



**Fannie Mae**  
Issuer

**Connecticut Avenue Securities, Series 2014-C01**

\$750,000,000 (Approximate)

**Confidential Preliminary Term Sheet**

**Revised**

January 13, 2014

Wells Fargo Bank, N.A.  
Global Agent



Structuring Lead and Joint Bookrunner



Co-Lead Manager and Joint Bookrunner



*This is a Confidential Preliminary Term Sheet. All Terms and statements are subject to change.*

**THE SECURITIES ARE BEING ISSUED BY FANNIE MAE AND ARE OBLIGATIONS OF FANNIE MAE ONLY. THE SECURITIES ARE NOT GUARANTEED BY, AND ARE NOT DEBTS OR OBLIGATIONS OF, THE UNITED STATES OR ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OTHER THAN FANNIE MAE. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE LAWS OF ANY OTHER STATE OR JURISDICTION.**

This document has been prepared by Merrill Lynch, Pierce, Fenner & Smith Incorporated ("BAML") for information purposes only. This document is an indicative summary of the terms and conditions of the securities described herein and may be amended, superseded or replaced by subsequent summaries, and will be superseded by the applicable offering document(s), which will set out the final terms and conditions of the securities.

This document shall not constitute an underwriting commitment, an offer of financing, an offer to sell, or the solicitation of an offer to buy any securities described herein, which shall be subject to BAML, Barclays Capital Inc. ("Barclays"), Credit Suisse Securities (USA) LLC ("Credit Suisse"), Morgan Stanley & Co. LLC's ("Morgan Stanley" and Nomura Securities International, Inc. ("Nomura"), and, together with BAML, Barclays, Credit Suisse and Morgan Stanley, the "Dealers") internal approvals. No transaction or services related thereto is contemplated without the Dealers' subsequent formal agreement. The Dealers are not acting as fiduciaries, advisors or agents. Prior to entering into any transaction, you should determine, without reliance upon the Dealers or their affiliates, the economic risks and merits, as well as the legal, tax and accounting characterizations and consequences of the transaction, and independently determine that you are able to assume these risks. The Dealers accept no liability whatsoever for any consequential losses arising from the use of this document or reliance on the information contained herein.

Neither the Dealers nor Fannie Mae guarantees the accuracy or completeness of information which is contained in this document and which is stated to have been obtained from or is based upon trade and statistical services or other third party sources. Any data on past performance, modeling or back-testing contained herein is no indication of future performance. No representation is made as to the reasonableness of the assumptions made within or the accuracy or completeness of any modeling or back-testing or any other information contained herein. All opinions and estimates are given as of the date hereof and are subject to change and neither the Dealers nor Fannie Mae assumes any obligation to update this document to reflect any such changes. The value of any investment may fluctuate as a result of market changes. The information herein is not intended to predict actual results and no assurances are given with respect thereto. Nothing herein shall be deemed to constitute investment, legal, tax, financial, accounting or other advice.

The Dealers, their affiliates and the individuals associated therewith may (in various capacities) have positions or deal in transactions or securities (or related derivatives) identical or similar to those described herein.

IRS Circular 230 Disclosure: BAML and its affiliates do not provide tax advice. Please note that (i) any discussion of U.S. tax matters contained in this communication (including any attachments) cannot be used by you for the purpose of avoiding tax penalties; (ii) this communication was written to support the promotion or marketing of the matters addressed herein; and (iii) you should seek advice based on your particular circumstances from an independent tax advisor. Notwithstanding anything herein to the contrary, each recipient hereof (and their employees, representatives, and other agents) may disclose to any and all persons, without limitation of any kind from the commencement of discussions, the U.S. federal and state income tax treatment and tax structure of the proposed transaction described herein and all materials of any kind (including opinions or other tax analyses) that are provided relating to such tax treatment and tax structure. For this purpose, "tax structure" is limited to facts relevant to the U.S. federal and state income tax treatment of the proposed transaction described herein and does not include information relating to the identity of the parties, their affiliates, agents or advisors.



THIS DOCUMENT DOES NOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ISSUES RELATED TO AN INVESTMENT IN THE SECURITIES. PRIOR TO INVESTING IN THE SECURITIES, POTENTIAL INVESTORS SHOULD READ THE FINAL PROSPECTUS ISSUED BY FANNIE MAE RELATING TO THE SECURITIES AND ENSURE THAT THEY FULLY UNDERSTAND THE TERMS OF THE SECURITIES AND ANY APPLICABLE RISKS.

This document is confidential, and no part of it may be reproduced, distributed or transmitted without the prior written permission of the Dealers.



**Class M-1 and Class M-2 Offered Notes: \$750,000,000 (Approximate)**

Class	Approximate Class Principal Balance or Notional Amount (\$) <sup>(1)</sup>	Expected Credit Support (%)	Interest Rate <sup>(2)</sup>	Expected Ratings (Fitch/Moody's)	Expected WAL (yrs) <sup>(1)</sup>	Principal Payment Window (mos)	Interest Accrual Basis	Final Maturity Date <sup>(3)</sup>	Class Type
A-H <sup>(4)</sup>	\$28,429,457,323	3.00	Reference Tranche Only						Senior
M-1 <sup>(5)</sup>	\$375,000,000	1.65	1mL + [ ]%	[BBB-sf/Baa2(sf)]	2.16	1 - 57	Actual/360	Jan 2024	Mezzanine
M-1H <sup>(4)</sup>	\$20,667,705	1.65	Reference Tranche Only						Mezzanine
M-2 <sup>(5)</sup>	\$375,000,000	0.30	1mL + [ ]%	N/A	8.17	57 - 120	Actual/360	Jan 2024	Mezzanine
M-2H <sup>(4)</sup>	\$20,667,705	0.30	Reference Tranche Only						Mezzanine
B-H <sup>(4)</sup>	\$87,926,156	0.00	Reference Tranche Only						Subordinate

Information is preliminary and subject to final collateral and legal review. The analyses, calculations and valuations herein are based on certain assumptions and data provided by third parties that may vary from the actual characteristics of the final collateral. Investors should rely on the information contained in the final prospectus.

- The principal amounts and notional amounts presented in this term sheet are approximate and subject to a +/- 5% variance. Weighted average lives and principal windows with respect to the Offered Notes assume prepayments occur at the pricing speed of 10% CPR, calculated from the Closing Date, assuming the Offered Notes pay on the 25<sup>th</sup> of each month beginning in February 2014 and the Offered Notes are redeemed on the Final Maturity Date.
- Each Class of Offered Notes will be sold at price of par.
- The Maturity Date of the Offered Notes is January 2024. However, the Issuer may redeem the Notes prior to the Maturity Date on any Payment Date when the aggregate unpaid balance of the Reference Obligations is 10% or less of the Cut-off Date Balance of the Reference Obligations.
- The Class A-H Reference Tranche, Class M-1H Reference Tranche, Class M-2H Reference Tranche and the Class B-H Reference Tranche will not have corresponding Notes and will be referenced only in connection with making calculations of principal payments required to be made by Fannie Mae and reductions and increases in the principal amounts of the Notes.
- The Class M-1 Notes and Class M-2 Notes will have corresponding Reference Tranches for the purpose of making calculations of principal payments required to be made by Fannie Mae and reductions and increases in the principal amounts of the Notes.



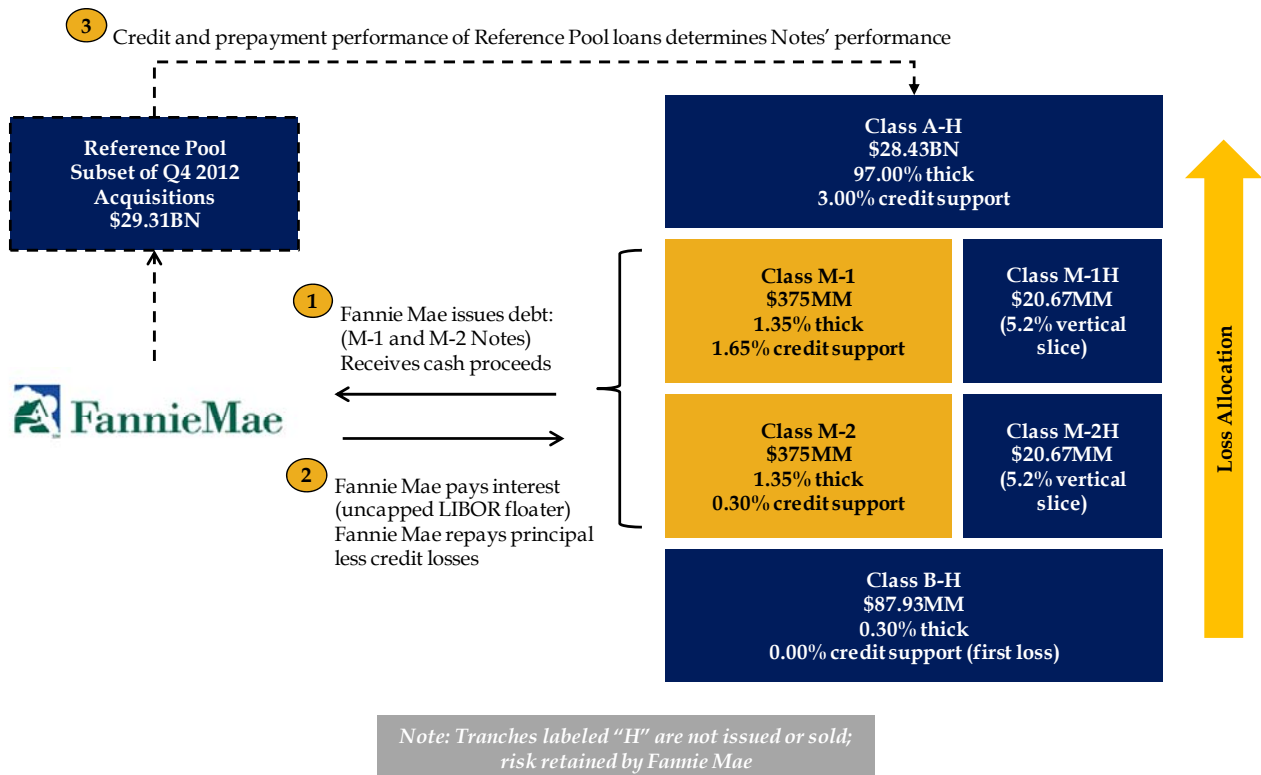
*This is a Confidential Preliminary Term Sheet. All Terms and statements are subject to change.*

**Transaction Overview**

The Connecticut Avenue Securities, Series 2014-C01 (the “Notes”) will be unsecured general obligations of Fannie Mae or the “Issuer”, and will be subject to the credit and principal payment risk of a certain pool of residential mortgage loans (the “Reference Obligations”) held in various Fannie Mae-guaranteed MBS. The actual cash flows from the Reference Obligations will never be paid to the holders of the Notes. Fannie Mae will make monthly payments of accrued interest and periodic payments of principal to the holders of the Notes. The Notes will be issued at par, will be uncapped LIBOR based floaters and will have 10 year legal final maturities.

The transaction is structured to provide credit protection to Fannie Mae with respect to Reference Obligations that become 180 days or more delinquent or as to which certain other credit events occur. This credit protection is achieved by allowing Fannie Mae to reduce the outstanding class principal balances of the Notes related to the designated credit events on the Reference Obligations. The class principal balances of the Notes will be reduced by pre-defined, tiered severity percentages as the Reference Obligations experience designated credit events.

Although the Notes will be unsecured general obligations of Fannie Mae, and Fannie Mae alone will make all of the principal and interest payments on the Notes, the transaction has been structured so that the capital structure and cash flow allocations relative to principal payments of the Notes are reflective of private label senior/subordinate residential mortgage backed securities (“RMBS”). Accordingly, subordinate interests will not receive allocations in respect of unscheduled principal unless a target credit enhancement percentage has been maintained. However, unlike securities in some senior/subordinate private label residential mortgage-backed securitizations, the principal payments required to be paid by Fannie Mae on the Notes will be based in part on the principal that is actually collected on the Reference Obligations, rather than on the entire amount of scheduled payments due on the Reference Obligations as further described herein.





**GENERAL INFORMATION**

<b>Issuer</b>	Fannie Mae
<b>Title of Series</b>	Connecticut Avenue Securities (“CAS”), Series 2014-C01
<b>Global Agent</b>	Wells Fargo Bank, N.A., as the Global Agent of Fannie Mae, will perform certain reporting and administrative functions with respect to the Notes, including calculating payments on the Notes. Fees and expenses of the Global Agent will be paid by the Issuer.
<b>Master Servicer</b>	Fannie Mae
<b>Lead Managers and Joint Bookrunners</b>	Merrill Lynch, Pierce, Fenner & Smith, Incorporated (Structuring Lead) and Barclays Capital Inc. (Co-Lead Manager)
<b>Co-Managers</b>	Credit Suisse Securities (USA) LLC (“Credit Suisse”), Morgan Stanley & Co. LLC (“Morgan Stanley”) and Nomura Securities International, Inc. (“Nomura”)
<b>Selling Group Member</b>	The Williams Capital Group, L.P. (“Williams Capital”) will be a Selling Group Member
<b>Cut-off Date</b>	For this term sheet and for the prospectus, November 30, 2013
<b>Closing Date</b>	January 27, 2014
<b>Payment Date</b>	The 25 <sup>th</sup> day of each calendar month (or, if not a business day, the following business day), commencing in February 2014.
<b>Accrual Period</b>	With respect to each Payment Date, the period beginning on and including the prior Payment Date (or, in the case of the first Payment Date, the Closing Date) and ending on and including the day preceding such Payment Date. Interest will be calculated based on the actual number of days in an Accrual Period and a 360-day year.
<b>Note Rate</b>	The Note Rate on each class of Notes for any Accrual Period will be equal to the floating per annum rate specified for such class as set forth in this term sheet.
<b>Legal Status</b>	The Notes will be unsecured general obligations having the same priority as all of Fannie Mae’s other unsecured debt. <b>The United States does not guarantee the Notes or any interest or return of discount on the Notes. The Notes are not debts or obligations of the United States or any agency or instrumentality of the United States other than Fannie Mae.</b>
<b>The Notes</b>	The Class M-1 Notes and the Class M-2 Notes, which will receive principal payments and be allocated reductions and increases in Class Principal Balance in accordance with such allocations to the Class M-1 Reference Tranche and Class M-2 Reference Tranche, respectively.
<b>Reference Tranches</b>	The Class A-H Reference Tranche, Class M-1 Reference Tranche, Class M-1H Reference Tranche, Class M-2 Reference Tranche, Class M-2H Reference



*This is a Confidential Preliminary Term Sheet. All Terms and statements are subject to change.*



Tranche and Class B-H Reference Tranche, which are described solely for the purpose of calculating principal payments required to be made on the Notes by Fannie Mae and any reductions or increases of principal on the Notes as a result of Credit Events on the Reference Obligations. Only the Class M-1 Reference Tranche and Class M-2 Reference Tranche will have corresponding Classes of Notes on the Closing Date.

<b>Senior Reference Tranche</b>	The Class A-H Reference Tranche.
<b>Mezzanine Reference Tranches</b>	The Class M-1 Reference Tranche, Class M-1H Reference Tranche, Class M-2 Reference Tranche, and the Class M-2H Reference Tranche.
<b>Subordinate Reference Tranches</b>	The Mezzanine Reference Tranches and the Class B-H Reference Tranche.
<b>Class Notional Amount</b>	As of any Payment Date and with respect to each Class of Reference Tranche, a notional amount equal to the initial Class Notional Amount of such Class of Reference Tranche, minus the aggregate amount of Senior Reduction Amounts or Subordinate Reduction Amounts allocated to such Class of Reference Tranche on such Payment Date and all prior Payment Dates, minus the aggregate amount of Calculated Tranche Write-down Amounts allocated to reduce the Class Notional Amount of such Class of Reference Tranche on such Payment Date and on all prior Payment Dates, and plus the aggregate amount of Calculated Tranche Write-up Amounts allocated to increase the Class Notional Amount of such Class of Reference Tranche on such Payment Date and on all prior Payment Dates. For the avoidance of doubt, no Calculated Tranche Write-up Amount or Calculated Tranche Write-down Amount will be applied twice on the same Payment Date.
<b>Settlement</b>	The Notes will settle with no accrued interest.
<b>Form of Offering</b>	Exempt from registration with the SEC under the Securities Act. The Offered Certificates are being offered only to “Qualified Institutional Buyers” (as defined in Rule 144A under the Securities Act).
<b>Ratings/Rating Agencies</b>	The Issuer has engaged Fitch Ratings and Moody’s Investors Service to rate the Class M-1 Notes on the Closing Date. No rating agency has been engaged to rate the Class M-2 Notes on the Closing Date.
<b>Maturity Date</b>	On the Payment Date in January 2024, the Issuer will be obligated to retire the Notes by paying an amount equal to their full remaining Class Principal Balance, plus accrued and unpaid interest. However, the actual final Payment Date could be earlier, including (a) the Payment Date on which an Early Redemption Option is exercised or (b) the Payment Date on which the aggregate Class Principal Balance of all outstanding Classes of Notes becomes equal to zero.
<b>Early Redemption Option</b>	The Issuer may redeem the Notes prior to the Maturity Date on any Payment Date (the “Early Redemption Date”) on or after the Payment Date on which the aggregate unpaid balance of the Reference Obligations is less than or equal to 10% of the Cut-off Date Balance of the Reference Obligations, by paying an amount equal to the outstanding Class Principal Balance of each Class of Notes,





plus accrued and unpaid interest and unpaid fees and expenses of the Global Agent.

**Termination Date**

This transaction will terminate and the Notes will no longer be outstanding upon the date which is the earlier of:

- (1) the Maturity Date;
- (2) the Early Redemption Date; and
- (3) the Payment Date on which the aggregate initial Class Principal Balance (without giving effect to any allocations of Calculated Tranche Write-down Amounts or Calculated Tranche Write-up Amounts on such Payment Date and all prior Payment Dates) and accrued and unpaid interest due on the Class M-1 and Class M-2 Notes have been paid in full.

**Expected Credit Enhancement**

Certificates	Tranche Size	Initial Credit Enhancement
Class A	97.00%	3.00%
Class M-1 and Class M-1H	1.35%	1.65%
Class M-2 and Class M-2H	1.35%	0.30%
Class B-H	0.30%	0.00%

The Subordinate Reference Tranches are subordinate to, and provide credit enhancement for, the Senior Reference Tranche and for each Class of more senior Subordinate Reference Tranche.

**Risk Retention**

The Issuer will retain the risk of losses on the Reference Obligations in the Reference Pool that are allocable to the Class A-H Reference Tranche, Class M-1H Reference Tranche, Class M-2H Reference Tranche and Class B-H Reference Tranche as described herein. In this transaction, the Class M-1H Reference Tranche will represent no less than 5% of the combined initial Class Notional Amount of Class M-1 Reference Tranche and Class M-1H Reference Tranche, and Class M-2H Reference Tranche will represent no less than 5% of the combined initial Class Notional Amount of Class M-2 Reference Tranche and Class M-2H Reference Tranche. Fannie Mae does not intend, through this transaction or any subsequent transactions, to enter into agreements that transfer or hedge more than a 95% pro-rata share of the credit risk on (i) the Class A-H Reference Tranche, (ii) the Class M-1 and Class M-1H Reference Tranches (in aggregate) or (iii) the Class M-2 and Class M-2H Reference Tranches (in aggregate) or that transfer or hedge any of the Class B-H Reference Tranche.

**Notes Acquired by Fannie Mae**

Fannie Mae may from time to time acquire some of the Notes at any price in the open market or otherwise.







**STRUCTURAL FEATURES**

**Credit Loss Framework**

**Credit Event  
Reference Obligation**

With respect to each Payment Date, any Reference Obligation in the Reference Pool where a Credit Event has occurred with respect to such Reference Obligation and is reported during the related Reporting Period. Credit Event means any of the following events:

- (i) 180 or more days delinquent (regardless of any grant of forbearance),
- (ii) a short sale is settled,
- (iii) the related Mortgage Note is sold to a third party during the foreclosure process,
- (iv) a deed in lieu of foreclosure is executed, or
- (v) an REO acquisition occurs.

Determination of delinquency will be made using the “MBA delinquency method.” Under the MBA delinquency method, a loan due on the first of the month is considered 30 days delinquent when all or part of one or more payments remains unpaid as of close of business on the last day of the month.

For the avoidance of doubt, with respect to any Credit Event Reference Obligation, there can only be one occurrence of a Credit Event.

**Reporting Period**

The second calendar month preceding the month of each Payment Date. The delinquency status of each Reference Obligation will be determined as of the close of business on the last day of the related Reporting Period.

**Credit Event UPB**

With respect to each Credit Event Reference Obligation, the unpaid principal balance of such Reference Obligation as of the end of the Reporting Period related to the Payment Date that it became a Credit Event Reference Obligation.

**Credit Event  
Amount**

With respect to any Payment Date, the aggregate amount of the Credit Event UPB of all Credit Event Reference Obligations for the related Reporting Period.

**Cumulative Net  
Credit Event  
Percentage**

With respect to each Payment Date, a percentage equal to (i) the Credit Event Amount for such Payment Date and all prior Payment Dates less the aggregate Reversed Credit Event Amount for such Payment Date and all prior Payment Dates; divided by (ii) the aggregate unpaid principal balance of the Reference Obligations in the Reference Pool as of the Cut-off Date.

**Applicable Severity**

With respect to each Payment Date, the fixed severity percentages indicated in the table below with respect to the Cumulative Net Credit Event Percentage for such Payment Date and as further described in the prospectus. For any Payment Date where the Net Credit Event Amount for such Payment Date is sufficient to increase or decrease the Cumulative Net Credit Event Percentage to a higher or lower tier, the Applicable Severity for that Payment Date will be the blended severity rate as further described in the prospectus.





<u>Cumulative Net Credit Event Percentages</u>	<u>Applicable Severity</u>
Less than or equal to 1.00%	10%
Greater than 1.00% and less than or equal to 2.00%	20%
Greater than 2.00%	40%

***Principal and  
Loss Allocation***

**Senior Percentage**

With respect to each Payment Date, the percentage equivalent of a fraction, the numerator of which is the Class Notional Amount of the Senior Reference Tranche immediately prior to such Payment Date and the denominator of which is the aggregate unpaid principal balance of the Reference Obligations in the Reference Pool at the end of the previous Reporting Period.

**Subordinate Percentage**

With respect to each Payment Date, 100% minus the Senior Percentage for such Payment Date.

**Scheduled Principal**

With respect to each Payment Date is the sum of all monthly scheduled payments of principal on the Reference Obligations that were collected by the related servicer during the related Reporting Period as reported to Fannie Mae. Once a Reference Obligation is removed from the related MBS, all subsequent principal collections will be treated as **Unscheduled Principal**.

**Unscheduled Principal**

With respect to each Payment Date, the sum of:

- (a) all partial principal prepayments on the Reference Obligations in the Reference Pool collected during the related Reporting Period, *plus*
- (b) the aggregate unpaid principal balance of all Reference Pool Removals (excluding Credit Event Reference Obligations) for such Payment Date, *plus*
- (c) negative adjustments in the unpaid principal balance of all Reference Obligations as the result of loan modification or data corrections, *plus*
- (d) all scheduled principal collections, if any, for any Reference Obligations that have been removed from their related MBS, *minus*
- (e) positive adjustments in the unpaid principal balances of all Reference Obligations as the result of loan modifications, reinstatements due to error, or data corrections.

In the event (e) above exceeds the sum of (a), (b), (c) and (d), the **Unscheduled Principal Amount** for such Payment Date will be zero, and the Class A-H Notional Amount will be increased by the amount that (e) exceeds the sum of (a), (b), (c) and (d). In the event that Fannie Mae ever employs a policy that permits or requires principal forgiveness as a loss mitigation alternative, any principal that is forgiven with respect to a Reference Obligation will be treated as a negative adjustment in unpaid principal balance of such Reference Obligation pursuant to clause (c) above.





**Calculated Recovery  
Principal**

With respect to each Payment Date, the sum of:

- (a) the Credit Event Amount for such Payment Date *minus* the Calculated Tranche Write-Down Amount for such Payment Date; and
- (b) the Calculated Tranche Write-up Amount for such Payment Date.

**Minimum Credit  
Enhancement Test**

With respect to each Payment Date, a test that will be satisfied if the Subordinate Percentage is greater than or equal to 3%.

**Senior Reduction Amount**

With respect to each Payment Date, if the Minimum Credit Enhancement Test is not satisfied, the sum of:

- (a) the Senior Percentage of the Scheduled Principal for such Payment Date;
- (b) 100% of the Unscheduled Principal for such Payment Date; and
- (c) 100% of Calculated Recovery Principal for such Payment Date.

With respect to each Payment Date, if the Minimum Credit Enhancement Test is satisfied, the sum of:

- (a) the Senior Percentage of the Scheduled Principal for such Payment Date;
- (b) the Senior Percentage of the Unscheduled Principal for such Payment Date; and
- (c) 100% of the Calculated Recovery Principal for such Payment Date.

**Subordinate Reduction  
Amount**

With respect to each Payment Date, the sum of the Scheduled Principal, Unscheduled Principal and Calculated Recovery Principal for such Payment Date, less the Senior Reduction Amount.

**Allocation of Senior  
Reduction Amount**

On each Payment Date prior to the Maturity Date and the Early Redemption Date, the Senior Reduction Amount will be allocated to the Senior Reference Tranche until its Class Notional Amount is reduced to zero, and then to the Subordinate Reference Tranches, in order of seniority per Allocation of Subordinate Reduction Amount.

**Allocation of Subordinate  
Reduction Amount**

On each Payment Date prior to the Maturity Date and the Early Redemption Date, the Subordinate Reduction Amount will be allocated to the Subordinate Reference Tranches:

- (i) *first*, concurrently, on a pro rata basis based on their Class Notional Amounts, to the Class M-1 and Class M-1H Reference Tranches until their Class Notional Amounts have been reduced to zero;
- (ii) *second*, concurrently, on a pro rata basis based on their Class Notional Amounts, to the Class M-2 and Class M-2H Reference Tranches until their Class Notional Amounts have been reduced to zero; and
- (iii) *third*, to the Class B-H Reference Tranche until its Class Notional Amount has been reduced to zero.





Any Subordinate Reduction Amount remaining after the allocation in the immediately preceding sentence will be allocated to reduce the Class Notional Amount of the Class A-H Reference Tranche.

Because the Class M-1 and Class M-2 Notes correspond to the Class M-1 and Class M-2 Reference Tranches, respectively, any portion of the Subordinate Reduction Amount allocated to the Class M-1 or Class M-2 Reference Tranches will result in a corresponding reduction in the Class Principal Balance of the Class M-1 or Class M-2 Notes, as applicable.

**Calculated Tranche  
Write-down Amount**

With respect to each Payment Date, the product of:

- (a) the Net Credit Event Amount for such Payment Date; and
- (b) the respective Applicable Severity for such Payment Date.

**Calculated Tranche  
Write-up Amount**

With respect to each Payment Date:

- (a) the product of:
  - (i) the Net Reversed Credit Event Amount for such Payment Date; and
  - (ii) the Applicable Severity for such Payment Date; *plus*
- (b) the Rep and Warranty Settlement Coverage Amount for such Payment Date; *minus*
- (c) the aggregate amount of the Rep and Warranty Settlement Amounts determined during prior Reporting Periods with respect to all Reference Obligations that became Reversed Credit Event Reference Obligations during the current Reporting Period.

For avoidance of any doubt, the Calculated Tranche Write-up Amount will never be less than zero.

**Allocation of Calculated  
Tranche Write-down  
Amounts**

On each Payment Date on or prior to the Termination Date, after allocation of the Senior and Subordinate Reduction Amounts, the Calculated Tranche Write-down Amount, if any, for such Payment Date, will be allocated to reduce the Class Notional Amount of each Class of Reference Tranche in the following order of priority, in each case until its Class Notional Amount is reduced to zero:

- (i) *first*, to the Class B-H Reference Tranche,
- (ii) *second*, to the Class M-2 and Class M-2H Reference Tranches, pro rata, based on their Class Notional Amounts,
- (iii) *third*, to the Class M-1 and Class M-1H Reference Tranches, pro rata, based on their Class Notional Amounts, and
- (iv) *fourth*, to the Class A-H Reference Tranche.

Because the Class M-1 and Class M-2 Notes correspond to the Class M-1 and Class M-2 Reference Tranches, respectively, any Calculated Tranche Write-down Amounts allocated to the Class M-1 or Class M-2 Reference Tranches will result in a corresponding reduction in the Class Principal Balance of the Class M-1 or Class M-2 Notes, as applicable.



**Allocation of Calculated  
Tranche Write-up  
Amounts**

On each Payment Date on or prior to the Termination Date, after allocation of the Senior and Subordinate Reduction Amounts and Calculated Tranche Write-down Amounts, the Calculated Tranche Write-up Amount, if any, for such Payment Date will be allocated to increase the Class Notional Amount of each Class of Reference Tranche in the following order of priority until the cumulative Calculated Tranche Write-up Amount allocated to each such Class of Reference Tranche is equal to the cumulative Calculated Tranche Write-down Amount previously allocated to such Class of Reference Tranche on or prior to such Payment Date:

- (i) *first*, to the Class A-H Reference Tranche,
- (ii) *second*, to the Class M-1 and Class M-1H Reference Tranches, pro rata, based on their Class Notional Amounts,
- (iii) *third*, to the Class M-2 and Class M-2H Reference Tranches, pro rata, based on their Class Notional Amounts, and
- (iv) *fourth*, to the Class B-H Reference Tranche.

Because the Class M-1 and Class M-2 Notes correspond to the Class M-1 and Class M-2 Reference Tranches, respectively, any Calculated Tranche Write-up Amounts allocated to the Class M-1 or Class M-2 Reference Tranches will result in a corresponding increase in the Class Principal Balance of the Class M-1 or Class M-2 Notes, as applicable.

***Credit Event Reversals & Reference Pool Removals*****Reversed Credit  
Event Reference  
Obligation**

With respect to any Payment Date, means a Reference Obligation formerly in the Reference Pool that became a Credit Event Reference Obligation in a prior Reporting Period and (i) that is repurchased by the lender or with respect to which the lender agrees to a full indemnification of Fannie Mae or provides a make-whole payment, (ii) with respect to which a violation of certain specified Eligibility Criteria is discovered as a result of a data correction or (iii) with respect to which the related lender declares bankruptcy or is put into receivership after Fannie Mae has requested that it repurchase such Reference Obligation.

**Reversed Credit  
Event Amount**

With respect to any Payment Date, the aggregate amount of the Credit Event UPB of all Reversed Credit Event Reference Obligations for the related Reporting Period.

**Net Credit Event  
Amount**

With respect to each Payment Date, the excess, if any, of the Credit Event Amount over any Reversed Credit Event Amount for such Payment Date.

**Net Reversed Credit  
Event Amount**

With respect to each Payment Date, the excess, if any, of the Reversed Credit Event Amount over the Credit Event Amount for such Payment Date



**Reference Pool  
Removals**

A Reference Obligation will be removed (a “Reference Pool Removal”) from the Reference Pool upon the occurrence of any of the following:

- (1) the Reference Obligation becomes a Credit Event Reference Obligation;
- (2) payment in full of the Reference Obligation;
- (3) the Reference Obligation is seized pursuant to an eminent domain proceeding with respect to the underlying mortgage loan;
- (4) lender repurchases the Reference Obligation, agrees to a full indemnification agreement for the Reference Obligation, or provides a make-whole payment with respect to the Reference Obligation;
- (5) the discovery of any of certain specified violations of the Eligibility Criteria for such Reference Obligation as a result of data correction; or
- (6) a lender declares bankruptcy or is put into receivership after Fannie Mae has requested that it repurchase any Reference Obligation; Fannie Mae will remove from the Reference Pool any loans for which repurchase requests remain outstanding at the time of the lender’s bankruptcy or receivership.

Mortgage Loans will be removed from the Reference Pool or will become a Reversed Credit Event Reference Obligation if a loan data change occurs that causes the Reference Obligation to no longer meet one or more of the criteria set forth in clauses (a), (c), (f), (h) or (i) of the definition of Eligibility Criteria.

***Modifications***

**Modifications**

Reference Obligations that undergo a temporary or permanent modification will not be removed from the Reference Pool if they otherwise do not meet the criteria for a Reference Pool Removal.

Any decrease to the balance of a Reference Obligation as the result of a modification will be treated as Unscheduled Principal.

Any increase to the balance of a Reference Obligation as the result of a modification will be treated as an offset to Unscheduled Principal.

***Rep and Warranty Settlement Allocation***

**Origination Rep and  
Warranty Settlement**

A settlement relating to claims arising from breaches of loan representations and warranties that Fannie Mae enters into with a seller or servicer in lieu of requiring such seller or servicer to repurchase a specified pool of Mortgage Loans that includes one or more Reference Obligations, whereby Fannie Mae has received the agreed-upon settlement proceeds from such seller or servicer. For the avoidance of doubt, any settlement that Fannie Mae may enter into with a servicer in connection with a breach by such servicer of its servicing obligations to Fannie Mae with respect to Reference Obligations will not be included in any Origination Rep and Warranty Settlement.

**Rep and Warranty  
Settlement Amount**

The Rep and Warranty Settlement Amount will be for each Reference Obligation that is part of an Origination Rep and Warranty Settlement (including any Reference Obligation that may previously have been removed from the Reference Pool due to a Credit Event), the portion of the settlement amount



determined to be attributable to such Reference Obligation. The determination will be made by Fannie Mae at or about the time of the settlement and will be verified by an independent third party as described below. For the avoidance of doubt, for purposes of calculating the Calculated Tranche Write-up Amount, the Rep and Warranty Settlement Amount will be deemed not to exceed the calculated loss amount for such Reference Obligation.

After completion of an Origination Rep and Warranty Settlement that includes any Reference Obligations, Fannie Mae will engage an independent third party to conduct an annual review to validate that the Rep and Warranty Settlement Amount corresponding to each Reference Obligation matches Fannie Mae's records for such settlement.

**Rep and Warranty Settlement  
Coverage Amount**

With respect to each Payment Date and for (1) any Reference Obligation that was included in an Origination Rep and Warranty Settlement and that became a Credit Event Reference Obligation in the related Reporting Period and (2) any Reference Obligation that became a Credit Event Reference Obligation during a previous Reporting Period and that was first included in an Origination Rep and Warranty Settlement during the related Reporting Period, the sum of the related Rep and Warranty Settlement Amounts.

***MORTGAGE LOANS IN REFERENCE POOL*****Reference  
Obligations**

The Reference Pool represents a sample of the mortgage loans acquired by Fannie Mae during the 4<sup>th</sup> quarter of 2012 that meet the Eligibility Criteria, as defined below. Fannie Mae selected this sample on a random basis. Prior to finalizing the Reference Pool, Fannie Mae engaged a third party to validate that the loan characteristics of the Reference Pool were representative of the entire quarter's acquisition population that meet the Eligibility Criteria, and that the sample was random in nature.

**Eligibility Criteria**

Each mortgage loan in the Reference Pool must satisfy the following criteria:

- a) is a fully amortizing, fixed rate, first lien Mortgage Loan secured by a one-to four-unit property, town house, individual condominium unit, individual unit in a planned unit development, individual cooperative unit or manufactured home, with an original term of 301 to 360 months;
- b) was acquired by Fannie Mae between October 1, 2012 and December 31, 2012;
- c) has an original loan-to-value ratio that is (i) greater than 60% and (ii) less than or equal to 80%;
- d) has never been 30 or more days delinquent from the date of acquisition to the Cut-off Date of the prospectus;
- e) was not originated under Fannie Mae's Refi Plus program (Fannie Mae's Refi Plus program includes but is not limited to the Home Affordable Refinance Program ("HARP"));
- f) has an original combined loan-to-value ratio less than or equal to 97%;
- g) as of the Cut-off Date, is not subject to an Origination Rep and Warranty Settlement;
- h) is not covered by mortgage or pool insurance;



- i) is not subject to any form of risk sharing with the loan seller (other than limited seller indemnification in certain cases);
- j) was not originated under certain non-standard programs; and
- k) is a conventional loan (i.e. is not guaranteed by the Federal Housing Administration (“FHA”) or the U.S. Department of Veterans Affairs (“VA”)).

**Reference Pool**

All of the Reference Obligations, collectively, listed in a schedule attached to the prospectus.

**Reference Pool  
Selection Process**

We determined the composition of the Reference Pool utilizing a multi-step process. First, we divided all mortgage loans that we acquired between October 1, 2012 and December 31, 2012 (the “**Q4-2012 Acquisitions**”) into two segments on a random basis. The first and second segments included loans representing approximately 75.2% and 24.8%, respectively, of the Q4-2012 Acquisitions (measured by unpaid principal balance at the time of acquisition). The loans included in the first segment (representing approximately 75.2% of the Q4-2012 Acquisitions) were made available for potential selection for the Reference Pool (“**Available Loans**”). We next applied the Eligibility Criteria to the Available Loans and selected, on a random basis, from those Available Loans that met the Eligibility Criteria for inclusion in the Reference Pool. The loans included in the second segment (representing approximately 24.8% of the Q4-2012 Acquisitions) were made available for potential selection for an unrelated Fannie Mae credit risk transaction and will not be included in the Reference Pool, with the exception of 217 of those mortgage loans that (i) were not selected for inclusion in the unrelated Fannie Mae credit risk transaction, (ii) met the Eligibility Criteria and (iii) were subject to a post-purchase Fannie Mae QC review. These 217 mortgage loans were also randomly selected for inclusion in the Reference Pool.

Prior to finalizing the Reference Pool, we engaged an independent third party to confirm that loans included in the Reference Pool were selected on a random basis and that:

- the percentage attributed to each characteristic listed in Appendix A with respect to the Reference Pool varies by no more than 0.50% relative to the percentage attributed to the corresponding characteristic with respect to the Available Loans meeting the Eligibility Criteria; and
- the percentage attributed to each such corresponding characteristic with respect to the Available Loans meeting the Eligibility Criteria varies by no more than 0.50% relative to the percentage attributed to such corresponding characteristic with respect to the loans included in the second segment described in the preceding paragraph meeting the Eligibility Criteria.

The Reference Obligations for the current transaction will not be included in the reference pool used in connection with any other credit risk transfer transaction

n







The table below summarizes the loan count, original unpaid principal balance and key attributes of the mortgage loans included in the Initial Cohort Pool, loans excluded due to delinquencies, payoffs and quality control removals, and Reference Obligations in the Reference Pool.

<u>Category</u>	<u>Loan Count</u>	<u>Aggregate Original Loan Balance (\$ millions)</u>
Initial Cohort Pool	194,065	\$47,869
Less loans that were ever reported 30 days or more delinquent, less loans that paid-in-full, less quality control removals	<u>11,596</u>	<u>\$2,982</u>
Eligible Population	182,469	\$44,887
Reference Pool	122,291	\$30,061

**Loan Acquisition Practices**

All of the Reference Obligations were acquired from and serviced by loan sellers and servicers who are approved by Fannie Mae to conduct business with Fannie Mae. Fannie Mae relies on loan sellers to comply with Fannie Mae’s standards and make underwriting decisions that result in investment quality loans. To protect Fannie Mae from acquiring loans that do not meet Fannie Mae’s prescribed underwriting standards, loan sellers are required to make representations and warranties as to certain facts and circumstances concerning the loan sellers themselves and the mortgage loans they are selling. Representations and warranties required by Fannie Mae are described in the Mortgage Selling and Servicing Contract, the Fannie Mae Single-Family Selling Guide (the "**Selling Guide**"), the Fannie Mae Single-Family Servicing Guide (the "**Servicing Guide**") and other lender contracts (the "Lender Contract"). Violation of any representation and warranty is a breach of the Lender Contract, entitling Fannie Mae to pursue certain remedies, including a loan repurchase request.

**Underwriting Standards**

Fannie Mae’s Selling Guide establishes the baseline credit standards for mortgage loans that Fannie Mae acquires from Fannie Mae’s approved loan sellers. In evaluating a borrower's willingness and ability to repay the mortgage loan, the loan seller must include documentation in the loan file that confirms that information provided by the borrower as part of the loan application is accurate and documents the loan seller's assessment of the borrower's credit history, employment, income, assets, and other financial information. In



*This is a Confidential Preliminary Term Sheet. All Terms and statements are subject to change.*

addition, the loan seller must conduct a comprehensive risk assessment of each mortgage loan application prior to approving it. The loan seller is also responsible for the accuracy and completeness of the appraisal and its assessment of the marketability of the property as well as underwriting the appraisal report to determine whether the property presents adequate collateral for the mortgage loan.

**Desktop Underwriter**

Approximately 92% of the Reference Obligations, by unpaid principal balance, were underwritten through Fannie Mae's Desktop Underwriter® ("DU") system. DU is a proprietary automated underwriting system that evaluates mortgage default risk and arrives at a risk assessment recommendation by conducting a comprehensive examination of the primary and contributory risk factors in a mortgage application. DU analyzes the results of this evaluation along with the evaluation of the borrower's credit profile to arrive at the underwriting recommendation for the loan. In addition, DU outlines certain steps necessary for the loan seller to complete the processing of the loan file, including the required documentation necessary to verify borrower income, assets, and property value. All loans delivered to Fannie Mae must meet the documentation requirements stated in the Selling Guide or as required by DU.

DU will recommend one of the following levels of income documentation for salaried borrowers: one paystub, or one paystub and the previous year's W-2. For self-employment income, DU will recommend one of the following levels of documentation: one year's most recent personal signed federal income tax return, two years' most recent personal signed federal income tax returns, or two years' most recent personal and two years' most recent business signed federal income tax returns. Loans underwritten manually must follow the full income documentation requirements specified in the Selling Guide.

DU will recommend the minimum appraisal requirements based on the overall risk assessment of the mortgage loan, including the borrower's credit profile and LTV/CLTV. In addition to the credit model, DU uses Fannie Mae's proprietary automated valuation model to determine the property value fieldwork requirements. Based on the overall risk assessment, DU will recommend one of the following: appraisal with interior and exterior property inspections, appraisal with exterior property inspections, or DU property inspection report. In addition to the above property valuation recommendations, DU offers a limited number of property fieldwork waivers for certain loans with an exceptionally strong overall credit profile.

**Fannie Mae's QC Process**

Fannie Mae conducts several different types of QC reviews on a sample basis with respect to mortgage loans, including post-purchase reviews, early payment default reviews, servicing reviews, and post-foreclosure reviews. In Fannie Mae's post-purchase reviews, Fannie Mae reviews a statistically valid random sample of newly acquired performing mortgage loans, and Fannie Mae augments this random sample with targeted, discretionary sampling.



During the course of any of these reviews, Fannie Mae may identify:

- significant underwriting deficiencies;
- breaches of selling representations or warranties, including instances of fraud or misrepresentation or that a selling warranty the lender made is untrue;
- breaches of the terms of applicable contract provisions; or
- servicing deficiencies that have had a materially adverse effect on the value of the mortgage loan or the acquired property.

If Fannie Mae identifies any of the foregoing, Fannie Mae may require the immediate repurchase of a mortgage loan. Fannie Mae refers to defects that give rise to a repurchase as “**Significant Findings.**” In certain circumstances, Fannie Mae may provide the loan seller with an alternative to the immediate repurchase of a mortgage loan that does not meet Fannie Mae’s requirements, such as indemnification.

**Fannie Mae QC Results**

Fannie Mae’s post purchase QC Process is designed to evaluate the borrower’s credit, the property valuation and the eligibility of the loans Fannie Mae acquires. In connection with Fannie Mae’s post purchase QC reviews for mortgage loans acquired in the fourth quarter of 2012, Fannie Mae reviewed 2,831 mortgage loans out of the eligible fourth quarter production, an approximate 1.06% sample, of which 1,406 are in the Reference Pool. Of the 2,831 mortgage loans, less than 10% remain subject to Fannie Mae’s post-purchase QC Process.

The results of the Fannie Mae QC Reviews are as follows (as of November 30, 2013):

<u>Type of Sample</u>	<u>Number of Loans Reviewed</u>	<u>Loans With Significant Findings</u>	<u>Share of Sample with Significant Findings</u>
Randomly Selected	1,506	24	1.6%
Discretionary Selections	<u>1,325</u>	<u>50</u>	<u>3.8%</u>
<b>Total</b>	<b>2,831</b>	<b>74</b>	<b>2.6%</b>

None of the loans determined by Fannie Mae to have Significant Findings were included in the Reference Pool.

**Pre-Offering Due Diligence Review**

In connection with the issuance of the Notes, the Lead Dealer engaged a third-party diligence provider (“Diligence Provider”) to conduct a pre-offering review of a sample of the Reference Obligations. The Diligence Provider selected a random sample of 608 of the Reference Obligations (the “Diligence Sample”) for the third party review. The Diligence Sample was selected from a subset of 1,477 loans that were acquired in the fourth quarter of 2012, were reviewed as part of Fannie Mae’s QC Process and met the same Eligibility Criteria used to establish the Reference Obligations. The Diligence Sample included 359 Reference Obligations that were included in the final random selection of the Reference Pool.



*This is a Confidential Preliminary Term Sheet. All Terms and statements are subject to change.*



Investors should note that the Diligence Provider identified seven aspects of six mortgage loans in the Diligence Sample as having Significant Findings; Fannie Mae previously had identified three of these loans as having Significant Findings, and Fannie Mae believes that the other three loans met Fannie Mae's eligibility and underwriting guidelines. In addition, the Diligence Provider identified one loan for which the available documentation did not allow it to determine the borrower's debt ratio.

For a further description of the results of these reviews, see the related sections set forth under "*The Reference Obligations*" in the prospectus.

**Representation and  
Warranties  
Settlements**

In recent years, Fannie Mae has entered into settlements with large sellers to resolve existing and potential representation and warranties repurchase claims on portfolios of Mortgage Loans sold to Fannie Mae and may do so in the future. Any such settlement could involve potential representation and warranty claims on Reference Obligations. These settlements typically require Fannie Mae to release the applicable seller from any repurchase obligations for violations of seller's purchase contract. Accordingly, Fannie Mae will not submit any Mortgage Loans for quality control review that are subject to a settlement.

**Servicing Practices**

The servicing of the mortgage loans that are held in Fannie Mae's mortgage portfolio or that back Fannie Mae's MBS is performed by servicers on Fannie Mae's behalf, with Fannie Mae retaining servicing control. Each servicer is required to service the applicable Reference Obligations in accordance with Fannie Mae's servicing guidelines as stated in Fannie Mae's Servicing Guide and related announcements, including applicable contract variances. Fannie Mae's servicing guidelines may be revised from time to time at Fannie Mae's sole discretion.

**THE NOTES**

**Debt Agreement**

The Notes will be issued pursuant to a debt agreement.

**Class Principal Balance**

As of any Payment Date:

- (a) the maximum dollar amount of principal to which the holders of each Class of Notes then are entitled to, with such amount being equal to the initial Class Principal Balance of such Class of Notes, *minus*
- (b) the aggregate amount of principal paid by Fannie Mae on such Class of Notes on such Payment Date and all prior Payment Dates, *minus*
- (c) the aggregate amount of Calculated Tranche Write-down Amounts allocated to reduce the Class Principal Balance of such Class of Notes on such Payment Date and on all prior Payment Dates, and *plus*
- (d) the aggregate amount of Calculated Tranche Write-up Amounts allocated to increase the Class Principal Balance of such Class of Notes on such Payment Date and on all prior Payment Dates.

The Class Principal Balance of each Class of Notes will at all times equal the Class Notional Amount of the Reference Tranche that corresponds to such Class of Notes. For the avoidance of doubt, no Calculated Tranche Write-up Amount





or Calculated Tranche Write-down Amount will be applied twice on the same Payment Date.

**Interest Payment**

With respect to each outstanding Class of Notes and any Payment Date, Fannie Mae will pay to holders thereof all interest accrued at the Note Rate due on the Class Principal Balance then outstanding of each such Class of Notes. No payments of interest will be made to the Reference Tranches.

**Principal Payment**

On the Maturity Date or the Early Redemption Date, Fannie Mae will pay 100% of the outstanding Class Principal Balance to holders of each Class of Notes, after allocations of the Calculated Tranche Write-Down Amount and the Calculated Tranche Write-up Amount for such Payment Date.

On all other Payment Dates, Fannie Mae will pay principal to holders of each outstanding Class of Notes in an amount equal to the portion of Senior Reduction Amount or Subordinate Reduction Amount, as applicable, allocated to the corresponding Reference Tranche on such Payment Date. No payments of principal will be made to the Reference Tranches.

**Events of Default**

An “Event of Default” under the Debt Agreement will consist of:

- (a) any failure by Fannie Mae to pay principal or interest that continues unremedied for 30 days;
- (b) any failure by Fannie Mae to perform in any material way any other obligation under the Debt Agreement if the failure continues unremedied for 60 days after Fannie Mae receives notification by the Holders of at least 25% of the outstanding Class Principal Balance of the Notes; or
- (c) specified events of bankruptcy, insolvency or similar proceedings involving Fannie Mae.

The appointment of a conservator (or other similar official) by a regulator having jurisdiction over Fannie Mae, whether or not Fannie Mae consents to such appointment, will not constitute an Event of Default.

**Rights Upon Event of Default**

If an Event of Default under the Debt Agreement continues unremedied, Holders of not less than 50% of the outstanding principal amount of Notes to which such Event of Default relates may, by written notice to Fannie Mae, declare such Notes due and payable.

No Holder has any right under the Debt Agreement to institute any action or proceeding at law or in equity or in bankruptcy or otherwise, or for the appointment of a receiver or trustee, or for any other remedy, unless:

- (a) the Holder previously has given Fannie Mae written notice of an Event of Default and of the continuance thereof;
- (b) the Holders of not less than 50% of the outstanding Class Principal Balance of the Notes have given Fannie Mae written notice of the Event of Default; and
- (c) the Event of Default continues uncured for 60 days following such notice. The Holders of not less than 50% of the outstanding Class Principal





Balance of Notes may waive, rescind or annul an Event of Default at any time.

### **INVESTMENT CONSIDERATIONS**

#### **United States Federal Tax Consequences**

Fannie Mae expects to receive an opinion from Hunton & Williams LLP that, although the matter is not free from doubt, each Class of Notes will be characterized as indebtedness for U.S. federal income tax purposes. Fannie Mae and each Noteholder of a Note, by acceptance of such Note, will agree to treat such Note as indebtedness of Fannie Mae for all U.S. federal income tax purposes unless otherwise required by law.

#### **ERISA Considerations**

Employee benefit plans and entities holding the assets of any such plan may purchase the Notes only if purchasing and holding the Notes will not result in a nonexempt prohibited transaction under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), the Internal Revenue Code of 1986, as amended (the “Code”), or any similar federal, state or local law.

#### **Legal Investment**

The Notes will not be “mortgage related securities” for purposes of the Secondary Mortgage Market Enhancement Act of 1984, as amended (“SMMEA”). No representation is or will be made as to the proper characterization of the Notes for legal investment or other purposes, the ability of particular investors to purchase Notes for legal investment or other purposes or the ability of particular investors to purchase the Notes under applicable legal investment or other restrictions.

#### **Registration and Denomination**

The Notes will be issuable in book-entry form through DTC, Euroclear and Clearstream in minimum denominations of \$10,000 with integral multiples of \$1 in excess thereof. The Notes are being offered only to “Qualified Institutional Buyers” (as defined in Rule 144A under the Securities Act).

#### **Record Date**

The business day preceding a Payment Date, with respect to beneficial interests in Book-Entry Notes and the last Business Day of the preceding month of a Payment Date, with respect to Definitive Notes.



**EXAMPLE OF PAYMENTS**

The following sets forth an example of reporting of principal payments from borrowers on the Reference Obligations and payments on the Notes for the Payment Date in February 2014:

December 1 through December 31	Collection Period	The Master Servicer will report principal payments on the Reference Obligations received during the related Collection Period (December 1 through December 31) from borrowers including scheduled principal and full and partial principal prepayments.
December 31	Delinquency Determination Date	The Master Servicer will report the MBA delinquency status on the Reference Obligations determined as of the Delinquency Determination Date (December 31).
February 12	Master Servicer Remittance Date	Master Servicer will provide remittance file in respect of the Reference Obligations to the Global Agent on or prior to the 8th business day of each month.
February 24	Record Date	Distributions on each Payment Date will be made to noteholders of record for all classes of Notes as of the business day immediately preceding such Payment Date
February 25	Payment Date	On the 25 <sup>th</sup> day of each month (or if the 25 <sup>th</sup> day is not a business day, the next business day), the Issuer will make payments to noteholders.

Succeeding months follow the same pattern.

**Weighted Average Life and Modeling Assumptions**

Weighted average life refers to the average amount of time that will elapse from the date of issuance of a security to the date of payment to the investor of each dollar paid in net reduction of principal of such security. The weighted average lives of the Notes will be influenced by, among other things, the rate at which principal of the mortgage loans that are Reference Obligations is paid, which may be in the form of scheduled amortization, prepayments or liquidations.

Prepayments on mortgage loans are commonly measured relative to a constant prepayment standard or model. The model used in this preliminary term sheet for the Reference Obligations is a Constant Prepayment Rate (or "CPR"). CPR assumes that the outstanding principal balance of a pool of mortgage loans prepays at a specified constant annual rate. In projecting monthly cashflows, this rate is converted to an equivalent monthly rate. CPR does not purport to be either a historical description of the prepayment experience of mortgage loans or a prediction of the anticipated rate of prepayment of any mortgage loans, including Reference Obligations. The percentages of CPR in the tables below do not purport to be historical description of relative prepayment experience of the Reference Obligations or predictions of the anticipated relative rate of prepayment of the Reference Obligations. Variations in the prepayment experience and the principal balance of the Reference Obligations that prepay may increase or decrease the percentages of initial Class Principal Balance (and weighted average lives) shown in the following table. Such variations may occur even if the average prepayment experience of all such Reference Obligations equals any of the specified percentages of CPR.

The Weighted Average Life Tables, Declining Balance Tables, Credit Event Sensitivity Table, Cumulative Note Write-down Amount Tables and Yield Tables below were prepared based on the following assumptions (collectively, the "Modeling Assumptions"):

- (1) the initial Class Principal Balances or Notional Amounts are as set forth in the table on page 4;
- (2) the scheduled monthly payment for each Reference Obligation is based on its outstanding principal balance, current Mortgage Rate and remaining amortization term so that it will fully amortize in amounts sufficient for the repayment thereof over its remaining amortization term;
- (3) each monthly payment of scheduled principal and interest on the Reference Obligations is timely received on the first day of each month commencing in January 2014;
- (4) principal prepayments in full on the Reference Obligations are received, on the last day of each month beginning in the calendar month prior to the month in which the first Payment Date occurs;
- (5) there are no partial principal prepayments on the Reference Obligations;
- (6) the Reference Obligations prepay at the indicated CPR percentages;
- (7) except as specified in the tables, there are no defaults or delinquencies on the Reference Obligations;
- (8) Payment Dates occur on the 25th day of each month commencing in February 2014;
- (9) there are no purchases, removals, reinstatements, or substitutions of Reference Obligations;
- (10) there are no loan modifications or data corrections in connection with the Reference Obligations;
- (11) there is no Early Redemption Option exercised (except in the case of Weighted Average Life in Years (to Early Redemption Option));
- (12) the Closing Date is January 27, 2014;
- (13) one-month LIBOR stays constant at 0.162%;
- (14) the Reference Obligations are aggregated into the assumed mortgage loans having the characteristics as described in "Assumed Characteristics of the Reference Obligations as of the Cut-Off Date";
- (15) there are no Reversed Credit Event Reference Obligations;
- (16) there are no Originator Rep and Warranty Settlements; and
- (17) the Class M-1 margin is equal to 1.65% and the Class M-2 margin is equal to 4.30%.

Assumes the Reference Obligations experience Credit Events at the indicated CDR percentages and no lag between the related Credit Event Amount and the application of any related Calculated Recovery Principal.





The Default Sensitivity tables assume a constant rate of Reference Obligations becoming Credit Event Reference Obligations each month relative to the then outstanding aggregate principal balance of Reference Obligations. This credit event rate (or "CDR") does not purport to be either an historical description of the default experience of the Reference Obligations or a prediction of the anticipated rate of defaults on the Reference Obligations. The rate and extent of actual defaults experienced on the Reference Obligations are likely to differ from those assumed and may differ significantly. A rate of 1.0% CDR assumes Reference Obligations become Credit Event Reference Obligations at an annual rate of 1.0% which remains in effect through the remaining lives of such Reference Obligations. Further, it is unlikely the Reference Obligations will become Credit Event Reference Obligations at any specified percentage of CDR.



*Assumed Characteristics of the Reference Obligations as of the Cut-Off Date*

<b>Group Number</b>	<b>Principal Balance (\$)</b>	<b>Remaining Term to Maturity (months)</b>	<b>Original Term to Maturity (months)</b>	<b>Per Annum Interest Rate (%)</b>
1	693,946.35	348	360	2.500
2	605,182.57	348	360	2.625
3	2,042,504.38	349	360	2.760
4	11,750,035.97	348	360	2.874
5	122,622,399.77	348	360	3.000
6	518,696,364.07	348	360	3.125
7	2,077,653,600.94	348	360	3.250
8	3,883,903,499.37	348	360	3.375
9	7,040,652,004.80	348	360	3.499
10	5,063,356,692.51	348	360	3.625
11	3,427,300,538.13	348	360	3.750
12	2,755,780,098.15	347	360	3.875
13	2,225,290,530.11	347	360	3.996
14	875,130,154.45	347	360	4.125
15	563,182,358.22	348	360	4.250
16	298,437,489.90	347	360	4.375
17	222,035,377.41	347	360	4.499
18	103,464,425.84	347	360	4.625
19	51,314,978.06	347	360	4.750
20	36,163,541.47	347	360	4.875
21	14,927,175.02	347	360	4.993
22	5,349,065.57	347	360	5.124
23	4,739,573.94	347	360	5.248
24	1,556,551.60	347	360	5.375
25	1,194,812.84	347	360	5.488
26	629,810.20	347	360	5.619
27	246,178.13	348	360	5.750

*This is a Confidential Preliminary Term Sheet. All Terms and statements are subject to change.*



**Declining Balances Tables**  
*Percentages of Original Class Principal Balances Outstanding and Weighted Average Lives*

**Class M-1**  
**CPR Prepayment Assumption**

Date	<u>0%</u>	<u>5%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>30%</u>	<u>35%</u>
Closing Date.....	100	100	100	100	100	100	100	100
Jan 25, 2015.....	96	85	74	63	52	41	30	19
Jan 25, 2016.....	91	70	51	32	14	0	0	0
Jan 25, 2017.....	86	57	30	6	0	0	0	0
Jan 25, 2018.....	81	44	11	0	0	0	0	0
Jan 25, 2019.....	76	31	0	0	0	0	0	0
Jan 25, 2020.....	71	20	0	0	0	0	0	0
Jan 25, 2021.....	65	9	0	0	0	0	0	0
Jan 25, 2022.....	60	0	0	0	0	0	0	0
Jan 25, 2023.....	54	0	0	0	0	0	0	0
Jan 25, 2024.....	0	0	0	0	0	0	0	0
Weighted Average Life (years) to Maturity.....	7.56	3.68	2.16	1.51	1.14	0.91	0.75	0.63
Weighted Average Life (years) to Early Redemption Date*.....	7.56	3.68	2.16	1.51	1.14	0.91	0.75	0.63

**Class M-2**  
**CPR Prepayment Assumption**

Date	<u>0%</u>	<u>5%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>30%</u>	<u>35%</u>
Closing Date.....	100	100	100	100	100	100	100	100
Jan 25, 2015.....	100	100	100	100	100	100	100	100
Jan 25, 2016.....	100	100	100	100	100	98	82	68
Jan 25, 2017.....	100	100	100	100	85	66	49	35
Jan 25, 2018.....	100	100	100	84	61	42	27	14
Jan 25, 2019.....	100	100	95	66	43	25	11	1
Jan 25, 2020.....	100	100	80	51	28	12	1	0
Jan 25, 2021.....	100	100	68	38	17	3	0	0
Jan 25, 2022.....	100	99	56	27	8	0	0	0
Jan 25, 2023.....	100	89	46	19	1	0	0	0
Jan 25, 2024.....	0	0	0	0	0	0	0	0
Weighted Average Life (years) to Maturity.....	9.99	9.78	8.17	6.44	4.99	3.97	3.26	2.73
Weighted Average Life (years) to Early Redemption Date*.....	9.99	9.78	8.17	6.44	4.99	3.97	3.26	2.73

\* The Early Redemption Date occurs on the first eligible Payment Date.

*Credit Event Sensitivity Table*

**Cumulative Credit Events (as % of the Reference Pool Cut-Off Date Balance)**

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.10%...	0.89%	0.70%	0.56%	0.46%	0.37%	0.31%	0.26%	0.22%
0.20%...	1.77%	1.40%	1.12%	0.91%	0.75%	0.62%	0.52%	0.44%
0.30%...	2.64%	2.09%	1.68%	1.36%	1.12%	0.93%	0.78%	0.66%
0.40%...	3.50%	2.78%	2.23%	1.81%	1.49%	1.24%	1.04%	0.88%
0.50%...	4.36%	3.46%	2.78%	2.26%	1.85%	1.54%	1.30%	1.10%
0.75%...	6.47%	5.14%	4.13%	3.36%	2.76%	2.30%	1.94%	1.65%
1.00%...	8.53%	6.79%	5.46%	4.44%	3.66%	3.05%	2.57%	2.19%

*Cumulative Note Write-down Amount Tables*

**Class M-1 Cumulative Write-down Amount (as % of Class M-1 Original Class Principal Balance)**

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.10%...	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.20%...	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.30%...	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.40%...	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.50%...	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.75%...	32.43%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.00%...	75.04%	42.01%	2.60%	0.00%	0.00%	0.00%	0.00%	0.00%

**Class M-2 Cumulative Write-down Amount (as % of Class M-2 Original Class Principal Balance)**

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.10%...	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.20%...	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.30%...	18.90%	2.77%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.40%...	44.51%	23.13%	6.83%	0.00%	0.00%	0.00%	0.00%	0.00%
0.50%...	69.90%	43.33%	23.07%	7.58%	0.00%	0.00%	0.00%	0.00%
0.75%...	100.00%	93.15%	63.18%	40.23%	22.57%	8.86%	0.00%	0.00%
1.00%...	100.00%	100.00%	100.00%	72.40%	49.13%	31.06%	16.88%	5.63%

*Yield Tables*

**Class M-1 Pre-Tax Yield to Maturity (Price = 100%)**

<b>CDR</b>	<b>0% CPR</b>	<b>5% CPR</b>	<b>10% CPR</b>	<b>15% CPR</b>	<b>20% CPR</b>	<b>25% CPR</b>	<b>30% CPR</b>	<b>35% CPR</b>
0.10%...	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%
0.20%...	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%
0.30%...	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%
0.40%...	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%
0.50%...	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%
0.75%...	(2.86%)	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%
1.00%...	(22.88%)	(5.51%)	1.40%	1.82%	1.82%	1.82%	1.82%	1.82%

**Class M-2 Pre-Tax Yield to Maturity (Price = 100%)**

<b>CDR</b>	<b>0% CPR</b>	<b>5% CPR</b>	<b>10% CPR</b>	<b>15% CPR</b>	<b>20% CPR</b>	<b>25% CPR</b>	<b>30% CPR</b>	<b>35% CPR</b>
0.10%...	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
0.20%...	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
0.30%...	2.76%	4.28%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
0.40%...	(0.52%)	2.26%	3.87%	4.50%	4.50%	4.50%	4.50%	4.50%
0.50%...	(5.61%)	(0.46%)	2.11%	3.66%	4.50%	4.50%	4.50%	4.50%
0.75%...	(34.74%)	(16.59%)	(4.47%)	(0.84%)	1.09%	3.02%	4.50%	4.50%
1.00%...	(52.50%)	(43.45%)	(31.72%)	(7.31%)	(3.63%)	(1.44%)	0.84%	3.19%

*Weighted Average Life Tables*

**Class M-1 Weighted Average Life to Maturity (in Years)**

<b>CDR</b>	<b>0% CPR</b>	<b>5% CPR</b>	<b>10% CPR</b>	<b>15% CPR</b>	<b>20% CPR</b>	<b>25% CPR</b>	<b>30% CPR</b>	<b>35% CPR</b>
0.10%...	7.59	3.85	2.25	1.58	1.22	0.99	0.83	0.71
0.20%...	7.63	4.04	2.31	1.60	1.22	0.99	0.83	0.71
0.30%...	7.68	4.42	2.37	1.62	1.23	0.99	0.83	0.71
0.40%...	7.75	5.09	2.47	1.65	1.24	0.99	0.83	0.71
0.50%...	7.83	5.77	2.63	1.69	1.26	1.00	0.83	0.71
0.75%...	7.76	6.98	4.22	1.88	1.32	1.02	0.84	0.72
1.00%...	6.45	7.04	5.75	2.86	1.44	1.07	0.86	0.72

**Class M-2 Weighted Average Life to Maturity (in Years)**

<b>CDR</b>	<b>0% CPR</b>	<b>5% CPR</b>	<b>10% CPR</b>	<b>15% CPR</b>	<b>20% CPR</b>	<b>25% CPR</b>	<b>30% CPR</b>	<b>35% CPR</b>
0.10%...	9.99	9.86	8.34	6.62	5.16	4.10	3.37	2.84
0.20%...	9.99	9.95	8.49	6.78	5.30	4.18	3.42	2.87
0.30%...	9.74	9.99	8.78	7.00	5.47	4.28	3.48	2.90
0.40%...	8.95	9.55	9.03	7.32	5.73	4.44	3.55	2.95
0.50%...	7.93	8.79	9.05	7.58	6.03	4.70	3.67	3.00
0.75%...	5.35	6.43	7.56	7.61	6.39	5.27	4.22	3.29
1.00%...	3.95	4.48	5.38	6.65	6.34	5.35	4.48	3.74



**Reference Pool Summary**

*Statistics for the Reference Obligations listed below are based on statistical Cut-off Date information as of November 30, 2013.*

***Collateral Summary***

	<u>Aggregate</u>	<u>Weighted Average</u>	<u>Minimum</u>	<u>Maximum</u>
Number of Reference Obligations	122,291	-	-	-
Aggregate Original Principal Balance	30,060,523,000	245,811	13,000	1,185,000
Aggregate Scheduled Principal Balance	29,308,718,890	239,664	5,180	1,160,547
Gross Mortgage Rate	-	3.639%	2.500%	5.750%
Remaining Term to Stated Maturity (Months)	-	348 Months	290 Months	350 Months
Original Term (Months)	-	360 Months	302 Months	360 Months
Loan Age (Months)	-	12 Months	10 Months	16 Months
Original Loan-to-Value Ratio	-	74.53%	61.00%	80.00%
Original Combined Loan-to-Value Ratio	-	75.53%	61.00%	97.00%
Debt-to-Income Ratio	-	31.53%	0.19%	50.00%
Credit Score	-	765	620	835
% Refinance	68.58%			
% Owner Occupied	87.01%			
% SFR/PUD	89.78%			
Top Five Geographic Concentration of Mortgaged Properties				
CA	30.01%			
TX	5.28%			
CO	3.91%			
WA	3.86%			
VA	3.75%			

*This is a Confidential Preliminary Term Sheet. All Terms and statements are subject to change.*



<i>Product Type of the Mortgage Loans</i>							
<b>Product Type</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
Fixed Rate	122,291	29,308,718,890	100.00	3.64	765	74.53	75.53
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>

<i>Unpaid Principal Balances as of the Origination Date</i>							
<b>Range of Unpaid Principal Balance (\$)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
0.01 - 25,000.00	40	834,890	0.00	4.19	747	76.80	76.80
25,000.01 - 50,000.00	1,153	47,612,516	0.16	4.07	748	76.07	76.18
50,000.01 - 75,000.00	4,270	268,646,664	0.92	3.94	752	75.72	75.95
75,000.01 - 100,000.00	8,173	713,526,677	2.43	3.83	755	75.08	75.32
100,000.01 - 125,000.00	9,622	1,060,840,523	3.62	3.76	758	75.41	75.85
125,000.01 - 150,000.00	10,102	1,360,837,361	4.64	3.70	760	75.41	75.89
150,000.01 - 200,000.00	19,859	3,407,890,380	11.63	3.66	763	75.18	75.72
200,000.01 - 250,000.00	16,588	3,648,294,926	12.45	3.63	765	74.97	75.58
250,000.01 - 300,000.00	14,840	3,987,194,522	13.60	3.61	765	75.06	75.71
300,000.01 - 350,000.00	11,021	3,496,613,986	11.93	3.59	765	75.08	75.77
350,000.01 - 400,000.00	10,719	3,955,353,938	13.50	3.56	767	74.33	75.53
400,000.01 - 450,000.00	8,488	3,440,987,351	11.74	3.58	764	72.56	75.21
450,000.01 - 500,000.00	2,311	1,074,779,915	3.67	3.73	771	74.21	75.30
500,000.01 - 550,000.00	2,093	1,072,534,605	3.66	3.72	771	74.11	75.13
550,000.01 - 600,000.00	1,516	854,048,487	2.91	3.72	772	74.08	75.10
600,000.01 - 650,000.00	1,409	854,729,243	2.92	3.69	770	72.47	74.65
650,000.01 - 700,000.00	26	17,106,660	0.06	3.94	780	71.17	71.17
700,000.01 - 750,000.00	22	15,724,816	0.05	3.90	773	71.80	72.03
750,000.01 - 800,000.00	21	16,071,222	0.05	3.93	767	69.32	69.32
800,000.01 - 850,000.00	12	9,515,819	0.03	3.97	765	70.26	70.26
850,000.01 - 900,000.00	3	2,560,970	0.01	4.04	773	68.09	68.09
900,000.01 or greater	3	3,013,419	0.01	4.03	793	64.68	65.45
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>
<b>Weighted Average</b>	<b>245,811</b>						



*This is a Confidential Preliminary Term Sheet. All Terms and statements are subject to change.*



<i>Unpaid Principal Balances as of the Cut-off Date</i>							
<b>Range of Unpaid Principal Balance (\$)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
0.01 - 25,000.00	83	1,547,564	0.01	4.02	766	76.74	76.74
25,001.01 - 50,000.00	1,300	54,002,860	0.18	4.04	750	76.08	76.19
50,001.01 - 75,000.00	4,617	295,657,053	1.01	3.93	753	75.74	75.97
75,001.01 - 100,000.00	8,556	760,651,070	2.60	3.82	756	75.06	75.30
100,001.01 - 125,000.00	9,841	1,107,172,384	3.78	3.75	758	75.45	75.89
125,001.01 - 150,000.00	10,335	1,420,636,821	4.85	3.70	760	75.42	75.91
150,001.01 - 200,000.00	20,020	3,506,025,693	11.96	3.66	763	75.13	75.68
200,001.01 - 250,000.00	16,768	3,767,393,558	12.85	3.63	765	75.01	75.63
250,001.01 - 300,000.00	14,614	4,006,260,960	13.67	3.61	765	75.04	75.67
300,001.01 - 350,000.00	11,103	3,601,050,544	12.29	3.59	765	75.06	75.76
350,001.01 - 400,000.00	11,226	4,238,061,193	14.46	3.56	767	73.93	75.37
400,001.01 - 450,000.00	6,797	2,798,255,072	9.55	3.60	764	72.66	75.36
450,001.01 - 500,000.00	2,510	1,193,267,827	4.07	3.73	771	74.13	75.33
500,001.01 - 550,000.00	1,882	986,675,846	3.37	3.72	770	74.21	75.08
550,001.01 - 600,000.00	1,423	818,243,001	2.79	3.71	772	73.84	74.89
600,001.01 - 650,000.00	1,134	692,916,784	2.36	3.69	770	72.22	74.63
650,001.01 - 700,000.00	24	16,090,687	0.05	3.91	775	71.00	71.00
700,001.01 - 750,000.00	24	17,361,306	0.06	3.95	768	71.09	71.29
750,001.01 - 800,000.00	25	19,439,911	0.07	3.92	771	69.74	69.74
800,001.01 - 850,000.00	5	4,121,236	0.01	4.03	768	68.73	68.73
850,001.01 - 900,000.00	1	874,102	0.00	4.00	791	75.00	75.00
900,001.01 or greater	3	3,013,419	0.01	4.03	793	64.68	65.45
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>
<b>Weighted Average</b>	<b>239,664</b>						

*This is a Confidential Preliminary Term Sheet. All Terms and statements are subject to change.*





**Gross Mortgage Rates of the Mortgage Loans as of the Cut-off Date**

Range of Gross Mortgage Rates (%)	Number of Mortgage Loans	Unpaid Principal Balance (\$)	Unpaid Principal Balance (%)	W.A. Mortgage Rate (%)	W.A. Original Credit Score	W.A. Original LTV Ratio (%)	W.A. Original CLTV Ratio (%)
2.251 - 2.500	4	693,946	0.00	2.50	788	76.98	76.98
2.501 - 2.750	11	2,247,990	0.01	2.72	789	74.00	74.00
2.751 - 3.000	613	132,803,842	0.45	2.99	775	74.35	74.98
3.001 - 3.250	10,567	2,554,384,357	8.72	3.22	776	74.12	74.90
3.251 - 3.500	42,234	10,890,049,042	37.16	3.45	772	74.30	75.26
3.501 - 3.750	34,013	8,534,959,395	29.12	3.67	765	74.76	75.88
3.751 - 4.000	22,058	4,998,455,183	17.05	3.93	755	74.64	75.76
4.001 - 4.250	7,689	1,453,098,048	4.96	4.17	738	74.88	75.74
4.251 - 4.500	3,400	520,882,669	1.78	4.43	730	75.03	75.50
4.501 - 4.750	1,115	156,014,006	0.53	4.66	721	75.25	75.70
4.751 - 5.000	432	51,210,427	0.17	4.91	718	75.75	75.97
5.001 - 5.250	111	10,292,631	0.04	5.18	705	76.33	76.33
5.251 - 5.500	30	2,751,364	0.01	5.42	727	76.74	76.74
5.501 - 5.750	14	875,988	0.00	5.66	711	76.67	76.67
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>

**Seasoning of the Mortgage Loans as of the Cut-off Date**

Seasoning (Months)	Number of Mortgage Loans	Unpaid Principal Balance (\$)	Unpaid Principal Balance (%)	W.A. Mortgage Rate (%)	W.A. Original Credit Score	W.A. Original LTV Ratio (%)	W.A. Original CLTV Ratio (%)
10	8,848	2,087,670,132	7.12	3.52	764	74.23	75.29
11	30,789	7,478,590,206	25.52	3.55	765	74.39	75.39
12	42,123	10,217,981,236	34.86	3.62	766	74.48	75.48
13	29,194	6,926,119,313	23.63	3.74	764	74.70	75.66
14	10,080	2,323,161,776	7.93	3.77	763	74.86	75.87
15	1,099	236,373,528	0.81	3.87	762	75.15	76.21
16	158	38,822,699	0.13	3.96	761	75.73	76.84
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>
<b>Weighted Average</b>	<b>12.00</b>						

*This is a Confidential Preliminary Term Sheet. All Terms and statements are subject to change.*



***Original Loan-to-Value Ratio of the Mortgage Loans at Origination***

<b>Range of Original LTV (%)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
60.01 - 65.00	11,560	3,008,138,127	10.26	3.61	770	63.30	65.43
65.01 - 70.00	17,744	4,514,115,590	15.40	3.63	765	68.34	69.87
70.01 - 75.00	31,473	7,649,829,990	26.10	3.66	767	73.74	74.65
75.01 - 80.00	61,514	14,136,635,184	48.23	3.64	763	79.32	79.96
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>
<b>Weighted Average</b>	<b>74.53</b>						

***Combined Loan-to-Value Ratio of the Mortgage Loans at Origination***

<b>Range of Combined LTV (%)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
60.01 - 65.00	10,202	2,545,574,810	8.69	3.61	771	63.29	63.31
65.01 - 70.00	16,376	4,044,270,798	13.80	3.64	766	68.22	68.37
70.01 - 75.00	30,209	7,253,294,235	24.75	3.66	767	73.48	73.75
75.01 - 80.00	59,646	13,759,867,328	46.95	3.63	763	78.91	79.31
80.01 - 90.00	4,787	1,437,547,166	4.90	3.67	758	75.21	86.67
90.01 - 100.00	1,071	268,164,553	0.91	3.68	751	76.10	93.91
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>
<b>Weighted Average</b>	<b>75.53</b>						

*This is a Confidential Preliminary Term Sheet. All Terms and statements are subject to change.*



***Credit Scores at Origination of the Mortgage Loans at Origination***

<b>Credit Scores at Origination</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
620	18	2,946,620	0.01	4.20	620	75.33	77.53
621 - 640	657	116,151,848	0.40	4.08	631	74.91	75.64
641 - 660	1,577	284,858,268	0.97	4.06	651	74.82	75.68
661 - 680	3,256	618,395,253	2.11	3.98	671	75.21	76.03
681 - 700	5,541	1,134,197,676	3.87	3.85	691	75.10	76.17
701 - 720	8,356	1,861,988,199	6.35	3.75	711	75.24	76.52
721 - 740	11,131	2,625,782,360	8.96	3.67	731	74.96	76.40
741 - 760	16,104	3,949,020,169	13.47	3.62	751	74.81	76.11
761 - 780	24,669	6,222,643,527	21.23	3.61	771	74.51	75.62
781 - 800	32,441	8,256,386,940	28.17	3.59	791	74.26	75.10
801 - 820	18,214	4,172,926,610	14.24	3.59	807	73.97	74.45
821 - 840	327	63,421,420	0.22	3.60	824	73.04	73.30
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>
<b>Weighted Average</b>	<b>765</b>						

***Debt-to-Income Ratio of the Mortgage Loans at Origination***

<b>Range of Debt-to-Income Ratios (%)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
0.001 - 20.000	17,262	3,862,119,737	13.18	3.58	776	74.10	74.81
20.001 - 25.000	16,821	4,064,247,881	13.87	3.59	772	74.52	75.46
25.001 - 30.000	19,508	4,763,395,838	16.25	3.61	768	74.56	75.68
30.001 - 35.000	20,061	4,936,816,393	16.84	3.64	764	74.68	75.80
35.001 - 40.000	20,232	4,915,602,415	16.77	3.67	760	74.70	75.83
40.001 - 45.000	22,751	5,464,155,196	18.64	3.69	754	74.74	75.87
45.001 - 50.000	5,656	1,302,381,431	4.44	3.70	760	73.53	73.70
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>
<b>Non-Zero Weighted Average</b>	<b>31.53</b>						

*This is a Confidential Preliminary Term Sheet. All Terms and statements are subject to change.*



***Occupancy Status of the Mortgage Loans as of the Cut-off Date***

<b>Occupancy Status</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
Owner-Occupied	101,163	25,501,359,598	87.01	3.60	764	74.66	75.79
Investment Property	14,925	2,559,660,948	8.73	4.02	767	72.77	72.80
Second Home	6,203	1,247,698,344	4.26	3.61	771	75.53	75.83
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>

***Loan Purpose of the Mortgage Loans***

<b>Loan Purpose</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
No Cash-out Refinance	56,967	15,458,769,892	52.74	3.62	769	73.30	74.62
Purchase	43,492	9,210,199,736	31.42	3.64	762	77.11	77.86
Cash-out Refinance	21,832	4,639,749,262	15.83	3.70	755	73.51	73.92
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>

***Property Type of the Mortgage Loans as of the Cut-off Date***

<b>Property Type</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
1-4 Family Dwelling Unit	78,051	18,320,551,493	62.51	3.64	763	74.38	75.39
PUD	31,145	7,992,069,399	27.27	3.61	767	74.89	76.06
Condo	12,282	2,843,971,986	9.70	3.70	769	74.40	74.92
Co-op	493	117,565,968	0.40	3.75	766	74.96	74.98
Manufactured Housing	320	34,560,043	0.12	3.82	755	76.15	76.88
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>

*This is a Confidential Preliminary Term Sheet. All Terms and statements are subject to change.*



**Geographic Concentration of the Mortgage Loans**

State or Territory	Number of Mortgage Loans	Unpaid Principal Balance (\$)	Unpaid Principal Balance (%)	W.A. Mortgage Rate (%)	W.A. Original Credit Score	W.A. Original LTV Ratio (%)	W.A. Original CLTV Ratio (%)
California	27,027	8,795,706,698	30.01	3.67	768	73.37	74.14
Texas	7,713	1,548,754,450	5.28	3.66	756	75.84	77.02
Colorado	4,804	1,146,493,267	3.91	3.63	768	74.70	76.33
Washington	4,371	1,132,744,737	3.86	3.65	767	74.64	75.69
Virginia	3,695	1,098,376,501	3.75	3.64	769	74.16	75.25
Illinois	5,141	1,069,466,730	3.65	3.55	765	74.79	76.34
Massachusetts	3,810	1,062,458,599	3.63	3.62	764	73.66	74.93
New York	2,986	836,248,662	2.85	3.73	758	74.73	75.24
New Jersey	2,745	795,093,383	2.71	3.67	761	74.70	75.33
Florida	4,381	793,774,976	2.71	3.69	759	75.57	75.94
Wisconsin	4,026	724,118,153	2.47	3.48	768	75.01	76.28
Pennsylvania	3,431	704,857,458	2.40	3.61	761	75.33	76.65
Maryland	2,224	649,524,133	2.22	3.62	765	74.27	75.61
Arizona	3,377	648,323,877	2.21	3.69	766	75.08	75.55
Michigan	3,373	593,209,464	2.02	3.66	766	75.90	76.71
North Carolina	2,496	524,043,147	1.79	3.62	767	75.05	76.35
Oregon	2,338	514,587,543	1.76	3.65	769	74.81	75.68
Minnesota	2,384	493,685,232	1.68	3.54	767	75.76	77.54
Ohio	2,746	452,805,727	1.54	3.65	762	75.74	76.87
Georgia	2,026	421,034,245	1.44	3.61	767	75.28	76.46
Utah	1,896	402,044,776	1.37	3.58	764	75.30	76.11
Missouri	2,096	368,058,739	1.26	3.54	763	75.11	76.25
Indiana	2,025	340,625,113	1.16	3.67	763	75.48	76.72
Tennessee	1,756	330,240,549	1.13	3.62	763	75.45	76.68
Hawaii	810	304,871,685	1.04	3.57	766	73.66	74.59
Iowa	1,694	282,594,322	0.96	3.48	764	76.00	78.02
Connecticut	1,081	276,681,680	0.94	3.64	760	74.52	75.40
South Carolina	1,174	226,805,768	0.77	3.66	763	75.12	76.39
Louisiana	1,157	223,298,350	0.76	3.61	750	75.34	76.17
Alabama	1,167	219,843,170	0.75	3.59	758	75.56	76.97
Kentucky	1,052	182,700,619	0.62	3.64	759	75.79	77.56
Oklahoma	1,026	175,398,134	0.60	3.60	753	75.91	77.00
Nevada	1,036	174,612,015	0.60	3.75	763	76.34	76.55
District Of Columbia	448	169,294,272	0.58	3.69	767	73.38	74.48
Nebraska	914	149,677,437	0.51	3.62	762	75.67	76.91
Montana	682	130,164,405	0.44	3.53	762	75.60	76.37
New Mexico	685	129,144,146	0.44	3.63	764	75.27	76.33
Idaho	741	122,589,492	0.42	3.59	765	75.34	76.13
Arkansas	698	117,280,727	0.40	3.58	756	76.17	76.96
Kansas	623	111,830,186	0.38	3.61	764	75.53	76.47
New Hampshire	501	104,407,134	0.36	3.68	762	75.29	76.22
Mississippi	550	100,322,721	0.34	3.61	750	75.76	77.35
Delaware	379	83,691,063	0.29	3.62	767	74.88	75.43
South Dakota	483	82,842,697	0.28	3.50	760	76.03	77.38
Alaska	347	82,078,145	0.28	3.51	756	75.36	75.54
Rhode Island	379	79,404,218	0.27	3.68	760	74.57	75.89
Wyoming	342	68,819,329	0.23	3.54	758	75.58	76.41
North Dakota	330	62,541,036	0.21	3.54	754	75.43	77.23
Vermont	270	57,579,408	0.20	3.64	761	75.02	75.74
Maine	288	57,350,742	0.20	3.66	761	75.22	75.78
Puerto Rico	330	46,513,897	0.16	3.57	738	75.64	75.64
West Virginia	212	32,033,891	0.11	3.64	757	74.46	75.01
Virgin Islands	18	6,656,969	0.02	3.91	743	74.11	74.11
Guam	7	1,415,071	0.00	3.46	759	77.26	77.26
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>

*This is a Confidential Preliminary Term Sheet. All Terms and statements are subject to change.*



<b>Geographic Concentration of the Mortgage Loans (Top 10 Metropolitan Statistical Areas (“MSA”))</b>							
<b>Top 10 MSAs</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
Los Angeles-Long Beach-Santa Ana, CA	9,623	3,321,109,641	11.33	3.67	767	73.40	74.10
Non Metro	12,061	2,107,543,965	7.19	3.60	760	75.31	76.04
San Francisco-Oakland-Fremont, CA	4,557	1,773,582,127	6.05	3.69	771	72.63	73.74
New York-Northern New Jersey-Long Island, NY-NJ-PA	4,257	1,348,372,007	4.60	3.70	760	74.54	75.06
Washington-Arlington-Alexandria, DC-VA-MD-WV	3,836	1,316,638,451	4.49	3.63	769	73.96	75.16
San Diego-Carlsbad-San Marcos, CA	2,795	901,971,836	3.08	3.66	769	73.79	74.36
San Jose-Sunnyvale-Santa Clara, CA	2,239	900,727,229	3.07	3.64	771	72.35	73.21
Boston-Cambridge-Quincy, MA-NH	3,049	886,392,916	3.02	3.63	765	73.55	74.86
Chicago-Naperville-Joliet, IL-IN-WI	3,653	850,257,056	2.90	3.60	766	74.39	75.97
Seattle-Tacoma-Bellevue, WA	2,803	819,601,172	2.80	3.65	768	74.56	75.81
Other	73,418	15,082,522,490	51.46	3.63	764	75.18	76.26
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>

<b>Geographic Concentration of the Mortgaged Properties (Top 10 Zip Codes)</b>							
<b>Top 10 Zip Codes</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
94582	127	62,680,339	0.21	3.62	772	72.64	74.18
94568	133	55,320,450	0.19	3.62	772	73.85	74.98
90278	114	53,087,985	0.18	3.70	772	72.09	72.95
92127	122	48,398,171	0.17	3.62	771	73.63	74.38
92677	122	47,370,218	0.16	3.66	766	72.02	73.00
95124	101	46,959,566	0.16	3.62	772	72.98	74.14
94536	114	44,355,579	0.15	3.62	767	72.89	73.52
95125	95	44,277,087	0.15	3.70	772	71.39	73.84
95123	119	43,547,273	0.15	3.63	767	73.09	73.60
92129	114	43,183,266	0.15	3.59	769	73.87	74.80
Other	121,130	28,819,538,957	98.33	3.64	765	74.56	75.55
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>

*This is a Confidential Preliminary Term Sheet. All Terms and statements are subject to change.*



***Original Term to Maturity of the Mortgage Loans***

<b>Original Term to Maturity (months)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
301 - 342	397	90,758,985	0.31	3.68	771	73.77	75.08
343 - 348	85	20,499,068	0.07	3.69	765	74.84	75.37
349 - 354	15	3,451,124	0.01	3.36	762	74.99	77.85
355 - 360	121,794	29,194,009,713	99.61	3.64	765	74.53	75.53
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>
<b>Weighted Average</b>	<b>360</b>						

***Remaining Term to Maturity of the Mortgage Loans as of the Cut-off Date***

<b>Remaining Term to Maturity (months)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
241 - 300	31	7,606,667	0.03	3.74	778	74.73	76.64
301 - 360	122,260	29,301,112,223	99.97	3.64	765	74.53	75.53
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>
<b>Weighted Average</b>	<b>348</b>						

***Seller of the Mortgage Loans***

<b>Seller</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
Wells Fargo Bank, N.A.	19,206	4,893,555,883	16.70	3.69	768	74.81	75.61
Flagstar Capital Markets	7,204	1,987,859,566	6.78	3.59	765	73.80	74.68
Pennymac Corp.	4,932	1,361,292,316	4.64	3.61	767	74.58	75.50
JP Morgan Chase Bank	5,113	1,330,501,803	4.54	3.69	767	74.56	76.06
Quicken Loans Inc.	3,749	945,249,345	3.23	3.83	763	73.52	74.42
Stearns Lending, Inc.	2,212	562,787,709	1.92	3.67	762	73.90	74.57
Ally Bank	2,273	521,353,907	1.78	3.83	753	74.39	75.39
Franklin American Mortgage	2,212	459,727,441	1.57	3.65	758	75.42	76.55
PHH Mortgage Corporation	2,116	445,672,317	1.52	3.77	763	74.90	75.83
Provident Funding Associates, L.P.	1,545	435,043,902	1.48	3.35	777	73.11	73.94
Other	71,729	16,365,674,702	55.84	3.61	764	74.61	75.67
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>

*This is a Confidential Preliminary Term Sheet. All Terms and statements are subject to change.*



<i>Servicers of the Mortgage Loans</i>							
<b>Servicer</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
Wells Fargo Bank, N.A.	20,864	5,247,373,062	17.90	3.69	767	74.86	75.66
JP Morgan Chase Bank	6,534	1,655,994,142	5.65	3.69	766	74.64	76.10
Pennymac Corp.	4,932	1,361,292,316	4.64	3.61	767	74.58	75.50
Flagstar Bank	4,129	1,140,419,959	3.89	3.64	765	73.74	74.63
Quicken Loans Inc.	3,756	947,942,519	3.23	3.83	763	73.52	74.42
Caliber Home Loans, Inc.	2,756	785,683,474	2.68	3.52	766	73.69	74.50
PNC Bank, N.A.	3,078	672,471,217	2.29	3.67	763	75.57	76.67
Stearns Lending, Inc.	2,288	577,119,473	1.97	3.67	762	73.94	74.63
Ocwen Loan Servicing, LLC	2,266	518,660,733	1.77	3.82	754	74.40	75.40
Provident Funding Associates, L.P.	1,712	497,446,794	1.70	3.35	778	72.99	73.72
Other	69,976	15,904,315,202	54.26	3.61	764	74.59	75.65
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>

<i>Origination Channel of the Mortgage Loans</i>							
<b>Origination Channel</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
Retail	61,622	13,789,678,903	47.05	3.66	764	74.68	75.71
Correspondent	41,757	10,336,989,681	35.27	3.62	765	74.73	75.81
Broker	18,912	5,182,050,306	17.68	3.61	767	73.72	74.49
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>

<i>Lien Position of the Mortgage Loans at Origination</i>							
<b>Lien Position</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
First	122,291	29,308,718,890	100.00	3.64	765	74.53	75.53
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>

*This is a Confidential Preliminary Term Sheet. All Terms and statements are subject to change.*





***Mortgage Loans with Subordinate Financing at Origination***

<b>Mortgage Loans with Subordinate Financing at Origination</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
No	113,310	26,534,804,798	90.54	3.64	765	74.73	74.73
Yes	8,981	2,773,914,092	9.46	3.64	760	72.56	83.11
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>

***First Payment Date of the Mortgage Loans***

<b>First Payment Date</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
August 2012	158	38,822,699	0.13	3.96	761	75.73	76.84
September 2012	1,099	236,373,528	0.81	3.87	762	75.15	76.21
October 2012	10,080	2,323,161,776	7.93	3.77	763	74.86	75.87
November 2012	29,194	6,926,119,313	23.63	3.74	764	74.70	75.66
December 2012	42,123	10,217,981,236	34.86	3.62	766	74.48	75.48
January 2013	30,789	7,478,590,206	25.52	3.55	765	74.39	75.39
February 2013	8,848	2,087,670,132	7.12	3.52	764	74.23	75.29
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>

***Maturity Date of the Mortgage Loans***

<b>Maturity Date (years)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
2038	41	10,085,648	0.03	3.71	780	74.05	75.97
2039	151	33,462,121	0.11	3.76	765	72.58	73.99
2040	168	39,349,675	0.13	3.67	772	74.57	75.58
2041	119	27,354,467	0.09	3.61	768	74.65	75.49
2042	113,013	27,121,008,003	92.54	3.65	765	74.55	75.55
2043	8,799	2,077,458,976	7.09	3.52	764	74.22	75.28
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>

*This is a Confidential Preliminary Term Sheet. All Terms and statements are subject to change.*



<i>First Time Homebuyer</i>							
<b>First Time Homebuyer</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
No	109,886	26,598,799,855	90.75	3.64	766	74.20	75.23
Yes	12,405	2,709,919,035	9.25	3.62	754	77.77	78.43
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>

<i>Number of Borrowers</i>							
<b>Number of Borrowers</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
1	54,631	11,961,293,722	40.81	3.66	765	74.81	75.56
2 or more	67,660	17,347,425,167	59.19	3.63	765	74.34	75.51
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>

<i>Number of Units</i>							
<b>Number of Units</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
1	119,041	28,482,001,614	97.18	3.63	765	74.60	75.63
2	2,158	502,090,728	1.71	3.95	761	72.52	72.64
3	494	143,432,938	0.49	4.03	764	70.87	70.93
4	598	181,193,611	0.62	4.06	765	71.07	71.12
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>

<i>Mortgage Insurance</i>							
<b>Mortgage Insurance</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
None	122,291	29,308,718,890	100.00	3.64	765	74.53	75.53
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>

*This is a Confidential Preliminary Term Sheet. All Terms and statements are subject to change.*



<i>Delinquency Status of the Mortgage Loans</i>							
<b>Delinquency Status</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
Current	122,291	29,308,718,890	100.00	3.64	765	74.53	75.53
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>

<i>Historical Delinquency of the Mortgage Loans (Past 12 Months)</i>							
<b>Delinquency Status (Past 12 Months)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
Never Delinquent	122,291	29,308,718,890	100.00	3.64	765	74.53	75.53
<b>Total</b>	<b>122,291</b>	<b>29,308,718,890</b>	<b>100.00</b>	<b>3.64</b>	<b>765</b>	<b>74.53</b>	<b>75.53</b>

*This is a Confidential Preliminary Term Sheet. All Terms and statements are subject to change.*

### **Contact Information**

#### **Bank of America Merrill Lynch**

##### **MORTGAGE FINANCE**

Baron Silverstein	(646) 855-1237	baron.silverstein@baml.com
Mary Stone	(646) 855-0926	mary.c.stone@baml.com
Nick Stimola	(646) 855-3246	nicholas.stimola@baml.com
Jennifer Yang	(646) 743-2145	jennifer.yang@baml.com

##### **MORTGAGE TRADING**

Matthew McQueen	(646) 855-6404	matthew.mcqueen@baml.com
Mark Michael	(646) 855-6404	mark.michael@baml.com

##### **SYNDICATE**

Brian Kane	(646) 855-9095	brian.f.kane@baml.com
Carol Fuller	(646) 855-9095	carol.fuller@baml.com

#### **Barclays Capital**

##### **Securitized Product Origination**

Joseph O'Doherty	(212) 528-7482	joseph.o'doherty@barclays.com
Trevor Moffitt	(212) 528-7364	trevor.moffitt@barclays.com
Matthew Davlin	(212) 526-7148	matthew.davlin@barclays.com
Courtney Henry	(212) 528-7370	courtney.henry@barclays.com

##### **Distribution & Trading Team**

Chris Leslie	(212) 412-1170	chris.leslie@barclays.com
Carla Giugliano	(212) 412-1164	carla.giugliano@barclays.com

##### **Syndicate Team**

Brian J. Wiele	(212) 412-5780	brian.wiele@barclays.com
Kenny Rosenberg	(212) 412-5780	kenneth.rosenberg@barclays.com
Mark Lacerenza	(212) 412-5780	mark.lacerenza@barclays.com