



**Fannie Mae**  
Issuer

**Connecticut Avenue Securities, Series 2016-C04**

\$1,322,090,000

**Confidential Term Sheet**

**REVISED**

July 13, 2016

Wells Fargo Bank, N.A.  
Global Agent and Exchange Administrator



Structuring Lead and Joint Bookrunner



Co-Lead Manager and Joint Bookrunner

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Connecticut Avenue Securities, Series 2016-C04  
CONFIDENTIAL PRELIMINARY TERM SHEET

**CLASS 1M-1, CLASS 1M-2 and CLASS 1B NOTES\***  
**\$1,322,090,000\*\* (Approximate)**

Class	Approximate Initial Class Principal Balance or Class Notional Amount (\$) <sup>(1)</sup>		Expected Initial Credit Support (%)	Interest Rate <sup>(2)</sup>	Expected Ratings (Moody's/KBRA)	Expected WAL (yrs) <sup>(1)</sup>	Principal Payment Window (mos) <sup>(1)</sup>	Interest Accrual Basis	Maturity Date <sup>(3)</sup>	Class Type
	Amount Issued	Reference Tranches								
1A-H <sup>(4)</sup>	Reference Tranche Only	\$40,491,498,577	4.00% <sup>(6)</sup>							Senior
1M-1 <sup>*(5)</sup>	\$500,871,000		2.75%	1mL + ___%	Baa3(sf)/BBB(sf)	2.79	1 – 53	Actual/360	January 2029	Mezzanine
1M-1H <sup>(4)</sup>	Reference Tranche Only	\$26,362,054	2.75%							Mezzanine
1M-2A <sup>(5)(7)</sup>	\$300,522,000		2.00%	1mL + ___%	Ba2(sf)/BBB-(sf)	5.59	53 – 83	Actual/360	January 2029	Mezzanine
1M-AH <sup>(4)</sup>	Reference Tranche Only	\$15,817,832	2.00%							Mezzanine
1M-2B <sup>(5)(7)</sup>	\$400,697,000		1.00%	1mL + ___%	B2(sf)/BB-(sf)	8.85	83 – 120	Actual/360	January 2029	Mezzanine
1M-BH <sup>(4)</sup>	Reference Tranche Only	\$21,089,443	1.00%							Mezzanine
1M-2 <sup>*(7)</sup>	\$701,219,000		1.00%	1mL + ___%	B1(sf)/BB-(sf)	7.45	53 – 120	Actual/360	January 2029	RCR/Mezzanine
1M-2F <sup>(7)</sup>	\$300,522,000		2.00%	1mL + ___%	Ba2(sf)/BBB-(sf)	5.59	53 – 83	Actual/360	January 2029	RCR/Mezzanine
1M-2I <sup>(7)</sup>	\$300,522,000 <sup>(8)</sup>		N/A	___%	Ba2(sf)/BBB-(sf)	N/A	N/A	Actual/360	January 2029	RCR/Mezzanine
1B <sup>*(5)</sup>	\$120,000,000		0.00%	1mL + ___%	N/A	9.99	120 – 120	Actual/360	January 2029	Subordinate
1B-H <sup>(4)</sup>	Reference Tranche Only	\$301,786,443	0.00%							Subordinate
<b>Total:</b>	<b>\$1,322,090,000**</b>	<b>\$40,856,554,349</b>								

\* Offered on the Closing Date (the "Offered Notes").

\*\* Including only Offered Notes.

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

- (1) The principal amounts and notional amounts presented in this term sheet are approximate and subject to a +/- 5% variance. Weighted average lives and principal payment windows (if applicable) with respect to the Class 1M-1 Notes, Class 1M-2A Notes, Class 1M-2B Notes, Class 1M-2 Notes, Class 1M-2F Notes, Class 1M-2I Notes and Class 1B Notes (together, the "Notes") assume that no Credit Events or Modification Events occur, prepayments occur at the pricing speed of 10% CPR (calculated from the Closing Date), the Notes pay on the 25th day of each month beginning in August 2016, and the Early Redemption Option is exercised on the Payment Date in July 2026.
- (2) Each Class of Offered Notes will be sold at a price of par.
- (3) The Class Principal Balance of any outstanding Notes will be paid in full on the earlier to occur of the Early Redemption Date, if any, and the Maturity Date.
- (4) The Class 1A-H Reference Tranche, Class 1M-1H Reference Tranche, Class 1M-AH Reference Tranche, Class 1M-BH Reference Tranche and Class 1B-H Reference Tranche will not have corresponding Notes and will be referenced only in connection with making calculations of payments required to be made by Fannie Mae and reductions and increases in the principal amounts of the Notes.
- (5) The Class 1M-1 Notes, Class 1M-2A Notes, Class 1M-2B Notes and Class 1B Notes will have corresponding Reference Tranches for the purpose of making calculations of payments required to be made by Fannie Mae and reductions and increases in the principal amounts of the Notes.
- (6) The Class 1A-H Reference Tranche will have an initial subordination percentage of 4.00%, with a required subordination percentage of 4.75%.
- (7) The Holders of the Class 1M-2 Notes can exchange all or part of that Class for proportionate interests in the Class 1M-2A and Class 1M-2B Notes (together, the "Exchangeable Notes"), and vice versa. Additionally, the Holders of the Class 1M-2A Notes can exchange all or part of that Class for proportionate interests in the Class 1M-2I and Class 1M-2F Notes, and vice versa. The Class 1M-2, Class 1M-2F and Class 1M-2I Notes are referred to as the "RCR Notes." Of the Exchangeable Notes and the RCR Notes, only the Class 1M-2 Notes are Offered Notes. Other Exchangeable Notes and RCR Notes may be obtained by Holders of Class 1M-2 Notes through the applicable recombinations set forth on Schedule I hereto at any time.
- (8) Notional Amount. This Class of RCR Notes is not entitled to principal payments. The Class 1M-2I Notes have a "Class Notional Amount" as of any Payment Date equal to the outstanding Class Principal Balance of the Class 1M-2A Notes.

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**Transaction Overview**

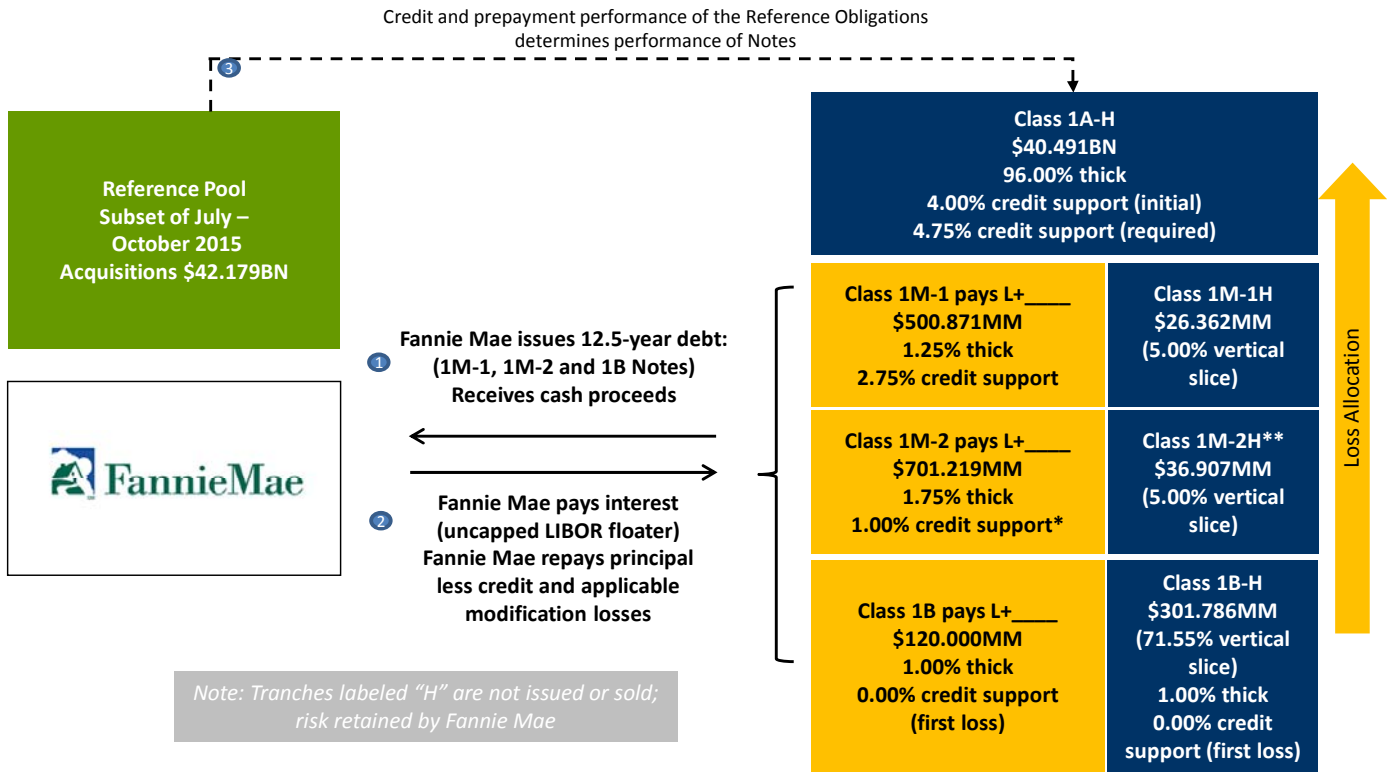
The Notes will be unsecured general obligations of Fannie Mae, or the "Issuer", and will be subject to the credit and principal payment risk of the related portion of a certain pool (the "Reference Pool") of residential mortgage loans (the "Reference Obligations") held in various Fannie Mae-guaranteed MBS. The transaction is designed to furnish credit protection to Fannie Mae with respect to Reference Obligations that experience losses relating to Credit Events and Modification Events. The actual cash flows from the Reference Obligations will never be paid to the holders of the Notes (the "Noteholders" or "Holders," and each, a "Noteholder" or a "Holder"). Fannie Mae will make monthly payments of accrued interest and periodic payments of principal to the Noteholders. The Notes will be issued at par and, except for the Class 1M-2I Notes, will be 12.5-year, uncapped LIBOR-based floaters.

On the Termination Date, the Class Principal Balances of all outstanding Notes will be paid in full. If there are unrecovered losses on any Notes as of the Termination Date, holders of those Notes will be entitled to certain projected recovery payments on that date.

The "Offered Notes" consist of the Class 1M-1, Class 1M-2 and Class 1B Notes. The transaction is structured to provide credit protection to Fannie Mae with respect to Reference Obligations as to which certain credit events occur. This credit protection is achieved in part by allowing Fannie Mae to reduce the outstanding class principal balances of the Notes related to the designated Credit Events and Modification Events on the Reference Obligations. The occurrence of certain Credit Events or Modification Events on the Reference Obligations could result in write-downs of the class principal balances of the Notes to the extent losses are realized on such Reference Obligations as a result of these events. In addition, the interest entitlement of the Notes may be subject to reduction based on the occurrence of Modification Events on these Reference Obligations to the extent losses are realized with respect thereto.

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

Capitalized terms used in this term sheet are defined when first used or in the "*GLOSSARY OF CERTAIN DEFINED TERMS*."



\* Credit support for the Class 1M-2A Notes will be 2.00% and for the Class 1M-2B Notes will be 1.00%.  
 \*\*Shown for illustrative purposes only. Represents the sum of the Class Notional Amounts of the Class 1M-BH and Class 1M-AH Reference Tranches. Losses are allocated to such Reference Tranches in that order.

**GENERAL INFORMATION**

<b>Issuer</b>	Fannie Mae
<b>Title of Series</b>	Connecticut Avenue Securities ("CAS"), Series 2016-C04
<b>Offered Notes</b>	Class 1M-1, Class 1M-2 and Class 1B Notes.
<b>Global Agent</b>	Wells Fargo Bank, N.A., as the Global Agent of Fannie Mae, will perform certain reporting and administrative functions with respect to the Notes, including calculating payments on the Notes. Fees and expenses of the Global Agent will be paid by the Issuer.
<b>Exchange Administrator</b>	Wells Fargo Bank, N.A. will act as the Exchange Administrator for the RCR Notes and the Exchangeable Notes. The Exchange Administrator will, among other duties, administer all exchanges of RCR Notes for Exchangeable Notes and vice versa, which will include receiving notices of requests for such exchanges from Noteholders, accepting the Notes to be exchanged, and giving notice to the Global Agent of all such exchanges.
<b>Master Servicer</b>	Fannie Mae
<b>Lead Managers and Joint Bookrunners</b>	Merrill Lynch, Pierce, Fenner & Smith Incorporated ("BofA Merrill") (Structuring Lead) and Barclays Capital Inc. ("Barclays") (Co-Lead Manager)
<b>Co-Managers</b>	Citigroup Global Markets Inc. ("Citigroup"), Credit Suisse Securities (USA) LLC ("Credit Suisse"), J.P. Morgan Securities LLC ("JP Morgan") and Wells Fargo Securities, LLC ("Wells Fargo")
<b>Selling Group Members</b>	Multi-Bank Securities, Inc. and Samuel A. Ramirez & Company, Inc.
<b>Cut-off Date</b>	For this term sheet and for the prospectus, May 31, 2016
<b>Closing Date</b>	On or about July 28, 2016
<b>Payment Date</b>	The 25 <sup>th</sup> day of each calendar month (or, if not a business day, the following business day), commencing in August 2016.
<b>Accrual Period</b>	With respect to each Payment Date, the period beginning on and including the prior Payment Date (or, in the case of the first Payment Date, the Closing Date) and ending on and including

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the day preceding such Payment Date. Interest will be calculated based on the actual number of days in an Accrual Period and a 360-day year.

**Note Rate**

The Note Rate on each Class of Notes for any Accrual Period will be equal to the floating or fixed per annum rate specified for such class as set forth in the final prospectus.

**Legal Status**

The Notes will be unsecured general obligations having the same priority as all of Fannie Mae's other unsecured debt. The RCR Notes represent interests in the Class 1M-2A Notes and/or Class 1M-2B Notes. **The United States does not guarantee the Notes or any interest or return of discount on the Notes. The Notes are not debts or obligations of the United States or any agency or instrumentality of the United States other than Fannie Mae.**

**Notes**

The Class 1M-1 Notes, Class 1M-2 Notes (together with the Class 1M-2A, Class 1M-2F, Class 1M-2I and Class 1M-2B Notes described in the following paragraph) and Class 1B Notes. The Notes will receive principal payments, if entitled to receive principal, and will be allocated reductions and increases in Class Principal Balance or Class Notional Amount, as applicable, in accordance with such allocations to the related Reference Tranches.

The Class 1M-2A and Class 1M-2B Notes are the "Exchangeable Notes." The Class 1M-2, Class 1M-2F and Class 1M-2I Notes are the Related Combinable and Recombinable Notes, or "RCR Notes," to which the Exchangeable Notes relate.

**RCR Notes**

The Class 1M-2, Class 1M-2F and Class 1M-2I Notes. At any time, Holders of Class 1M-2 Notes may exchange all or part of those Notes for proportionate interests in the related Exchangeable Notes, and vice versa. Additionally, Holders of Class 1M-2A Notes may further exchange all or part of those Exchangeable Notes for proportionate interests in the related RCR Notes, and vice versa. Exchanges may occur repeatedly. Schedule I attached hereto sets forth the available combinations (the "Combinations") and characteristics of the RCR Notes. RCR Notes that are held by Holders will receive interest payments that are allocable to the related Exchangeable Notes, calculated at the applicable class coupon rate, and all principal amounts that are payable by Fannie Mae on the related Exchangeable Notes will be allocated to and payable to the related RCR Notes entitled to principal. In addition, all Tranche

Write-down Amounts that are allocable to Exchangeable Notes will be allocated to reduce the Class Principal Balance or Class Notional Amount, as applicable, of the related RCR Notes. Further, all Tranche Write-up Amounts that are allocable to Exchangeable Notes will be allocated to increase the Class Principal Balance or Class Notional Amount, as applicable, of the related RCR Notes.

**Reference Tranches**

The Class 1A-H Reference Tranche, Class 1M-1 Reference Tranche, Class 1M-1H Reference Tranche, Class 1M-2A Reference Tranche, Class 1M-AH Reference Tranche, Class 1M-2B Reference Tranche, Class 1M-BH Reference Tranche, Class 1B Reference Tranche and Class 1B-H Reference Tranche (collectively, the "Reference Tranches"), which are described solely for the purpose of calculating principal payments required to be made on the Notes by Fannie Mae, any reductions or increases of principal on the Notes as a result of Credit Events on the Reference Obligations and any reductions in the interest or principal entitlements of the Notes as a result of Modification Events on the Reference Obligations. Only the Class 1M-1 Reference Tranche, Class 1M-2A Reference Tranche, Class 1M-2B Reference Tranche and Class 1B Reference Tranche will have corresponding Classes of Notes on the Closing Date.

**Senior Reference Tranche**

The Class 1A-H Reference Tranche (the "Senior Reference Tranche").

**Mezzanine Reference Tranches**

The Class 1M-1 Reference Tranche, Class 1M-1H Reference Tranche, Class 1M-2A Reference Tranche, Class 1M-AH Reference Tranche, Class 1M-2B Reference Tranche and Class 1M-BH Reference Tranche (collectively, the "Mezzanine Reference Tranches").

**Subordinate Reference Tranches**

The Mezzanine Reference Tranches, the Class 1B Reference Tranche and the Class 1B-H Reference Tranche (collectively, the "Subordinate Reference Tranches").

**Class Notional Amount of Reference Tranches**

As of any Payment Date and with respect to each Reference Tranche, a notional amount equal to the initial Class Notional Amount of such Reference Tranche, minus the aggregate amount of Senior Reduction Amounts or Subordinate Reduction Amounts allocated to such Reference Tranche on such Payment Date and all prior Payment Dates, minus the aggregate amount of Tranche Write-down Amounts allocated to reduce the Class

Notional Amount of such Reference Tranche on such Payment Date and on all prior Payment Dates, and plus the aggregate amount of Tranche Write-up Amounts allocated to increase the Class Notional Amount of such Reference Tranche on such Payment Date and on all prior Payment Dates. For the avoidance of doubt, no Tranche Write-up Amount or Tranche Write-down Amount will be applied twice on the same Payment Date.

**Settlement**

The Notes will settle with no accrued interest.

**Form of Offering**

Exempt from registration with the SEC under the Securities Act. The Notes are being offered only to "Qualified Institutional Buyers" (as defined in Rule 144A under the Securities Act).

**Ratings/Rating Agencies**

The Issuer has engaged Moody's Investors Service, Inc. and Kroll Bond Rating Agency, Inc. to rate the Class 1M-1 Notes, Class 1M-2A Notes, Class 1M-2B Notes, Class 1M-2 Notes, Class 1M-2F Notes and Class 1M-2I Notes on the Closing Date. No rating agency has been engaged to rate the Class 1B Notes on the Closing Date.

**Reporting Period**

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

**Maturity Date**

On the Payment Date in January 2029, the Issuer will be obligated to retire the Notes by paying an amount equal to their full remaining Class Principal Balances, plus accrued and unpaid interest. However, the Notes may be paid in full prior to the Maturity Date on (a) the Payment Date on which the Early Redemption Option, if any, is exercised with respect to such Notes or (b) the Payment Date on which the aggregate Class Principal Balance of all outstanding Notes is otherwise reduced to zero. If on the Maturity Date a Class of RCR Notes is outstanding, all amounts payable on the Exchangeable Notes that were exchanged for such RCR Notes will be allocated to and payable on the applicable RCR Notes entitled to receive those amounts.

**Early Redemption Option**

The Issuer may redeem the Class 1M-1 Notes, Class 1M-2A Notes, Class 1M-2B Notes and Class 1B Notes on any Payment Date on or after the earlier to occur of (i) the Payment Date on which the aggregate unpaid principal balance of the Reference Obligations is less than or equal to 10% of the Cut-off Date

Balance or (ii) the Payment Date occurring in July 2026, by paying an amount equal to the outstanding Class Principal Balance of the Class 1M-1 Notes, Class 1M-2A Notes, Class 1M-2B Notes and Class 1B Notes, plus accrued and unpaid interest and related unpaid fees and expenses of the Global Agent. If on the Early Redemption Date a Class of RCR Notes is outstanding, all principal amounts that are payable by Fannie Mae on the Exchangeable Notes that were exchanged for such RCR Notes will be allocated to and payable on the applicable RCR Notes entitled to receive principal.

**Early Redemption Date**

The Payment Date, if any, on which the Notes are redeemed by the Issuer pursuant to the Early Redemption Option.

**Termination Date**

The Notes will no longer be outstanding upon the date which is the earliest of:

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

**Expected Credit Enhancement**

Notes/Tranches	Tranche Size	Initial Credit Enhancement
Class 1A-H	96.00%	4.00% <sup>(1)</sup>
Class 1M-1 and Class 1M-1H	1.25%	2.75%
Class 1M-2 <sup>(2)</sup> and Class 1M-2H <sup>(3)</sup>	1.75%	1.00%
Class 1B and Class 1B-H	1.00%	0.00%

<sup>(1)</sup> Required credit enhancement for the Class 1A-H Reference Tranche will be 4.75%.



- (2) Initial credit enhancement for the Class 1M-2A Notes will be 2.00% and for the Class 1M-2B Notes will be 1.00%.
- (3) Shown for illustrative purposes only. Represents the sum of the Class 1M-AH and Class 1M-BH Reference Tranches.

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

**Fannie Mae Retention of  
Minimum 5% of  
Underlying Credit Risk**

Fannie Mae will retain at least 5% of the underlying credit risk corresponding to a vertical slice of each of the Reference Tranches. Moreover, Fannie Mae will retain at least 50% of the underlying credit risk corresponding to the Class 1B Reference Tranche and the Class 1B-H Reference Tranche.

**Notes Acquired by  
Fannie Mae**

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

***STRUCTURAL  
FEATURES***

**Scheduled Principal**

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

**Unscheduled Principal**

With respect to each Payment Date:

- (a) all partial principal prepayments on the Reference Obligations collected during the related Reporting Period, *plus*
- (b) the aggregate unpaid principal balance of all Reference Obligations that became subject to Reference Pool Removals during the related Reporting Period (excluding (i) Credit Event Reference Obligations and (ii) the portions of any prepayments in full that consist of scheduled principal collections), *plus*
- (c) decreases in the unpaid principal balance of all Reference Obligations as the result of loan modification or data corrections, *plus*
- (d) all scheduled principal collections, if any, for any Reference Obligations that have been removed from the related MBS, *minus*

- (e) increases in the unpaid principal balances of all Reference Obligations as the result of loan modifications, reinstatements due to error, or data corrections.

In the event (e) above exceeds the sum of (a) through (d), the Unscheduled Principal for such Payment Date will be zero, and the Class 1A-H Notional Amount will be increased by the amount of such excess. In April 2016, at the direction of its regulator and conservator FHFA, Fannie Mae announced a program that permits principal forgiveness as a loss mitigation alternative for a limited number of loans that were 90 days or more delinquent and underwater as of March 2016. No Reference Obligations are eligible for inclusion in this program. While there is no indication that this program will be extended or replicated, if any similar program of principal reduction were to be employed in the future that affected the Reference Obligations, any principal that was forgiven with respect to a Reference Obligation would decrease the unpaid principal balance of such Reference Obligation pursuant to clause (c) above.

**Recovery Principal**

With respect to each Payment Date, the sum of:

- (a) the excess, if any of the related Credit Event Amount for such Payment Date over the related Tranche Write-down Amount for such Payment Date; *plus*
- (b) the related Tranche Write-up Amount for such Payment Date.

**Senior Reduction Amount**

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

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

As noted above, the Minimum Credit Enhancement Test will not be satisfied at issuance and may not be satisfied for an indefinite period thereafter.

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

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

The "Senior Percentage" for a Payment Date is the percentage equivalent of a fraction, the numerator of which is the Class Notional Amount of the Senior Reference Tranche immediately prior to such Payment Date and the denominator of which is the aggregate unpaid principal balance of the Reference Obligations at the end of the previous Reporting Period.

**Subordinate Reduction Amount**

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

**Allocation of Senior Reduction Amount**

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

Because the Class 1M-1, Class 1M-2A, Class 1M-2B and Class 1B Notes correspond to the Class 1M-1, Class 1M-2A, Class 1M-2B and Class 1B Reference Tranches, respectively, any portion of the Senior Reduction Amount that is allocated to the Class 1M-1, Class 1M-2A, Class 1M-2B or Class 1B Reference Tranche will result in a corresponding reduction in the Class Principal Balance of the Class 1M-1, Class 1M-2A, Class 1M-2B or Class 1B Notes, as applicable. Such reductions in the Class Principal Balance of the Class 1M-2A or Class 1M-2B Notes will result in a corresponding reduction in the Class Principal Balance or Class Notional Amount, as applicable, of the related RCR Notes.

**Allocation of Subordinate Reduction Amount**

On each Payment Date prior to the Termination Date, the Subordinate Reduction Amount will be allocated to the Subordinate Reference Tranches:

- (i) *first*, concurrently, on a pro rata basis based on their Class Notional Amounts, to the Class 1M-1 and Class 1M-1H Reference Tranches until their Class Notional Amounts have been reduced to zero;
- (ii) *second*, concurrently, on a pro rata basis based on their Class Notional Amounts, to the Class 1M-2A and Class 1M-AH Reference Tranches until their Class Notional Amounts have been reduced to zero;



- (iii) *third*, concurrently, on a pro rata basis based on their Class Notional Amounts, to the Class 1M-2B and Class 1M-BH Reference Tranches until their Class Notional Amounts have been reduced to zero; and
- (iv) *fourth*, concurrently, on a pro rata basis based on their Class Notional Amounts, to the Class 1B and Class 1B-H Reference Tranches until their Class Notional Amounts have been reduced to zero.

Any Subordinate Reduction Amount remaining after the allocation in the immediately preceding sentence will be allocated to reduce the Class Notional Amount of the Class 1A-H Reference Tranche.

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

If any RCR Notes are held by Holders, any Subordinate Reduction Amount that is allocable in the *second* or *third* priorities above on any Payment Date to the related Exchangeable Notes will be allocated to reduce the Class Principal Balance or Class Notional Amount, as applicable, of the related RCR Notes.

### ***Loss Allocation Framework***

#### **General**

Upon the occurrence of Modification Events affecting the Reference Obligations and to the extent that losses are realized with respect thereto, the interest entitlements of the Notes will be subject to reduction and the Class Principal Balances thereof will be subject to write-downs as further described under "*Allocation of Modification Loss Amounts*" below. Any such reductions or write-downs will be applied first to the most subordinate Class of Notes with an outstanding Class Principal Balance.

Upon the occurrence of Credit Events affecting the Reference Obligations and to the extent that losses are realized with respect thereto, the Class Principal Balances of the Notes will be subject to write-downs as further described under "*Allocation of Tranche Write-down Amounts*" below. Any such write-downs will be allocated first to the most subordinate Class of Notes with an outstanding Class Principal Balance.



**Modifications**

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

In the event that a program of principal forgiveness were implemented that impacted the Reference Obligations, any reduction in the principal balance of a Reference Obligation as the result of principal forgiveness would be treated as Unscheduled Principal. However, if the Reference Obligation subsequently became a Credit Event Reference Obligation, the related negative adjustment would be included in the Credit Event Net Loss for the Reference Obligation.

**Modification Event**

With respect to any Reference Obligation, a forbearance or certain mortgage rate modifications relating to such Reference Obligation. It is noted that in the absence of a forbearance or certain mortgage rate modifications, a term extension on a Reference Obligation will not constitute a Modification Event.

**Modification Loss Amount**

With respect to each Payment Date and any Reference Obligation that has experienced a Modification Event, the *excess*, if any, of:

- (i) one-twelfth of the Original Accrual Rate *multiplied by* the unpaid principal balance of such Reference Obligation, *over*
- (ii) one-twelfth of the Current Accrual Rate *multiplied by* the interest bearing unpaid principal balance of such Reference Obligation.

**Allocation of Modification Loss Amounts**

On each Payment Date on or prior to the Termination Date, the Preliminary Principal Loss Amount, Preliminary Tranche Write-down Amount, Preliminary Tranche Write-up Amount and Preliminary Class Notional Amount will be computed prior to the Allocation of the Modification Loss Amount.

On each Payment Date on or prior to the Termination Date, the Modification Loss Amount, if any, for such Payment Date will be allocated in the following order of priority:

*first*, to the Class 1B and Class 1B-H Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date, until the amount allocated to the Class 1B Reference Tranche is equal to the Class 1B Notes Interest Accrual Amount;

*second*, to the Class 1B and Class 1B-H Reference Tranches, pro rata, based on their Preliminary Class Notional Amounts for such Payment Date, until the aggregate amount allocated to the Class 1B and Class 1B-H Reference Tranches is equal to the aggregate of the Preliminary Class Notional Amounts of the Class 1B and Class 1B-H Reference Tranches for such Payment Date;

*third*, to the Class 1M-2B and Class 1M-BH Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date, until the amount allocated to the Class 1M-2B Reference Tranche is equal to the Class 1M-2B Notes Interest Accrual Amount;

*fourth*, to the Class 1M-2A and Class 1M-AH Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date, until the amount allocated to the Class 1M-2A Reference Tranche is equal to the Class 1M-2A Notes Interest Accrual Amount;

*fifth*, to the Class 1M-2B and Class 1M-BH Reference Tranches, pro rata, based on their Preliminary Class Notional Amounts for such Payment Date, until the aggregate amount allocated to the Class 1M-2B and Class 1M-BH Reference Tranches is equal to the aggregate of the Preliminary Class Notional Amounts of the Class 1M-2B and Class 1M-BH Reference Tranches for such Payment Date;

*sixth*, to the Class 1M-2A and Class 1M-AH Reference Tranches, pro rata, based on their Preliminary Class Notional Amounts for such Payment Date, until the aggregate amount allocated to the Class 1M-2A and Class 1M-AH Reference Tranches is equal to the aggregate of the Preliminary Class Notional Amounts of the Class 1M-2A and Class 1M-AH Reference Tranches for such Payment Date;

*seventh*, to the Class 1M-1 and Class 1M-1H Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date, until the amount allocated to the Class 1M-1 Reference Tranche is equal to the Class 1M-1 Notes Interest Accrual Amount; and

*eighth*, to the Class 1M-1 and Class 1M-1H Reference Tranches, pro rata, based on their Preliminary Class Notional Amounts for such Payment Date, until the aggregate amount allocated to the Class 1M-1 and Class 1M-1H Reference Tranches is equal to the aggregate of the Preliminary Class Notional Amounts of the Class 1M-1 and Class 1M-1H Reference Tranches for such Payment

Date.

Any amounts allocated to the Class 1M-1, Class 1M-2A, Class 1M-2B or Class 1B Reference Tranches in the *seventh*, *fourth*, *third* or *first* priority above will result in a corresponding reduction of the Interest Payment Amount of the Class 1M-1, Class 1M-2A, Class 1M-2B or Class 1B Notes, as applicable (without regard to any exchanges of Exchangeable Notes for RCR Notes for such Payment Date).

Any amounts allocated to the Class 1B, Class 1M-2B, Class 1M-2A or Class 1M-1 Reference Tranches in the *second*, *fifth*, *sixth* or *eighth* priority above will be included in the calculation of the Principal Loss Amount.

If any RCR Notes are held by Holders, any Modification Loss Amount that is allocable in the *third* or *fourth* priorities above on any Payment Date to the related Exchangeable Notes will be allocated to reduce the Interest Payment Amount of the applicable RCR Notes in accordance with the exchange proportions applicable to the related Combination.

**Principal Loss Amount**

With respect to any Payment Date, the sum of:

(a) the aggregate amount of Credit Event Net Losses for all Credit Event Reference Obligations for the related Reporting Period;

(b) the aggregate amount of court-approved principal reductions ("cramdowns") on the Reference Obligations in the related Reporting Period;

(c) subsequent losses on any Reference Obligation that became a Credit Event Reference Obligation on a prior Payment Date and with respect to which Net Liquidation Proceeds have already been determined; and

(d) amounts included in the *second*, *fifth*, *sixth* and *eighth* priorities under "*Allocation of Modification Loss Amount*" above.

**Principal Recovery Amount**

With respect to any Payment Date, the sum of:

(a) the aggregate amount of Credit Event Net Losses for all Reversed Credit Event Reference Obligations for the related Reporting Period;

(b) subsequent recoveries on any Reference Obligation that

became a Credit Event Reference Obligation on a prior Payment Date and with respect to which Net Liquidation Proceeds have already been determined;

(c) the aggregate amount of the Credit Event Net Gains of all Credit Event Reference Obligations for the related Reporting Period;

(d) the applicable portion of any amounts received by Fannie Mae during the related Reporting Period on settlements relating to claims arising from breaches of origination representations and warranties that Fannie Mae enters into with a loan seller or servicer in lieu of requiring such loan seller or servicer to repurchase a specified pool of mortgage loans that includes one or more Reference Obligations; and

(e) the Projected Recovery Amount on the Termination Date.

**Credit Event**

With respect to any Payment Date on or before the Termination Date and any Reference Obligation, the first to occur of any of the following events during the related Reporting Period, as reported by the servicer to Fannie Mae, if applicable: (i) a short sale is settled, (ii) the related mortgaged property is sold to a third party during the foreclosure process, (iii) an REO disposition occurs, (iv) a mortgage note sale is executed on a loan that is 12 or more months delinquent when offered for sale or (v) the related mortgage note is charged off. With respect to any Credit Event Reference Obligation, there can only be one occurrence of a Credit Event; *provided*, that one additional separate Credit Event can occur with respect to each instance of such Credit Event Reference Obligation becoming a Reversed Credit Event Reference Obligation.

**Credit Event  
Reference Obligation**

With respect to each Payment Date, any Reference Obligation in the Reference Pool for which a Credit Event has occurred and is reported during the related Reporting Period.

**Tranche  
Write-down Amount**

With respect to each Payment Date, the excess, if any, of the Principal Loss Amount for such Payment Date over the Principal Recovery Amount for such Payment Date.

With respect to each Payment Date, the Class Notional Amount of the Senior Reference Tranche will be increased by the excess, if any, of the Tranche Write-down Amount for such Payment Date over the Credit Event Amount for such Payment Date.

**Tranche  
Write-up Amount**

With respect to each Payment Date, the excess, if any, of the Principal Recovery Amount for such Payment Date over the Principal Loss Amount for such Payment Date.

**Allocation of Tranche  
Write-down Amounts**

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

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

Because the Class 1M-1, Class 1M-2A, Class 1M-2B and Class 1B Notes correspond to the Class 1M-1, Class 1M-2A, Class 1M-2B and Class 1B Reference Tranches, respectively, any Tranche Write-down Amounts allocated to the Class 1M-1, Class 1M-2A, Class 1M-2B or Class 1B Reference Tranche will result in a corresponding reduction in the Class Principal Balance of the Class 1M-1, Class 1M-2A, Class 1M-2B or Class 1B Notes, as applicable (without regard to any exchanges of Exchangeable Notes for RCR Notes for such Payment Date). If any RCR Notes

are held by Holders, any Tranche Write-down Amount that is allocable to the related Exchangeable Notes will be allocated to reduce the Class Principal Balance or Class Notional Amount, as applicable, of the related RCR Notes.

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

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

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

Because the Class 1M-1, Class 1M-2A, Class 1M-2B Notes and Class 1B Notes correspond to the Class 1M-1, Class 1M-2A, Class 1M-2B and Class 1B Reference Tranches, respectively, any Tranche Write-up Amounts allocated to the Class 1M-1, Class 1M-2A, Class 1M-2B or Class 1B Reference Tranche will result in a corresponding increase in the Class Principal Balance of the Class 1M-1, Class 1M-2A, Class 1M-2B or Class 1B Notes, as applicable (without regard to any exchanges of Exchangeable Notes for RCR Notes for such Payment Date). If any RCR Notes are held by Holders, any Tranche Write-up Amount that is allocable to the related Exchangeable Notes will be allocated to increase the Class Principal Balance or Class Notional Amount, as applicable, of the related RCR Notes.

To the extent that the Tranche Write-up Amount on any Payment Date exceeds the Tranche Write-up Amount allocated on such Payment Date, the excess (the "Write-up Excess") will be available as overcollateralization to offset any Tranche Write-down

Amounts on future Payment Dates prior to the allocation of such Tranche Write-down Amounts to reduce the Class Notional Amounts of the related Reference Tranches. On each Payment Date, the "Overcollateralization Amount" equals (a) the aggregate amount of Write-up Excesses for such Payment Date and all prior Payment Dates, minus (b) the aggregate amount of Overcollateralization Amounts used to offset Tranche Write-down Amounts on all prior Payment Dates.

### ***Credit Event Reversals and Reference Pool Removals***

#### **Reversed Credit Event Reference Obligation**

With respect to any Payment Date, a Reference Obligation that was formerly in the Reference Pool and that became a Credit Event Reference Obligation in a prior Reporting Period and (i) that is repurchased by the lender or with respect to which the lender agrees to a full indemnification of Fannie Mae or provides a fee in lieu of repurchase for any identified Eligibility Defect, (ii) with respect to which the related lender has declared bankruptcy or has been put into receivership and an Eligibility Defect is identified that could otherwise have resulted in a repurchase or (iii) with respect to which a violation of certain specified Eligibility Criteria is discovered as a result of a data correction.

#### **Reference Pool Removals**

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

- (1) the Reference Obligation becomes a Credit Event Reference Obligation;
- (2) payment in full of the Reference Obligation;
- (3) the Reference Obligation is seized pursuant to an eminent domain proceeding with respect to the underlying mortgage loan;
- (4) the lender repurchases the Reference Obligation, agrees to a full indemnification agreement or fee in lieu of repurchase for the Reference Obligation;
- (5) Fannie Mae elects to sell a delinquent Reference Obligation that is less than 12 months delinquent at the time it is offered for sale;
- (6) the discovery of any of certain specified violations of the Eligibility Criteria for such Reference Obligation as a result of data correction; or
- (7) the lender has declared bankruptcy or has been put into receivership and an Eligibility Defect is identified that could otherwise have resulted in a repurchase.



A Reference Obligation will be removed from the Reference Pool or will become a Reversed Credit Event Reference Obligation if a loan data change occurs that causes the Reference Obligation to no longer meet one or more of the criteria set forth in clauses (a), (e), (f), (g), (j) and (k) of the definition of Eligibility Criteria.

In addition, Fannie Mae at its option may amend the transaction agreements to provide, among other things, that the mortgage note sales referred to in clause (iv) under "*Loss Allocation Framework — Credit Event*" above will thereafter be treated as Reference Pool Removals rather than as Credit Events.

### ***Rep and Warranty Settlement Allocation***

#### **Origination Rep and Warranty Settlement**

A settlement relating to claims arising from breaches of loan representations and warranties that Fannie Mae enters into with a seller or servicer in lieu of requiring such seller or servicer to repurchase a specified pool of Mortgage Loans that includes one or more Reference Obligations, whereby Fannie Mae has received the agreed-upon settlement proceeds from such seller or servicer.

#### **Rep and Warranty Settlement Amount**

For each Reference Obligation that is part of an Origination Rep and Warranty Settlement (including any Reference Obligation that may previously have been removed from the Reference Pool due to a Credit Event), the portion of the settlement amount determined to be attributable to such Reference Obligation. The determination will be made by Fannie Mae at or about the time of the settlement and will be verified by an independent third party as described below.

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

### ***MORTGAGE LOANS IN REFERENCE POOL***

#### **Reference Obligations**

The Reference Pool represents the mortgage loans acquired by Fannie Mae between July 1, 2015 and October 31, 2015 that meet the Eligibility Criteria, as defined below. The Reference Pool summary attached to this term sheet provides additional details about the Reference Obligations in the Reference Pool.



**Reference Pool  
Eligibility Criteria**

Each mortgage loan in the Reference Pool must satisfy the following criteria (the "Eligibility Criteria"):

- (a) is a fully amortizing, fixed rate, first lien Mortgage Loan secured by a one- to four-unit property, town house, individual condominium unit, individual unit in a planned unit development, individual cooperative unit or manufactured home, with an original term of 301 to 360 months;
- (b) was acquired by Fannie Mae between July 1, 2015 and October 31, 2015;
- (c) has not been 30 or more days delinquent from the date of acquisition to the Cut-off Date and has been current on each of the three consecutive payment dates immediately preceding the Cut-off Date;
- (d) was not originated under Fannie Mae's Refi Plus program (Fannie Mae's Refi Plus program includes but is not limited to the Home Affordable Refinance Program);
- (e) has an original combined loan-to-value ratio less than or equal to 97%;
- (f) as of the Cut-off Date, is not subject to an Origination Rep and Warranty Settlement;
- (g) is not subject to any form of risk sharing with the loan seller (other than limited seller indemnification in certain cases);
- (h) was not originated under certain non-standard programs;
- (i) is a conventional loan (i.e. is not guaranteed by the Federal Housing Administration or the U.S. Department of Veterans Affairs);
- (j) has an original loan-to-value ratio that is (i) greater than 60% and (ii) less than or equal to 80%; and
- (k) is not covered by mortgage or pool insurance.

**Reference Pool  
Selection Process**

Fannie Mae determined the composition of the Reference Pool utilizing a multi-step process. All mortgage loans that Fannie Mae acquired between July 1, 2015 and October 31, 2015 (the "July – October 2015 Acquisitions") were divided into two segments on a random basis. The first and second segments included loans representing approximately 80.01% and 19.99%, respectively, of the July – October 2015 Acquisitions (measured by unpaid principal balance at the time of acquisition). The loans included in the first segment (representing approximately 80.01% of the July – October 2015 Acquisitions) were made available for potential selection for the Reference Pool (such loans, the "Available Loans"). The loans included in the second segment (representing approximately 19.99% of the July – October 2015 Acquisitions)



Connecticut Avenue Securities, Series 2016-C04  
CONFIDENTIAL PRELIMINARY TERM SHEET

were made available for potential selection for an unrelated Fannie Mae credit risk transaction and will not be included in the Reference Pool

Fannie Mae thereafter selected for inclusion all Available Loans that met the applicable Eligibility Criteria described in (a) through (k) of the definition thereof.

The "Initial Cohort Pool" represents all of the Available Loans that met the Eligibility Criteria at the time of their acquisition by Fannie Mae (other than those Eligibility Criteria that are determined as of the Cut-Off Date). The table below summarizes the loan count, original unpaid principal balance and key attributes of the mortgage loans included in the Initial Cohort Pool.

<u>Category</u>	<u>Loan Count</u>	<u>Aggregate Original Loan Balance</u>
Initial Cohort Pool	198,090	\$47,034,008,000
Less loans that did not satisfy the delinquency criteria set forth in clause (c) of the Eligibility Criteria, less loans that paid-in-full, less quality control removals	<u>14,755</u>	<u>\$4,061,685,000</u>
Reference Pool	183,335	\$42,972,323,000

The table below summarizes the loans in the Initial Cohort Pool which were excluded from the Reference Pool due to failure to satisfy the delinquency-related Eligibility Criteria, payoffs and quality control removals.

Worst DQ Status Since Acquisition	Current Status <sup>(1)</sup>											Total
	Current	30	60	90	120	150	180	>180	Paid in Full	QC Removal	Repurchase	
Current	224 <sup>(2)</sup>	0	0	0	0	0	0	0	9,700	101	0	10,025
30	3,495	650	0	0	0	0	0	0	191	6	0	4,342
60	138	32	78	0	0	0	0	0	9	0	0	257
90	63	6	5	22	0	0	0	0	6	0	0	102
120	4	0	0	0	14	0	0	0	1	0	0	19
150	0	0	0	0	0	6	0	0	0	0	0	6
180	1	0	0	0	0	0	2	0	0	0	0	3
>180	0	0	0	0	0	0	0	1	0	0	0	1
<b>Total</b>	<b>3,925</b>	<b>688</b>	<b>83</b>	<b>22</b>	<b>14</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>9,907</b>	<b>107</b>	<b>0</b>	<b>14,755</b>

(1) The above table takes into account acquisition eligibility criteria prior to the consideration of delinquency and other Cut-Off Date eligibility requirements, which could understate such Cut-Off Date eligibility exclusions.

(2) Remain subject to Fannie Mae's post-purchase QC Process, as of June 24, 2016 and therefore excluded from eligibility.

### Loan Acquisition Practices

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

### Underwriting Standards

Fannie Mae's Selling Guide establishes the baseline credit standards for mortgage loans that Fannie Mae acquires from Fannie Mae's approved loan sellers. In evaluating a borrower's willingness and ability to repay the mortgage loan, the loan seller must include documentation in the loan file

that confirms that information provided by the borrower as part of the loan application is accurate and documents the loan seller's assessment of the borrower's credit history, employment, income, assets, and other financial information. In addition, the loan seller must conduct a comprehensive risk assessment of each mortgage loan application prior to approving it. The loan seller is also responsible for the accuracy and completeness of the appraisal and its assessment of the marketability of the property as well as underwriting the appraisal report to determine whether the property presents adequate collateral for the mortgage loan.

**Desktop Underwriter**

Approximately 90.9% of the Reference Obligations, by unpaid principal balance, were underwritten through Fannie Mae's Desktop Underwriter® ("DU") system. DU is a proprietary automated underwriting system that evaluates mortgage delinquency risk and arrives at an underwriting recommendation by conducting a comprehensive examination of the primary and contributory risk factors in a mortgage application. DU analyzes the information in the loan case file to reach an overall credit risk assessment to determine eligibility for delivery to Fannie Mae. In addition, DU outlines certain steps necessary for the loan seller to complete the processing of the loan file, including the required documentation necessary to verify borrower income, assets, and property value. All loans delivered to Fannie Mae must meet the documentation requirements stated in the Selling Guide or as required by DU as of the date of origination.

**Servicing Practices**

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

**Fannie Mae's QC Process***General*

Fannie Mae conducts several different types of QC reviews on a sample basis with respect to mortgage loans, including post-purchase reviews, early payment default reviews, servicing reviews, and post-foreclosure reviews. Fannie Mae reviews a statistically valid random sample of newly acquired

performing mortgage loans, and augments this random sample with targeted, discretionary sampling employing a number of technology tools and internal models to more accurately identify loans with characteristics that merit further scrutiny in discretionary reviews.

During the course of its post-purchase QC reviews, Fannie Mae may identify the following:

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

If Fannie Mae identifies any of the foregoing, Fannie Mae may require the immediate repurchase of a mortgage loan. Fannie Mae refers to defects that give rise to a repurchase obligation as "Eligibility Defects." In certain circumstances, Fannie Mae may provide the loan seller with an alternative to the immediate repurchase of a mortgage loan that does not meet Fannie Mae's requirements.

Under Fannie Mae's lender selling representations and warranties framework, lenders are relieved of certain selling representations and warranties that relate to the underwriting of loans delivered to Fannie Mae, provided that those loans have achieved an acceptable payment history or a successful full-file quality control review by Fannie Mae. Nonetheless, lenders will not be relieved from Fannie Mae's enforcement with respect to certain "life of loan representations and warranties," including, but not limited to, fraud and misrepresentation, validity of title and Fannie Mae Charter violations.

Any limitations on Fannie Mae's ability to require the repurchase of a mortgage loan is likely to reduce the rate of lender repurchases following certain breaches and thus may increase the exposure of investors to credit losses.

#### *Delinquent Mortgage Loans*

Fannie Mae's current quality control process requires completion of an automated analysis of all defaulted loans that remain subject to loan seller repurchase obligations at the time of default. The objective is to determine the likelihood that a defect exists that will result in a repurchase by the loan seller. This automated analysis triggers referral to a specialist for a detailed review. The analysis takes into account the nature and circumstances of the borrower default, the timing and prior payment history of the borrower, the current status of the loan and/or property and other data elements that, based on Fannie Mae's experience, indicate that the default is correlated with a potential loan seller breach requiring a repurchase.

Fannie Mae's QC policies and procedures generally are subject to revision over time as a result of changes in the economic environment as well as changes in regulatory policies and requirements, including implementation of the "Single Security Initiative", among other factors. Further, Fannie Mae may at any time modify our servicing requirements and other procedures in light of our evolving business needs and to minimize losses to taxpayers and our shareholders among other purposes. These changes may be adopted without regard to investors and in some cases may have a negative impact on Noteholders.

### **Fannie Mae QC Results**

Fannie Mae's post purchase QC process is designed to evaluate the eligibility of the loans Fannie Mae acquires. In connection with Fannie Mae's post-purchase QC reviews for mortgage loans with LTVs less than or equal to 80% that Fannie Mae acquired from July 1, 2015 to October 31, 2015, Fannie Mae reviewed 14,139 mortgage loans out of the eligible production for the period July 1, 2015 to October 31, 2015, an approximate 7.12% sample, of which 12,705 are in the Reference Pool. Of the 14,139 mortgage loans, approximately 3.96% remain subject to Fannie Mae's post-purchase QC Process as of June 24, 2016.

The following summary is preliminary based on the most current information available as of June 24, 2016. The prospectus will contain additional information about the results of Fannie Mae's post purchase QC reviews.

Type of Sample	Number of Loans Reviewed	Loans With Eligibility Defects	Share of Sample with Eligibility Defects
Randomly Selected .....	<u>2,430</u>	<u>17</u>	<u>0.7%</u>
Discretionary Selections .....	<u>11,709</u>	<u>328</u>	<u>2.8%</u>
<b>Total .....</b>	<b>14,139</b>	<b>345</b>	<b>2.4%</b>

None of the loans determined by Fannie Mae to have Eligibility Defects as of June 24, 2016 were included in the Reference Pool.

**Quarterly Due Diligence Review**

In connection with the issuance from time to time of Connecticut Avenue Securities, Fannie Mae engages third-party diligence providers (each, a "Diligence Provider") to conduct limited reviews of mortgage loans that Fannie Mae acquires in a specified calendar quarter and includes in fully-guaranteed MBS. Each Diligence Provider selects for review a statistically valid, random sample of mortgage loan files (each, a "Diligence Sample") from a broader population of loans acquired in the applicable calendar quarter that received full credit and appraisal reviews (and a portion of which received compliance reviews) as part of Fannie Mae's QC Process.

In its review of third quarter 2015 acquisitions, the Diligence Provider selected a Diligence Sample of 999 mortgage loan files from a broader population of 3,682 loans. 2,267 of the loans in the broader population met the Preliminary Eligibility Criteria. The related Diligence Sample included 494 Reference Obligations that were included in the final selection of the Reference Pool.

In its review of fourth quarter 2015 acquisitions, the Diligence Provider selected a Diligence Sample of 999 mortgage loan files from a broader population of 3,580 loans. 741 of the loans in the broader population met the Preliminary Eligibility Criteria. The related Diligence Sample included 140 Reference Obligations that were included in the final selection of the Reference Pool.

The "Preliminary Eligibility Criteria" are the Eligibility Criteria other than the criteria specified in clauses (c), (f) and (g) of the definition thereof.

The results of these third and fourth quarter 2015 reviews are described more fully in the related sections set forth under "*The Reference Obligations*" in the prospectus.



**THE NOTES****Debt Agreement**

The Notes will be issued pursuant to a debt agreement. The permissible Combinations of RCR Notes that may be issued in exchange for Exchangeable Notes are set forth on Schedule I hereto.

**Class Principal Balance**

As of any Payment Date and for the Notes (in each case without regard to any exchange of Exchangeable Notes for RCR Notes):

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

The Class Principal Balance of each Class of Notes (other than RCR Notes) will at all times equal the Class Notional Amount of the Reference Tranche that corresponds to such Class of Notes. For the avoidance of doubt, no Tranche Write-up Amount or Tranche Write-down Amount will be applied twice on the same Payment Date. The Class Principal Balance of each outstanding Class of RCR Notes entitled to principal will be equal to the outstanding Class Principal Balance of the Exchangeable Notes that were exchanged for such RCR Notes.

**Interest Accrual Amount**

With respect to each outstanding Class of Notes and any Payment Date is an amount equal to the accrued interest at the class coupon on the Class Principal Balance or Class Notional Amount, as applicable, of each Class of Notes immediately prior to such Payment Date.

**Interest Payment Amount**

With respect to each outstanding Class of Notes and any Payment Date, the amount that Noteholders thereof will be entitled to receive from the Interest Accrual Amount for such Class of Notes, less any Modification Loss Amount for such Payment Date allocated to reduce such amount for such Class of Notes. In each case, interest amounts that are payable by Fannie Mae on the related Exchangeable Notes will be allocated to and payable on any outstanding RCR Notes.



**Principal Payment**

Except as described below, on each Payment Date, Fannie Mae will pay principal to Holders of each outstanding Class of Notes (without regard to any exchanges of Exchangeable Notes for RCR Notes) in an amount equal to the portion of the Senior Reduction Amount or Subordinate Reduction Amount, as applicable, allocated to the corresponding Reference Tranche on such Payment Date. No payments of principal will be made to the Reference Tranches.

On the earlier to occur of (x) the Early Redemption Date, if any, and (y) the Maturity Date, Fannie Mae will pay 100% of the outstanding Class Principal Balance to Holders of each Class of Notes, after allocations of the Tranche Write-Down Amount and the Tranche Write-up Amount for such Payment Date (without regard to any exchanges of Exchangeable Notes for RCR Notes).

In each case, principal amounts that are payable by Fannie Mae on the related Exchangeable Notes will be allocated to and payable on any outstanding RCR Notes that are entitled to principal.

The Class 1M-2I Notes are not entitled to receive payments of principal. This Class has a "Class Notional Amount" as of any Payment Date equal to the outstanding Class Principal Balance of the Class 1M-2A Notes.

In addition, on the Termination Date, the Projected Recovery Amount will be included in the calculation of the Principal Recovery Amount.

**Events of Default**

An "Event of Default" for the Notes under the Debt Agreement will consist of:

- (a) any failure by Fannie Mae to pay principal or interest on a Note that continues unremedied for 30 days;
- (b) any failure by Fannie Mae to perform in any material respect any other obligation under the Debt Agreement if the failure continues unremedied for 60 days after Fannie Mae receives notification by the Holders of at least 25% of the outstanding Class Principal Balance of the Notes (with the outstanding Class Principal Balances of the Exchangeable Notes to be determined without regard to any exchanges for RCR Notes);  
or
- (c) specified events of bankruptcy, insolvency or similar proceedings involving Fannie Mae.

Holders of RCR Notes will be entitled to exercise all the voting or direction rights that are otherwise allocated to the related Exchangeable Notes; provided, however, that Holders of Class 1M-2F Notes will be entitled to exercise 99% of the voting or direction rights

that are otherwise allocated to the related Class 1M-2A Notes and Holders of Class 1M-2I Notes will be entitled to exercise 1% of the voting or direction rights that are otherwise allocated to the related Class 1M-2A Notes.

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

**Rights Upon Event of Default**

If an Event of Default under the Debt Agreement continues unremedied, Holders of not less than 50% of the Class Principal Balance amount of each Class of Notes (with the outstanding Class Principal Balances of Exchangeable Notes to be determined without regard to any exchanges for RCR Notes) to which such Event of Default relates may, by written notice to Fannie Mae, declare such Notes due and payable.

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

- (a) the Noteholder previously has given Fannie Mae written notice of an Event of Default and of the continuance thereof;
- (b) the Holders of not less than 50% of the outstanding Class Principal Balance of each Class of Notes to which such Event of Default relates (with the outstanding Class Principal Balances of the Exchangeable Notes to be determined without regard to any exchanges for RCR Notes) have given Fannie Mae written notice of the Event of Default; and
- (c) the Event of Default continues uncured for 60 days following such notice.

The Holders of not less than 50% of the outstanding Class Principal Balance of each Class of Notes (with the outstanding Class Principal Balances of the Exchangeable Notes to be determined without regard to any exchanges for RCR Notes) to which an Event of Default relates may waive, rescind or annul such Event of Default as it relates to such Class at any time.

Holders of such RCR Notes will be entitled to exercise all the voting or direction rights otherwise allocable to the related Exchangeable Notes as further described in the prospectus.

**Exchange**

Under the Global Agency Agreement, the Exchange Administrator will be engaged by Fannie Mae to perform certain administrative

**Administration**

functions with respect to exchanging Exchangeable Notes for RCR Notes and vice versa. The Exchange Administrator will, among other duties set forth in the Global Agency Agreement, administer all exchanges of Exchangeable Notes for RCR Notes and vice versa, which will include receiving notices of requests for such exchanges from Noteholders, accepting the Notes to be exchanged, and giving notice to the Global Agent of all such exchanges. The Exchange Administrator will notify the Global Agent with respect to any exchanges of Exchangeable Notes for RCR Notes (and vice versa) at the time of such exchange, and the Global Agent will make all subsequent payments in accordance with such notice, unless notified of a subsequent exchange by the Exchange Administrator.

***INVESTMENT CONSIDERATIONS*****United States Federal  
Tax  
Consequences**

Fannie Mae expects to receive an opinion from Hunton & Williams LLP that, although the matter is not free from doubt, each of the Class 1M-1, Class 1M-2A and Class 1M-2B Notes sold on the Closing Date (including through a sale of RCR Notes) to a person unrelated to Fannie Mae will be characterized as indebtedness for U.S. federal income tax purposes. Fannie Mae and each Holder of such a Note, by acceptance of such Note, will agree to treat such Note as indebtedness of Fannie Mae for all U.S. federal income tax purposes unless otherwise required by law. The arrangement under which the RCR Notes are created will be classified as a grantor trust for U.S. federal income tax purposes. The RCR Notes represent beneficial ownership interests in the applicable Exchangeable Notes for U.S. federal income tax purposes.

The Class 1B Notes could be characterized as either derivatives or equity instruments, rather than debt, for U.S. federal income tax purposes. While the characterization is not entirely clear, Fannie Mae intends to take the position that each Class 1B Note will be treated as a notional principal contract for U.S. federal income tax purposes (other than for purposes of U.S. federal withholding tax).

Because the U.S. federal income tax characterization of the Class 1B Notes is uncertain, the characterization of payments on the Class 1B Notes for U.S. withholding tax purposes is also uncertain. As a result, to the extent that Fannie Mae makes payments to a beneficial owner not exempt from withholding with respect to a Class 1B, Fannie Mae and its paying agent intend to withhold U.S. federal income tax on the entire amount of each class coupon payment (as adjusted as a result of any Modification Events) with respect to such Class 1B. Further, Fannie Mae expects that other withholding agents making such payments to a non-U.S. beneficial owner will also withhold on such payments. Fannie Mae will not gross up for such withheld amounts.

Accordingly, potential investors that are not U.S. persons should consult with their tax advisors regarding the suitability of the Class 1B Notes for investment.

- ERISA Considerations** Employee benefit plans and entities holding the assets of any such plan may purchase the Notes only if purchasing and holding the Notes will not result in a nonexempt prohibited transaction under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or the Internal Revenue Code of 1986, as amended (the "Code"), or a non-exempt violation of any similar federal, state or local law.
- Legal Investment** The Notes will not be "mortgage related securities" for purposes of the Secondary Mortgage Market Enhancement Act of 1984, as amended ("SMMEA"). No representation is or will be made as to the proper characterization of the Notes for legal investment or other purposes, the ability of particular investors to purchase Notes for legal investment or other purposes or the ability of particular investors to purchase the Notes under applicable legal investment or other restrictions.
- EU Risk Retention** In connection with Article 405(1) of EU Regulation 575/2013, Fannie Mae will retain a material net economic interest in the exposure related to the Notes issuance transaction of not less than 5%.
- Irish Stock Exchange** Fannie Mae expects to list the Notes on the Irish Stock Exchange subsequent to the Closing Date.
- Registration and Denomination** The Notes will be issuable in book-entry form through DTC, Euroclear and Clearstream in minimum denominations of \$10,000 with integral multiples of \$1 in excess thereof. The Notes are being offered only to "Qualified Institutional Buyers" (as defined in Rule 144A under the Securities Act).
- Record Date** The business day preceding a Payment Date, with respect to beneficial interests in book-entry Notes and the last business day of the preceding month of a Payment Date, with respect to definitive Notes.

**EXAMPLE OF PAYMENTS**

The following sets forth an example of reporting of principal payments from borrowers on the Reference Obligations and payments on the Notes for the Payment Date in August 2016:

June 1 through June 30	Reporting Period	The Master Servicer will report principal payments on the Reference Obligations received during the related Reporting Period (June 1 through June 30) from borrowers including scheduled principal and full and partial principal prepayments.
June 30	Delinquency Determination Date	The Master Servicer will report the MBA delinquency status on the Reference Obligations determined as of the Delinquency Determination Date (June 30).
August 10	Master Servicer Remittance Date	Master Servicer will provide remittance file in respect of the Reference Obligations to the Global Agent on or prior to the 8th business day of each month.
August 24	Record Date	Distributions on each Payment Date will be made to Holders of record for all classes of Notes as of the business day immediately preceding such Payment Date
August 25	Payment Date	On the 25 <sup>th</sup> day of each month (or if the 25 <sup>th</sup> day is not a business day, the next business day), the Issuer will make payments to Noteholders.

Succeeding months follow the same pattern.

**PROJECTED RECOVERY AMOUNT**

On the Termination Date, the Projected Recovery Amount will be included in the calculation of the Principal Recovery Amount.

**SCHEDULE I**

**CONNECTICUT AVENUE SECURITIES, SERIES 2016-C04  
RCR NOTES  
AVAILABLE COMBINATIONS AND RECOMBINATIONS**

<b>Combination</b>	<b>Class of Exchangeable Note</b>	<b>Original Balance (\$)</b>	<b>Exchange Proportions (%)<sup>(1)</sup></b>	<b>Class of RCR Note</b>	<b>Maximum Original Balance / Notional Amount (\$)</b>	<b>Exchange Proportions (%)<sup>(1)</sup></b>	<b>Class Coupon (%)</b>	<b>Expected Ratings (Moody's/KBRA)</b>
1	1M-2A	\$300,522,000	42.8570817391%	1M-2	\$701,219,000	100%	1mL + —%	B1(sf)/BB-(sf)
	1M-2B	\$400,697,000	57.1429182609%					
2	1M-2A	\$300,522,000	100%	1M-2F	\$300,522,000	100%	1mL + —%	Ba2(sf)/BBB-(sf)
				1M-2I	\$300,522,000 <sup>(2)</sup>	<sup>(3)</sup>	—%	Ba2(sf)/ BBB-(sf)

<sup>(1)</sup> Exchange proportions are constant proportions of the original Class Principal Balances or Class Notional Amounts, as applicable, of the Class or Classes of Exchangeable or RCR Notes being exchanged. In accordance with the exchange proportions, Holders of Exchangeable Notes may exchange those Notes for RCR Notes, and vice versa.

<sup>(2)</sup> Class Notional Amount.

<sup>(3)</sup> The Class Notional Amount of this RCR Note will equal the Class Principal Balance of the related Exchangeable Note.

## GLOSSARY OF CERTAIN DEFINED TERMS

"Credit Event Amount" means, with respect to each Payment Date, the aggregate amount of the Credit Event UPB of all Credit Event Reference Obligations for the related Reporting Period.

"Credit Event Net Gain" means, with respect to any Credit Event Reference Obligation, an amount equal to the *excess*, if any, of:

- (a) the related Net Liquidation Proceeds, over
- (b) the *sum* of:
  - (i) the related Credit Event UPB;
  - (ii) the total amount of prior principal forgiveness modifications, if any, on the related Credit Event Reference Obligation; and
  - (iii) delinquent accrued interest thereon, calculated at the applicable Current Accrual Rate from the related last-paid interest date through the date such Reference Obligation has been reported as a Credit Event Reference Obligation.

"Credit Event Net Loss" means, with respect to any Credit Event Reference Obligation, an amount equal to the *excess*, if any, of:

- (a) the sum of:
  - (i) the related Credit Event UPB;
  - (ii) the total amount of prior principal forgiveness modifications, if any, on the related Credit Event Reference Obligation; and
  - (iii) delinquent accrued interest thereon, calculated at the related Current Accrual Rate from the related last paid interest date through the date such Reference Obligation has been reported as a Credit Event Reference Obligation, *over*
- (b) the related Net Liquidation Proceeds.

As indicated below, the Net Liquidation Proceeds for any Credit Event Reference Obligation will be determined based on the proceeds received (net of related expenses and credits) during the period including the month in which such Reference Obligation became a Credit Event Reference Obligation together with the immediately following three-month period. Any proceeds or expenses received or incurred thereafter with respect to such Credit Event Reference Obligation will be determined on a monthly basis for inclusion in the calculation of the Principal Recovery Amount or Principal Loss Amount, as applicable.

"Credit Event Reference Obligation" means, with respect to any Payment Date, any Reference Obligation with respect to which a Credit Event has occurred.

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

"Current Accrual Rate" means, with respect to each Payment Date and any Reference Obligation, the current mortgage rate, less the greater of (i) the related servicing fee rate and (ii) 35 basis points.

"Delinquency Test" means, for any Payment Date, a test that will be satisfied if:

(a) the sum of the Distressed Principal Balance for the current Payment Date and each of the preceding five Payment Dates, divided by six, is less than

(b) 40% of the excess of (i) the product of (x) the Subordinate Percentage and (y) the aggregate unpaid principal balance of the Reference Obligations as of the preceding Payment Date over (ii) the Principal Loss Amount for the current Payment Date.

"Distressed Principal Balance" means, for any Payment Date, the aggregate unpaid principal balance of the Reference Obligations that are 90 days or more delinquent or are otherwise in foreclosure, bankruptcy or REO status.

"Minimum Credit Enhancement Test" means, with respect to any Payment Date, a test that will be satisfied if the Subordinate Percentage (solely for purposes of such test, rounded to the sixth decimal place) is greater than or equal to 4.750000%.

"Net Liquidation Proceeds" means, with respect to any Credit Event Reference Obligation, the sum of the related liquidation proceeds and any proceeds received from the related servicer in connection with such Credit Event Reference Obligation, less related expenses and credits, including but not limited to taxes and insurance, legal costs, maintenance and preservation costs, in each case during the period including the month in which such Reference Obligation became a Credit Event Reference Obligation together with the immediately following three-month period.

"Original Accrual Rate" means, with respect to any Reference Obligation, the mortgage rate as of the Cut-off Date, less the greater of (i) the related servicing fee and (ii) 35 basis points.

"Preliminary Class Notional Amount" means, for a Payment Date and Reference Tranche, an amount equal to the Class Notional Amount of a Reference Tranche immediately prior to such Payment Date after the application of the Preliminary Tranche Write-down Amount in accordance with the priorities set forth in the Allocation of Tranche Write-down Amount for the related Notes and after the application of the Preliminary Tranche Write-up Amount in accordance with the priorities set forth in the Allocation of Tranche Write-up Amount.

"Preliminary Principal Loss Amount" means, for a Payment Date, an amount equal to the Principal Loss Amount computed without giving effect to clause (d) of the definition of Principal Loss Amount.



"Preliminary Tranche Write-down Amount" means, for a Payment Date, and amount equal to the Tranche Write-down Amount computed using the Preliminary Principal Loss Amount instead of the Principal Loss Amount.

"Preliminary Tranche Write-up Amount" means, for a Payment Date, an amount equal to the Tranche Write-up Amount computed using the Preliminary Principal Loss Amount instead of the Principal Loss Amount.

"Projected Recovery Amount" means, for the Notes and as of the Termination Date, the aggregate amount of subsequent recoveries, net of expenses and credits, projected to be received, calculated based on a formula to be derived by Fannie Mae from the actual net recovery experience during the 30-month period immediately preceding the Termination Date, plus any additional amount determined by Fannie Mae in its sole discretion to be appropriate for purposes of the foregoing projection in light of then-current market conditions. Information regarding the formula and results of the related calculations will be provided to Holders through Payment Date Statements in advance of the Termination Date, if any. In the absence of manifest error, Fannie Mae's determination of the Projected Recovery Amount shall be final.

The prospectus will contain further information regarding the Projected Recovery Amount.

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

"Subordinate Percentage" means, with respect to each Payment Date and the Notes, 100% minus the Senior Percentage for such Payment Date.

"Written-down Note" means a Note of any Class with respect to which any related Tranche Write-down Amounts, in the aggregate, exceed any related Tranche Write-up Amounts, in the aggregate, in each case as of the Termination Date.

### **Weighted Average Life and Modeling Assumptions**

Weighted average life of a Class of Notes refers to the average amount of time that will elapse from the date of issuance of such Class of Notes until each dollar is distributed and any Tranche Write-down Amount is allocated in reduction of its principal balance. The weighted average lives of the Notes will be influenced by, among other things, the rate at which principal of the mortgage loans that are Reference Obligations is paid, which may be in the form of scheduled amortization, prepayments or liquidations and the timing and rate of allocation of Tranche Write-down Amounts and Tranche Write-Up Amounts.

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

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

- (1) the initial Class Principal Balances or Class Notional Amounts are as set forth in the table on page 4;
- (2) the scheduled monthly payment for each Reference Obligation is based on its outstanding principal balance, current mortgage rate and remaining amortization term to maturity so that it will fully amortize in amounts sufficient for the repayment thereof over its remaining amortization term to maturity;
- (3) each monthly payment of scheduled principal and interest on the Reference Obligations is timely received on the first day of each month commencing in August 2016;
- (4) other than with respect to the Declining Balances Tables, the Reference Obligations experience Credit Events at the indicated CDR percentages and there is no lag between the related Credit Event Amounts and the application of any related Recovery Principal; the Principal Loss Amount is equal to 25% of the Credit Event Amount; in the case of the Declining Balances Tables, it is assumed that no Credit Events occur;
- (5) the Delinquency Test is satisfied for each Payment Date;

- (6) principal prepayments in full on the Reference Obligations are received on the last day of each month beginning in the calendar month prior to the month in which the first Payment Date occurs;
- (7) there are no partial principal prepayments on the Reference Obligations;
- (8) the Reference Obligations prepay at the indicated CPR percentages;
- (9) except as specified in the tables, there are no defaults or delinquencies on the Reference Obligations;
- (10) Payment Dates occur on the 25th day of each month commencing in August 2016;
- (11) there are no purchases, removals, reinstatements, or substitutions of Reference Obligations;
- (12) there are no Modification Events or data corrections in connection with the Reference Obligations;
- (13) the Maturity Date is the Payment Date in January 2029;
- (14) there is no Early Redemption Option exercised (except in the case of Weighted Average Life in Years (to Early Redemption Option));
- (15) the Closing Date is July 28, 2016;
- (16) one-month LIBOR stays constant at 0.4758%;
- (17) the Reference Obligations are aggregated into the assumed mortgage loans having the characteristics as described in "Assumed Characteristics of the Reference Obligations as of the Cut-Off Date";
- (18) there are no Reversed Credit Event Reference Obligations;
- (19) the Projected Recovery Amount is zero;
- (20) there are no Originator Rep and Warranty Settlements; and
- (21) the Class 1M-1 margin is equal to 1.90%, the Class 1M-2 margin is equal to 4.75% and the Class 1B margin is equal to 10.50%.

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



Connecticut Avenue Securities, Series 2016-C04  
CONFIDENTIAL PRELIMINARY TERM SHEET

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

<b>Assumed Reference Obligation Group Number</b>	<b>Outstanding Principal Balance (\$)</b>	<b>Remaining Term to Maturity (months)</b>	<b>Original Term to Maturity (months)</b>	<b>Current Mortgage Rate (%)</b>
1	368,016.61	353	360	2.750
2	514,532.49	351	360	2.875
3	474,229.96	350	360	3.000
4	6,138,692.44	350	360	3.117
5	14,925,690.52	351	360	3.250
6	54,612,325.25	351	360	3.373
7	216,205,229.08	350	360	3.498
8	913,199,748.42	350	360	3.624
9	2,280,658,842.99	350	360	3.748
10	4,479,295,407.33	351	360	3.874
11	6,244,232,201.05	351	360	3.996
12	6,487,001,804.57	351	360	4.123
13	7,700,234,433.19	351	360	4.247
14	4,385,875,339.10	351	360	4.374
15	3,235,797,263.68	352	360	4.499
16	2,193,733,847.01	352	360	4.623
17	1,966,351,739.41	352	360	4.749
18	1,125,581,636.34	352	360	4.874
19	507,850,744.39	352	360	4.995
20	212,730,566.75	352	360	5.124
21	106,831,575.86	352	360	5.249
22	37,285,511.65	352	360	5.373
23	7,069,339.96	352	360	5.497
24	1,343,827.14	351	360	5.601
25	81,942.49	350	360	5.750
26	249,863.52	352	360	5.875

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

Date	<b>Class 1M-1</b>							
	<b>CPR Prepayment Assumption</b>							
	<u>0%</u>	<u>5%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>30%</u>	<u>35%</u>
Closing Date	100	100	100	100	100	100	100	100
July 25, 2017	94	94	94	94	83	66	43	24
July 25, 2018	88	88	78	46	18	0	0	0
July 25, 2019	82	82	43	1	0	0	0	0
July 25, 2020	76	67	11	0	0	0	0	0
July 25, 2021	69	47	0	0	0	0	0	0
July 25, 2022	62	27	0	0	0	0	0	0
July 25, 2023	55	9	0	0	0	0	0	0
July 25, 2024	47	0	0	0	0	0	0	0
July 25, 2025	39	0	0	0	0	0	0	0
July 25, 2026	31	0	0	0	0	0	0	0
July 25, 2027	22	0	0	0	0	0	0	0
July 25, 2028	13	0	0	0	0	0	0	0
July 25, 2029	0	0	0	0	0	0	0	0
Weighted Average Life (years) to Maturity .....	7.32	4.67	2.79	1.95	1.51	1.22	0.97	0.82
Weighted Average Life (years) to Early Redemption Date* .....	6.81	4.67	2.79	1.95	1.51	1.22	0.97	0.82

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



Connecticut Avenue Securities, Series 2016-C04  
 CONFIDENTIAL PRELIMINARY TERM SHEET

**Class 1M-2**  
**CPR Prepayment Assumption**

Date	<u>0%</u>	<u>5%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>30%</u>	<u>35%</u>
Closing Date	100	100	100	100	100	100	100	100
July 25, 2017	100	100	100	100	100	100	100	100
July 25, 2018	100	100	100	100	100	93	72	54
July 25, 2019	100	100	100	100	76	53	31	14
July 25, 2020	100	100	100	74	47	24	3	0
July 25, 2021	100	100	88	52	24	2	0	0
July 25, 2022	100	100	70	33	6	0	0	0
July 25, 2023	100	100	55	18	0	0	0	0
July 25, 2024	100	94	41	5	0	0	0	0
July 25, 2025	100	82	28	0	0	0	0	0
July 25, 2026	100	71	17	0	0	0	0	0
July 25, 2027	100	60	8	0	0	0	0	0
July 25, 2028	100	50	0	0	0	0	0	0
July 25, 2029	0	0	0	0	0	0	0	0
Weighted Average Life (years) to Maturity .....	12.49	11.08	7.62	5.34	4.08	3.25	2.63	2.21
Weighted Average Life (years) to Early Redemption Date* .....	9.99	9.63	7.45	5.34	4.08	3.25	2.63	2.21

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

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Connecticut Avenue Securities, Series 2016-C04  
 CONFIDENTIAL PRELIMINARY TERM SHEET

**Class 1B**  
**CPR Prepayment Assumption**

Date	<u>0%</u>	<u>5%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>30%</u>	<u>35%</u>
Closing Date	100	100	100	100	100	100	100	100
July 25, 2017	100	100	100	100	100	100	100	100
July 25, 2018	100	100	100	100	100	100	100	100
July 25, 2019	100	100	100	100	100	100	100	100
July 25, 2020	100	100	100	100	100	100	100	79
July 25, 2021	100	100	100	100	100	100	73	50
July 25, 2022	100	100	100	100	100	76	50	32
July 25, 2023	100	100	100	100	87	56	34	20
July 25, 2024	100	100	100	100	67	41	23	13
July 25, 2025	100	100	100	89	52	29	16	8
July 25, 2026	100	100	100	74	41	21	11	5
July 25, 2027	100	100	100	60	31	15	7	3
July 25, 2028	100	100	98	49	24	11	5	2
July 25, 2029	0	0	0	0	0	0	0	0
Weighted Average Life (years) to Maturity .....	12.49	12.49	12.47	11.25	9.56	8.01	6.70	5.67
Weighted Average Life (years) to Early Redemption Date* .....	9.99	9.99	9.99	9.79	8.51	6.81	5.58	4.67

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

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*Credit Event Sensitivity Table*

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

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.10%	1.08%	0.82%	0.63%	0.49%	0.39%	0.32%	0.27%	0.22%
0.20%	2.15%	1.62%	1.25%	0.98%	0.78%	0.64%	0.53%	0.45%
0.30%	3.21%	2.42%	1.86%	1.46%	1.17%	0.96%	0.80%	0.67%
0.40%	4.26%	3.21%	2.47%	1.94%	1.56%	1.27%	1.06%	0.89%
0.50%	5.30%	4.00%	3.08%	2.42%	1.94%	1.59%	1.32%	1.12%
0.75%	7.84%	5.93%	4.57%	3.60%	2.89%	2.37%	1.97%	1.67%
1.00%	10.31%	7.81%	6.03%	4.75%	3.82%	3.14%	2.62%	2.21%

*Cumulative Note Write-down Amount Tables*

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

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

**Class 1M-2 Cumulative Write-down Amount (as % of Class 1M-2 Original Class Principal Balance)**

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.40%	3.72%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.50%	18.53%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.75%	54.85%	27.53%	8.14%	0.00%	0.00%	0.00%	0.00%	0.00%
1.00%	90.20%	54.43%	29.01%	10.76%	0.00%	0.00%	0.00%	0.00%

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Connecticut Avenue Securities, Series 2016-C04  
CONFIDENTIAL PRELIMINARY TERM SHEET

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

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.10%	27.06%	20.38%	15.65%	12.27%	9.82%	8.02%	6.66%	5.62%
0.20%	53.83%	40.56%	31.16%	24.45%	19.58%	15.99%	13.30%	11.22%
0.30%	80.31%	60.55%	46.55%	36.54%	29.28%	23.93%	19.90%	16.81%
0.40%	100.00%	80.35%	61.81%	48.55%	38.93%	31.82%	26.48%	22.37%
0.50%	100.00%	99.96%	76.95%	60.47%	48.51%	39.68%	33.03%	27.91%
0.75%	100.00%	100.00%	100.00%	89.91%	72.23%	59.15%	49.29%	41.69%
1.00%	100.00%	100.00%	100.00%	100.00%	95.59%	78.38%	65.38%	55.35%

*Classes Yield Tables*

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

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.00%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%
0.10%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%
0.20%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%
0.30%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%
0.40%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%
0.50%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%
0.75%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%
1.00%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%

**Class 1M-2 Pre-Tax Yield to Maturity (Price = 100%)**

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.00%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%
0.10%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%
0.20%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%
0.30%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%
0.40%	5.06%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%
0.50%	4.02%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%	5.28%
0.75%	0.14%	3.18%	4.70%	5.28%	5.28%	5.28%	5.28%	5.28%
1.00%	(8.34)%	(0.06)%	2.81%	4.30%	5.28%	5.28%	5.28%	5.28%

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Connecticut Avenue Securities, Series 2016-C04  
CONFIDENTIAL PRELIMINARY TERM SHEET

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

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.00%	11.23%	11.23%	11.23%	11.23%	11.23%	11.23%	11.23%	11.23%
0.10%	8.63%	9.20%	9.60%	9.84%	9.95%	10.02%	10.06%	10.08%
0.20%	5.23%	6.76%	7.75%	8.35%	8.62%	8.77%	8.86%	8.92%
0.30%	(0.01)%	3.63%	5.56%	6.71%	7.22%	7.48%	7.63%	7.74%
0.40%	(11.12)%	(0.95)%	2.85%	4.85%	5.73%	6.14%	6.38%	6.53%
0.50%	(19.80)%	(11.77)%	(0.82)%	2.61%	4.11%	4.74%	5.08%	5.30%
0.75%	(42.05)%	(34.13)%	(24.26)%	(7.14)%	(0.98)%	0.83%	1.63%	2.09%
1.00%	(63.48)%	(56.10)%	(47.25)%	(35.86)%	(13.26)%	(4.28)%	(2.31)%	(1.40)%

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*Weighted Average Life Tables*

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

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.00%	7.32	4.67	2.79	1.95	1.51	1.22	0.97	0.82
0.10%	7.46	4.99	2.91	2.03	1.52	1.23	0.97	0.82
0.20%	7.61	5.36	3.04	2.07	1.56	1.23	1.03	0.86
0.30%	7.75	5.80	3.18	2.14	1.60	1.26	1.06	0.89
0.40%	7.89	6.31	3.34	2.21	1.64	1.28	1.06	0.91
0.50%	8.04	6.90	3.52	2.29	1.67	1.30	1.06	0.91
0.75%	8.39	8.22	4.06	2.50	1.78	1.37	1.10	0.91
1.00%	8.73	8.53	4.81	2.76	1.90	1.44	1.14	0.95

**Class 1M-2 Weighted Average Life to Maturity (in Years)**

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.00%	12.49	11.08	7.62	5.34	4.08	3.25	2.63	2.21
0.10%	12.49	11.49	8.13	5.60	4.20	3.31	2.74	2.28
0.20%	12.49	11.85	8.63	5.89	4.36	3.41	2.77	2.33
0.30%	12.49	12.15	9.12	6.21	4.53	3.52	2.84	2.36
0.40%	12.48	12.37	9.60	6.59	4.72	3.63	2.91	2.41
0.50%	12.16	12.48	10.05	7.03	4.94	3.75	2.99	2.46
0.75%	10.58	11.66	10.96	8.15	5.62	4.12	3.21	2.61
1.00%	8.59	10.17	10.80	8.91	6.61	4.60	3.48	2.77

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

<b>CDR</b>	<b><u>0% CPR</u></b>	<b><u>5% CPR</u></b>	<b><u>10% CPR</u></b>	<b><u>15% CPR</u></b>	<b><u>20% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>30% CPR</u></b>	<b><u>35% CPR</u></b>
0.00%	12.49	12.49	12.47	11.25	9.56	8.01	6.70	5.67
0.10%	10.72	11.02	11.26	10.63	9.17	7.76	6.55	5.59
0.20%	8.95	9.56	10.04	9.94	8.78	7.51	6.39	5.46
0.30%	7.20	8.11	8.83	9.18	8.36	7.24	6.21	5.34
0.40%	5.49	6.67	7.62	8.33	7.90	6.96	6.03	5.21
0.50%	4.31	5.24	6.42	7.35	7.40	6.67	5.84	5.08
0.75%	2.82	3.15	3.69	4.83	5.87	5.82	5.31	4.73
1.00%	2.10	2.27	2.50	2.88	3.80	4.74	4.69	4.33

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**Reference Pool Summary**

*Statistics for the Reference Obligations listed below are based on statistical Cut-off Date information as of May 31, 2016.*

<b>Collateral Summary</b>				
	<u>Aggregate</u>	<u>Weighted Average</u>	<u>Minimum</u>	<u>Maximum</u>
Number of Reference Obligations	183,335	-	-	-
Aggregate Original Principal Balance	\$42,972,323,000	\$234,392 <sup>(1)</sup>	\$15,000	\$1,200,000
Aggregate Scheduled Principal Balance	\$42,178,644,351	\$230,063 <sup>(1)</sup>	\$5,397	\$1,188,296
Gross Mortgage Rate	-	4.215%	2.750%	5.875%
Remaining Term to Stated Maturity (Months)	-	351 Months	296 Months	354 Months
Original Term (Months)	-	360 Months	305 Months	360 Months
Loan Age (Months)	-	9 Months	6 Months	13 Months
Original Loan-to-Value Ratio	-	75.67%	61.00%	80.00%
Original Combined Loan-to-Value Ratio	-	76.70%	61.00%	97.00%
Debt-to-Income Ratio	-	34.12%	0.04%	50.00%
Credit Score	-	748	606	833
% Refinance	43.11%			
% Owner Occupied	84.33%			
% SFR/PUD	89.00%			
Top Five Geographic Concentration of Mortgaged Properties				
CA	22.80%			
TX	7.60%			
FL	5.37%			
CO	4.93%			
WA	4.17%			

(1) Average

<i>Product Type of the Mortgage Loans</i>							
<b>Product Type</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
Fixed Rate	183,335	42,178,644,351	100.00	4.215	748	75.67	76.70
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>

<i>Unpaid Principal Balances as of the Origination Date</i>							
<b>Range of Unpaid Principal Balance (\$)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
0.01 - 25,000.00	53	1,132,015	*	4.657	731	77.13	77.23
25,000.01 - 50,000.00	1,787	74,209,088	0.18	4.577	742	75.91	76.14
50,000.01 - 75,000.00	6,180	392,153,490	0.93	4.471	742	75.78	76.05
75,000.01 - 100,000.00	11,846	1,043,159,018	2.47	4.395	744	75.40	75.62
100,000.01 - 125,000.00	15,187	1,693,665,495	4.02	4.348	745	75.81	76.05
125,000.01 - 150,000.00	16,493	2,235,464,060	5.30	4.297	747	75.98	76.28
150,000.01 - 200,000.00	33,213	5,758,546,638	13.65	4.263	746	75.77	76.13
200,000.01 - 250,000.00	27,400	6,061,109,016	14.37	4.223	747	75.95	76.37
250,000.01 - 300,000.00	22,722	6,135,997,502	14.55	4.192	748	76.11	76.56
300,000.01 - 350,000.00	16,184	5,162,343,851	12.24	4.172	748	76.16	76.75
350,000.01 - 400,000.00	13,449	4,971,135,441	11.79	4.152	750	76.21	77.43
400,000.01 - 450,000.00	11,036	4,521,262,681	10.72	4.158	748	73.95	77.60
450,000.01 - 500,000.00	2,565	1,201,204,402	2.85	4.176	752	75.46	76.76
500,000.01 - 550,000.00	2,240	1,153,936,958	2.74	4.186	750	75.14	77.28
550,000.01 - 600,000.00	1,500	848,926,096	2.01	4.153	750	75.58	77.69
600,000.01 - 650,000.00	1,327	809,468,314	1.92	4.191	748	73.54	77.57
650,000.01 - 700,000.00	40	26,737,027	0.06	4.428	743	73.01	74.25
700,000.01 - 750,000.00	48	34,528,782	0.08	4.428	756	72.22	74.58
750,000.01 - 800,000.00	29	22,371,086	0.05	4.478	740	68.26	68.26
800,000.01 - 850,000.00	21	16,775,236	0.04	4.470	765	68.43	68.43
850,000.01 - 900,000.00	4	3,418,337	0.01	4.686	743	67.03	67.03
900,000.01 or greater	11	11,099,819	0.03	4.351	761	69.75	69.75
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>
<b>Average (\$)</b>	<b>234,392.36</b>						

\*Indicates a number that is greater than 0.000% but less than 0.005%.

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*Unpaid Principal Balances as of the Cut-off Date*

Range of Unpaid Principal Balance (\$)	Number of Mortgage Loans	Unpaid Principal Balance (\$)	Unpaid Principal Balance (%)	W.A. Mortgage Rate (%)	W.A. Original Credit Score	W.A. Original LTV Ratio (%)	W.A. Original CLTV Ratio (%)
0.01 - 25,000.00	133	2,425,044	0.01	4.415	758	76.56	76.78
25,000.01 - 50,000.00	1,988	82,764,151	0.20	4.543	745	75.93	76.15
50,000.01 - 75,000.00	6,564	420,437,742	1.00	4.457	743	75.83	76.10
75,000.01 - 100,000.00	12,234	1,089,635,119	2.58	4.389	744	75.39	75.61
100,000.01 - 125,000.00	15,595	1,760,997,842	4.18	4.342	746	75.86	76.10
125,000.01 - 150,000.00	16,685	2,293,629,165	5.44	4.292	747	75.97	76.28
150,000.01 - 200,000.00	33,181	5,824,935,903	13.81	4.261	746	75.77	76.12
200,000.01 - 250,000.00	27,779	6,235,170,919	14.78	4.220	747	76.00	76.43
250,000.01 - 300,000.00	22,202	6,086,498,579	14.43	4.189	748	76.10	76.56
300,000.01 - 350,000.00	16,098	5,214,111,770	12.36	4.173	748	76.16	76.77
350,000.01 - 400,000.00	13,130	4,926,328,429	11.68	4.150	749	76.13	77.43
400,000.01 - 450,000.00	10,275	4,246,955,101	10.07	4.162	747	73.85	77.59
450,000.01 - 500,000.00	2,551	1,211,267,837	2.87	4.178	751	75.41	76.78
500,000.01 - 550,000.00	2,192	1,144,302,702	2.71	4.180	750	75.20	77.41
550,000.01 - 600,000.00	1,430	820,991,908	1.95	4.159	749	75.46	77.73
600,000.01 - 650,000.00	1,152	707,792,316	1.68	4.202	748	73.41	77.55
650,000.01 - 700,000.00	36	24,297,487	0.06	4.416	746	72.71	73.82
700,000.01 - 750,000.00	49	35,423,907	0.08	4.439	752	71.86	73.91
750,000.01 - 800,000.00	42	32,816,448	0.08	4.473	753	68.35	68.35
800,000.01 - 850,000.00	5	4,186,500	0.01	4.576	772	67.60	67.60
850,000.01 - 900,000.00	3	2,575,663	0.01	4.584	729	67.69	67.69
900,000.01 or greater	11	11,099,819	0.03	4.351	761	69.75	69.75
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>
<b>Average (\$)</b>	<b>230,063.24</b>						

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<i>Gross Mortgage Rates of the Mortgage Loans as of the Cut-off Date</i>							
Range of Gross Mortgage Rates (%)	Number of Mortgage Loans	Unpaid Principal Balance (\$)	Unpaid Principal Balance (%)	W.A. Mortgage Rate (%)	W.A. Original Credit Score	W.A. Original LTV Ratio (%)	W.A. Original CLTV Ratio (%)
2.501 - 2.750	1	368,017	*	2.750	721	70.00	70.00
2.751 - 3.000	4	988,762	*	2.935	707	76.22	76.22
3.001 - 3.250	87	21,064,383	0.05	3.211	769	75.24	75.72
3.251 - 3.500	889	270,817,554	0.64	3.473	775	75.28	75.65
3.501 - 3.750	11,911	3,193,858,591	7.57	3.713	772	75.15	75.91
3.751 - 4.000	43,223	10,723,527,608	25.42	3.945	767	75.52	76.43
4.001 - 4.250	59,550	14,187,236,238	33.64	4.190	754	75.78	77.02
4.251 - 4.500	34,464	7,621,672,603	18.07	4.427	732	75.65	76.93
4.501 - 4.750	21,289	4,160,085,586	9.86	4.683	713	75.73	76.48
4.751 - 5.000	9,539	1,633,432,381	3.87	4.912	698	76.36	76.79
5.001 - 5.250	2,041	319,562,143	0.76	5.166	682	77.17	77.34
5.251 - 5.500	320	44,354,852	0.11	5.392	672	77.71	77.80
5.501 - 5.750	13	1,425,770	*	5.610	657	79.01	79.01
5.751 - 6.000	4	249,864	*	5.875	705	76.44	76.44
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>
<b>Weighted Average (%)</b>	<b>4.215</b>						

\*Indicates a number that is greater than 0.000% but less than 0.005%.

<i>Seasoning of the Mortgage Loans as of the Cut-off Date</i>							
Seasoning (months)	Number of Mortgage Loans	Unpaid Principal Balance (\$)	Unpaid Principal Balance (%)	W.A. Mortgage Rate (%)	W.A. Original Credit Score	W.A. Original LTV Ratio (%)	W.A. Original CLTV Ratio (%)
6	8,930	2,055,860,036	4.87	4.202	746	75.53	76.45
7	33,053	7,679,730,262	18.21	4.248	745	75.61	76.55
8	42,242	9,688,848,154	22.97	4.307	746	75.73	76.73
9	45,947	10,431,959,641	24.73	4.270	748	75.76	76.79
10	38,641	8,982,845,544	21.30	4.108	750	75.62	76.74
11	12,033	2,747,301,838	6.51	3.983	754	75.59	76.76
12	2,139	504,831,065	1.20	4.025	752	75.60	76.77
13	350	87,267,810	0.21	4.128	752	74.50	76.33
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>
<b>Weighted Average (months)</b>	<b>8.65</b>						

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<i>Original Loan-to-Value Ratio of the Mortgage Loans at Origination</i>							
<b>Range of Original LTV (%)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
60.01 - 65.00	13,398	3,179,372,095	7.54	4.158	749	63.37	65.41
65.01 - 70.00	23,331	5,557,483,700	13.18	4.200	743	68.51	69.94
70.01 - 75.00	41,269	9,351,719,661	22.17	4.256	749	73.96	75.14
75.01 - 80.00	105,337	24,090,068,895	57.11	4.210	748	79.61	80.36
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>
<b>Weighted Average (%)</b>	<b>75.67</b>						

<i>Combined Loan-to-Value Ratio of the Mortgage Loans at Origination</i>							
<b>Range of Combined LTV (%)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
60.01 - 65.00	12,359	2,810,825,506	6.66	4.165	750	63.36	63.37
65.01 - 70.00	22,039	5,087,765,525	12.06	4.202	743	68.48	68.54
70.01 - 75.00	39,342	8,631,651,038	20.46	4.260	749	73.86	73.97
75.01 - 80.00	101,033	22,828,757,115	54.12	4.204	748	79.41	79.60
80.01 - 85.00	1,366	448,072,724	1.06	4.195	744	74.14	83.94
85.01 - 90.00	5,159	1,836,735,866	4.35	4.239	752	76.26	89.54
90.01 - 95.00	1,969	524,264,742	1.24	4.238	745	77.48	94.43
95.01 - 97.00	68	10,571,835	0.03	4.287	725	78.27	96.74
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>
<b>Weighted Average (%)</b>	<b>76.70</b>						

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<i>Credit Scores of the Mortgage Loans at Origination</i>							
<b>Credit Scores at Origination</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
601 - 620	175	35,927,678	0.09	4.650	620	74.72	75.10
621 - 640	3,941	821,868,572	1.95	4.659	631	74.75	75.12
641 - 660	6,678	1,392,994,705	3.30	4.628	651	75.14	75.66
661 - 680	10,242	2,194,381,219	5.20	4.534	671	75.47	76.10
681 - 700	14,350	3,238,670,171	7.68	4.390	691	75.57	76.40
701 - 720	17,693	4,157,572,775	9.86	4.290	710	75.84	77.15
721 - 740	19,659	4,653,349,631	11.03	4.204	730	75.80	77.30
741 - 760	23,592	5,607,133,685	13.29	4.143	751	75.81	77.16
761 - 780	29,229	6,932,550,157	16.44	4.121	771	75.74	76.89
781 - 800	36,170	8,508,131,307	20.17	4.106	791	75.72	76.66
801 - 820	21,278	4,574,896,116	10.85	4.103	807	75.52	76.06
821 - 840	328	61,168,336	0.15	4.122	823	74.40	74.61
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>
<b>Weighted Average</b>	<b>748</b>						

<i>Debt-to-Income Ratio of the Mortgage Loans at Origination</i>							
<b>Range of Debt-to-Income Ratios (%)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
0.001 - 20.000	15,374	3,171,471,737	7.52	4.127	766	75.45	76.01
20.001 - 25.000	19,110	4,205,557,717	9.97	4.134	760	75.85	76.67
25.001 - 30.000	26,069	5,969,741,958	14.15	4.171	754	76.00	77.04
30.001 - 35.000	30,769	7,127,435,362	16.90	4.207	749	75.80	76.99
35.001 - 40.000	35,979	8,395,247,296	19.90	4.237	744	75.73	76.98
40.001 - 45.000	45,792	10,915,116,130	25.88	4.277	736	75.56	76.74
45.001 - 50.000	10,242	2,394,074,151	5.68	4.244	748	74.71	74.82
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>
<b>Weighted Average (%)</b>	<b>34.12</b>						

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<i>Occupancy Status of the Mortgage Loans as of the Cut-off Date</i>							
<b>Occupancy Status</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
Owner-Occupied	147,750	35,569,085,411	84.33	4.175	745	75.88	77.08
Investment Property	25,487	4,550,466,137	10.79	4.562	758	73.64	73.66
Second Home	10,098	2,059,092,804	4.88	4.131	766	76.50	76.79
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>

<i>Loan Purpose of the Mortgage Loans</i>							
<b>Loan Purpose</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
Purchase	105,817	23,995,203,135	56.89	4.173	756	77.09	78.32
Cash-out Refinance	43,148	9,458,567,452	22.43	4.363	731	74.20	74.31
No Cash-Out Refinance	34,370	8,724,873,764	20.69	4.168	744	73.36	74.83
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>

<i>Property Type of the Mortgage Loans as of the Cut-off Date</i>							
<b>Property Type</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
1-4 Family Dwelling Unit	110,690	25,074,950,288	59.45	4.228	745	75.49	76.43
PUD	50,644	12,465,937,814	29.56	4.187	750	76.09	77.45
Condo	19,938	4,288,881,010	10.17	4.221	757	75.43	76.16
Co-op	1,001	220,397,112	0.52	4.046	759	76.28	76.29
Manufactured Housing	1,062	128,478,126	0.30	4.406	746	76.64	76.79
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>

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Connecticut Avenue Securities, Series 2016-C04  
 CONFIDENTIAL PRELIMINARY TERM SHEET

<i>Geographic Concentration of the Mortgage Loans</i>							
<b>State or Territory</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
California	30,233	9,618,149,847	22.80	4.261	742	74.20	75.23
Texas	15,348	3,203,897,683	7.60	4.261	743	76.37	77.89
Florida	11,810	2,263,941,341	5.37	4.281	746	76.12	76.62
Colorado	8,473	2,080,052,596	4.93	4.269	746	75.34	76.35
Washington	6,690	1,757,385,056	4.17	4.239	753	75.58	76.79
New York	5,957	1,651,459,279	3.92	4.164	748	75.56	76.01
New Jersey	4,729	1,288,701,319	3.06	4.163	749	76.12	76.81
Virginia	4,629	1,242,754,360	2.95	4.136	754	75.88	77.50
Illinois	6,039	1,162,220,221	2.76	4.177	750	76.40	77.58
Massachusetts	4,096	1,147,951,580	2.72	4.150	746	75.19	76.33
Arizona	5,694	1,115,364,011	2.64	4.309	747	75.92	76.59
Georgia	4,735	1,000,955,746	2.37	4.148	751	76.18	77.55
Oregon	4,276	997,016,033	2.36	4.267	754	75.56	76.60
Pennsylvania	4,977	993,836,473	2.36	4.145	752	76.69	77.92
North Carolina	4,915	983,463,384	2.33	4.154	755	76.56	77.68
Michigan	5,082	866,544,559	2.05	4.233	748	76.67	77.21
Minnesota	4,169	839,693,675	1.99	4.132	756	76.81	78.41
Maryland	3,040	802,503,755	1.90	4.164	750	75.86	77.33
Wisconsin	3,881	670,240,561	1.59	4.079	756	76.56	77.47
Utah	2,881	639,088,103	1.52	4.201	751	76.05	76.65
Ohio	3,773	580,362,032	1.38	4.161	750	76.93	77.77
Tennessee	2,986	558,312,709	1.32	4.199	751	76.33	77.57
Nevada	2,728	551,965,763	1.31	4.359	740	75.99	76.21
South Carolina	2,769	528,202,096	1.25	4.174	754	76.38	77.15
Missouri	2,802	468,475,759	1.11	4.156	754	76.74	77.58
Indiana	2,543	395,747,255	0.94	4.204	747	76.72	78.03
Iowa	2,279	386,107,724	0.92	4.010	758	77.42	80.42
Connecticut	1,586	371,095,483	0.88	4.113	750	76.38	77.42
Louisiana	1,727	347,516,268	0.82	4.206	742	76.10	77.02
Hawaii	850	333,229,105	0.79	4.154	750	74.74	76.14
Alabama	1,656	302,009,226	0.72	4.154	751	76.60	77.39
Oklahoma	1,705	295,961,108	0.70	4.211	748	76.32	77.34
Idaho	1,470	263,380,273	0.62	4.221	752	76.33	76.71
Kentucky	1,412	235,404,228	0.56	4.197	748	76.53	77.88
Nebraska	1,347	227,957,829	0.54	4.094	757	76.99	77.86
New Mexico	987	182,174,024	0.43	4.250	752	76.16	77.01
Montana	876	180,194,175	0.43	4.159	753	75.91	76.45
Arkansas	1,040	170,344,628	0.40	4.155	750	76.65	77.26
District Of Columbia	442	163,198,845	0.39	4.150	753	74.58	75.98
New Hampshire	738	160,093,716	0.38	4.181	749	76.48	77.02
Kansas	885	157,550,984	0.37	4.141	755	76.66	77.65
Delaware	618	135,200,160	0.32	4.177	754	76.06	76.65
Mississippi	768	134,941,780	0.32	4.163	742	76.40	77.20
North Dakota	525	110,514,694	0.26	4.096	749	75.75	76.73
Rhode Island	489	105,715,474	0.25	4.162	751	75.86	76.71
South Dakota	572	97,139,642	0.23	4.076	753	76.84	78.02
Wyoming	459	93,360,424	0.22	4.157	747	76.45	77.03
Maine	414	82,761,893	0.20	4.200	752	76.32	76.88
Alaska	335	81,828,621	0.19	4.218	748	75.85	75.88
Vermont	276	57,106,507	0.14	4.148	749	76.37	76.61
West Virginia	311	50,160,515	0.12	4.171	748	76.73	77.16
Puerto Rico	286	36,644,006	0.09	4.206	742	74.86	75.15
Virgin Islands	23	7,845,103	0.02	4.356	744	76.36	76.36
Guam	4	922,723	*	3.906	721	69.17	69.17
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>

\*Indicates a number that is greater than 0.000% but less than 0.005%.

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<i>Geographic Concentration of the Mortgage Loans (Top 10 Metropolitan Statistical Areas ("MSA"))*</i>							
<b>Top 10 MSAs</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
Los Angeles-Long Beach-Anaheim, CA	9,261	3,355,839,565	7.96	4.246	743	74.03	74.97
Non Metro	15,072	2,612,195,355	6.19	4.188	750	76.36	76.86
New York-Newark-Jersey City, NY-NJ-PA	7,973	2,466,760,954	5.85	4.162	748	75.62	76.13
Denver-Aurora-Lakewood, CO	5,380	1,350,514,577	3.20	4.278	744	75.17	76.34
Washington-Arlington-Alexandria, DC-VA-MD-WV	3,918	1,266,991,062	3.00	4.136	752	75.57	77.38
Seattle-Tacoma-Bellevue, WA	4,063	1,214,218,162	2.88	4.235	752	75.40	76.80
Dallas-Fort Worth-Arlington, TX	5,591	1,188,946,866	2.82	4.267	743	76.52	78.17
San Francisco-Oakland-Hayward, CA	2,960	1,182,420,198	2.80	4.228	746	73.33	74.99
Riverside-San Bernardino-Ontario, CA	4,501	1,127,041,767	2.67	4.307	732	74.82	75.52
Chicago-Naperville-Elgin, IL-IN-WI	4,558	974,558,318	2.31	4.196	750	76.19	77.42
Other	120,058	25,439,157,527	60.31	4.212	749	75.95	76.98
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>

*\*Definitions of Metropolitan Statistical Areas (MSA) are updated periodically by the United States Office of Management and Budget. Fannie Mae seeks to update its loan level disclosure from time to time to reflect corresponding changes.*

<i>Geographic Concentration of the Mortgaged Properties (Top 10 Zip Codes)</i>							
<b>Top 10 Zip Codes</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
80134	182	53,059,457	0.13	4.236	752	76.48	78.18
75070	216	50,448,749	0.12	4.227	742	77.02	77.95
92880	133	46,026,180	0.11	4.223	732	74.72	75.34
77494	162	45,563,619	0.11	4.157	744	76.90	78.05
94513	112	43,720,026	0.10	4.236	738	74.96	76.84
93065	110	42,094,902	0.10	4.224	737	74.67	75.72
98012	132	41,780,488	0.10	4.152	750	76.15	77.52
75034	140	41,618,295	0.10	4.203	750	76.30	79.46
80016	127	41,047,082	0.10	4.205	746	76.09	77.83
80015	176	40,780,935	0.10	4.283	736	75.64	76.00
Other	181,845	41,732,504,620	98.94	4.215	748	75.67	76.69
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>



<i>Original Term to Maturity of the Mortgage Loans</i>							
Original Term to Maturity (months)	Number of Mortgage Loans	Unpaid Principal Balance (\$)	Unpaid Principal Balance (%)	W.A. Mortgage Rate (%)	W.A. Original Credit Score	W.A. Original LTV Ratio (%)	W.A. Original CLTV Ratio (%)
300 - 319	59	13,659,448	0.03	4.210	754	73.32	75.13
320 - 339	184	44,543,233	0.11	4.150	753	73.19	73.60
340 - 359	288	69,223,971	0.16	4.173	760	74.12	74.97
360	182,804	42,051,217,698	99.70	4.215	748	75.67	76.71
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>
<b>Weighted Average (months)</b>	<b>360</b>						

<i>Remaining Term to Maturity of the Mortgage Loans as of the Cut-off Date</i>							
Remaining Term to Maturity (months)	Number of Mortgage Loans	Unpaid Principal Balance (\$)	Unpaid Principal Balance (%)	W.A. Mortgage Rate (%)	W.A. Original Credit Score	W.A. Original LTV Ratio (%)	W.A. Original CLTV Ratio (%)
290 - 300	3	522,264	*	4.209	735	67.96	67.96
301 - 354	183,332	42,178,122,087	100.00	4.215	748	75.67	76.70
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>
<b>Weighted Average (months)</b>	<b>351</b>						

\*Indicates a number that is greater than 0.000% but less than 0.005%.

<i>Seller of the Mortgage Loans</i>							
Seller	Number of Mortgage Loans	Unpaid Principal Balance (\$)	Unpaid Principal Balance (%)	W.A. Mortgage Rate (%)	W.A. Original Credit Score	W.A. Original LTV Ratio (%)	W.A. Original CLTV Ratio (%)
Wells Fargo Bank, N.A.	21,939	5,103,705,190	12.10	4.157	754	75.91	76.67
Quicken Loans Inc.	10,239	2,211,263,767	5.24	4.364	732	74.63	75.04
Flagstar Bank, FSB	4,791	1,188,825,930	2.82	4.281	744	74.99	75.89
Ditech Financial LLC	5,095	1,110,641,279	2.63	4.307	734	75.35	76.48
Suntrust Mortgage Inc.	3,851	922,523,471	2.19	4.099	753	75.83	77.38
Stearns Lending, LLC	3,124	900,847,964	2.14	4.231	744	75.47	76.63
Loandepot.Com, LLC	3,215	873,526,936	2.07	4.171	743	74.93	75.97
Citimortgage, Inc.	2,807	865,050,126	2.05	3.955	756	75.45	75.93
Franklin American Mortgage Company	3,422	751,467,142	1.78	4.239	742	76.11	77.49
Nationstar Mortgage, LLC	2,919	717,672,828	1.70	4.307	738	74.88	76.22
Other	121,933	27,533,119,718	65.28	4.217	749	75.79	76.90
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>

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<i>Servicers of the Mortgage Loans</i>							
<b>Servicer</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
Wells Fargo Bank, N.A.	21,939	5,103,705,190	12.10	4.157	754	75.91	76.67
Quicken Loans Inc.	10,059	2,153,426,593	5.11	4.364	732	74.65	75.05
Pingora Loan Servicing, LLC	6,716	1,797,908,057	4.26	4.196	753	75.44	76.52
Ditech Financial LLC	5,088	1,109,299,668	2.63	4.307	734	75.35	76.48
Flagstar Bank, FSB	3,731	941,959,708	2.23	4.296	741	74.74	75.55
Suntrust Mortgage Inc.	3,851	922,523,471	2.19	4.099	753	75.83	77.38
Citimortgage, Inc.	2,807	865,050,126	2.05	3.955	756	75.45	75.93
Roundpoint Mortgage Servicing Corporation	3,338	861,203,150	2.04	4.301	745	75.95	77.47
Freedom Mortgage Corp.	3,384	811,454,657	1.92	4.247	753	75.66	76.97
Seneca Mortgage Servicing LLC	2,476	752,940,751	1.79	4.218	746	75.38	76.55
Other	119,946	26,859,172,980	63.68	4.217	748	75.77	76.87
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>

<i>Origination Channel of the Mortgage Loans</i>							
<b>Origination Channel</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
Retail	115,014	25,874,726,564	61.35	4.215	748	75.71	76.62
Correspondent	49,107	11,184,308,278	26.52	4.203	748	75.84	77.25
Broker	19,214	5,119,609,509	12.14	4.240	745	75.12	75.90
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>

<i>Mortgage Loans with Subordinate Financing at Origination</i>							
<b>Mortgage Loans with Subordinate Financing at Origination</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
No	172,830	38,683,221,547	91.71	4.215	748	75.76	75.76
Yes	10,505	3,495,422,805	8.29	4.206	748	74.63	87.09
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>

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<i>First Payment Date of the Mortgage Loans</i>							
<b>First Payment Date</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
May 2015	350	87,267,810	0.21	4.128	752	74.50	76.33
June 2015	2,139	504,831,065	1.20	4.025	752	75.60	76.77
July 2015	12,033	2,747,301,838	6.51	3.983	754	75.59	76.76
August 2015	38,641	8,982,845,544	21.30	4.108	750	75.62	76.74
September 2015	45,947	10,431,959,641	24.73	4.270	748	75.76	76.79
October 2015	42,242	9,688,848,154	22.97	4.307	746	75.73	76.73
November 2015	33,053	7,679,730,262	18.21	4.248	745	75.61	76.55
December 2015	8,930	2,055,860,036	4.87	4.202	746	75.53	76.45
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>

<i>Maturity Date of the Mortgage Loans</i>							
<b>Maturity Date (year)</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
2041	58	13,452,773	0.03	4.213	753	73.24	75.08
2042	89	21,475,256	0.05	4.104	754	73.20	73.71
2043	103	24,933,186	0.06	4.185	754	73.07	73.36
2044	244	58,619,451	0.14	4.172	761	74.06	75.02
2045	182,841	42,060,163,686	99.72	4.215	748	75.67	76.71
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>

<i>First Time Homebuyer</i>							
<b>First Time Homebuyer</b>	<b>Number of Mortgage Loans</b>	<b>Unpaid Principal Balance (\$)</b>	<b>Unpaid Principal Balance (%)</b>	<b>W.A. Mortgage Rate (%)</b>	<b>W.A. Original Credit Score</b>	<b>W.A. Original LTV Ratio (%)</b>	<b>W.A. Original CLTV Ratio (%)</b>
No	153,680	35,465,942,707	84.09	4.229	748	75.26	76.22
Yes	29,655	6,712,701,644	15.91	4.142	745	77.85	79.23
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>

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*Number of Borrowers*

Number of Borrowers	Number of Mortgage Loans	Unpaid Principal Balance (\$)	Unpaid Principal Balance (%)	W.A. Mortgage Rate (%)	W.A. Original Credit Score	W.A. Original LTV Ratio (%)	W.A. Original CLTV Ratio (%)
1	92,743	19,668,755,576	46.63	4.235	748	75.64	76.47
2 or more	90,592	22,509,888,776	53.37	4.197	748	75.69	76.90
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>

*Number of Units*

Number of Units	Number of Mortgage Loans	Unpaid Principal Balance (\$)	Unpaid Principal Balance (%)	W.A. Mortgage Rate (%)	W.A. Original Credit Score	W.A. Original LTV Ratio (%)	W.A. Original CLTV Ratio (%)
1	177,743	40,715,927,867	96.53	4.205	748	75.79	76.85
2	3,805	913,775,676	2.17	4.449	750	73.05	73.19
3	852	252,537,547	0.60	4.520	749	71.29	71.34
4	935	296,403,261	0.70	4.561	754	71.17	71.19
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>

*Mortgage Insurance*

Mortgage Insurance	Number of Mortgage Loans	Unpaid Principal Balance (\$)	Unpaid Principal Balance (%)	W.A. Mortgage Rate (%)	W.A. Original Credit Score	W.A. Original LTV Ratio (%)	W.A. Original CLTV Ratio (%)
None	183,335	42,178,644,351	100.00	4.215	748	75.67	76.70
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>

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

Delinquency Status	Number of Mortgage Loans	Unpaid Principal Balance (\$)	Unpaid Principal Balance (%)	W.A. Mortgage Rate (%)	W.A. Original Credit Score	W.A. Original LTV Ratio (%)	W.A. Original CLTV Ratio (%)
Current	183,335	42,178,644,351	100.00	4.215	748	75.67	76.70
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>

*Historical Delinquency of the Mortgage Loans Since Acquisition\**

Delinquency Status Since Acquisition*	Number of Mortgage Loans	Unpaid Principal Balance (\$)	Unpaid Principal Balance (%)	W.A. Mortgage Rate (%)	W.A. Original Credit Score	W.A. Original LTV Ratio (%)	W.A. Original CLTV Ratio (%)
Never Delinquent	183,335	42,178,644,351	100.00	4.215	748	75.67	76.70
<b>Total:</b>	<b>183,335</b>	<b>42,178,644,351</b>	<b>100.00</b>	<b>4.215</b>	<b>748</b>	<b>75.67</b>	<b>76.70</b>

\* Mortgage Loans Acquired by Fannie Mae during the period from July 1, 2015 through October 31, 2015.

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