a manner that is secure and results in a report that can be and is maintained as part of the records of the Trust.

Section 15.5 *Severability of Provisions*. If any covenant, agreement, provision or term of the Trust Documents is for any reason whatsoever held invalid, then such covenant, agreement, provision or term will be deemed severable from the remaining covenants, agreements, provisions or terms of the Trust Documents and will in no way affect the validity or enforceability of the other provisions of the Trust Documents, the Certificates or the rights of the Holders.

Section 15.6 *Recordation*. The Issuer will have the right, in its discretion and at its own cost and expense, to record the Trust Documents in all appropriate public offices for real property records in any county or comparable jurisdiction in which any Mortgaged Property is situated, and in any other appropriate public recording office or elsewhere. For the purpose of facilitating any recording or for other purposes, the parties may execute the Trust Documents, in any number of counterparts, and each such counterpart will be deemed to be an original and all such counterparts will constitute but one and the same instrument. The cost and expense of any such recording will be borne by the Issuer.

Section 15.7 *Authorized Officers and Signatures*. The manual, facsimile or electronic signature of any individual appearing on any document designated as the signature of an authorized officer of the Issuer, Master Servicer and Guarantor or the Trustee (or any successor to any of them) will constitute conclusive evidence that such individual is, in fact, authorized to execute such document, notwithstanding that such authorization may have lapsed prior to or subsequent to the effective date of the document or its delivery.

EXHIBIT A
FORM OF ISSUE SUPPLEMENT
TO
MASTER TRUST AGREEMENT
Effective _____, 2007
FANNIE MAE
(Fixed-Rate Single-Family Mortgage Loans)

Pool Number:

Issue Date Pool Balance:¹

\$ _____

Pass-Through Rate:

Issue Date:

THIS IS AN ISSUE SUPPLEMENT under the Master Trust Agreement, effective _____, 2007, by the Federal National Mortgage Association ("Fannie Mae"). Capitalized terms in this Issue Supplement have the meanings given to them in such Trust Agreement.

The collective terms of the Trust Agreement and this Issue Supplement govern the composition of the Pool identified by the Pool Number appearing above, the servicing of the Mortgage Loans, the issuance and administration of Certificates related to such Pool, and all matters related to the related Trust, and have no applicability to any other Pool or Trust.

The Issue Date Pool Balance, Issue Date and Pass-Through Rate are stated above.

Optional, if needed: [The following additional provision(s) apply with reference to the Trust evidenced by this Issue Supplement:]²

¹ Do not complete for a Fannie Mae Major® until Pool is complete.

² Specify additional provision, including (i) if any ancillary charges are to be passed through to Holders; (ii) if Certificates will be in definitive, rather than book-entry form (and if so, the applicable transfer and exchange rules); (iii) denominations of Certificates, if other than \$1,000 minimum and \$1.00 increments above that; (iv) any restrictions on the waiver of ancillary fees; (v) any amounts required to be deposited in the Custodial Account that deviate from the requirements stated in Section 6.1 of the Trust Agreement; (vi) any amounts permitted to be distributed from the Custodial Account that deviate from the provisions of Section 6.2 of the Trust Agreement; and (vii) the first Distribution Date, if other than the 25th of the month following the month in which the Issue Date occurs. With respect to any Fannie Mae Major®, add provisions to reflect multiple deliveries of Mortgage Loans into that Fannie Mae Major® Pool, including (i) an updated Issue Date Pool Balance and (ii) an updated Mortgage Loan Schedule upon each delivery of Mortgage Loans from the time of the first Mortgage Loan delivery until the last Business Day of the month in which the Issue Date occurs.

EXHIBIT B
FORM OF ISSUE SUPPLEMENT
TO
MASTER TRUST AGREEMENT
Effective _____, 2007
FANNIE MAE
(Adjustable-Rate Single-Family Mortgage Loans)

Pool Number:

Issue Date Pool Balance:³
\$_____

Spread Rate⁴:

Issue Date:

THIS IS AN ISSUE SUPPLEMENT under the Master Trust Agreement, effective _____, 2007, by the Federal National Mortgage Association ("Fannie Mae"). Capitalized terms in this Issue Supplement have the meanings given to them in such Trust Agreement.

The collective terms of the Trust Agreement and this Issue Supplement govern the composition of the Pool identified by the Pool Number appearing above, the servicing of the Mortgage Loans, the issuance and administration of Certificates related to such Pool, and all matters related to the related Trust, and have no applicability to any other Pool or Trust.

The Issue Date Pool Balance and Issue Date are stated above. The Spread Rate [is stated above] *or* [for each Mortgage Loan is stated in the attached Mortgage Loan Schedule].

Optional, if needed: [The following additional provision(s) apply with reference to the Trust evidenced by this Issue Supplement:]⁵

³ Do not complete for a Fannie Mae Major® until Pool is complete.

⁴ Complete only if Spread Rate is uniform for all Mortgage Loans in the Pool. If the Spread Rate varies among the Mortgage Loans, the Spread Rate for each Mortgage Loan is specified in the attached Mortgage Loan Schedule.

⁵ Specify additional provision, including (i) if any ancillary charges are to be passed through to Holders; (ii) if Certificates will be in definitive, rather than book-entry form (and if so, the applicable transfer and exchange rules); (iii) denominations of Certificates, if other than \$1,000 minimum and \$1.00 increments above that; (iv) any restrictions on the waiver of ancillary fees; (v) any amounts required to be deposited in the Custodial Account that deviate from the requirements stated in Section 6.1 of the Trust Agreement; (vi) any amounts permitted to be distributed from the Custodial Account that deviate from the provisions of Section 6.2 of the Trust Agreement; and (vii) the first Distribution Date, if other than the 25th of the month following the month in which the Issue Date occurs. With respect to any Fannie Mae Major®, add provisions to reflect multiple deliveries of Mortgage Loans into that Fannie Mae Major® Pool, including (i) an updated Issue Date Pool Balance and (ii) an updated Mortgage Loan Schedule upon each delivery of Mortgage Loans from the time of the first Mortgage Loan delivery until the last Business Day of the month in which the Issue Date occurs.