



Participation Certificate

Portfolio deliveries:

Fannie Mae Commitment No. _____
 Certificate No. _____
 Commitment Yield _____
 Commitment Margin _____
 (if applicable)
 Commitment Life Ceiling _____
 (if applicable)

MBS deliveries:

MBS Pool No. _____
 Pool Purchase Contract No. _____

Description of Fannie Mae's Participation Interest

Fannie Mae's Participation Percentage		Unpaid Principal Balance of Mortgage(s)* as of _____ (Issue/Purchase Date)		Fannie Mae's Participation Interest
_____	(x)	\$_____	(=)	\$_____

*including any amounts added to the principal balance as a result of negative amortization.

For value received, _____
 ("Lender"), whose address is _____

hereby sells, conveys, assigns, and transfers to Fannie Mae, and its successors and assigns, a percentage of undivided interest (as specified above under Fannie Mae's Participation Percentage) in one or more [first/second] lien conventional mortgages, including all rights, titles, and interests therein, and in any property (real or personal) received or acquired in substitution or realization thereof, as such mortgages are described in the Schedule of Mortgages or Loan Schedule, consisting of _____ pages, which is attached hereto and made a part hereof. Such sale, conveyance, assignment, and transfer is made pursuant to the terms of the Mortgage Selling and Servicing Contract (the "Contract") between Lender and Fannie Mae and the Fannie Mae Guides that are incorporated therein, as supplemented by any applicable commitment contracts or Pool Purchase Contracts (together, the "Guides").

Lender has delivered, or will deliver immediately upon request, to Fannie Mae or its designee or, in connection with deliveries of mortgage-backed securities pool purchase transactions, to an eligible document custodian: (1) the original promissory notes related to each of the mortgages, endorsed in blank; (2) unrecorded, but recordable, assignments of the mortgages to Fannie Mae; and (3) such other documentation as is required under the applicable provisions of the Contract and the Guides. Neither such endorsement of the promissory notes nor any initial or subsequent recording of the assignments shall increase or diminish the respective participation interests of Lender and Fannie Mae in the mortgages, as such participation interests are provided for in, and evidenced by, this Certificate.

Lender will remit to Fannie Mae, or its successors or assigns, the amounts attributable to Fannie Mae's participation interest in each of the mortgages identified in the attached schedule, in accordance with the applicable provisions of the Contract and the Guides. In particular, in the case of participation interests purchased by Fannie Mae pursuant to a portfolio delivery, the Lender shall remit to Fannie Mae Fannie Mae's participation interest share of the actual collected principal and actually collected or scheduled to be paid interest (depending upon the "Remittance Type" set forth in the Loan Schedule), based on Fannie Mae's Participation Interest share of the unpaid principal balance of the mortgages. In the case of participation interests in fixed-rate mortgages purchased pursuant to a portfolio delivery, the interest component of the amounts payable to Fannie Mae shall be based on the Commitment Yield set forth above, which shall be adjusted as appropriate to reflect the additional yield requirements specified in the Guides for cooperative share loans. For participation interests in adjustable-rate

mortgages, the interest component shall be based on the adjustments referred to above and, as to each mortgage on each date on which the interest rate of the mortgage is changed, on the sum of the Commitment Margin set forth above and the index value used to determine the new mortgage interest rate of the mortgage. If the mortgage contains limits on the amount by which the interest rate may be changed, such limits apply to the calculation of the new yield due Fannie Mae. In the case of participation interests in either fixed-rate or adjustable-rate mortgages purchased by Fannie Mae pursuant to a mortgage-backed securities pool purchase transaction, the principal and interest due Fannie Mae shall be calculated in accordance with the Guides.

In the case of Fannie Mae's participation interest in adjustable-rate mortgages, Lender is responsible for making adjustments to the interest rates on the mortgages that are required or permitted under the terms of the mortgage instruments; for giving timely notice of adjustments to the mortgagors; and for complying with all provisions of the mortgage instruments, laws and regulations applicable to adjustment of interest rates on the mortgages. Lender may not waive the right to the full amount of an interest rate increase otherwise permitted under the mortgage instruments. Lender's failure to comply with the requirements of this paragraph shall be deemed to be a breach of the Contract and the Guides and of the Lender's servicing obligations thereunder and shall entitle Fannie Mae to take any and all actions against the Lender as specified in the Contract and the Guides.

IN WITNESS WHEREOF, Lender hereby sets its hand and seal, this ____ day of _____, 19____.

Lender: _____

By: _____
(Authorized Signature)

(Type Name and Title)

Accepted by Fannie Mae:

By: _____
(Authorized Signature)

(Date)

Instructions

Participation Certificate

The lender uses this form to indicate its delivery of a pool of conventional fixed-rate first or second mortgages or conventional adjustable-rate first mortgages to us for purchase for our portfolio or inclusion in an MBS pool. We execute the form to reflect our purchase of the specified percentage interest in the mortgages.

Copies

Two originals.

Printing Instructions

This form must be printed on letter size paper, using portrait format.

Instructions

Once the form has been completed, please mail to:

Fannie Mae
Vendor Oversight
13150 Worldgate Drive
Herndon, VA 20170

Please Note

Addresses printed in previous publications should no longer be utilized.

The lender should complete the form--except for information that we need to provide. In the first full paragraph after the description of our participation interest, the lender should indicate the lien priority--first or second--of the mortgages in the pool by striking out the inappropriate word.

After completing the form, the lender should execute the two originals and include them as part of its delivery package. We will return an executed original of the certificate to the lender when we fund our purchase or securitization of the participation interest.