

Strips - Fannie Style

One Promissory Note Three (3) Trusts MBS – SMBS(Interest Only) – SMBS(Principal Only)

Fannie Mae

Stripped Mortgage-Backed Securities
("SMBS Certificates")
(excerpts)

http://www.efanniemae.com/syndicated/documents/mbs/smbpros/FM_May_1_2002.pdf

The SMBS Certificates

We, the Federal National Mortgage Association or Fannie Mae, will issue the SMBS Certificates. Each issue of SMBS Certificates will relate to a particular SMBS trust with its own identification number and will represent the ownership of **principal payments, interest payments or principal and interest** payments on one or more of the following:

- Fannie Mae MBS Certificates,
- Fannie Mae Mega Certificates,
- Fannie Mae REMIC Certificates,
- Fannie Mae SMBS Certificates issued from other trusts, and
- other mortgage-related assets...

Your yield will be subject to a number of factors, especially the rate of prepayment on the underlying mortgage loans. Yields on the SMBS Certificates will be sensitive to the prepayment experience of the mortgage loans which back the underlying certificates or are otherwise associated with the other mortgage-related assets. In particular, if you invest in interest only SMBS Certificates or SMBS Certificates purchased at a premium, a sufficiently rapid prepayment rate could result in your not recovering your original investment in full...

Generally, if you purchase a principal only SMBS Certificate and principal on the related mortgage loans is paid at a slower rate than you anticipate, your yield on that principal only SMBS Certificate will be lower than you expect. However, if principal on the related mortgage loans is paid at a faster rate than you anticipate, your yield on that principal only SMBS Certificate will be higher than you expect.

By contrast, if you purchase an interest only SMBS Certificate and principal on the related mortgage loans is paid at a slower rate than you anticipate, your yield on that interest only SMBS Certificate will be higher than you expect. However, if principal on the related mortgage loans is paid at a faster rate than you anticipate, your yield on that interest only SMBS Certificate will be lower than you expect...

Interest only and principal only SMBS Certificates are especially sensitive to interest rate and market risks, so any difficulty in reselling your SMBS Certificates may be magnified. Similarly, SMBS

Certificates that are designed to meet specific investment objectives or to meet the investment requirements of a limited category of investors may be more difficult to resell at prices that will allow you to obtain your anticipated yield.

The assets of the trust for each issue of SMBS Certificates will consist of one or more of the following:

- Fannie Mae Guaranteed Mortgage Pass-Through Certificates ("MBS Certificates"),
- Fannie Mae Guaranteed MBS Pass-Through Securities ("Mega Certificates"),
- Fannie Mae Guaranteed REMIC Pass-Through Certificates ("REMIC Certificates"),
- SMBS Certificates issued from other trusts (together with the MBS Certificates, Mega Certificates and REMIC Certificates, the "Underlying Certificates"), and
- other mortgage-related assets (together with the Underlying Certificates, the "SMBS Trust Assets").

FEDERAL NATIONAL MORTGAGE ASSOCIATION
("FANNIE MAE")

Trust Agreement - URL LINKS

<http://www.fanniemae.com/mbs/documents/mbs/prospectus/index.jhtml?p=Mortgage-Backed+Securities&s=Prospectuses+%26+Related+Documents&t=MBS&q=Prospectuses>

http://www.fanniemae.com/mbs/pdf/singlefamilytrustagreement_January2009.pdf

http://www.fanniemae.com/mbs/pdf/singlefamilytrustagreement_amended2007.pdf

<http://www.fanniemae.com/mbs/pdf/fixedratetrustindenture.pdf>

<http://www.fanniemae.com/mbs/pdf/adjustableratetrustindenture.pdf>

http://www.fanniemae.com/mbs/pdf/singlefamilytrustagreement_June2007.pdf

http://www.efanniemae.com/syndicated/documents/mbs/mbspros/SF_June_1_2009.pdf

http://www.efanniemae.com/syndicated/documents/mbs/mbspros/MF_DMBS_February_1_2009.pdf

http://www.efanniemae.com/syndicated/documents/mbs/mbspros/MF_February_1_2009.pdf

http://www.efanniemae.com/syndicated/documents/mbs/mbspros/SF_January_1_2009.pdf

http://www.efanniemae.com/syndicated/documents/mbs/mbspros/SF_April_1_2008.pdf

http://www.efanniemae.com/syndicated/documents/mbs/mbspros/MF_September_1_2007.pdf

http://www.efanniemae.com/syndicated/documents/mbs/mbspros/SF_June_1_2007.pdf

http://www.efanniemae.com/syndicated/documents/mbs/mbspros/SF_January_1_2006.pdf

http://www.efanniemae.com/syndicated/documents/mbs/mbspros/MF_DMBS_January_1_2005.pdf

http://www.efanniemae.com/syndicated/documents/mbs/mbspros/SF_July_1_2004.pdf

Stripped Mortgage Backed Securities Prospectuses – URL LINKS

<http://www.fanniemae.com/mbs/documents/smbs/index.jhtml;jsessionid=S4HOXOZ0QDMUVJ2FECISFGQ?p=Mortgage-Backed+Securities&s=Prospectuses+%26+Related+Documents&t=SMBS>

http://www.efanniemae.com/syndicated/documents/mbs/smbspros/FM_January_1_2009.pdf

http://www.efanniemae.com/syndicated/documents/mbs/smbspros/FM_December_1_2007.pdf

http://www.efanniemae.com/syndicated/documents/mbs/smbspros/FM_May_1_2002.pdf

http://www.efanniemae.com/syndicated/documents/mbs/smbspros/FM_March_30_2000.pdf

http://www.efanniemae.com/syndicated/documents/mbs/smbspros/FM_December_22_1997.pdf

http://www.efanniemae.com/syndicated/documents/mbs/smbspros/FM_February_1_1997.pdf

http://www.efanniemae.com/syndicated/documents/mbs/smbspros/FM_July_1_1996.pdf

http://www.efanniemae.com/syndicated/documents/mbs/smbspros/FM_May_1_1996.pdf

http://www.efanniemae.com/syndicated/documents/mbs/smbspros/FM_December_31_1993.pdf

Ginnie Mae Certificates

http://www.efanniemae.com/syndicated/documents/mbs/smbspros/GN_July_22_1997.pdf

http://www.efanniemae.com/syndicated/documents/mbs/smbspros/GN_December_1_1992.pdf