Prospectus

$944,500,000 (Approximate)

(subject to a permitted variance of plus or minus 5%)

Guaranteed Grantor Trust Pass-Through Certificates
Fannie Mae Grantor Trust 2017-T1

Consider carefully the risk factors starting on page 8 of this prospectus and on page 33 of the attached Information Circular. Unless you understand and are able to tolerate these risks, you should not invest in the Offered Certificates.

The Offered Certificates, together with interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities other than Fannie Mae.

The Offered Certificates are exempt from registration under the Securities Act of 1933 and are "exempted securities" under the Securities Exchange Act of 1934.

The Offered Certificates

We, Fannie Mae, will issue Class A Certificates having the characteristics set forth in the chart below. The Class A Certificates will represent ownership interests in the trust assets and are referred to in this prospectus as the "Offered Certificates."

Payments to Certificateholders

You, the investor, will receive payments on your certificates, including

- interest in an amount equal to the interest required to be paid in that month on the Underlying Class A REMIC Securities described below, and
- principal in an amount equal to the principal, if any, required to be paid in that month on the Underlying Class A REMIC Securities.

The principal payment amounts may vary from time to time.

The Fannie Mae Guaranty

We will guarantee that required payments of interest and principal are paid to investors on time as provided herein.

The Trust and its Assets

The trust will own the "Class A Certificates" issued by the Invitation Homes 2017-SFR1 Trust (the "Underlying Class A REMIC Securities"). The Underlying Class A REMIC Securities will represent regular interests in a REMIC and will be backed by a 121-month loan with two fixed rate components, evidenced by one componentized promissory note and secured by a portfolio of single-family residential properties. The Underlying Class A REMIC Securities are further described in the attached Information Circular.

Class	*Original Certificate Balance*[(1)]	*Certificate Interest Rate*	*CUSIP Number*	*Final Distribution Date*
A	$944,500,000	2.898%	3136AV6R5	June 2027

(1) Approximate. Subject to a permitted variance of plus or minus 5%.

The Offered Certificates are expected to be made eligible for trading in book-entry form through the Same-Day Funds Settlement System of The Depository Trust Company ("DTC"), which may include delivery through Clearstream Banking, société anonyme and the Euroclear System, against payment therefor in immediately available funds.

The Offered Certificates initially will be acquired by Invitation Homes Asset Receiving Limited Partnership, which will offer the Offered Certificates through Wells Fargo Securities, LLC, as lead placement agent, and Siebert Cisneros Shank & Co., L.L.C., as co-placement agent, to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The placement agents may effect such transactions to or through other dealers. We expect the settlement date to occur on or about April 28, 2017. See "*Plan of Distribution*" in this prospectus.

Wells Fargo Securities

Lead Placement Agent

Siebert Cisneros Shank & Co., L.L.C.

Co-Placement Agent

April 19, 2017

FANNIE MAE IS IN CONSERVATORSHIP; POTENTIAL RECEIVERSHIP

WE CONTINUE TO OPERATE UNDER THE CONSERVATORSHIP THAT COMMENCED ON SEPTEMBER 6, 2008, CONDUCTING OUR BUSINESS UNDER THE DIRECTION OF THE FEDERAL HOUSING FINANCE AGENCY ("**FHFA**") AS OUR CONSERVATOR (THE "**CONSERVATOR**"). UPON ITS APPOINTMENT, FHFA, AS CONSERVATOR, IMMEDIATELY SUCCEEDED TO ALL RIGHTS, TITLES, POWERS AND PRIVILEGES OF FANNIE MAE AND OF ANY STOCKHOLDER, OFFICER OR DIRECTOR OF FANNIE MAE WITH RESPECT TO OUR BUSINESS AND OUR ASSETS. THE CONSERVATOR HAS DIRECTED AND WILL CONTINUE TO DIRECT CERTAIN OF OUR BUSINESS ACTIVITIES AND STRATEGIES. UNDER THE FEDERAL HOUSING FINANCE REGULATORY REFORM ACT OF 2008 (THE "**REFORM ACT**"), FHFA MUST PLACE FANNIE MAE INTO RECEIVERSHIP IF THE DIRECTOR OF FHFA MAKES A DETERMINATION IN WRITING THAT OUR ASSETS ARE, AND FOR A PERIOD OF 60 DAYS HAVE BEEN, LESS THAN OUR OBLIGATIONS. FHFA HAS NOTIFIED FANNIE MAE THAT THE MEASUREMENT PERIOD FOR ANY MANDATORY RECEIVERSHIP DETERMINATION WITH RESPECT TO OUR ASSETS AND OBLIGATIONS WOULD COMMENCE NO EARLIER THAN THE SEC PUBLIC FILING DEADLINE FOR OUR QUARTERLY OR ANNUAL FINANCIAL STATEMENTS AND WOULD CONTINUE FOR 60 CALENDAR DAYS AFTER THAT DATE. FHFA HAS ALSO ADVISED FANNIE MAE THAT, IF, DURING THAT 60-DAY PERIOD, FANNIE MAE RECEIVES FUNDS FROM TREASURY IN AN AMOUNT AT LEAST EQUAL TO THE DEFICIENCY AMOUNT UNDER THE PURCHASE AGREEMENT, THE DIRECTOR OF FHFA WILL NOT MAKE A MANDATORY RECEIVERSHIP DETERMINATION.

IN ADDITION, FANNIE MAE COULD BE PUT INTO RECEIVERSHIP AT THE DISCRETION OF THE DIRECTOR OF FHFA AT ANY TIME FOR OTHER REASONS, INCLUDING CONDITIONS THAT FHFA HAS ALREADY ASSERTED EXISTED AT THE TIME THE THEN DIRECTOR OF FHFA PLACED FANNIE MAE INTO CONSERVATORSHIP. THESE INCLUDE: A SUBSTANTIAL DISSIPATION OF ASSETS OR EARNINGS DUE TO UNSAFE OR UNSOUND PRACTICES; THE EXISTENCE OF AN UNSAFE OR UNSOUND CONDITION TO TRANSACT BUSINESS; AN INABILITY TO MEET OUR OBLIGATIONS IN THE ORDINARY COURSE OF BUSINESS; A WEAKENING OF OUR CONDITION DUE TO UNSAFE OR UNSOUND PRACTICES OR CONDITIONS; CRITICAL UNDERCAPITALIZATION; THE LIKELIHOOD OF LOSSES THAT WILL DEPLETE SUBSTANTIALLY ALL OF OUR CAPITAL; OR BY CONSENT. A RECEIVERSHIP WOULD TERMINATE THE CURRENT CONSERVATORSHIP.

IF FHFA WERE TO BECOME FANNIE MAE'S RECEIVER, IT COULD EXERCISE CERTAIN POWERS THAT COULD ADVERSELY AFFECT THE OFFERED CERTIFICATES.

IN ITS CAPACITY AS RECEIVER, FHFA WOULD HAVE THE RIGHT TO TRANSFER OR SELL ANY ASSET OR LIABILITY OF FANNIE MAE, INCLUDING OUR OBLIGATION TO MAKE PAYMENTS ON THE OFFERED CERTIFICATES, WITHOUT ANY APPROVAL, ASSIGNMENT OR CONSENT OF ANY PARTY. IF FHFA, AS RECEIVER, WERE TO TRANSFER SUCH OBLIGATION TO ANOTHER PARTY, HOLDERS OF THE OFFERED CERTIFICATES WOULD HAVE TO RELY ON THAT PARTY FOR SATISFACTION OF THE OBLIGATION AND WOULD BE EXPOSED TO THE CREDIT RISK OF THAT PARTY.

DURING A RECEIVERSHIP, CERTAIN RIGHTS OF HOLDERS OF THE OFFERED CERTIFICATES MAY NOT BE ENFORCEABLE AGAINST FHFA, OR ENFORCEMENT OF SUCH RIGHTS MAY BE DELAYED.

THE REFORM ACT ALSO PROVIDES THAT NO PERSON MAY EXERCISE ANY RIGHT OR POWER TO TERMINATE, ACCELERATE OR DECLARE AN EVENT OF DEFAULT UNDER CERTAIN CONTRACTS TO WHICH FANNIE MAE IS A PARTY, OR OBTAIN POSSESSION OF OR EXERCISE CONTROL OVER ANY PROPERTY OF FANNIE MAE, OR AFFECT ANY CONTRACTUAL RIGHTS OF FANNIE MAE, WITHOUT THE APPROVAL OF FHFA AS RECEIVER, FOR A PERIOD OF 90 DAYS FOLLOWING THE APPOINTMENT OF FHFA AS RECEIVER.

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ADDITIONAL INFORMATION

You should purchase the Offered Certificates only if you have read this prospectus and the following documents (the "Disclosure Documents"):

- the Information Circular dated April 19, 2017 relating to the Underlying Class A REMIC Securities (the "Information Circular"), which is attached to, and forms a part of, this prospectus; and
- any information incorporated by reference in this prospectus as discussed below under the heading "Incorporation by Reference."

You can obtain copies of all of the Disclosure Documents by writing or calling us at:

Fannie Mae
3900 Wisconsin Avenue, N.W.
Area 2H-3S
Washington, D.C. 20016
(telephone 800-2FANNIE).

In addition, the Disclosure Documents for the Offered Certificates are available on our corporate Web site at www.fanniemae.com.

You also can obtain copies of this prospectus, including the Information Circular, by writing or calling:

IH Asset Receiving Limited Partnership
c/o Invitation Homes L.P.
1717 Main Street, Suite 2000
Dallas, TX 75201
Attention: General Counsel
Facsimile No.: (972) 892-0382

Wells Fargo Securities, LLC
Customer Service
MAC N9303-054
608 2nd Avenue South, Suite 500
Minneapolis, Minnesota 55479
US and International Callers: (800) 645-3751, option 5
WFSCustomerService@wellsfargo.com.

Siebert Cisneros Shank & Co., L.L.C.
100 Wall Street, 18th Floor
New York, NY 10005

INCORPORATION BY REFERENCE

We are incorporating by reference in this prospectus the documents listed below. This means that we are disclosing information to you by referring you to these documents. These documents are considered part of this prospectus, so you should read this prospectus, and any applicable supplements or amendments, together with these documents.

You should rely only on the information provided or incorporated by reference in this prospectus, and any applicable supplements or amendments, together with the other Disclosure Documents.

We incorporate by reference the following documents we have filed, or may file, with the Securities and Exchange Commission ("SEC"):

- our annual report on Form 10-K for the fiscal year ended December 31, 2016 ("Form 10-K");
- all other reports we have filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, since the end of the fiscal year covered by the Form 10-K until the date of this prospectus, excluding any information "furnished" to the SEC on Form 8-K; and
- all proxy statements that we file with the SEC and all documents that we file with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, subsequent to the date of this prospectus and prior to the completion of the offering of the Offered Certificates, excluding any information we "furnish" to the SEC on Form 8-K.

We make available free of charge through our Web site our annual reports on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K and all other SEC reports and amendments to those reports as soon as reasonably practicable after we electronically file the material with, or furnish it to, the SEC. Our Web site address is www.fanniemae.com. Materials that we file with the SEC are also available from the SEC's Web site, www.sec.gov. In addition, these materials may be inspected, without charge, and copies may be obtained at prescribed rates, at the SEC's Public Reference Room at 100 F Street NE, Room 1580, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

You may also request copies of any filing from us, at no cost, by calling the Fannie Mae Helpline at 800-2FANNIE or by mail at 3900 Wisconsin Avenue NW, Area 2H-3S, Washington, DC 20016.

SUMMARY

This summary contains only limited information about the Offered Certificates. As a summary, it speaks in general terms without giving details or discussing any exceptions. You should purchase the Offered Certificates only after reading this prospectus and each of the other disclosure documents listed on page 4 of this prospectus.

General

- The Offered Certificates will represent ownership interests in the trust assets.
- The trust assets will consist of the Underlying Class A REMIC Securities, which will represent regular interests in a REMIC and will be backed by a 121-month loan with two fixed rate components, evidenced by one componentized promissory note and secured by a portfolio of single-family residential properties (the "Underlying Mortgage Loan"). The Underlying Class A REMIC Securities will represent ownership interests in the Invitation Homes 2017-SFR1 Trust (the "Underlying REMIC Trust"). Detailed information regarding the Underlying Class A REMIC Securities and the Underlying REMIC Trust is provided in the attached Information Circular.
- All amounts payable on the Underlying Class A REMIC Securities will be passed through to holders of the Offered Certificates. For a description of Fannie Mae's guaranty of payments on the Offered Certificates, see "*Description of the Offered Certificates—General—Fannie Mae Guaranty*" in this prospectus.

Characteristics of the Underlying Mortgage Loan

For additional information about the Underlying Mortgage Loan, including the residential properties collateralizing the Underlying Mortgage Loan, see the section of the Information Circular entitled "*Description of the Loan*."

Class Factor

We will publish the class factor for the Offered Certificates on or before each monthly distribution date.

Settlement Date

We expect to issue the Offered Certificates on or about April 28, 2017.

Distribution Dates

Beginning in May 2017, we will make payments, to the extent described herein, on the Offered Certificates on the 25th day of each calendar month, or on the next business day if the 25th is not a business day.

Book-Entry

We will issue the Offered Certificates in book-entry form through The Depository Trust Company, which will track ownership of the Offered Certificates and payments on the Offered Certificates electronically.

Payments of Interest

We will pay interest on the Offered Certificates in an amount equal to the interest required to be paid in that month on the Underlying Class A REMIC Securities.

Payments of Principal

We will pay principal on the Offered Certificates in an amount equal to the principal required to be paid in that month, if any, on the Underlying Class A REMIC Securities.

Guaranty Payments

We guarantee that all payments of interest and principal required to be paid in respect of the Underlying Class A REMIC Securities will be distributed to holders of the Offered Certificates on each distribution date. Our guaranty does not cover any yield maintenance premium related to the Underlying Mortgage Loan. If we were unable to pay under the guaranty, the Offered Certificates could be subject to losses and additional shortfalls. For a description of the amounts required to be paid on the Underlying Class A REMIC Securities, including any amounts covered by Fannie Mae's guaranty of the Underlying Class A REMIC Securities, see "*Description of the Certificates—Payment on the Certificates*" and "*—Fannie Mae Guaranty and Rights of the Guarantor*" in the Information Circular.

RISK FACTORS

General

We have listed below some of the principal risk factors associated with an investment in the Offered Certificates.

In addition to the risks discussed below, you should read the section entitled "*Risk Factors*" beginning on page 33 of the Information Circular. In addition, our annual report on Form 10-K and our quarterly reports on Form 10-Q, which we incorporate by reference in this prospectus, discuss certain risks, including risks relating to Fannie Mae, that may affect your investment in the Offered Certificates and the value of the Offered Certificates.

The risk factors relating to us include risks that may affect an investment in and the value of the Offered Certificates. You should review all of these risk factors before investing in the Offered Certificates. Because each investor has different investment needs and a different risk tolerance, each investor should consult its own financial or legal advisor to determine whether the Offered Certificates are a suitable investment. In particular, prospective investors in the Offered Certificates should be aware that:

- The risks and uncertainties described below are not the only risks relating to the Offered Certificates. Additional risks and uncertainties not presently known to us or that we currently deem to be immaterial may also impair an investment in the Offered Certificates. If any of the following risks actually occur, an investment in the Offered Certificates could be materially and adversely affected.
- This prospectus contains forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this prospectus.
- Prospective investors should investigate any legal investment restrictions that may apply to them.
- Prospective investors should not purchase any Offered Certificates unless they understand, and are able to bear, the prepayment, credit, liquidity, market and other risks associated with the Offered Certificates.
- Prospective investors should not construe the issuance of the Offered Certificates as an endorsement by us of the performance of the Underlying Class A REMIC Securities or the residential properties collateralizing the Underlying Mortgage Loan (the "Residential Properties").

Investors should exercise particular caution if their circumstances do not permit them to hold the Offered Certificates until maturity.

Suitability

The Offered Certificates may not be suitable investments. The Offered Certificates are complex financial instruments. They are not a suitable investment for every investor. Before investing, you should carefully consider the following.

- You should have sufficient knowledge and experience to evaluate (either alone or with the help of a financial or legal advisor) the merits and risks of the Offered Certificates and the information contained in this prospectus, the Information Circular and the documents incorporated by reference herein and thereto.

- You should thoroughly understand the terms of the Offered Certificates.

- You should thoroughly understand the terms of the Underlying Class A REMIC Securities and the Underlying Mortgage Loan.

- You should be able to evaluate (either alone or with the help of a financial or legal advisor) the interest rate and economic and other factors that may affect your investment.

- You should have sufficient financial resources and liquidity to bear all risks associated with the Offered Certificates.

- You should exercise particular caution if your circumstances do not permit you to hold the Offered Certificates until maturity.

Some investors may be unable to buy the Offered Certificates. Investors whose investment activities are subject to legal investment laws and regulations, or to review by regulatory authorities, may be unable to buy the Offered Certificates. You should get legal advice in determining whether your purchase of the Offered Certificates is a legal investment for you or is subject to any investment restrictions.

Yield Considerations

A variety of factors can affect your yield. Your effective yield on the Offered Certificates will depend upon:

- the price you paid for the Offered Certificates;

- if and when Fannie Mae makes payments under its guaranty of the Offered Certificates;

- any exercise by the guarantor of its right to repurchase the Offered Certificates following a specified period of delinquency on the Underlying Mortgage Loan, as further described in "*Description of the Offered Certificates—Optional Repurchase by Guarantor*" in this prospectus;

- any prepayment of the Offered Certificates that may arise following any release (other than a special release described in "*Description of the Loan—Special Releases*" in the Information Circular), casualty or condemnation of Residential Properties;

- if and when the Underlying Mortgage Loan is modified or repurchased in the future; and

- the actual characteristics of the Underlying Mortgage Loan and the Residential Properties.

If any prepayment or repurchase occurs with respect to the Offered Certificates, then, depending on then-prevailing economic conditions and interest rates, an investor may be unable to reinvest those funds at a yield that is equal to or greater than the yield on the Offered Certificates.

Market and Liquidity Considerations

It may be difficult to resell your Offered Certificates and any resale may occur on adverse terms. We cannot be sure that a market for resale of the Offered Certificates will develop. Further, if a market

develops, it may not continue or be sufficiently liquid to allow you to sell your Offered Certificates. Even if you are able to sell your Offered Certificates, the sale price may not be comparable to similar investments that have a developed market. Moreover, you may not be able to sell small or large amounts of your Offered Certificates at prices comparable to those available to other investors.

A number of factors may affect the resale of your Offered Certificates, including:

- the payment to Certificateholders of interest and/or principal in amounts based on the interest and/or principal paid on the Underlying Class A REMIC Securities;
- the method, frequency and complexity of calculating principal or interest on the Offered Certificates;
- the characteristics of the Underlying Mortgage Loan and the Residential Properties;
- the availability of current information about the Residential Properties;
- the outstanding principal amount of the Offered Certificates;
- the amount of Offered Certificates offered for resale from time to time;
- any legal restrictions or tax treatment limiting demand for the Offered Certificates;
- the availability of comparable securities;
- the level, direction and volatility of interest rates generally;
- general economic conditions;
- market uncertainty;
- the level of interest rates generally, the volatility with which prevailing interest rates are changing, and the direction in which interest rate are, or appear to be, trending;
- our financial condition and rating;
- our future structure, organization, and the level of government support for our company;
- whether we are in conservatorship or receivership;
- the financial condition and rating of the servicer of the Underlying Mortgage Loan; and
- any increase or decrease in the level of governmental commitments to engage in market purchases of the Offered Certificates.

The occurrence of a major natural or other disaster in the United States could negatively affect our credit losses and credit-related expenses or disrupt our business operations in the affected geographic area.

We conduct our business in the residential mortgage market and own or guarantee the performance of mortgage loans throughout the United States. The occurrence of a major natural or environmental disaster, terrorist attack, pandemic or similar event (a "major disruptive event") in a geographic region of the United States could negatively affect our credit losses and credit-related expenses in the affected area.

The occurrence of a major disruptive event could negatively affect a geographic region in a number of different ways, depending on the nature of the event. A major disruptive event that either damaged or destroyed residential real estate securing mortgage loans that we own or that back certificates

that we guarantee (including the Offered Certificates) or that negatively affected the ability of homeowners (including the owner of the Residential Properties) to continue to make principal and interest payment on such mortgage loans could increase the delinquency rates, default rates and average loan loss severity of our mortgage loans in the affected region or regions, which could have a material adverse effect on our business, results of operations, financial condition, liquidity and net worth. While we attempt to acquire geographically diverse mortgage loans, there can be no assurance that a major disruptive event, depending on its magnitude, scope, and nature, will not generate significant credit losses and credit-related expenses.

In addition, if a major disruptive event occurs, the contingency plans and facilities that we have in place may be insufficient to prevent an adverse effect on our ability to conduct business, which could lead to financial losses. Substantially all of our senior management and investment personnel work out of our offices in the Washington, DC metropolitan area. If a disruption occurs and our senior management or other employees are unable to occupy our offices, communicate with other personnel or travel to other locations, our ability to interact with each other and with our customers may suffer, and we may not be successful in implementing contingency plans that depend on communication or travel.

Fannie Mae Guaranty Considerations

Any failure of Fannie Mae to perform its guaranty obligations will adversely affect investors. If we were unable to perform our guaranty obligations, Certificateholders would receive only amounts actually paid and other recoveries on the Underlying Class A REMIC Securities (without taking into account our guaranty on such Underlying Class A REMIC Securities). In such event, defaults or other shortfalls on the Underlying Mortgage Loan could directly affect the amounts that the Certificateholders would receive each month.

If our credit becomes impaired, a buyer may be willing to pay only a reduced price for your Offered Certificates. There could be an adverse change in our liquidity position or financial condition that impairs our credit rating and the perception of our credit. Even if we were to make all payments required under our guaranty, reduced market liquidity may make it more difficult for Certificateholders to sell their Offered Certificates, and potential buyers may offer less for Offered Certificates than they would have offered if our liquidity position or financial condition had remained unchanged.

Ratings Matters

In response to economic circumstances affecting the United States, on August 5, 2011, Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") lowered the long-term sovereign credit rating of U.S. Government debt obligations from AAA to AA+ and on August 8, 2011, S&P also downgraded the long-term credit ratings of U.S. government-sponsored enterprises, including Fannie Mae.

In response to the economic situation facing the European Economic and Monetary Union, Eurozone, based on factors including tightening credit conditions, higher risk premiums on Eurozone sovereigns and disagreement among European policy makers as to how best to address the declining market confidence with respect to the Eurozone, on January 13, 2012, S&P downgraded the long-term credit ratings on nine members of the Eurozone, including Austria, Cyprus, France, Italy, Malta, Portugal, Slovakia, Slovenia and Spain. On April 18, 2013, Fitch Ratings, Inc. ("Fitch") downgraded the long-term credit ratings on the United Kingdom. On October 10, 2014, S&P downgraded Finland's sovereign debt rating to AA+ from AAA and the outlook on that rating was changed to negative; on January 26, 2015, S&P downgraded Russia's sovereign debt rating to BB+ from BBB-, citing the Russian Federation's

weakened monetary policy flexibility and economic growth prospects; and on January 15, 2016, S&P downgraded Poland's sovereign debt rating from A- to BBB+ with a negative outlook.

In addition, on June 23, 2016 the United Kingdom held a referendum regarding its continued membership in the European Union. The majority voted in favor of leaving the European Union. Numerous uncertainties exist with regard to the future of the United Kingdom and its relationship with the European Union, including the terms of any agreement governing its future withdrawal from the European Union. The negotiation of any such withdrawal is likely to take a number of years and we are unable to predict the impact that the referendum, the United Kingdom's departure from the European Union and any related considerations may have on the Offered Certificates, including the market value or the liquidity thereof in the secondary market, or the other parties to the transaction documents. Shortly following the United Kingdom referendum, the International Monetary Fund cut its growth forecast for the Eurozone for the remainder of 2016 as well as for 2017.

These actions initially had an adverse effect on financial markets and although we are unable to predict the longer-term impact on such markets and the participants therein, it might be materially adverse to the value of the Offered Certificates.

Risks Relating to Our Structure and Business

The future of our company is uncertain.

There continues to be significant uncertainty regarding the future of our company, including how long the company will continue to exist in its current form, the extent of our role in the market, how long we will be in conservatorship, what form we will have and what ownership interest, if any, our current common and preferred stockholders will hold in us after the conservatorship is terminated, and whether we will continue to exist following conservatorship. The conservatorship is indefinite in duration and the timing, conditions and likelihood of our emerging from conservatorship are uncertain. Our conservatorship could terminate through a receivership. Termination of the conservatorship, other than in connection with a receivership, requires the U.S. Treasury's ("Treasury") consent under the senior preferred stock purchase agreement.

The previous presidential administration endorsed the wind down of Fannie Mae and Freddie Mac through a responsible transition and the enactment of comprehensive housing finance reform legislation. The current presidential administration (the "Administration") has not articulated a formal position on housing finance reform or the future of the government-sponsored enterprises (each, a "GSE"); however, the Treasury Secretary indicated in his confirmation hearing that he is focused on housing finance reform and a solution to the current status of Fannie Mae and Freddie Mac.

Last year, the U.S. Congress ("Congress") continued to consider legislation that could materially affect our business if enacted. We expect that Congress will continue to consider legislation that could result in significant changes in our structure and role in the future, including proposals that would result in Fannie Mae's liquidation or dissolution. Congress or FHFA may also consider legislation or regulation aimed at increasing the competition we face, reducing our market share, expanding our obligations to provide funds to Treasury or constraining our business operations. We cannot predict the prospects for the enactment, timing or final content of housing finance reform legislation or other legislation related to our activities.

We may not have sufficient capital reserves to avoid a net worth deficit if we experience a comprehensive loss in a future quarter. If we have a net worth deficit in a future quarter, we will be required to draw funds from Treasury in order to avoid being placed into receivership.

As a result of the dividend provisions of the senior preferred stock and quarterly directives from our conservator, we are obligated to pay Treasury each quarter any dividends declared consisting of the amount, if any, by which our net worth as of the end of the immediately preceding fiscal quarter exceeds an applicable capital reserve amount, which is $600 million for each quarter of 2017 and decreases to zero in 2018. Because we are permitted to retain only $600 million in capital reserves through 2017, we may not have sufficient reserves to avoid a net worth deficit if we experience a comprehensive loss in a future quarter. In addition, beginning in 2018, we are not permitted to retain any capital reserves against losses in subsequent quarters; therefore, if we have a comprehensive loss for a quarter we will also have a net worth deficit for that quarter.

We have experienced and expect to continue to experience volatility in our financial results from period to period due to a number of factors, particularly changes in market conditions that result in fluctuations in the estimated fair value of the financial instruments, such as derivatives and certain securities, that we mark to market through our earnings. Our credit-related income or expense also can vary substantially from period to period based on a number of factors such as changes in actual and expected home prices, fluctuations in interest rates, borrower payment behavior, the types and volume of our loss mitigation activities, the volume of foreclosures completed, and redesignations of loans from held for investment to held for sale. Accordingly, although we expect to remain profitable on an annual basis for the foreseeable future, the potential volatility in our financial results, which may be significant from quarter to quarter, could result in a net worth deficit in a future quarter.

In addition, other factors such as legislative actions or changes in accounting standards could result in a net worth deficit in a future quarter. For example:

- The Administration proposes reducing the U.S. corporate income tax rate. Under applicable accounting standards, a significant reduction in the U.S. corporate income tax rate would require that we record a substantial reduction in the value of our deferred tax assets in the quarter in which the legislation is enacted. Thus, if legislation significantly lowering the U.S. corporate income tax rate is enacted, we expect to incur a significant net loss and net worth deficit for the quarter in which the legislation is enacted and we could potentially incur a net loss for that year.

- In June 2016, the Financial Accounting Standards Board ("FASB") issued guidance that changes the impairment model for most financial assets and certain other instruments, which will become effective January 1, 2020 with early adoption permitted on January 1, 2019. We are continuing to evaluate the impact of this guidance on our consolidated financial statements, including the timing of adoption. The adoption of this guidance will decrease, perhaps substantially, our retained earnings and increase our allowance for loan losses, which could result in a net worth deficit for the quarter in which we adopt the guidance.

For any quarter for which we have a net worth deficit, we will be required to draw funds from Treasury under the senior preferred stock purchase agreement in order to avoid being placed into receivership. As of the date of this prospectus, the maximum amount of remaining funding under the agreement is $117.6 billion. If we were to draw additional funds from Treasury under the agreement in a future period, the amount of remaining funding under the agreement would be reduced by the amount of our draw. Dividend payments we make to Treasury do not restore or increase the amount of funding available to us under the agreement. Accordingly, if we experience multiple quarters of net worth deficits, the amount of remaining funding available under the senior preferred stock purchase agreement could be significantly reduced from its current level.

Our regulator is authorized or required to place us into receivership under specified conditions, which would result in the liquidation of our assets. Amounts recovered from the liquidation may not be sufficient to repay the liquidation preference of any series of our preferred stock or to provide any proceeds to common shareholders.

FHFA is required to place us into receivership if the Director of FHFA makes a written determination that our assets are less than our obligations for a period of 60 days after the filing deadline for our Form 10-K or Form 10-Q with the SEC. Although Treasury committed to providing us funds in accordance with the terms of the senior preferred stock purchase agreement, if we need funding from Treasury to avoid triggering FHFA's obligation, Treasury may not be able to provide sufficient funds to us within the required 60 days if it has exhausted its borrowing authority, if there is a government shutdown, or if the funding we need exceeds the amount available to us under the agreement. In addition, we could be put into receivership at the discretion of the Director of FHFA at any time for other reasons set forth in the GSE Act, including if we are critically undercapitalized or if we are undercapitalized and have no reasonable prospect of becoming adequately capitalized.

A receivership would terminate the conservatorship. In addition to the powers FHFA has as our conservator, the appointment of FHFA as our receiver would terminate all rights and claims that our shareholders and creditors may have against our assets or under our charter arising from their status as shareholders or creditors, except for their right to payment, resolution or other satisfaction of their claims as permitted under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended, including by the Federal Housing Finance Regulatory Reform Act of 2008 (together, the "GSE Act"). If we are placed into receivership and do not or cannot fulfill our guaranty to the Certificateholders, there may be significant delays of any payments to Certificateholders.

In the event of a liquidation of our assets, only after payment of the administrative expenses of the receiver and the immediately preceding conservator, the secured and unsecured claims against the company (including repaying all outstanding debt obligations), and the liquidation preference of the senior preferred stock, would any liquidation proceeds be available to repay the liquidation preference on any other series of preferred stock. Finally, only after the liquidation preference on all series of preferred stock is repaid would any liquidation proceeds be available for distribution to the holders of our common stock.

Rights of Certificateholders. During a receivership, certain rights of Certificateholders under the trust documents may not be enforceable against FHFA, or enforcement of such rights may be delayed. The trust documents provide that upon the occurrence of a guarantor event of default, which includes the appointment of a receiver, Certificateholders have the right to replace Fannie Mae as trustee if the requisite percentage of Certificateholders consents. The 2008 Reform Act may prevent Certificateholders from enforcing their rights to replace Fannie Mae as trustee if the event of default arises solely because a receiver has been appointed.

The 2008 Reform Act also provides that no person may exercise any right or power to terminate, accelerate or declare an event of default under certain contracts to which Fannie Mae is a party, or obtain possession of or exercise control over any property of Fannie Mae, or affect any contractual rights of Fannie Mae, without the approval of FHFA as receiver, for a statutorily specified period following the appointment of FHFA as receiver.

If we are placed into receivership and do not or cannot fulfill our guaranty obligations, Certificateholders could become unsecured creditors of Fannie Mae with respect to claims made under our guaranty. Certificateholders have certain limited rights to proceed against Treasury if we fail to pay

under our guaranty. The total amount that may be recovered from Treasury is subject to limits imposed in the senior preferred stock purchase agreement.

If we emerge from conservatorship and at a later date FHFA again were to put us into conservatorship, FHFA as conservator would have the authority of a new conservator, which could adversely affect our contracts, including our guaranty, and restrict or eliminate certain rights of Certificateholders.

For so long as we remain in the current conservatorship and are not placed into receivership, (i) FHFA has no authority to repudiate any contracts entered into after we were placed into conservatorship, including our guaranty related to certificates we issued during our conservatorship, and (ii) the rights of holders of certificates issued during our conservatorship are not restricted by the 2008 Reform Act.

If we emerge from conservatorship and at a later date FHFA again were to put us into conservatorship, (x) FHFA would have all of the authority of a new conservator (which is similar to the authority of a receiver described above), including the authority to repudiate the guaranty associated with certificates we issued during the initial conservatorship, and (y) certain rights of holders of certificates issued before and during the initial conservatorship would again be restricted or eliminated.

Our business and results of operations may be materially adversely affected if we are unable to retain and recruit well-qualified senior executives and other employees. The conservatorship, the uncertainty of our future, limitations on our executive and employee compensation, and negative publicity concerning the GSEs put us at a disadvantage compared to many other companies in attracting and retaining these employees.

Our business processes are highly dependent on the talents and efforts of our senior executives and other employees. The conservatorship, the uncertainty of our future, limitations on executive and employee compensation, and negative publicity concerning the GSEs have had and are likely to continue to have an adverse effect on our ability to retain and recruit well-qualified executives and other employees. Our business is highly complex and we are currently undertaking critical work to help build a sustainable housing finance system; therefore, continuity of our current management team under the leadership of our Chief Executive Officer is important. Turnover in key management positions and challenges in integrating new management could harm our ability to manage our business effectively and successfully finalize the implementation of our and FHFA's current strategic initiatives, and ultimately could adversely affect our financial performance.

Actions taken by Congress, FHFA and Treasury to date, or that may be taken by them or other government agencies in the future, have had, and may continue to have, an adverse effect on the retention and recruitment of senior executives and other employees. We are subject to significant restrictions on the amount and type of compensation we may pay our executives and other employees under conservatorship. In November 2015, the Equity in Government Compensation Act of 2015 was enacted. This law sets the annual direct compensation of our Chief Executive Officer at $600,000 while we are in conservatorship or receivership. We are also subject to the STOCK Act, which was enacted in April 2012 and includes a provision that prohibits our senior executives from receiving bonuses during any period of conservatorship on or after the date of enactment of the law. In addition, we are unable to offer equity-based compensation. As a result of these restrictions, we have not been able to incent and reward excellent performance with compensation structures that provide upside potential to our executives, which places us at a disadvantage compared to many other companies in attracting and retaining executives. In addition, the uncertainty of potential congressional action with respect to housing finance reform, which may result in the wind-down of the company, also negatively affects our ability to retain and recruit executives and other employees.

In many cases, the amount of compensation we pay our senior executives is significantly less than the compensation of executives in similar roles at many companies in our comparator group. Limitations on our ability to increase executive compensation to market levels for the foreseeable future puts us at greater risk of attrition, and also hampers our ability to recruit new executives. Moreover, limitations on our ability to offer market-based compensation make succession planning difficult. In particular, the limit on the annual direct compensation of our Chief Executive Officer to $600,000 significantly elevates our risk that we will not be able to retain our Chief Executive Officer and negatively affects our succession planning and our ability to attract qualified candidates for this critical role.

We face competition from within the financial services industry and from businesses outside of the financial services industry for qualified executives and other employees. Additionally, with an improving economy, attractive opportunities have become available to our executives and other employees. Our competitors for talent are generally not subject to the same limitations on executive compensation. The constraints on our executive compensation could adversely affect our ability to attract and retain qualified candidates.

If we are unable to retain, promote and attract executives and other employees with the necessary skills and talent, we would face increased risks for operational failures. If there were several high-level departures at approximately the same time, our ability to conduct our business would likely be materially adversely affected, which could have a material adverse effect on our results of operations and financial condition.

Our business activities are significantly affected by the conservatorship and the senior preferred stock purchase agreement.

We are currently under the control of our conservator, FHFA, and we do not know when or how the conservatorship will terminate. As conservator, FHFA can direct us to enter into contracts or enter into contracts on our behalf, and generally has the power to transfer or sell any of our assets or liabilities. In addition, our directors do not have fiduciary duties to any person or entity except to the conservator. Accordingly, our directors are not obligated to consider the interests of the company, the holders of our equity or debt securities, or the holders of Fannie Mae mortgage-backed securities ("MBS") in making or approving a decision unless specifically directed to do so by the conservator.

We are subject to significant restrictions on our business activities during conservatorship. We may be prevented by our conservator from engaging in business activities or transactions that we believe would benefit our business and financial results. For example, because FHFA must approve changes to the national loan level price adjustments we charge and can direct us to make other changes to our guaranty fee pricing, our ability to address changing market conditions, pursue certain strategic objectives, or manage the mix of loans lenders choose to deliver to us is constrained. We publish national risk-based loan level price adjustment grids that specify the additional cash fees we charge at the time we acquire a loan based on the credit characteristics of the loan. These fees allow us to price appropriately for the credit risk we assume in providing our guaranty on the loans. We do not have the ability to implement changes to these pricing grids without the approval of FHFA. If the mix of our single-family loan acquisitions changes, and FHFA does not approve requested changes to our pricing grids in response to these changes, it could adversely affect our financial results and condition. In addition, if FHFA directs us to change our pricing in any manner—including increases or decreases in our base guaranty fees or our loan-level price adjustments—it could result in a decrease in our guaranty fee revenues in future periods, a decrease in our single-family business volume or a negative impact on the credit risk profile of our new single-family acquisitions, any of which could adversely affect our financial results and condition.

Because we are under the control of our conservator, our business objectives may not be consistent with the investment objectives of our investors. We may be required by our conservator to engage in activities that are operationally difficult, costly to implement or unprofitable, or that may adversely affect our financial results or the credit risk profile of our book of business. FHFA has changed our business objectives significantly since we entered conservatorship, and could make additional changes at any time. Actions we take to meet FHFA's strategic goals and objectives for our conservatorship could adversely affect our financial results. For example, FHFA's conservatorship scorecards in recent years have included objectives relating to the development of a single security for Fannie Mae and Freddie Mac. As the implementation date of the single security approaches, some Fannie Mae MBS and comparable Freddie Mac Participation Certificates have traded closer to or at parity. If our market share declines in the future due to this trend or other factors, it could adversely affect our financial results. In addition, FHFA's conservatorship scorecards have included objectives relating to the sale of nonperforming loans in our book of business. These transactions could result in the sale of mortgage loans we hold at prices below the levels recorded in our financial statements or the sale of loans that may be more financially advantageous for us to hold. Moreover, we are devoting significant resources to meeting FHFA's goals for our conservatorship and expect to continue to do so.

The senior preferred stock purchase agreement with Treasury includes a number of covenants that significantly restrict our business activities. We cannot, without the prior written consent of Treasury: pay dividends (except on the senior preferred stock); sell, issue, purchase or redeem Fannie Mae equity securities; sell, transfer, lease or otherwise dispose of assets in specified situations; engage in transactions with affiliates other than on arm's-length terms or in the ordinary course of business; issue subordinated debt; or incur indebtedness that would result in our aggregate indebtedness exceeding 120% of the amount of mortgage assets we are allowed to own under the agreement. In deciding whether to consent to any request for approval it receives from us under the agreement, Treasury has the right to withhold its consent for any reason and is not required by the agreement to consider any particular factors, including whether or not management believes that the transaction would benefit the company. Pursuant to the senior preferred stock purchase agreement, the maximum allowable amount of mortgage assets we were permitted to own as of December 31, 2016 was $339.3 billion, and on each December 31 thereafter, our mortgage assets may not exceed 85% of the maximum allowable amount that we were permitted to own as of December 31 of the immediately preceding calendar year until the amount of our mortgage assets reaches $250 billion. In addition, FHFA has requested that we further cap our mortgage assets each year at 90% of the annual limit under our senior preferred stock purchase agreement with Treasury.

Actions taken by the conservator and the restrictions set forth in the senior preferred stock purchase agreement could adversely affect our business, results of operations, financial condition, liquidity and net worth.

A number of lawsuits have been filed against the U.S. government relating to the senior preferred stock purchase agreement and the conservatorship. We cannot predict the course or the outcome of these lawsuits, or the actions the U.S. government (including Treasury or FHFA) may take in response to any ruling or finding in any of these lawsuits. Accordingly, we cannot predict what impact, if any, these lawsuits will have on our business.

The conservatorship and agreements with Treasury have had, and will continue to have, a material adverse effect on our common and preferred shareholders.

We do not know when or how the conservatorship will terminate. Moreover, even if we are released from conservatorship, we remain subject to the terms of the senior preferred stock purchase agreement, senior preferred stock and warrant, which can only be canceled or modified with the consent

of Treasury. The conservatorship and agreements with Treasury have had, and will continue to have, material adverse effects on our common and preferred shareholders, including the following:

No voting rights during conservatorship. The rights and powers of our shareholders are suspended during conservatorship. During conservatorship, our common shareholders do not have the ability to elect directors or to vote on other matters unless the conservator delegates this authority to them.

No dividends to common or preferred shareholders, other than to Treasury. Our conservator announced in September 2008 that we would not pay any dividends on the common stock or on any series of preferred stock, other than the senior preferred stock, while we are in conservatorship. In addition, under the terms of the senior preferred stock purchase agreement, dividends may not be paid to common or preferred shareholders (other than on the senior preferred stock) without the prior written consent of Treasury, regardless of whether we are in conservatorship.

Our profits are distributed to Treasury. As described in a risk factor above, pursuant to the dividend provisions of the senior preferred stock and quarterly directives from our conservator, we are obligated to pay Treasury each quarter any dividends declared consisting of the amount, if any, by which our net worth as of the end of the immediately preceding fiscal quarter exceeds an applicable capital reserve amount, which will decrease to zero in 2018. As a result, our net income is not available to common shareholders or preferred shareholders other than Treasury as holder of the senior preferred stock.

Liquidation preference of senior preferred stock is high and could increase. The senior preferred stock ranks prior to our common stock and all other series of our preferred stock, as well as any capital stock we issue in the future, as to both dividends and distributions upon liquidation. Accordingly, if we are liquidated, the senior preferred stock is entitled to its then-current liquidation preference, plus any accrued but unpaid dividends, before any distribution is made to the holders of our common stock or other preferred stock. The liquidation preference on the senior preferred stock is currently $117.1 billion and would increase if we draw on Treasury's funding commitment in any future quarters or if we do not pay dividends owed on the senior preferred stock. If we are liquidated, we believe it is unlikely that there would be sufficient funds remaining after payment of amounts to our creditors and to Treasury as holder of the senior preferred stock to make any distribution to holders of our common stock and other preferred stock.

Exercise of the Treasury warrant would substantially dilute investment of current shareholders. If Treasury exercises its warrant to purchase shares of our common stock equal to 79.9% of the total number of shares of our common stock outstanding on a fully diluted basis, the ownership interest in the company of our then-existing common shareholders will be substantially diluted, and we would thereafter have a controlling shareholder.

We may incur significant credit losses and credit-related expenses on the loans in our mortgage credit book of business, which could materially adversely affect our earnings, financial condition and net worth.

We are exposed to a significant amount of mortgage credit risk on our $3.1 trillion mortgage credit book of business, which includes mortgage assets that back our guaranteed Fannie Mae MBS, mortgage assets in our retained mortgage portfolio and credit enhancements we provide. Borrowers of mortgage loans that we own or guaranty may fail to make required payments of principal and interest on their mortgage loans, exposing us to the risk of credit losses and credit-related expenses.

Although we strengthened our underwriting and eligibility standards in late 2008 and 2009, we continue to have loans in our book of business that were originated under our prior standards. As of December 31, 2016, 12% of our single-family conventional guaranty book of business consisted of loans acquired prior to 2009 and another 16% consisted of Refi Plus loans, which represent refinancings of loans that were originated prior to June 2009. Moreover, some of the loans we acquired prior to 2009 that remain in our single-family book of business as of December 31, 2016 have certain characteristics that expose us to greater credit risk than other types of mortgage loans, such as Alt-A loans (3% of our single-family conventional guaranty book), interest-only loans (2% of our single-family conventional guaranty book) and loans with FICO credit scores at origination of less than 620 (2% of our single-family conventional guaranty book). In addition, 16% of our single-family conventional guaranty book of business as of December 31, 2016 consisted of loans with original loan-to-value ("LTV") ratios greater than 90%, which may pose a higher credit risk than loans with lower LTV ratios. The credit performance of loans in our book of business could deteriorate in the future, particularly if we experience national or regional declines in home prices, weakening economic conditions or high unemployment, resulting in higher credit losses and credit-related expenses. Increases in our credit-related expenses would reduce our earnings and adversely affect our financial condition and net worth.

While we use certain credit enhancements to mitigate some of our potential future credit losses, these credit enhancements may provide less protection than we expect for a number of reasons. Some of the credit enhancements we use, such as mortgage insurance and credit insurance risk transfer transactions, are subject to the risk that the counterparties may not meet their obligations to us. Our credit risk transfer transactions have limited terms (typically 10 or 12.5 years), after which they provide limited or no further credit protection on the covered loans. Due to differences in accounting, there also could be a significant lag between the time when we recognize a provision for credit losses and when we recognize the related recovery from our Connecticut Avenue Securities transactions. While a credit expense on a loan in a reference pool for a Connecticut Avenue Securities transaction is recorded when it is probable that we have incurred a loss, for our Connecticut Avenue Securities issued beginning in 2016, a recovery is recorded when an actual loss event occurs. In addition, it is uncertain if there will be adequate demand for our credit risk transfer transactions over the long term to meet our goals for these transactions. Moreover, our credit risk transfer transactions are not designed to shield us from all losses because we retain a portion of the risk of future losses on loans covered by these transactions, including all or a portion of the first loss risk in most transactions.

The processing of foreclosures of single-family loans continues to be slow in some states, which has negatively affected our foreclosure timelines and our single-family serious delinquency rate. We also believe the slow pace of foreclosures in certain states is contributing to a slower recovery of those housing markets.

A failure in our operational systems or infrastructure, or those of third parties, could materially adversely affect our business, impair our liquidity, cause financial losses and harm our reputation.

Shortcomings or failures in our internal processes, people, data management or systems could disrupt our business or have a material adverse effect on our risk management, liquidity, financial statement reliability, financial condition and results of operations. Such a failure could result in legislative or regulatory intervention or sanctions, liability to customers, financial losses, business disruptions and damage to our reputation. For example, our business is highly dependent on our ability to manage and process, on a daily basis, an extremely large number of transactions, many of which are highly complex, across numerous and diverse markets and in an environment in which we must adapt to changing external conditions. These transactions are subject to various legal, accounting and regulatory standards. Our financial, accounting, data processing or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors, including events that

are wholly or partially beyond our control, adversely affecting our ability to process these transactions or manage associated data with reliability and integrity. In addition, we rely on information provided by third parties in processing many of our transactions; that information may be incorrect or we may fail to properly manage or analyze it or properly monitor its data quality.

We rely upon business processes that are highly dependent on people, technology and equipment, data and the use of numerous complex systems and models to manage our business and produce books and records upon which our financial statements and risk reporting are prepared. This reliance increases the risk that we may be exposed to financial, reputational or other losses as a result of inadequately designed internal processes or data management architecture, inflexible technology or the failure of our systems. While we continue to enhance our technology, infrastructure, operational controls and organizational structure in order to reduce our operational risk, these actions may not be effective to manage these risks and may create additional operational risk as we execute these enhancements. In addition, our use of third-party service providers for some of our business functions increases the risk that an operational failure by a third party will adversely affect us.

Our ability to manage and aggregate data may be limited by the effectiveness of our policies, programs, processes, systems and practices that govern how data is acquired, validated, stored, protected, processed and shared. Failure to manage data effectively and to aggregate data in an accurate and timely manner may limit our ability to manage current and emerging risks, as well as to manage changing business needs.

We also face the risk of operational failure, termination or capacity constraints of any of the clearing agents, exchanges, clearinghouses or other financial intermediaries we use to facilitate our securities and derivatives transactions. In recent years, there has been significant consolidation among clearing agents, exchanges and clearing houses. This consolidation and interconnectivity increases the risk of operational failure, on both an individual basis and an industry-wide basis, as disparate complex systems need to be integrated, often on an accelerated basis. Any such failure, termination or constraint could adversely affect our ability to effect transactions or manage our exposure to risk, and could have a significant adverse impact on our business, liquidity, financial condition, net worth and results of operations.

Substantially all of our employees and business operations functions are consolidated in two metropolitan areas: Washington, DC and Dallas, Texas. As a result of this concentration of our employees and facilities, a catastrophic event at either location, such as a terrorist attack, natural disaster, extreme weather event or disease pandemic could impact our ability to operate notwithstanding the business continuity plans and facilities that we have in place. Although we have an out-of-region data center for disaster recovery, this data center will take several days to become operational in the event it becomes necessary as a result of the catastrophic loss of our in-region data center. Moreover, because of the concentration of our employees in the Washington, DC and Dallas metropolitan areas, if a regional disruption occurs in one of these areas, our employees may not be not able to occupy our facilities, work remotely, or communicate with or travel to other locations. Accordingly, we may not be able to successfully implement our contingency plans if a catastrophic event occurs, which could materially adversely affect our ability to conduct our business and lead to financial losses.

A breach of the security of our systems or facilities, or those of third parties with which we do business, including as a result of cyber attacks, could damage or disrupt our business or result in the disclosure or misuse of confidential information, which could damage our reputation, increase our costs and cause losses.

Our operations rely on the secure receipt, processing, storage and transmission of confidential and other information in our computer systems and networks and with our business partners, including proprietary, confidential or personal information that is subject to privacy laws, regulations or contractual obligations. Information security risks for large institutions like us have significantly increased in recent years in part because of the proliferation of new technologies, the use of the Internet and telecommunications technologies to conduct or automate financial transactions, and the increased sophistication and activities of organized crime, hackers, terrorists and other external parties, including foreign state-sponsored actors. These actors may fraudulently entice users to provide unauthorized access to our systems, network and data. From time to time we have been, and likely will continue to be, the target of attempted cyber attacks, computer viruses, malicious code, phishing attacks, denial of service attacks and other information security threats. To date, we have not experienced any material losses relating to cyber attacks; however, we could suffer such losses in the future and we are not able to predict the severity of these attacks. Our risk and exposure to these matters remains heightened because of, among other things, the evolving nature of these threats, the current global economic and political environment, our prominent size and scale and our role in the financial services industry, the outsourcing of some of our business operations, and the interconnectivity and interdependence of third parties to our systems.

Although we take measures to protect the security of our software and network-enabled computers and systems, our software, computers and systems may be vulnerable to cyber attacks, breaches, unauthorized access, misuse, computer viruses or other malicious code and other events that could have a security impact. The occurrence of such an event could jeopardize or result in the unauthorized disclosure, gathering, monitoring, misuse, corruption, loss or destruction of confidential and other information that belongs to us, our customers, our counterparties, third-party service providers or borrowers that is processed and stored in, and transmitted through, our computer systems and networks. The occurrence of such an event could also result in damage to our software, computers or systems, or otherwise cause interruptions or malfunctions in our, our customers', our counterparties' or third parties' operations. This could result in significant losses, loss of customers and business opportunities, reputational damage, litigation, regulatory fines, penalties or intervention, reimbursement or other compensatory costs, or otherwise adversely affect our business, financial condition or results of operations. In addition, we may be required to expend significant additional resources to modify our protective measures and to investigate and remediate vulnerabilities or other exposures arising from operational and security risks. Although we maintain insurance coverage relating to cybersecurity risks, our insurance may not be sufficient to provide adequate loss coverage in all circumstances.

Third parties with which we do business may also be sources of cybersecurity or other technological risks. We outsource certain functions and these relationships allow for the external storage and processing of our information, as well as customer, counterparty and borrower information, including on cloud-based systems. While we engage in actions to mitigate our exposure resulting from outsourcing, ongoing threats may result in unauthorized access, loss or destruction of data or other cybersecurity incidents with increased costs and consequences to us such as those described above.

Our concurrent implementation of multiple new initiatives may increase our operational risk and result in one or more significant deficiencies or material weaknesses in our internal control over financial reporting.

We are currently implementing a number of initiatives in furtherance of our goals to better serve our customers' needs, improve our business efficiency and help to build a sustainable housing finance system, including initiatives implementing FHFA's conservatorship scorecard objectives. The magnitude of the many new initiatives we are undertaking may increase our operational risk. Many of these initiatives involve significant changes to our business processes, systems and infrastructure, and present

significant operational challenges for us. For example, we are working with FHFA and Freddie Mac on a multi-year effort to build a common securitization platform to eventually replace some of our current securitization infrastructure and to issue a single security on this platform. This initiative, in coordination with related internal infrastructure upgrades, is expected to result in significant changes to our current systems and operations, and involves a high degree of complexity. While implementation of each individual initiative creates operational challenges, implementing multiple initiatives during the same time period significantly increases these challenges. Due to the operational complexity associated with these changes and the limited time periods for implementing them, we believe there is a risk that implementing these changes could result in one or more significant deficiencies or material weaknesses in our internal control over financial reporting in a future period. If this were to occur, we could experience material errors in our reported financial results. In addition, FHFA, Treasury, other agencies of the U.S. government or Congress may require us to take actions in the future that could further increase our operational risk.

We may undertake efforts that adversely affect our business, results of operations, financial condition, liquidity and net worth.

In conservatorship our business is no longer managed with a strategy to maximize shareholder returns while fulfilling our mission. In pursuit of the goals prescribed by our conservator, we are taking a variety of actions that could adversely affect our economic returns, possibly significantly, such as modifying loans to help struggling borrowers; expanding our underwriting and eligibility requirements to increase access to mortgage credit; increasing our use of credit risk transfer transactions, which effectively reduces the guaranty fee income we retain on the covered loans; and preparing to issue a single security. We may also be asked to take additional efforts in support of our conservator's goals in the future that could adversely affect our economic returns. These activities may have short- and long-term adverse effects on our business, results of operations, financial condition, liquidity and net worth.

Other agencies of the U.S. government or Congress also may ask us to undertake significant efforts to support the housing and mortgage markets, as well as struggling homeowners. They may also ask us to take actions in support of other goals. These actions may adversely affect our financial results and condition. For example, in December 2011 Congress enacted the Temporary Payroll Tax Cut Continuation Act of 2011, under which, at the direction of FHFA, we increased the guaranty fee on all single-family residential mortgages delivered to us by 10 basis points effective April 1, 2012. The revenue generated by this fee increase is paid to Treasury and helps offset the cost of a two-month extension of the payroll tax cut in 2012.

We are also required by the GSE Act to undertake efforts in support of the housing market that could adversely affect our financial results and condition. For example, we are subject to housing goals under the GSE Act that require that a portion of the mortgage loans we acquire must be for low- and very-low income families, families in low-income census tracts and moderate-income families in minority census tracts or designated disaster areas. FHFA's 2015 to 2017 housing goals include higher benchmarks for most of the goals than those that were applicable in prior years. In addition, in December 2016, FHFA issued a final rule to implement our new duty to serve very low-, low- and moderate-income families in three underserved markets: manufactured housing, affordable housing preservation and rural areas. We will be required to make changes to our business and our acquisitions in the future to comply with our new duty to serve obligations. We may take actions to meet our housing goals and duty to serve obligations that could adversely affect our profitability. For example, we may acquire loans that offer lower expected returns on our investment than our other loan acquisitions and that may potentially increase our credit losses and credit-related expenses. If we do not meet our housing goals or duty to serve requirements, and FHFA finds that the goals or requirements were feasible, we may become subject to a housing plan that could require us to take additional steps that could have an adverse effect on our

results of operations and financial condition. The potential penalties for failure to comply with housing plan requirements include a cease-and-desist order and civil money penalties.

Limitations on our ability to access the debt capital markets could have a material adverse effect on our ability to fund our operations.

Our ability to fund our business depends primarily on our ongoing access to the debt capital markets. Market concerns about matters such as the extent of government support for our business, the future of our business (including future profitability, future structure, regulatory actions and GSE status) and the creditworthiness of the U.S. government could cause a severe negative effect on our access to the unsecured debt markets, particularly for long-term debt. We believe that our ability in recent years to issue debt of varying maturities at attractive pricing resulted from federal government support of our business. As a result, we believe that our status as a GSE and continued federal government support is essential to maintaining our access to debt funding. Changes or perceived changes in federal government support of our business or our status as a GSE could materially and adversely affect our liquidity, financial condition and results of operations. There can be no assurance that the government will continue to support us, or that our current level of access to debt funding will continue. In addition, due to our reliance on the U.S. government's support, our access to debt funding also could be materially adversely affected by a change or perceived change in the creditworthiness of the U.S. government.

Future changes or disruptions in the financial markets could significantly change the amount, mix and cost of funds we obtain, as well as our liquidity position. If we are unable to issue both short- and long-term debt securities at attractive rates and in amounts sufficient to operate our business and meet our obligations, it likely would interfere with the operation of our business and have a material adverse effect on our liquidity, results of operations, financial condition and net worth.

Our liquidity contingency plans may be difficult or impossible to execute during a liquidity crisis.

We believe that our liquidity contingency plans may be difficult or impossible to execute during a liquidity crisis. If we cannot access the unsecured debt markets, our ability to repay maturing indebtedness and fund our operations could be eliminated or significantly impaired. In this event, our alternative sources of liquidity—consisting of our cash and other investments portfolio and the unencumbered mortgage assets in our retained mortgage portfolio—may not be sufficient to meet our liquidity needs.

We believe that the amount of mortgage-related assets that we could successfully sell or borrow against in the event of a liquidity crisis or significant market disruption is substantially lower than the amount of mortgage-related assets we hold. Due to the current composition of our retained mortgage portfolio, including the significant amount of distressed assets in our portfolio, there would likely be insufficient market demand for large amounts of the mortgage-related assets in our portfolio over a prolonged period of time, which would limit our ability to borrow against or sell these assets. To the extent that we are able to obtain funding by pledging or selling mortgage-related securities as collateral, we anticipate that a discount would be applied that would reduce the value assigned to those securities. Depending on market conditions at the time, this discount could result in proceeds significantly lower than the current market value of these securities and could thereby reduce the amount of financing we obtain.

A decrease in the credit ratings on our senior unsecured debt could have an adverse effect on our ability to issue debt on reasonable terms, particularly if such a decrease were not based on a similar action on the credit ratings of the U.S. government. A decrease in our credit ratings also could trigger additional collateral requirements under our derivatives contracts.

A reduction in our credit ratings could materially adversely affect our liquidity, our ability to conduct our normal business operations, our financial condition and our results of operations. Credit ratings on our senior unsecured debt, as well as the credit ratings of the U.S. government, are primary factors that could affect our borrowing costs and our access to the debt capital markets. Credit ratings on our debt are subject to revision or withdrawal at any time by the rating agencies. Actions by governmental entities impacting the support we receive from Treasury could adversely affect the credit ratings on our senior unsecured debt. As of December 31, 2016, our long-term debt was rated "AA+" by S&P, "Aaa" by Moody's Investors Services ("Moody's") and "AAA" by Fitch.

Because we rely on the U.S. government for capital support, in recent years, when a rating agency has taken an action relating to the U.S. government's credit rating, they have taken a similar action relating to our ratings at approximately the same time. S&P, Moody's and Fitch have all indicated that they would likely lower their ratings on the debt of Fannie Mae and certain other government-related entities if they were to lower their ratings on the U.S. government. We currently cannot predict whether one or more of these rating agencies will downgrade our debt ratings in the future, nor can we predict the potential impact.

A reduction in our credit ratings may also trigger additional collateral requirements under our derivative contracts because a majority of our over-the-counter ("OTC") derivative contracts contain provisions that require our senior unsecured debt to maintain a minimum credit rating from S&P and Moody's. If our senior unsecured debt credit ratings were downgraded to established thresholds in our OTC derivative contracts, which range from A+ to BBB+, we could be required to provide additional collateral to or terminate transactions with certain counterparties. The aggregate fair value of all OTC derivatives with credit-risk-related contingent features that were in a net liability position as of December 31, 2016 was $1.6 billion, for which we posted collateral of $1.4 billion in the normal course of business. If our senior unsecured debt had been downgraded to AA or Aa1, or even to AA- or Aa2, we would not have been required to post any additional collateral under these agreements as of December 31, 2016. If all of the credit-risk-related contingency features underlying these agreements had been triggered, an additional $258 million would have been required either to be posted as collateral or to immediately settle our positions based on the individual agreements and our fair value position as of December 31, 2016. A reduction in our credit ratings also could cause derivatives clearing organizations or their members to demand that we post additional collateral for our cleared derivative contracts.

One or more of our institutional counterparties may fail to fulfill their contractual obligations to us, resulting in financial losses, business disruption and decreased ability to manage risk.

We routinely enter into a high volume of transactions with counterparties in the financial services industry. Our primary exposures to institutional counterparty risk are with mortgage servicers that service the loans we hold in our retained mortgage portfolio or that back our Fannie Mae MBS; mortgage sellers and servicers that are obligated to repurchase loans from us or reimburse us for losses in certain circumstances; credit guarantors that provide credit enhancements on the mortgage assets that we hold in our retained mortgage portfolio or that back our Fannie Mae MBS, including mortgage insurers, credit insurance risk transfer counterparties, financial guarantors and multifamily lenders with risk sharing arrangements; custodial depository institutions that hold principal and interest payments for loans in our retained mortgage portfolio and for MBS certificateholders, as well as collateral posted by derivatives counterparties, mortgage sellers and mortgage servicers; the financial institutions that issue the investments held in our cash and other investments portfolio; and derivatives counterparties.

We may have multiple exposures to one counterparty as many of our counterparties provide several types of services to us. For example, our lender customers or their affiliates may also act as derivatives counterparties, mortgage servicers, custodial depository institutions or document custodians.

Accordingly, if one of these counterparties were to become insolvent or otherwise default on its obligations to us, it could harm our business and financial results in a variety of ways.

An institutional counterparty may default in its obligations to us for a number of reasons, such as changes in financial condition that affect its credit rating, changes in its servicer rating, a reduction in liquidity, operational failures or insolvency. Counterparty defaults or limitations on their ability to do business with us could result in significant financial losses or hamper our ability to do business or manage the risks to our business, which could materially adversely affect our business, results of operations, financial condition, liquidity and net worth.

We depend on our ability to enter into derivatives transactions in order to manage the duration and prepayment risk of our retained mortgage portfolio. If we lose access to our derivatives counterparties, it could adversely affect our ability to manage these risks, which could have a material adverse effect on our business, results of operations, financial condition and liquidity.

Our financial condition or results of operations may be adversely affected if mortgage servicers fail to perform their obligations to us.

We delegate the servicing of the mortgage loans in our guaranty book of business to mortgage servicers; we do not have our own servicing function. Functions performed by mortgage servicers on our behalf include collecting and delivering principal and interest payments, administering escrow accounts, monitoring and reporting delinquencies, performing default prevention activities and other functions. The inability of a mortgage servicer to perform these functions due to financial, operational, regulatory or other issues could negatively affect our ability to manage our book of business, delay or prevent our collection of amounts due to us or otherwise result in the failure to perform other servicing duties, resulting in financial losses.

Our servicers also have an active role in our loss mitigation efforts. Our ability to actively manage the troubled loans that we own or guarantee, and to implement our homeownership assistance and foreclosure prevention efforts quickly and effectively, is limited by our reliance on our mortgage servicers. A decline in servicer performance on loss mitigation could adversely affect our credit performance, which could have a material adverse effect on our business, results of operations and financial condition.

A large portion of our single-family guaranty book is serviced by non-depository servicers. The potentially lower financial strength, liquidity and operational capacity of non-depository mortgage sellers and servicers compared with depository mortgage sellers and servicers may negatively affect their ability to satisfy their repurchase or compensatory fee obligations or to service the loans on our behalf. In addition, regulatory bodies have been reviewing the activities of some of our largest non-depository servicers.

If we replace a mortgage servicer, we likely would incur costs and potential increases in servicing fees and could also face operational risks. If a mortgage servicer counterparty fails, it could result in a temporary disruption in servicing and loss mitigation activities relating to the loans serviced by that mortgage servicer, particularly if there is a loss of experienced servicing personnel. We may also face challenges in transferring a large servicing portfolio.

Multifamily mortgage servicing is typically performed by the lenders who sell the mortgages to us. We are exposed to the risk that multifamily servicers could come under financial pressure, which could potentially result in a decline in the quality of the servicing they provide us.

The servicing of the Underlying Mortgage Loan differs in certain respects from the servicing performed on mortgage loans in transactions in which we typically take part. See "*Description of the Trust and Servicing Agreement*" in the Information Circular.

We may incur losses as a result of claims under our mortgage insurance policies not being paid in full or at all.

We rely heavily on mortgage insurers to provide insurance against borrower defaults on single-family conventional mortgage loans with LTV ratios over 80% at the time of acquisition. Although the financial condition of our primary mortgage insurer counterparties currently approved to write new business has improved in recent years, there is still a risk that these counterparties may fail to fulfill their obligations to pay our claims under insurance policies.

In addition, three of our mortgage insurer counterparties who are currently not approved to write new business—PMI Mortgage Insurance Co. ("PMI"), Triad Guaranty Insurance Corporation ("Triad") and Republic Mortgage Insurance Company ("RMIC")—are currently under various forms of supervised control by their state regulators and are in run-off. A mortgage insurer that is in run-off continues to collect renewal premiums and process claims on its existing insurance business, but no longer writes new insurance, which increases the risk that the mortgage insurer will pay claims only in part or fail to pay claims at all under existing insurance policies. Entering run-off may close off a source of profits and liquidity that may have otherwise assisted a mortgage insurer in paying claims under insurance policies, and could also cause the quality and speed of its claims processing to deteriorate. PMI and Triad have been paying only a portion of policyholder claims and deferring the remaining portion. PMI is currently paying 71.5% of claims under its mortgage insurance policies in cash and is deferring the remaining 28.5%, and Triad is currently paying 75% of claims in cash and deferring the remaining 25%. It is uncertain whether PMI or Triad will be permitted in the future to pay their deferred policyholder claims and/or increase or decrease the amount of cash they pay on claims. RMIC is no longer deferring payments on policyholder claims and has paid us its previously outstanding deferred payment obligations; however, RMIC has not paid us interest on its deferred payment obligations and remains in run-off and under the supervisory control of its state regulator. PMI, Triad and RMIC provided a combined $8.0 billion, or 6%, of our risk in force mortgage insurance coverage of our single-family guaranty book of business as of December 31, 2016.

On at least a quarterly basis, we assess our mortgage insurer counterparties' respective abilities to fulfill their obligations to us, and our loss reserves take into account this assessment. If our assessment indicates their ability to pay claims has deteriorated significantly or if our projected claim amounts have increased, it could result in an increase in our loss reserves and our credit losses.

Challenges to the MERS® company, system and processes could pose operational, reputational and legal risks for us.

MERSCORP Holdings, Inc. ("MERSCORP") is a privately held company that maintains an electronic registry (the "MERS System") that tracks servicing rights and ownership of loans in the United States. Mortgage Electronic Registration Systems, Inc. ("MERS"), a wholly owned subsidiary of MERSCORP, can serve as a nominee for the owner of a mortgage loan and, in that role, become the mortgagee of record for the loan in local land records. Fannie Mae sellers and servicers may choose to use MERS as a nominee; however, we have prohibited servicers from initiating foreclosures on Fannie Mae loans in MERS's name. A large portion of the loans we own or guarantee are registered in MERS's name and the related servicing rights are tracked in the MERS System. The MERS System is widely used by participants in the mortgage finance industry. Along with a number of other organizations in the

mortgage finance industry, we are a shareholder of MERSCORP. In 2016, Intercontinental Exchange, Inc. acquired a majority equity position in MERSCORP.

Numerous legal challenges have been made disputing MERS's ability to initiate foreclosures, act as nominee in local land records, and/or assign mortgages or take other action on behalf of the loan owner. These challenges seek judicial relief ranging from money damages, fines and penalties to injunctive/declaratory relief seeking the prevention of mortgage assignments by MERS and/or the voiding of completed foreclosures in which MERS appeared in the chain of title. These challenges have focused public attention on MERS and on how loans are recorded in local land records. As a result, these challenges could negatively affect MERS's ability to serve as the mortgagee of record in some jurisdictions, which could cause additional costs and time in the recordation process and could negatively impact our interest in the loans. These challenges also could result in court decisions that substantially delay new or pending foreclosures, or void completed foreclosures in certain jurisdictions, which would require that we re-foreclose on the affected properties, thereby increasing our costs and lengthening the time it takes for us to foreclose on and dispose of the properties.

In addition, where MERS is the mortgagee of record, it must execute assignments of mortgages, affidavits and other legal documents in connection with foreclosure proceedings. In April 2011, federal banking regulators and FHFA announced a consent order with MERS and MERSCORP to address significant weaknesses in, among other things, oversight, management supervision and corporate governance at MERS and MERSCORP that were uncovered as part of the regulators' review of mortgage servicers' foreclosure processing. Failures by MERS or MERSCORP to apply prudent and effective process controls and to comply with legal and other requirements could pose counterparty, operational, reputational and legal risks for us. If investigations or new regulation or legislation restricts servicers' use of MERS, our counterparties may be required to record all mortgage transfers in land records, incurring additional costs and time in the recordation process. The legal challenges against MERS and MERSCORP remain ongoing. The outcome of these legal challenges could adversely affect our business, results of operations or financial condition.

Changes in accounting standards and policies can be difficult to predict and can materially impact how we record and report our financial results.

Our accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. From time to time, the FASB or the SEC changes the financial accounting and reporting standards or the policies that govern the preparation of our financial statements. In addition, FHFA provides guidance that affects our adoption or implementation of financial accounting or reporting standards. These changes can be difficult to predict and expensive to implement, and can materially impact how we record and report our financial condition and results of operations. We could be required to apply new or revised guidance retrospectively, which may result in the revision of prior period financial statements by material amounts. The implementation of new or revised accounting guidance, such as the new impairment guidance issued in June 2016 described above could have a material adverse effect on our financial results or net worth and result in or contribute to the need for additional draws from Treasury under the senior preferred stock purchase agreement.

Material weaknesses in our internal control over financial reporting could result in errors in our reported results or disclosures that are not complete or accurate.

Management has determined that, as of the date of this prospectus, we have ineffective disclosure controls and procedures that result in a material weakness in our internal control over financial reporting. In addition, our independent registered public accounting firm, Deloitte & Touche LLP, has expressed an adverse opinion on our internal control over financial reporting because of the material weakness. Our

ineffective disclosure controls and procedures and material weakness could result in errors in our reported results or disclosures that are not complete or accurate, which could have a material adverse effect on our business and operations.

Our material weakness relates specifically to the impact of the conservatorship on our disclosure controls and procedures. Because we are under the control of FHFA, some of the information that we may need to meet our disclosure obligations may be solely within the knowledge of FHFA. As our conservator, FHFA has the power to take actions without our knowledge that could be material to our shareholders and other stakeholders, and could significantly affect our financial performance or our continued existence as an ongoing business. Because FHFA currently functions as both our regulator and our conservator, there are inherent structural limitations on our ability to design, implement, test or operate effective disclosure controls and procedures relating to information known to FHFA. As a result, we have not been able to update our disclosure controls and procedures in a manner that adequately ensures the accumulation and communication to management of information known to FHFA that is needed to meet our disclosure obligations under the federal securities laws, including disclosures affecting our financial statements. Given the structural nature of this material weakness, we do not expect to remediate this weakness while we are under conservatorship.

In many cases, our accounting policies and methods, which are fundamental to how we report our financial condition and results of operations, require management to make judgments and estimates about matters that are inherently uncertain. Management also relies on models in making these estimates.

Our accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. Our management must exercise judgment in applying many of these accounting policies and methods so that these policies and methods comply with GAAP and reflect management's judgment of the most appropriate manner to report our financial condition and results of operations. In some cases, management must select the appropriate accounting policy or method from two or more alternatives, any of which might be reasonable under the circumstances but might affect the amounts of assets, liabilities, revenues and expenses that we report.

We have identified two of our accounting policies as being critical to the presentation of our financial condition and results of operations. We believe these policies are critical because they require management to make particularly subjective or complex judgments about matters that are inherently uncertain and because of the likelihood that materially different amounts would be reported under different conditions or using different assumptions.

Because our financial statements involve estimates for amounts that are very large, even a small change in the estimate can have a significant impact for the reporting period. For example, because our total loss reserves are so large, even a change that has a small impact relative to the size of our loss reserves can have a meaningful impact on our results for the quarter in which we make the change.

Many of our accounting methods involve substantial use of models. Models are inherently imperfect predictors of actual results because they are based on assumptions, including assumptions about future events. Our actual results could differ significantly from those generated by our models. As a result, the estimates that we use to prepare our financial statements, as well as our estimates of our future results of operations, may be inaccurate, perhaps significantly.

Failure of our models to produce reliable results may adversely affect our ability to manage risk and make effective business decisions.

We make significant use of quantitative models to measure and monitor our risk exposures and to manage our business. For example, we use models to measure and monitor our exposures to interest rate, credit and market risks, and to forecast credit losses. The information provided by these models is used in making business decisions relating to strategies, initiatives, transactions, pricing and products.

Models are inherently imperfect predictors of actual results because they are based on historical data and assumptions regarding factors such as future loan demand, borrower behavior, creditworthiness and home price trends. Other potential sources of inaccurate or inappropriate model results include errors in computer code, bad data, misuse of data, or use of a model for a purpose outside the scope of the model's design. Modeling often assumes that historical data or experience can be relied upon as a basis for forecasting future events, an assumption that may be especially tenuous in the face of unprecedented events.

Given the challenges of predicting future behavior, management judgment is used at every stage of the modeling process, from model design decisions regarding core underlying assumptions, to interpreting and applying final model output. To control for these inherent imperfections, our models are validated by an independent model risk management team within our Enterprise Risk Division and are subject to control requirements set by our model risk policies.

When market conditions change quickly and in unforeseen ways, there is an increased risk that the model assumptions and data inputs for our models are not representative of the most recent market conditions. Under such circumstances, we must rely on management judgment to make adjustments or overrides to our models. A formal model update is typically an extensive process that involves basic research, testing, independent validation and production implementation. In a rapidly changing environment, it may not be possible to update existing models quickly enough to properly account for the most recently available data and events. Management adjustments to modeled results are applied within the confines of the governance structure provided by a combination of our model risk management team and our finance and risk committees.

If our models fail to produce reliable results on an ongoing basis, we may not make appropriate risk management decisions, including decisions affecting loan purchases, management of credit losses, guaranty fee pricing, and asset and liability management. Any of these decisions could adversely affect our business, results of operations, liquidity, net worth and financial condition. Furthermore, strategies we employ to manage and govern the risks associated with our use of models may not be effective or fully reliable.

Changes in interest rates or our loss of the ability to manage interest rate risk successfully could adversely affect our financial results and condition, and increase interest rate risk.

We fund our operations primarily through the issuance of debt and invest our funds primarily in mortgage-related assets that permit mortgage borrowers to prepay their mortgages at any time. These business activities expose us to market risk, which is the risk of loss resulting from adverse changes in the value of financial instruments caused by changes in market conditions. Market risk includes interest rate risk, which is the risk of loss from adverse changes in the value of our assets or liabilities or our future earnings due to changes in interest rates. Changes in interest rates affect both the value of our mortgage assets and prepayment rates on our mortgage loans.

Changes in interest rates could have a material adverse effect on our business, results of operations, financial condition, liquidity and net worth. Our ability to manage interest rate risk depends on our ability to issue debt instruments with a range of maturities and other features, including call provisions, at attractive rates and to engage in derivatives transactions. We must exercise judgment in

selecting the amount, type and mix of debt and derivative instruments that will most effectively manage our interest rate risk. The amount, type and mix of financial instruments that are available to us may not offset possible future changes in the spread between our borrowing costs and the interest we earn on our mortgage assets.

We mark to market changes in the estimated fair value of our derivatives through our earnings on a quarterly basis, but we do not similarly mark to market changes in some of the financial instruments that generate our interest rate risk exposures. As a result, changes in interest rates, particularly significant changes, can have a significant adverse effect on our earnings and net worth for the quarter in which the changes occur, depending on the nature of the changes and the derivatives we hold at that time. We have experienced significant fair value losses in some periods due to changes in interest rates, and we expect to continue to experience volatility from period to period in our financial results as a result of fair value losses or gains on our derivatives.

Changes in interest rates also can affect our credit losses. When interest rates increase, our credit losses from loans with adjustable payment terms may increase as borrower payments increase at their reset dates, which increases the borrower's risk of default, particularly for adjustable-rate loans with interest-only features. Rising interest rates may also reduce the opportunity for these borrowers to refinance into a fixed-rate loan. Similarly, many borrowers may have additional debt obligations, such as home equity lines of credit and second liens, that also have adjustable payment terms. If a borrower's payment on his or her other debt obligations increases due to rising interest rates or a change in amortization, it increases the risk that the borrower may default on a loan we own or guarantee. In addition to increasing the risk of future borrower defaults, rising interest rates reduce expected future loan prepayments, which lengthens the expected life of our individually impaired loans and therefore increases our impairment related to concessions we have provided on those loans.

While we have not experienced negative interest rates in the United States, some central banks in Europe and Asia have cut interest rates below zero. If U.S. interest rates were to fall below zero, it could negatively impact our financial results and increase our operational risk.

Changes in spreads could materially impact our results of operations, net worth and the fair value of our net assets.

Spread risk or basis risk is the resulting impact of changes in the spread between our mortgage assets and our debt and derivatives we use to hedge our position. Changes in market conditions, including changes in interest rates, liquidity, prepayment and default expectations, and the level of uncertainty in the market for a particular asset class may cause fluctuations in spreads. Changes in mortgage spreads have contributed to significant volatility in our financial results in certain periods, due to fluctuations in the estimated fair value of the financial instruments that we mark to market through our earnings, and this could occur again in a future period. A widening of mortgage spreads could cause significant fair value losses, and could adversely affect our near-term financial results and net worth. We do not actively manage or hedge our spread risk after we purchase mortgage assets, other than through asset monitoring and disposition.

Our business is subject to laws and regulations that restrict our activities and operations, which limit our ability to diversify our business and may prohibit us from undertaking activities that management believes would benefit our business.

As a federally chartered corporation, we are subject to the limitations imposed by the Charter Act, extensive regulation, supervision and examination by FHFA and regulation by other federal agencies, including Treasury, HUD and the SEC. As a company under conservatorship, our primary regulator has

management authority over us in its role as our conservator. We are also subject to other laws and regulations that affect our business, including those regarding taxation and privacy.

The Charter Act defines our permissible business activities. For example, we may not originate mortgage loans or purchase single-family loans in excess of the conforming loan limits, and our business is limited to the U.S. housing finance sector. In addition, as described in a previous risk factor, our business activities are subject to significant restrictions as a result of the conservatorship and the senior preferred stock purchase agreement. As a result of these limitations on our ability to diversify our operations, our financial condition and results of operations depend almost entirely on conditions in a single sector of the U.S. economy, specifically, the U.S. housing market. Weak or unstable conditions in the housing market can therefore have a significant adverse effect on our results of operations, financial condition and net worth.

Our business and financial results could be materially adversely affected by legal or regulatory proceedings.

We are a party to various claims and other legal proceedings. We also have been, and in the future may be, involved in government investigations. We may be required to establish accruals and to make substantial payments in the event of adverse judgments or settlements of any such claims, investigations or proceedings, which could have a material adverse effect on our business, results of operations, financial condition, liquidity and net worth. Any legal proceeding or governmental investigation, even if resolved in our favor, could result in negative publicity or cause us to incur significant legal and other expenses.

Developments in, outcomes of, impacts of, and costs, expenses, settlements and judgments related to these legal proceedings and governmental investigations may differ from our expectations and exceed any amounts for which we have accrued or require adjustments to such accruals. In addition, responding to these matters could divert significant internal resources away from managing our business.

An active trading market in our equity securities may cease to exist, which would adversely affect the market price and liquidity of our common and preferred stock.

Our common stock and preferred stock are now traded exclusively in the over-the-counter market. We cannot predict the actions of market makers, investors or other market participants, and can offer no assurances that the market for our securities will be stable. If there is no active trading market in our equity securities, the market price and liquidity of the securities will be adversely affected.

Mortgage fraud could result in significant financial losses and harm to our reputation.

We use a process of delegated underwriting in which lenders make specific representations and warranties about the characteristics of the mortgage loans we purchase and securitize. As a result, we do not independently verify most borrower information that is provided to us. This exposes us to the risk that one or more of the parties involved in a transaction (the borrower, seller, broker, appraiser, title agent, lender or servicer) will engage in fraud by misrepresenting facts about a mortgage loan. Similarly, we rely on delegated servicing of loans and use of a variety of external resources to manage our REO. We have experienced financial losses resulting from mortgage fraud, including institutional fraud perpetrated by counterparties. In the future, we may experience additional financial losses or reputational damage as a result of mortgage fraud.

The underwriting we delegated with respect to the Underlying Mortgage Loan differs in certain respects from the underwriting typically delegated by us. See "*Description of the Loan*" in the Information Circular.

Risks Relating to Our Industry

Turbulence in the financial markets and lack of liquidity for mortgage-related securities may adversely affect the performance and market value of the Offered Certificates

Market and economic conditions during the past several years have caused significant disruption in the credit markets. In addition, the impact of the recent U.S. presidential election on U.S. economic prospects generally and capital markets in the U.S. and abroad remains unclear, further underscoring the widespread uncertainty that has prevailed since the financial crisis of the past decade. The Treasury Secretary has expressed an intention to pursue significant reform of the current U.S. mortgage finance system which, if implemented, may significantly affect Fannie Mae and Freddie Mac. In addition to political events, continued concerns about the availability and cost of credit, the U.S. mortgage market, some real estate markets in the U.S., economic conditions in the U.S. and Europe and the systemic impact of inflation or deflation, energy costs and geopolitical issues have contributed to increased market volatility and diminished expectations for the U.S. economy. Increased market uncertainty and instability in both U.S. and international capital and credit markets, combined with declines in business and consumer confidence and increased unemployment, have contributed to volatility in domestic and international markets.

There is particular uncertainty about the prospects for growth in the U.S. economy. In addition to the uncertainty arising from the recent U.S. presidential election, a number of factors influence the potential uncertainty, including, but not limited to, weakness in the employment market, government debt levels, prospective Federal Reserve policy shifts, the withdrawal of government interventions into the financial markets, changing U.S. consumer spending patterns, and changing expectations for inflation and deflation. Income growth and unemployment levels affect borrowers' ability to repay mortgage loans, and there is risk that economic activity could be weaker than anticipated following the recent serious recession. Although the U.S. economy, by most measures, has emerged from the recent recession, the recovery could be fragile and unsustainable, in which circumstances another, possibly more severe, recession may ensue. Continued concerns about the economic conditions in the United States, China and Europe, including downgrades of the long-term debt ratings of Eurozone nations and the United States, generally have contributed to increased market volatility and diminished growth expectations for the U.S. economy. In addition, on June 23, 2016 the United Kingdom held a referendum regarding its continued membership in the European Union. The majority voted in favor of leaving the European Union. Numerous uncertainties exist with regard to the future of the United Kingdom and its relationship with the European Union, including the terms of any agreement governing its future withdrawal from the European Union. The negotiation of any such withdrawal is likely to take a number of years and we are unable to predict the impact that the referendum, the United Kingdom's departure from the European Union and any related considerations may have on the Offered Certificates, including the market value or the liquidity thereof in the secondary market, or the other parties to the transaction documents.

Subsequent to the financial crisis, the Federal Reserve adopted an easing stance in monetary policy referred to as "quantitative easing". For example, buying mortgage-backed securities and cutting interest rates, actions that are intended to lower the cost of borrowing, result in higher investment activity which, in turn, stimulates the economy. Based on the stabilization of unemployment, as well as the increase in home prices, the Federal Reserve announced the end of its quantitative easing program in October 2014 and proceeded to raise key short-term interest rates in December 2015 and again in December 2016. The economic conditions experienced from 2007 to the present have been unique and

unprecedented in terms of the level of home price declines, as well as the subsequent government intervention. There can be no assurance that the factors that caused such financial crisis (or any other factors) will not have similar effects on the mortgage market in the future.

As a result of market conditions and other factors, the cost and availability of credit has been and may in the future be adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets and the creditworthiness of counterparties has led many lenders and institutional investors to reduce, and in some cases discontinue, lending to certain borrowers. Continued turbulence in the U.S. and international markets and economies may negatively affect the U.S. housing market and the credit performance and market value of residential mortgage loans.

Furthermore, the secondary market for mortgage-related securities is experiencing extremely limited liquidity. These conditions may continue or worsen in the future. Limited liquidity in the secondary market may continue to have an adverse effect on the market value of mortgage-related securities, especially those that are more sensitive to prepayment or credit risk, and could adversely affect a Certificateholder's ability to sell the Offered Certificates or the price such Certificateholder receives for the Offered Certificates.

These factors and general market conditions, together with the limited amount of credit enhancement available to the Certificateholders (as further described in this prospectus), could adversely affect the performance and market value of the Offered Certificates and result in a full or partial loss of your initial principal investment. See "*Prepayment and Yield Considerations — Yield Considerations with Respect to the Offered Certificates*". There can be no assurance that governmental intervention or other actions or events will improve these conditions in the near future.

The policies of the Administration and related impacts on the U.S. economy and economic conditions abroad may affect the market value of the Offered Certificates

The Administration has articulated proposals that, if implemented, may result in modifications of existing U.S. trade agreements as well as cuts in U.S. tax rates for individuals and corporations. The Treasury Secretary has also expressed an intention to pursue widespread reform of the U.S. mortgage finance system, including the potential restructuring of Fannie Mae and Freddie Mac. These changes may have significant effects on real estate values and prevailing mortgage rates for residential properties. Such changes could lead to increases or decreases in housing inventories based on fluctuations in residential real estate values as well as fluctuations in residential mortgage rates, which could have a significant impact on affordability. There is considerable uncertainty as to which of these policies, if any, will ultimately be implemented. Finally, ongoing questions with regard to Administration policies could reduce future business investment and consumption patterns, which in turn could adversely affect the Residential Properties and, consequently, the Offered Certificates.

The Dodd-Frank Act and other regulatory changes in the financial services industry may negatively affect our business.

The Dodd-Frank Act is significantly changing the regulation of the financial services industry, resulting in new standards related to regulatory oversight of systemically important financial companies, derivatives transactions, asset-backed securitization, mortgage underwriting and consumer financial protection. This legislation is affecting and will, in the future, directly and indirectly affect many aspects of our business and could have a material adverse effect on the Residential Properties and on our business, results of operations, financial condition, liquidity and net worth. The Dodd-Frank Act and related regulatory changes could require us to change certain business practices, cause us to incur significant additional costs, limit the products we offer, require us to increase our regulatory capital or

otherwise adversely affect our business. Additionally, implementation of this legislation will result in increased supervision and more comprehensive regulation of our customers and counterparties in the financial services industry, which may have a significant impact on the business practices of our customers and counterparties, as well as on our counterparty credit risk. It is possible that any such changes will adversely affect the servicing of the Residential Properties.

Examples of aspects of the Dodd-Frank Act and related regulatory changes that may affect us include minimum standards for residential mortgage loans, which could subject us to increased legal risk for some loans we acquire; and the development of credit risk retention regulations applicable to residential mortgage loan securitizations, which could impact the types and volume of loans sold to us. Under the final version of the "ability to repay" rule of the Consumer Financial Protection Bureau, which became effective on January 10, 2014 and was revised in August 2016, there is uncertainty as to whether the rule may increase our legal risk for loans we acquire. We could also be designated as a systemically important nonbank financial company subject to supervision and regulation by the Federal Reserve. If this were to occur, the Federal Reserve would have the authority to examine us and could impose stricter prudential standards on us, including risk-based capital requirements, leverage limits, liquidity requirements, credit concentration limits, resolution plan and credit exposure reporting requirements, overall risk management requirements, contingent capital requirements, enhanced public disclosures and short-term debt limits.

Because federal agencies have not completed all of the extensive rule-making processes needed to implement and clarify many of the provisions of the Dodd-Frank Act, it is difficult to assess fully the impact of this legislation on our business and industry at this time, and we cannot predict what similar changes to statutes or regulations will occur in the future. In addition, for many of the provisions of the Dodd-Frank Act, uncertainty regarding how they will ultimately be implemented is affecting and may in the future affect our actions and those of our customers and counterparties, which may negatively impact our business, results of operation, financial condition or liquidity.

Examples of aspects of the Dodd-Frank Act and related future regulatory changes that, if applicable, may significantly affect us include mandatory clearing of certain derivatives transactions, which could impose significant additional costs on us; minimum standards for residential mortgage loans, which could subject us to increased legal risk for loans we purchase or guarantee; and the development of credit risk retention regulations applicable to residential mortgage loan securitizations, which could affect the types and volume of loans sold to us. We could also be designated as a "systemically important" nonbank financial company subject to supervision and regulation by the Federal Reserve. If this were to occur, the Federal Reserve would have the authority to examine us and could impose stricter prudential standards on us, including risk-based capital requirements, leverage limits, liquidity requirements, credit concentration limits, resolution plan and credit exposure reporting requirements, overall risk management requirements, contingent capital requirements, enhanced public disclosures, and short-term debt limits. Regulators have been seeking public comment regarding the criteria for designating nonbank financial companies for heightened supervision.

Because federal agencies have not completed the extensive rulemaking processes needed to implement and clarify many of the provisions of the Dodd-Frank Act, it is difficult to assess fully the impact of this legislation on our business and industry at this time, and we cannot predict what similar changes to statutes or regulations will occur in the future.

Furthermore, the actions of Treasury, the Commodity Futures Trading Commission, the SEC, the Federal Deposit Insurance Corporation ("FDIC"), the Federal Reserve and international central banking authorities directly or indirectly impact financial institutions' cost of funds for lending, capital-raising and

investment activities, which could increase our borrowing costs or make borrowing more difficult for us. Changes in monetary policy are beyond our control and difficult to anticipate.

Moreover, Basel III's revisions to international capital requirements also may have a significant impact on us. Depending on how they are implemented by regulators, the Basel III rules could be the basis for a revised framework for GSE capital standards that could increase our capital requirements.

Overall, these legislative and regulatory changes could affect us in substantial and unforeseeable ways and could have a material adverse effect on our business, results of operations, financial condition, liquidity and net worth. Finally, we note that the recent U.S. presidential election has prompted widespread uncertainty with respect to potential future developments affecting these matters and we are unable to predict whether the above-described legislative and regulatory changes will remain in effect or, alternatively, the manner and extent to which they may be modified or eliminated.

Risks Relating to the Offered Certificates

Rights of Offered Certificate owners may be limited by book-entry system

The Offered Certificates will be issued as book-entry certificates (the "Book-Entry Certificates") and will be held through the book-entry system of the DTC, and, as applicable, Euroclear and Clearstream. Transactions in the Book-Entry Certificates generally can be effected only through DTC and DTC participants (including Euroclear and Clearstream or their respective nominees or depositaries). As a result:

- investors' ability to pledge the Offered Certificates to entities that do not participate in the DTC, Euroclear or Clearstream system, or to otherwise act with respect to the Offered Certificates, may be limited due to the lack of a physical certificate for such Offered Certificates;
- under a book-entry format, an investor may experience delays in the receipt of payments, because payments will be made by the Trustee to DTC, Euroclear or Clearstream and not directly to an investor;
- investors' access to information regarding the Offered Certificates may be limited because transmittal of notices and other communications by DTC to its participating organizations and directly or indirectly through those participating organizations to investors will be governed by arrangements among them, subject to applicable law; and
- you may experience delays in your receipt of payments on Book-Entry Certificates in the event of misapplication of payments by DTC, DTC participants or indirect DTC participants or bankruptcy or insolvency of those entities, and your recourse will be limited to your remedies against those entities.

For further discussion of the Book-Entry Certificates, see "*Description of The Offered Certificates — Book-Entry Procedures*" in this prospectus.

The Offered Certificates issuance is a novel transaction that may result in limited liquidity of the Offered Certificates, which may limit investors' ability to sell the Offered Certificates.

The Offered Certificates, which are being issued in a novel transaction, will constitute new securities with no established trading market. The Offered Certificates will not be listed on any national securities exchange or traded on any automated quotation systems of any registered securities association.

Wells Fargo Securities, LLC and Siebert Cisneros Shank & Co., L.L.C., in their capacities as placement agents, will have no obligation to make a market in the Offered Certificates. As a result, there can be no assurance as to the liquidity of the market that may develop for the Offered Certificates, or if it does develop, that it will continue. It is possible that investors who desire to sell their Offered Certificates in the secondary market may find no or few potential purchasers and experience lower resale prices than expected. Investors who desire to obtain financing for their Offered Certificates similarly may have difficulty obtaining any credit or credit with satisfactory interest rates which may result in lower leveraged yields and lower secondary market prices upon the sale of the Offered Certificates.

We make no representation as to the proper characterization of the Offered Certificates for legal investment, regulatory, financial reporting or other purposes, as to the ability of particular investors to purchase the Offered Certificates under applicable legal investment or other restrictions or as to the consequences of an investment in the Offered Certificates for such purposes or under such restrictions. The liquidity of trading markets for the Offered Certificates may also be adversely affected by general declines or disruptions in the credit markets. Such market declines or disruptions could adversely affect the liquidity of and market for the Offered Certificates independent of the credit performance of the Underlying Mortgage Loan or its prospects. We have no obligation to continue to issue securities similar to the Offered Certificates.

Combination or "layering" of multiple risk factors may significantly increase the risk of loss on your Offered Certificates

Although the various risks discussed in this prospectus are generally described separately, prospective investors in the Offered Certificates should consider the potential effects on the Offered Certificates of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss on your Offered Certificates may be significantly increased. In considering the potential effects of layered risks, you should carefully review the descriptions of the Offered Certificates as well as the section entitled "*Risk Factors*" beginning on page 33 of the Information Circular.

DESCRIPTION OF THE OFFERED CERTIFICATES

The material under this heading summarizes certain features of the Offered Certificates and is not complete. You will find additional information about the Offered Certificates in the other sections of this prospectus and the Trust Agreement (defined below). If we use a capitalized term in this prospectus without defining it, you will find the definition of that term in the applicable Disclosure Document or in the Trust Agreement.

General

Structure. We will establish Fannie Mae Grantor Trust 2017-T1 (the "Trust") and issue the Offered Certificates pursuant to a trust agreement (the "Trust Agreement") dated as of April 28, 2017. We will execute the Trust Agreement in our corporate capacity and in our capacity as trustee (the "Trustee").

The assets of the Trust will consist of the Underlying Class A REMIC Securities. As further described in the Information Circular, the Underlying Class A REMIC Securities will be backed by the Underlying Mortgage Loan. The Underlying Mortgage Loan is the sole asset of the Underlying REMIC Trust and is more fully described in the Information Circular under the heading "*Description of the Loan*."

Fannie Mae Guaranty. We guarantee that on each Distribution Date we will pay to Holders of Offered Certificates:

- interest in the amount required to be paid on the Underlying Class A REMIC Securities on that date; and
- principal in the amount, if any, required to be paid on the Underlying Class A REMIC Securities on that date.

Fannie Mae's guaranty does not cover any yield maintenance premium related to the Underlying Mortgage Loan. For a description of the amounts required to be paid on the Underlying Class A REMIC Securities, including any amounts covered by Fannie Mae's guaranty of the Underlying Class A REMIC Securities, see "*Description of the Certificates—Payment on the Certificates*" and "*—Fannie Mae Guaranty and Rights of the Guarantor*" in the Information Circular.

If we were unable to perform our guaranty obligations, Certificateholders would receive only the amounts actually paid and other recoveries on the Underlying Class A REMIC Securities without taking into account our guaranty. In such event, delinquencies, defaults and other shortfalls on the Underlying Mortgage Loan could directly affect the amounts that Certificateholders would receive each month. **Our guaranty is not backed by the full faith and credit of the United States**.

Optional Repurchase by Guarantor. At any time after the Underlying Mortgage Loan has been in a state of continuous delinquency, without having been fully cured with respect to payments required by the Loan Agreement (as defined in the Information Circular), during the period from the first missed payment date through the fourth consecutive payment date, without regard to (i) whether any particular payment was made in whole or in part during the period extending from the earliest through the latest payment date or (ii) any grace or cure period (with respect to the latest such payment date) under the Loan Agreement, the guarantor may repurchase the Offered Certificates for amount equal to the sum of (x) the then-current principal balance of the Offered Certificates (determined as of the immediately preceding

Distribution Date) plus (y) the interest payable on the Offered Certificates for such Distribution Date. Following the event of any such repurchase, the Trust shall terminate.

Characteristics of Certificates. The Offered Certificates will be represented by one or more certificates which will be registered in the name of the nominee of The Depository Trust Company ("DTC"). DTC will maintain the Offered Certificates through its book-entry facilities. The Holder or Certificateholder of an Offered Certificate is the nominee of DTC (each such nominee, a "Holder" or "Certificateholder"). A Holder is not necessarily the beneficial owner of an Offered Certificate. Beneficial owners ordinarily will "hold" Offered Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations.

Authorized Denominations. We will issue the Offered Certificates in minimum denominations of $100,000 and in increments of $1 in excess thereof.

Distribution Date. Beginning in May 2017, we will make payments on the Offered Certificates in respect of principal and interest, to the extent described herein, on the 25th day of each month or, if the 25th is not a Business Day (as defined in the Information Circular), on the first Business Day after the 25th. We refer to each such date as a "Distribution Date."

Record Date. On each Distribution Date, we will make each monthly payment to Certificateholders who were Holders of record on the last day of the month preceding the month in which that Distribution Date occurs.

Class Factor. On or before each Distribution Date, we will publish a class factor (carried to eight decimal places) for the Offered Certificates. When the class factor is multiplied by the original principal balance of an Offered Certificate, the product will equal the current principal balance of that Offered Certificate after taking into account payments on that Distribution Date.

Voting the Underlying Class A REMIC Securities. Holders of the Underlying Class A REMIC Securities may have to vote on issues arising under the documents governing the Underlying REMIC Trust. The Trustee will not vote the Underlying Class A REMIC Securities except upon direction to do so from Holders of at least 51% of the Offered Certificates by principal balance.

The Underlying Class A REMIC Securities

The Underlying Class A REMIC Securities represent beneficial interests in the Underlying REMIC Trust and generally represent an entitlement to the applicable portion of the interest and principal due on the Underlying Mortgage Loan, subject to the payment priorities specified in the Information Circular. The Underlying Mortgage Loan provides for scheduled payments of interest only until the stated maturity date. Prepayments are permitted on the Underlying Mortgage Loan subject to the payment of yield maintenance premiums prior to the Underlying Mortgage Loan monthly payment date in December 2026. Interest and/or principal payable on the Underlying Class A REMIC Securities will be passed through to Holders of the Offered Certificates. Interest at the applicable pass-through rate will accrue on the outstanding principal balance of the Underlying Class A REMIC Securities as described in the Information Circular.

See the Information Circular for a detailed discussion of the Underlying Class A REMIC Securities and the Underlying Mortgage Loan.

Book-Entry Procedures

General. The Offered Certificates will be registered in the name of the nominee of DTC, a New York chartered limited purpose trust company, or any successor depository that we select or approve (the "Depository"). In accordance with its normal procedures, the Depository will record the positions held by each Depository participating firm (each, a "Depository Participant") in the Offered Certificates, whether held for its own account or as a nominee for another person. Initially, we will act as Paying Agent for the Offered Certificates. In addition, U.S. Bank National Association will perform certain administrative functions with respect to the Offered Certificates.

A "beneficial owner" or an "investor" is anyone who acquires a beneficial ownership interest in the Offered Certificates. As an investor, you will not receive a physical certificate. Instead, your interest will be recorded on the records of the brokerage firm, bank, thrift institution or other financial intermediary (a "financial intermediary") that maintains the account for you. In turn, the record ownership of the intermediary will be recorded on the records of the Depository. If the intermediary is not a Depository Participant, the intermediary's record ownership will be recorded on the records of a Depository Participant acting as an agent for the financial intermediary. Neither the Trustee nor the Depository will recognize an investor as a Certificateholder. Therefore, you must rely on these various arrangements to transfer your beneficial interest in the Offered Certificates and comply with the procedures of your financial intermediary and of Depository Participants. In general, ownership of Offered Certificates will be subject to the prevailing rules, regulations and procedures governing the Depository and Depository Participants.

Method of Distribution. We will direct payments on the Offered Certificates to the Depository in immediately available funds. The Depository will credit the payments to the accounts of the Depository Participants entitled to them, in accordance with the Depository's normal procedures. These procedures currently provide for payments made in same-day funds to be settled through the New York clearing house. Each Depository Participant and each financial intermediary will direct the payments to the investors in the Offered Certificates that it represents. Accordingly, investors may experience a delay in receiving payments.

Payments of Interest

On each Distribution Date, we will pay to the Holders of Offered Certificates an amount of interest equal to the interest amount required to be paid on the Underlying Class A REMIC Securities on that Distribution Date.

Payments of Principal

On each Distribution Date, we will pay to the Holders of Offered Certificates an amount of principal equal to the amount, if any, required to be paid on the Underlying Class A REMIC Securities on that Distribution Date.

Yield, Modeling Assumptions, Decrement Table, Weighted Average Life

See the section of the Information Circular entitled "*Yield, Prepayment and Maturity Considerations*" with respect to the Underlying Class A REMIC Securities. Subject to the discussion and Modeling Assumptions described therein, the following table indicates the weighted average lives of the Offered Certificates and sets forth the percentages of the initial principal balance of the Offered Certificates that would be outstanding after each of the Distribution Dates shown at various percentages of CPR (as defined in the Information Circular).

The weighted average life of the Offered Certificates is determined by (i) multiplying the assumed net reduction, if any, in the principal balance on each Distribution Date of the Offered Certificates by the number of years from the date of issuance of the Offered Certificates to the related Distribution Date, (ii) summing the results and (iii) dividing the sum by the original certificate balance of the Offered Certificates.

Percentage of the Original Certificate Balance for Offered Certificates at the Specified CPR (0% Prior to the Yield Maintenance End Date* – Otherwise at Indicated CPR)

	Offered Certificates				
Distribution Date	**0%**	**10%**	**20%**	**30%**	**40%**
Initial Percentage	100%	100%	100%	100%	100%
April 25, 2018	100%	100%	100%	100%	100%
April 25, 2019	100%	100%	100%	100%	100%
April 25, 2020	100%	100%	100%	100%	100%
April 25, 2021	100%	100%	100%	100%	100%
April 25, 2022	100%	100%	100%	100%	100%
April 25, 2023	100%	100%	100%	100%	100%
April 25, 2024	100%	100%	100%	100%	100%
April 25, 2025	100%	100%	100%	100%	100%
April 25, 2026	100%	100%	100%	100%	100%
April 25, 2027	100%	95%	91%	85%	80%
April 25, 2028	0%	0%	0%	0%	0%
Weighted Average Life (years) to Maturity	10.16	10.14	10.13	10.11	10.09
First Principal Distribution Date	June 2027	December 2026	December 2026	December 2026	December 2026
Last Principal Distribution Date	June 2027	June 2027	June 2027	June 2027	June 2027

* The Distribution Date in December 2026. See "*Description of the Loan—Prepayment—Prepayment/Repayment Conditions*" in the Information Circular.

THE TRUST AGREEMENT

In the sections below, we summarize certain provisions of the Trust Agreement that are not discussed elsewhere in this prospectus. Certain capitalized terms that we use in these summaries are defined in the Trust Agreement. These summaries are, by definition, not complete. If there is ever a conflict between what we have summarized in this prospectus and the actual terms of the Trust Agreement, the terms of the Trust Agreement will prevail.

Reports to Certificateholders

As soon as practicable on or shortly before each Distribution Date, we will publish (in print or otherwise) the class factor for the Offered Certificates. The "class factor" is a number (carried to eight decimal places) which, when multiplied by the original principal balance of an Offered Certificate, will equal the principal balance of that Offered Certificate that will still be outstanding after taking into account current month principal payments.

We will post on our Web site, or otherwise make available, any information required by the federal income tax laws.

Additionally, as described in the Information Circular under "*Description of the Trust and Servicing Agreement—Information Available Electronically*," periodic reports relating to the Underlying Mortgage Loan and the Underlying Class A REMIC Securities will be available on the website of the certificate administrator of the Underlying Class A REMIC Securities, initially located at www.ctslink.com.

Certain Matters Regarding Fannie Mae

The Trust Agreement provides that we may resign from our obligations and duties as Trustee at any time, effective only after a successor has assumed our obligations and duties.

The Trust Agreement also provides that neither we nor any of our directors, officers, employees or agents will be under any liability to the Trust or to the Certificateholders for errors in judgment or for any action we take, or refrain from taking, in good faith pursuant to the Trust Agreement. However, neither we nor any such person will be protected against any liability due to willful misfeasance, bad faith, gross negligence or willful disregard of obligations and duties.

In addition, the Trust Agreement also provides that we are not under any obligation to appear in, prosecute or defend any legal action that is not incidental to our responsibilities under the Trust Agreement and that in our opinion may involve us in any expense or liability. However, in our discretion, we may undertake any legal action that we deem necessary or desirable in the interests of the Certificateholders. In that event, we will pay the legal expenses and costs of the action, which generally will not be reimbursable out of the trust fund.

Any corporation into which we are merged or consolidated, any corporation that results from a merger, conversion or consolidation to which we are a party or any corporation that succeeds to our business will be our successor under the Trust Agreement.

Certificate Account

We, as Trustee, will deposit all payments on the Underlying Class A REMIC Securities received by us into a certificate account at an eligible depository, and all such payments and all investments made

with such funds, excluding interest earnings and other investment earnings, will be held in trust in the certificate account for the benefit of the Holders of the Offered Certificates. Funds held in the certificate account are held by us as Trustee in trust for the benefit of Certificateholders pending distribution to Certificateholders. Amounts in the certificate account are held separately from our general corporate funds but are commingled with funds for other Fannie Mae trusts and are not separated on a trust-by-trust basis. We may invest funds in any certificate account in specified eligible investments, including our own debt instruments. We currently invest substantially all funds in certificate accounts in our own debt instruments. If we were unable or unwilling to continue to do so, the timing of incremental intra-day distributions made on each Distribution Date could be affected. We are entitled to retain all earnings on funds on deposit in each certificate account as a trust administration fee. See "—*Certain Matters Regarding Our Duties as Trustee*" below for a description of the trust administration fee.

Certain Matters Regarding Our Duties as Trustee

We serve as trustee under the Trust Agreement and receive a fee for our services to the Trust, which is payable from the interest and other earnings on the certificate account. Under the Trust Agreement, the Trustee may consult with and rely on the advice of counsel, accountants and other advisors. The Trustee will not be responsible for errors in judgment or for anything it does or does not do in good faith if it so relies. This standard of care also applies to our directors, officers, employees and agents. We are not required, in our capacity as Trustee, to risk our funds or incur any liability if we do not believe those funds are recoverable or if we do not believe adequate indemnity exists against a particular risk. This does not affect our guaranty obligations.

The Trustee is not personally liable with respect to any action taken, permitted or omitted to be taken by it in good faith with respect to the Trust in accordance with the direction of the Certificateholders representing at least 5% of the voting rights of the Offered Certificates as to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under the Trust Agreement.

We are indemnified by the Trust for actions we take in our capacity as Trustee in connection with the administration of the Trust. Officers, directors, employees and agents of the Trustee are also indemnified by the Trust with respect to that Trust. Nevertheless, neither we nor they will be protected against any liability if it results from willful misfeasance, bad faith, gross negligence or willful disregard of our duties.

So long as no Guarantor Event of Default (as defined below) has occurred and is continuing, the Trustee is not required to investigate the facts or matters found in any document presented to it unless (i) either the guarantor or the Holders of Offered Certificates representing at least 25% of the voting rights of the Offered Certificates request it to do so, and (ii) if the Trustee is not reasonably assured by the security afforded to it under the Trust Agreement, the guarantor or such Holders, as applicable, within a reasonable time have provided the Trustee with reasonable indemnification for costs, expenses, or liabilities likely to be incurred by it in its investigation. In addition, the Trust Agreement provides that the Trustee may, but is not obligated to, undertake any legal action that it deems necessary or desirable in the interests of Certificateholders. We may be reimbursed for the legal expenses and costs of the action from the assets of Trust.

We may resign from our duties as Trustee under the Trust Agreement upon providing 90 days' advance notice to the guarantor. Our resignation will not become effective until a successor has assumed our duties. We may be removed as Trustee only if a Guarantor Event of Default has occurred and is continuing. In that case, at the direction of the Holders of Offered Certificates representing at least 51% of the voting rights of the Offered Certificates, we will resign or may be removed as the Trustee, and, to

the extent permitted by law, all of our rights and obligations as Trustee will be terminated when we are notified in writing of such termination. Moreover, the Holders of Offered Certificates representing at least 51% of the voting rights of the Offered Certificates may appoint a successor trustee to assume all of our duties as Trustee. Even after our termination as Trustee, we will continue to be liable for our obligations as Trustee that arose before the termination and will continue to be obligated under our guaranty.

Guarantor Events of Default

Any of the following will be considered a "Guarantor Event of Default" under the Trust Agreement:

- if we fail to make a required payment to the Certificateholders and our failure continues uncorrected for 15 days after we receive written notice from Certificateholders who represent ownership interests totaling at least 5% of the Offered Certificates that it has not been paid and a demand that it be cured; or

- if we fail in a material way to fulfill any of our obligations under the Trust Agreement and our failure continues uncorrected for 60 days after we receive written notice of our failure and a demand that it be cured from Certificateholders who represent ownership interests totaling at least 25% of the Offered Certificates; or

- if we become insolvent or unable to pay our debts or if other events of insolvency occur.

Certificateholders Rights upon Guarantor Event of Default

If one of the Guarantor Events of Default listed above has occurred and continues uncorrected while Fannie Mae is the Trustee, at the direction of Certificateholders representing at least 51% of the Voting Rights of the Offered Certificates, Fannie Mae will resign or be removed as the Trustee, and, to the extent permitted by law, all of the rights and obligations of the Trustee will be terminated by notifying the Trustee in writing. The Certificateholders providing the direction referenced above will then be authorized to name and appoint one or more successor Trustees.

Amendment

We may amend the Trust Agreement for any of the following purposes without notifying the Certificateholders:

- to correct an error;

- to correct, modify or supplement any provision in the Trust Agreement that is inconsistent with any other provision of this prospectus or the Information Circular;

- to cure an ambiguity of supplement a provision of the Trust Agreement, provided that such cure of an ambiguity or supplement of a provision is not otherwise inconsistent with the provisions of the Trust Agreement; and

- to make any other amendments with respect to matters or question arising under the Trust Agreement so long as such action will not (i) materially and adversely affect the interest of any Holder or (ii) have any material adverse tax consequences to Holders, as evidenced by an opinion of counsel to the Trust.

If the Certificateholders that represent ownership interests totaling at least 51% of the Offered Certificates consent, we may amend the Trust Agreement for any purpose or waive any provision of the Trust Agreement, except that without the consent of all Holders of the Offered Certificates, we may not enter into any amendment or otherwise engage in any activity that will (i) reduce in any manner the amount of, or delay the timing of, distributions which are required to be made on any Offered Certificate or (ii) reduce the percentage of voting rights required to consent to any waiver or any amendment.

Termination

The Trust Agreement will terminate on the earlier of (i) payment in full or liquidation of the Underlying Class A REMIC Securities and distribution of the proceeds thereof to the Holders of the Offered Certificates or (ii) repurchase of the Offered Certificates by Fannie Mae as described in "*Description of the Offered Certificates—Optional Repurchase by Guarantor*" in this prospectus. In no event, however, will the Trust continue beyond the Distribution Date in June 2067.

Merger

The Trust Agreement provides that if we merge or consolidate with another corporation, the successor corporation will be our successor under the Trust Agreement and will assume all of our duties under the Trust Agreement, including our guaranty.

Notices to Certificateholders

The Trust Agreement provides that we may communicate with Certificateholders in two ways. We may provide written notice (which includes e-mail) to Certificateholders or provide notice to Certificateholders in any other public manner we use to make our financial information available, including posting notices on our Web site at www.fanniemae.com. We are providing our internet address solely for your information. Unless otherwise stated, information appearing on our Web site is not incorporated into this prospectus.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The Offered Certificates and payments on the Offered Certificates generally are subject to taxation. Therefore, you should consider the tax consequences of holding an Offered Certificate before you acquire one. The following discussion describes certain U.S. federal income tax consequences to beneficial owners of Offered Certificates. The discussion is general and does not purport to deal with all aspects of federal taxation that may be relevant to particular investors. This discussion may not apply to your particular circumstances for various reasons, including the following:

- This discussion is based on federal tax laws in effect as of the date of this prospectus. Changes to any of these laws after the date of this prospectus may affect the tax consequences discussed below, and such changes may have retroactive effect.
- This discussion addresses only Offered Certificates acquired at original issuance and held as "capital assets" (generally, property held for investment).
- This discussion does not address tax consequences to beneficial owners subject to special rules, such as dealers in securities, certain traders in securities, banks, tax-exempt organizations, life insurance companies, persons that hold Offered Certificates as part of a hedging transaction or as a position in a straddle or conversion transaction, or persons whose functional currency is not the U.S. dollar.

- This discussion does not address taxes imposed by any state, local or foreign taxing jurisdiction.

For these reasons, you should consult your own tax advisors regarding the federal income tax consequences of holding and disposing of Offered Certificates as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

Taxation of Beneficial Owners of Certificates

Our special tax counsel, Dechert LLP, will deliver its opinion that, assuming compliance with the Trust Agreement, the Trust will be classified as a grantor trust under subpart E of part I of subchapter J of the Internal Revenue Code of 1986, as amended (the "Code") and not as an association taxable as a corporation. The Underlying Class A REMIC Securities will be the assets of the Trust. Each beneficial owner of an Offered Certificate will be treated as the beneficial owner of an undivided interest in the Underlying Class A REMIC Securities held by the Trust. Consequently, each beneficial owner of an Offered Certificate will be required to report its pro rata share of the income with respect to the Underlying Class A REMIC Securities, and a sale or other disposition of an Offered Certificate will constitute a sale or other disposition of a pro rata portion of the Underlying Class A REMIC Securities. In addition, each beneficial owner of an Offered Certificate will be required to include in income its allocable share of the expenses paid by the Trust.

Each beneficial owner of an Offered Certificate can deduct its allocable share of the expenses paid by the Trust as provided in section 162 or section 212 of the Code, consistent with its method of accounting. A beneficial owner's ability to deduct its share of these expenses is limited under section 67 of the Code in the case of (i) estates and trusts, and (ii) individuals owning an interest in an Offered Certificate directly or through an investment in a "pass-through entity" (other than in connection with such individual's trade or business). Pass-through entities include partnerships, S corporations, grantor trusts, certain limited liability companies and non-publicly offered regulated investment companies, but do not include estates, non-grantor trusts, cooperatives, real estate investment trusts and publicly offered regulated investment companies. Subject to limitations, such a beneficial owner can deduct its share of these costs only to the extent that these costs, when aggregated with certain of the beneficial owner's other miscellaneous itemized deductions, exceed 2% of the beneficial owner's adjusted gross income. For this purpose, an estate or non-grantor trust computes adjusted gross income in the same manner as in the case of an individual, except that deductions for administrative expenses of the estate or non-grantor trust (not including expenses of the Trust) that would not have been incurred if the property were not held in such non-grantor trust or estate are allowable in arriving at adjusted gross income. In addition, section 68 of the Code may provide for certain limitations on itemized deductions otherwise allowable for a beneficial owner who is an individual. Further, a beneficial owner may not be able to deduct any portion of these costs in computing its alternative minimum tax liability.

Taxation of the Underlying Class A REMIC Securities

The Information Circular discusses tax consequences to holders of the Underlying Class A REMIC Securities. The Information Circular states that each holder of an Underlying Class A REMIC Security will be deemed to own an interest in a REMIC, with the Underlying Class A REMIC Securities representing "regular interests" in the REMIC elected by the Underlying REMIC Trust and treated as debt instruments of such REMIC and the underlying Class R certificates representing "residual interests" in the REMIC elected by the Underlying REMIC Trust. Because a beneficial owner of an Offered Certificate will be required to report its pro rata share of the income accruing with respect to the Underlying Class A REMIC Securities and will be required to treat the sale or other disposition of an Offered Certificate as the sale or other disposition of a pro rata portion of the Underlying Class A REMIC Securities, you

should review the discussion under "*Certain Federal Income Tax Considerations*" in the Information Circular.

The Information Circular states that, taking into account certain assumptions described therein, each Underlying Class A REMIC Security will qualify as a "regular interest" in a "real estate mortgage investment conduit" and each underlying Class R certificate will qualify as a "residual interest" in a "real estate mortgage investment conduit" within the meaning of the Code. Qualification as a REMIC requires initial and ongoing compliance with certain conditions. The remainder of this discussion assumes that all the requirements for qualification as a REMIC have been, and will continue to be, met with respect to the Underlying REMIC Trust. The Underlying Class A REMIC Securities generally will be treated as "regular or residual interests in a REMIC" for domestic building and loan associations, as "real estate assets" for real estate investment trusts, and as "qualified mortgages" for other REMICs.

Information Reporting and Backup Withholding

Within a reasonable time after the end of each calendar year, a statement will be made available to each Certificateholder that received a distribution during that year setting forth the portions of any distributions that constitute interest distributions, original issue discount ("OID") and any other information as is required by Treasury regulations.

Distributions of interest and principal, as well as distributions of the proceeds from the sale of Offered Certificates, may be subject to the "backup withholding tax" under section 3406 of the Code if recipients of the distributions fail to furnish to the payer certain information, including their taxpayer identification numbers, or otherwise fail to establish an exemption from this tax. Any amounts deducted and withheld from a distribution to a recipient would be allowed as a credit against the recipient's federal income tax. Certain penalties may be imposed by the IRS on a recipient of distributions required to supply information who does not do so in the proper manner.

Foreign Investors

Additional rules apply to a beneficial owner of an Offered Certificate that is not a U.S. Person (a "Non-U.S. Person"). The term "U.S. Person" means:

- a citizen or resident of the United States,
- a corporation, partnership or other entity created or organized in or under the laws of the United States or any state thereof or the District of Columbia,
- an estate the income of which is subject to U.S. federal income tax regardless of the source of its income, or
- a trust if a court within the United States can exercise primary supervision over its administration and at least one U.S. person has the authority to control all substantial decisions of the trust.

Payments on an Offered Certificate made to, or on behalf of, a beneficial owner that is a Non-U.S. Person generally will be exempt from U.S. federal income and withholding taxes, provided the following conditions are satisfied:

- the beneficial owner is not subject to U.S. federal income tax as a result of a connection to the United States other than ownership of such Offered Certificate;

- the beneficial owner signs a statement under penalties of perjury certifying that it is a Non-U.S. Person, and provides the name, address and taxpayer identification number, if any, of the beneficial owner; and

- the last U.S. Person in the chain of payment to the beneficial owner receives such statement from the beneficial owner or a financial institution holding on behalf of the beneficial owner and does not have actual knowledge that such statement is false.

These rules do not apply to exempt from taxation interest income allocable to a United States shareholder of a beneficial owner that is a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code. You also should be aware that the IRS might take the position that these rules do not apply to a beneficial owner that also owns 10% or more of the residual interest in the Underlying REMIC Trust or of the voting stock of Fannie Mae. If a beneficial owner does not qualify for exemption, distributions of interest, including distributions in respect of accrued OID, to such beneficial owner may be subject to U.S. withholding tax at a rate of 30%, subject to reduction under any applicable tax treaty.

Under the Foreign Account Tax Compliance Act ("FATCA") and Treasury Regulations, a 30% withholding tax ("FATCA withholding tax") generally applies to certain withholdable payments, and will apply to gross proceeds from the disposition or redemption of assets producing withholdable payments (which includes principal payments) after December 31, 2018, in each case for payments that are made to foreign financial institutions and certain other non-financial foreign entities. The FATCA withholding tax generally will not apply where such payments are made to (i) a foreign financial institution that enters into an agreement with the IRS to, among other requirements, undertake to identify accounts held by certain U.S. Persons or U.S.-owned foreign entities, report annually information about such accounts and withhold tax as may be required by such agreement; or (ii) a non-financial foreign entity that certifies it does not have any substantial direct or indirect U.S. owners or furnishes identifying information regarding each substantial direct or indirect U.S. owner.

In the event that the FATCA withholding tax is imposed on any payment of interest on, or gross proceeds from the disposition or redemption of, an Offered Certificate, Fannie Mae has no obligation to pay additional interest or other amounts as a consequence thereof or to redeem such Offered Certificate before its stated maturity.

LEGAL INVESTMENT CONSIDERATIONS

If you are an institution whose investment activities are subject to legal investment laws and regulations or to review by certain regulatory authorities, you may be subject to restrictions on investment in the Offered Certificates. If you are a financial institution that is subject to the jurisdiction of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration or other federal or state agencies with similar authority, you should review any applicable rules, guidelines and regulations prior to purchasing the Offered Certificates. You should also review and consider the applicability of the Federal Financial Institutions Examination Council Supervisory Policy Statement on Securities Activities (to the extent adopted by their respective federal regulators), which, among other things, sets fourth guidelines for financial institutions investing in certain types of mortgage-related securities, including securities such as the Offered Certificates. In addition, if you are a financial institution, you should consult your regulators concerning the risk-based capital treatment of any Offered Certificate.

Pursuant to the Secondary Mortgage Market Enhancement Act of 1984 ("SMMEA"), securities that we issue (such as the Offered Certificates) are legal investments for entities created under the laws of

the United States or any state whose authorized investments are subject to state regulation to the same extent as obligations issued or guaranteed by the United States or any of its agencies or instrumentalities. Under SMMEA, if a state enacted legislation prior to October 4, 1991 specifically limiting the legal investment authority of any such entities with respect to securities that we issue or guarantee, those securities will constitute legal investments for such entities only to the extent provided in the legislation. Certain states adopted such legislation prior to the October 4, 1991 deadline. **You should consult your own legal advisors in determining whether and to what extent the Offered Certificates constitute legal investments or are subject to restrictions on investment and whether and to what extent the Offered Certificates can be used as collateral for various types of borrowings.**

LEGAL OPINION

If you purchase Offered Certificates, we will send you, upon request, an opinion of our General Counsel (or one of our Deputy General Counsels) as to the validity of the Offered Certificates and the Trust Agreement.

ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with an investment in Offered Certificates on behalf of a plan subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") (such as employer-sponsored pension and profit sharing plans) and other types of benefit plans and arrangements subject to Section 4975 of the Code (such as individual retirement accounts). ERISA and the Code also impose these requirements on some entities in which these benefit plans or arrangements invest. We refer to these plans, arrangements and entities, collectively, as "Plans."

A fiduciary considering investing assets of a plan in an Offered Certificate should consult its legal advisor about ERISA, fiduciary and other legal considerations before making such an investment. Specifically, before authorizing an investment in Offered Certificates, any such fiduciary should, after considering the plan's particular circumstances, determine whether the investment is appropriate under the plan's governing documents and whether the investment is appropriate under the fiduciary standards of ERISA or other applicable law, including standards with respect to prudence, diversification and delegation of control and the prohibited transaction provisions of ERISA and the Code.

Section 3(42) of ERISA and regulations promulgated under ERISA by the U.S. Department of Labor (the "Plan Asset Regulations") generally provide that when a plan acquires an interest in an entity that is neither a publicly offered security nor a security issued by an investment company registered under the Investment Company Act of 1940, the plan's assets include both the security and an undivided interest in each of the underlying assets of the issuer unless it is established that an exception under the Plan Asset Regulations applies. The application of this general rule could cause the sponsor, trustee and other servicers of a mortgage pool to be subject to the fiduciary responsibility rules of ERISA or cause transactions involving the operation of the mortgage pool to be prohibited transactions under ERISA or the Code.

The Plan Asset Regulation provides that the general rule stated above does not apply to a plan's acquisition of a guaranteed governmental mortgage pool certificate. The definition of "guaranteed governmental mortgage pool certificate" includes certificates which are "backed by, or evidencing an interest in specified mortgages or participation interests therein" and are guaranteed by Fannie Mae as to the payment of interest and principal. Under the Plan Asset Regulations, investment by a Plan in a "guaranteed governmental mortgage pool certificate" does not cause the assets of the Plan to include an interest in the mortgages underlying the certificate or cause the sponsor, trustee and other servicers of the mortgage pool to be subject to the provisions of ERISA or section 4975 of the Code in providing services

with respect to the mortgages in the pool. Our counsel, Katten Muchin Rosenman LLP, has advised us that the Offered Certificates qualify under the definition of "guaranteed governmental mortgage pool certificates" and, as a result, the purchase and holding of Offered Certificates by Plans will not cause the Underlying Mortgage Loan, the Residential Properties or the assets of Fannie Mae to be subject to the fiduciary requirements of ERISA or to the prohibited transaction requirements of ERISA and the Code.

PLAN OF DISTRIBUTION

We will acquire the Underlying Class A REMIC Securities from Invitation Homes Asset Receiving Limited Partnership in exchange for the Offered Certificates. Invitation Homes Asset Receiving Limited Partnership will offer the Offered Certificates through Wells Fargo Securities, LLC, as lead placement agent, and Siebert Cisneros Shank & Co., L.L.C., as co-placement agent (together, the "Placement Agents"), to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale, under the terms and conditions set forth in the certificate placement agreement, dated as of April 19, 2017 (the "Placement Agreement"), among Invitation Homes Asset Receiving Limited Partnership, Wells Fargo Securities, LLC, as representative of the Placement Agents, and Invitation Homes Operating Partnership LP. The Placement Agents may effect such transactions to or through other dealers.

CREDIT RISK RETENTION

The Offered Certificates satisfy the requirements of the Credit Risk Retention Rule (12 C.F.R. Part 1234) jointly promulgated by FHFA, the SEC and several other federal agencies. In accordance with 12 C.F.R. 1234.8(a), (i) the Offered Certificates are fully guaranteed as to timely payment of principal and interest by Fannie Mae and (ii) Fannie Mae is operating under the conservatorship of FHFA with capital support from the United States.

LEGAL MATTERS

Katten Muchin Rosenman LLP and, with respect to certain tax matters, Dechert LLP, will provide legal representation for Fannie Mae. Sidley Austin LLP will provide legal representation for the Placement Agents.

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No one is authorized to give information or to make representations in connection with this offering other than those contained in this prospectus and the other disclosure documents. You must not rely on any unauthorized information or representation. This prospectus and the other disclosure documents do not constitute an offer or solicitation with regard to the Offered Certificates if it is illegal to make such an offer or solicitation to you under state law. By delivering this prospectus and the other disclosure documents at any time, no one implies that the information contained in these documents is correct after their dates.

The Securities and Exchange Commission has not approved or disapproved the Offered Certificates or determined if this prospectus is truthful and complete. Any representation to the contrary is a criminal offense.

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$944,500,000 (Approximate)

(subject to a permitted variance of plus or minus 5%)

Fannie Mae™

Guaranteed Grantor Trust Pass-Through Certificates

Fannie Mae Grantor Trust 2017-T1

PROSPECTUS

April 19, 2017