

## Summary of Terms

### Credit Insurance Risk Transfer (CIRT™)

#### CIRT FE 2019-1

Insured	Fannie Mae
Covered Loans	A \$8 billion (approx.) portfolio of fully amortizing 21 to 30-year fixed rate residential mortgage loans to be delivered to Fannie Mae between May 1, 2019 and April 30, 2020 with original LTVs greater than 60% and less than or equal to 80%
Insurance Coverage	Aggregate Excess of Loss Credit Insurance with a maximum limit of liability of \$260 million (3.25% of the Total Initial Principal Balance) in excess of a maximum retention of \$40 million (0.50% of the Total Initial Principal Balance); the limit of liability may be stepped down at the 18 <sup>th</sup> month following the effective date and at each subsequent month thereafter depending on loan performance and remaining insured loans (see policy for details)
Claim Basis	Actual loss
Effective Date	May 1, 2019
Termination Date	October 31, 2029
Optional Cancellation	<p>On or after the 66<sup>th</sup> month following the effective date, Fannie Mae may cancel the policy by paying a cancellation fee (see policy for details)</p> <p>Fannie Mae may cancel the policy if the Total Current Principal Balance is reduced to no more than ten percent (10%) of the Total Initial Principal Balance.</p>

Collateral Requirement

Ratings	Collateral %
<ul style="list-style-type: none"> <li>• Standard &amp; Poor's Rating equal to AA- or higher, and</li> <li>• A.M. Best Rating equal to A+ or higher</li> </ul>	<b>20%</b>
<ul style="list-style-type: none"> <li>• Standard &amp; Poor's Rating equal to A+, and</li> <li>• A.M. Best Rating equal to A+ or higher</li> </ul>	<b>22.5%</b>
<ul style="list-style-type: none"> <li>• Standard &amp; Poor's Rating equal to A- or higher, and</li> <li>• A.M. Best Rating equal to A- through A;</li> </ul> <p style="margin-left: 20px;">Or</p> <ul style="list-style-type: none"> <li>• Standard &amp; Poor's Rating equal to A- through A, and</li> <li>• A.M. Best Rating equal to A- or higher</li> </ul>	<b>25%</b>
<ul style="list-style-type: none"> <li>• Standard &amp; Poor's Rating equal to A or higher, and</li> <li>• No A.M. Best Rating;</li> </ul> <p style="margin-left: 20px;">Or</p> <ul style="list-style-type: none"> <li>• No Standard &amp; Poor's Rating, and</li> <li>• A.M. Best Rating equal to A or higher</li> </ul>	<b>30%</b>
<ul style="list-style-type: none"> <li>• Standard &amp; Poor's Rating equal to A-, and</li> <li>• No A.M. Best Rating;</li> </ul> <p style="margin-left: 20px;">Or</p> <ul style="list-style-type: none"> <li>• No Standard &amp; Poor's Rating, and</li> <li>• A.M. Best Rating equal to A-</li> </ul>	<b>40%</b>
<ul style="list-style-type: none"> <li>• Standard &amp; Poor's Rating equal to BBB through BBB+, and</li> <li>• A.M. Best Rating equal to B++ or higher;</li> </ul> <p style="margin-left: 20px;">Or</p> <ul style="list-style-type: none"> <li>• Standard &amp; Poor's Rating equal to BBB or higher, and</li> <li>• A.M. Best Rating equal to B++;</li> </ul> <p style="margin-left: 20px;">Or</p> <ul style="list-style-type: none"> <li>• Standard &amp; Poor's Rating equal to BBB through BBB+, and</li> <li>• No A.M. Best Rating;</li> </ul> <p style="margin-left: 20px;">Or</p> <ul style="list-style-type: none"> <li>• No Standard &amp; Poor's Rating, and</li> <li>• A.M. Best Rating equal to B++</li> </ul>	<b>50% with Premium Capture</b>
<ul style="list-style-type: none"> <li>• Standard &amp; Poor's Rating equal to BBB- or lower;</li> </ul> <p style="margin-left: 20px;">Or</p> <ul style="list-style-type: none"> <li>• A.M. Best Rating equal to B+ or lower;</li> </ul> <p style="margin-left: 20px;">Or</p> <ul style="list-style-type: none"> <li>• No Standard &amp; Poor's Rating, and</li> <li>• No A.M. Best Rating</li> </ul>	<b>75% with Premium Capture</b>