

**GINNIE MAE MULTICLASS SECURITIES PROGRAM**

**Government National Mortgage Association**



**MULTICLASS SECURITIES GUIDE**

**Part V: Ginnie Mae Multiclass Securities Transactions:  
Callable Securities**

**January 1, 2014**

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION  
MULTICLASS SECURITIES GUIDE  
(January 1, 2014 Edition)**

*Page*

**PART I: GINNIE MAE MULTICLASS SECURITIES TRANSACTIONS:  
GUIDELINES AND SELECTED TRANSACTION DOCUMENTS**

|        |  |      |
|--------|--|------|
| A.     | INTRODUCTION TO THE GINNIE MAE MULTICLASS SECURITIES PROGRAM .....   | I-1  |
| B. TRA | NSACTION GUIDELINES FOR THE GINNIE MAE MULTICLASS SECURITIES PROGRAM   |      |
| 1.     | Gene ral Overview .....  | I-2  |
| 2.     | Transaction Information Web-Based Application - e-Access .....   | I-3  |
| 3.     | Ginnie Mae Multiclass Securities Program Conventions.....  | I-4  |
| 4.     | Ginnie Mae Multiclass Securities Transaction Participants .....  | I-5  |
| 5.     | Trust Counsel’s Responsibilities .....   | I-6  |
| 6.     | Post-Closing Matters with respect to Ginnie Mae Multiclass Securities Transactions .....   | I-7  |
| C.     | GINNIE MAE REMIC AND MX TRANSACTION DOCUMENTS  |      |
| 1.     | Form of Transaction Initiation Letter (with attached Financial Advisor Checklist for Sponsor) for REMIC and MX Transactions .....    | I-8  |
| 2.     | Sponsor Agreement for REMIC and MX Transactions  |      |
| a.     | Form of Sponsor Agreement for REMIC and MX Transactions .....  | I-9  |
| b.     | Standard Sponsor Provisions for REMIC and MX Transactions (including Supplemental Statement and Sponsor Certification) .....         | I-10 |
| 3.     | Base Offering Circular for Single Family REMIC and MX Transactions .....   | I-11 |
| 4.     | Form of Offering Circular Supplement for Single Family REMIC and MX Transactions .....   | I-12 |
| 5.     | Form of Transfer Affidavit for REMIC Transactions .....  | I-13 |
| 6.     | Form of Guaranty Agreement for Single Family REMIC and MX Transactions .....   | I-14 |
| 7.     | Accountants’ Agreed-Upon Procedures Reports for Single Family REMIC and MX Transactions  |      |
| a.     | Form of Accountants’ Agreed-Upon Procedures Report for Single Family REMIC and MX transactions concerning the Offering Circular..... | I-15 |

|                   |   |      |
|-------------------|---|------|
| b.                | Accountants’ Agreed-Upon Procedures Report for Single Family REMIC and MX Transactions as of Closing Date ..... | I-16 |
| 8.                | Form of Closing Flow of Funds Instruction Letter for REMIC and MX Transactions .....                            | I-17 |
| E. GLOSSARY ..... |   | I-18 |

**PART II: GINNIE MAE MULTICLASS SECURITIES TRANSACTIONS:  
ADDITIONAL SELECTED TRANSACTION DOCUMENTS**

|  |  |       |
|--|--|-------|
| A. INTRODUCTION .....  |  | II-1  |
| B. CLOSING CHECKLIST AND TABLE OF CONTENTS FOR REMIC TRANSACTIONS .....                |  | II-2  |
| C. TRUST AGREEMENTS FOR REMIC TRANSACTIONS   |  |       |
| 1. Form of Trust Agreement for REMIC Trusts (including Form of Waiver Agreement) ..... |  | II-3  |
| 2. REMIC Standard Trust Provisions .....   |  | II-4  |
| 3. Form of MX Trust Agreement .....  |  | II-5  |
| 4. MX Standard Trust Provisions .....  |  | II-6  |
| D. TRANSFER OF GINNIE MAE CERTIFICATES AND CREATION OF REMIC SECURITIES                |  |       |
| 1. Forms of Trustee’s Receipt and Safekeeping Agreement for REMIC Transactions .....   |  | II-7  |
| 2. Form of Issuance Statement for REMIC and MX Transactions .....                      |  | II-8  |
| E. LEGAL OPINIONS for REMIC and MX Transactions  |  |       |
| 1. Form of Transaction Opinion of Trust Counsel for REMIC and MX Transactions .....    |  | II-9  |
| 2. Form of Opinion of Sponsor for REMIC and MX Transactions .....                      |  | II-10 |
| 3. Form of Tax Opinions of Trust Counsel for REMIC and MX Transactions                 |  |       |
| a. Single REMIC .....  |  | II-11 |
| b. Double REMIC: One Residual Security .....   |  | II-12 |
| c. Double REMIC: Two Residual Securities .....   |  | II-13 |
| d. MX (Grantor) Trust .....  |  | II-14 |
| 4. Form of Opinion of Trustee’s Counsel for REMIC and MX Transactions .....            |  | II-15 |
| 5. Opinion of HUD General Counsel .....  |  | II-16 |
| F. GINNIE MAE REMIC TRUST ADMINISTRATION AND TAX REPORTING .....                       |  | II-17 |

**PART III: GINNIE MAE PLATINUM SECURITIES TRANSACTIONS**

**PART IV: GINNIE MAE MULTIFAMILY TRANSACTIONS:  
MULTIFAMILY TRANSACTION DOCUMENTS\***

|    |   |      |
|----|---|------|
| A. | GENERAL OVERVIEW: MULTIFAMILY TRANSACTIONS .....  | IV-1 |
| B. | GINNIE MAE MULTIFAMILY TRANSACTION DOCUMENTS .....  | IV-2 |
| 1. | Form of Offering Circular Supplement for Multifamily Transactions .....   | IV-3 |
| 2. | Multifamily Base Offering Circular .....  | IV-4 |
| 3. | Form of Guaranty Agreement for Multifamily Transactions .....   | IV-5 |
| 4. | Accountants' Agreed-Upon Procedures Reports for Multifamily Transactions  |      |
| a. | Form of Accountants' Agreed-Upon Procedures Report concerning the Offering Circular<br>for Multifamily Transactions ..... | IV-6 |
| b. | Agreed-Upon Procedures Report as of Closing Date for Multifamily Transactions ....  | IV-7 |

\* For multifamily transactions, additional transaction documents found in Parts I and II of the Multiclass Securities Guide must be delivered, including the Transaction Initiation Letter, Sponsor Agreement, Transfer Affidavit, Closing Flow of Funds Instruction Letter, Supplemental Statement, if applicable, REMIC Trust Agreement, MX Trust Agreement, if applicable, Trustee's Receipt and Safekeeping Agreement and the Issuance Statement. In addition, opinions of counsel found in Part II of the Multiclass Securities Guide must be delivered, including the Transaction Opinion, Sponsor Opinion, relevant Tax Opinions, Trustee's Opinion and Opinion of HUD General Counsel.

**PART V: GINNIE MAE MULTICLASS SECURITIES TRANSACTIONS:  
CALLABLE SECURITIES**

|    |   |     |
|----|---|-----|
| A. | GENERAL OVERVIEW: CALLABLE TRANSACTIONS .....                       | V-1 |
| B. | GINNIE MAE CALLABLE TRANSACTION DOCUMENTS                           |     |
| 1. | Form of Offering Circular for Callable Securities .....             | V-2 |
| 2. | Form of Trust Agreement for Callable Trusts .....                   | V-3 |
| 3. | Standard Trust Provisions for Callable Trusts .....                 | V-4 |
| 4. | Form of Sponsor Agreement for Callable Trusts .....                 | V-5 |
| 5. | Standard Sponsor Provisions for Callable Trusts .....               | V-6 |
| 6. | Form of Ginnie Mae Callable Securities Guaranty Agreement .....     | V-7 |
| 7. | Form of Transaction Initiation Letter for Callable Securities ..... | V-8 |

|     |   |      |
|-----|---|------|
| 8.  | Form of Accountant’s Agreed-Upon Procedures Report Concerning the Offering Circular for Callable Securities ..... | V-9  |
| 9.  | Forms of Trustee’s Receipt and Safekeeping Agreement for Callable Securities .....                                | V-10 |
| 10. | Form of Issuance Statement for Callable Securities .....  | V-11 |
| 11. | Form of Transaction Opinion of Trust Counsel for Callable Securities .....  | V-12 |
| 12. | Form of Tax Opinion of Trust Counsel for Callable Securities .....  | V-13 |
| 13. | Form of Opinion of Sponsor for Callable Securities .....  | V-14 |
| 14. | Form of Opinion of Trustee’s Counsel for Callable Securities .....  | V-15 |
| 15. | Form of Accountants’ Agreed-Upon Procedures Report as of the Closing Date for Callable Securities .....           | V-16 |
| 16. | Form of Closing Flow of Funds Instruction Letter for Callable Securities .....                                    | V-17 |
| 17. | Form of Closing Checklist and Table of Contents for Callable Securities .....                                     | V-18 |

**PART VI: GINNIE MAE MULTICLASS SECURITIES TRANSACTIONS:  
STRIPPED MORTGAGE-BACKED SECURITIES (“SMBS”)**

|     |   |       |
|-----|---|-------|
| A.  | GENERAL OVERVIEW: SMBS TRANSACTIONS .....   | VI-1  |
| B.  | GINNIE MAE SMBS TRANSACTION DOCUMENTS   |       |
| 1.  | Pricing Checklist for SMBS Transactions .....   | VI-2  |
| 2.  | Standard Sponsor Provisions for SMBS Transactions .....   | VI-3  |
| 3.  | Form of Sponsor Agreement for SMBS Transactions .....   | VI-4  |
| 4.  | Base Offering Circular for SMBS Transactions .....  | VI-5  |
| 5.  | Form of Offering Circular Supplement for SMBS Transactions .....  | VI-6  |
| 6.  | Form of Accountants’ Agreed-Upon Procedures Report concerning the Offering Circular for SMBS Transactions ..... | VI-7  |
| 7.  | Form of Guaranty Agreement for SMBS Transactions .....  | VI-8  |
| 8.  | Form of Issuance Statement for SMBS Transactions .....  | VI-9  |
| 9.  | Forms of Trustee’s Receipt and Safekeeping Agreement for SMBS Transactions .....                                | VI-10 |
| 10. | Form of Closing Flow of Funds Letter for SMBS Transactions .....  | VI-11 |
| 11. | Form of Trust Agreement for SMBS Transactions .....   | VI-12 |
| 12. | Standard Trust Provisions for Ginnie Mae SMBS Trusts .....  | VI-13 |

|     |  |       |
|-----|--|-------|
| 13. | Form of Transaction Opinion of Trust Counsel for SMBS Transactions .....                             | VI-14 |
| 14. | Form of Opinion of Sponsor for SMBS Transactions .....   | VI-15 |
| 15. | Form of Tax Opinion of Trust Counsel for SMBS Transactions .....                                     | VI-16 |
| 16. | Form of Opinion of Trustee’s Counsel for SMBS Transactions .....                                     | VI-17 |
| 17. | Form of Accountants’ Agreed-Upon Procedures Report as of Closing Date<br>for SMBS Transactions ..... | VI-18 |

**PART VII: GINNIE MAE HREMIC TRANSACTIONS:  
HREMIC TRANSACTION DOCUMENTS**

|    |  |        |
|----|--|--------|
| A. | GENERAL OVERVIEW: HREMIC TRANSACTIONS .....  | VII-1  |
| B. | GINNIE MAE HREMIC TRANSACTION DOCUMENTS  |        |
| 1. | Form of Offering Circular Supplement for HREMIC Transactions.....  | VII -2 |
| 2. | Accountants’ Agreed-Upon Procedures Reports for HREMIC Transactions  |        |
| a. | Form of Accountants’ Agreed-Upon Procedures Report concerning the<br>Offering Circular for HREMIC Transactions ..... | VII -3 |
| b. | Agreed-Upon Procedures Report as of Closing Date for HREMIC Transactions .....                                       | VII -4 |

\* For HREMIC transactions, additional transaction documents found in Parts I and II of the Multiclass Securities Guide must be delivered, including the Transaction Initiation Letter, Sponsor Agreement, Transfer Affidavit, Closing Flow of Funds Instruction Letter, Sponsor Certification, Supplemental Statement, if applicable, REMIC Trust Agreement, MX Trust Agreement, if applicable, Trustee’s Receipt and Safekeeping Agreement and the Issuance Statement. In addition, opinions of counsel found in Part II of the Multiclass Securities Guide must be delivered, including the Transaction Opinion, Sponsor Opinion, relevant Tax Opinions, Trustee’s Opinion and Opinion of HUD General Counsel.

## **GENERAL OVERVIEW: CALLABLE TRANSACTIONS**

### ***INTRODUCTORY STATEMENT***

Ginnie Mae provides for the guarantee of Callable Securities under the Ginnie Mae Multiclass Securities Program. As described in more detail below, Callable Securities are subject to redemption by the Holder of the Call Class Securities at the time or times specified in the related Callable Trust Agreement.

The requirements of the Ginnie Mae Multiclass Securities Program are set forth in the Ginnie Mae Multiclass Securities Guide (the “Guide”), which consists of seven parts. Refer to Sections A and B of Part I of the Guide for an introduction to, and transaction guidelines for, the Ginnie Mae Multiclass Securities Program generally (references in such Sections to a “Series” shall be deemed to refer to a “Callable Series” unless otherwise required by the context). This Part V of the Guide relates to the issuance of a Callable Series and provides for modifications of the transaction guidelines for such issuance. Capitalized terms that are used but not defined herein have the meanings ascribed thereto in the Glossary contained in Part I of the Guide.

The Standard Trust Provisions for Callable Trusts and Standard Sponsor Provisions for Callable Trusts are contained in this Part V. For issuances of Callable Securities, the related transaction parties are required to use the forms of documents specifically related to callable transactions contained in this Part V. Any changes to any transaction documents will require prior approval by Ginnie Mae and Ginnie Mae’s Legal Advisor.

This Part V of the Guide also provides information regarding associated fees and important Ginnie Mae policy regarding Callable Trusts and the inclusion of Callable Class Securities in Ginnie Mae REMIC Trusts.

### ***CALLABLE TRUSTS***

Each Callable Series of Securities will consist of one or more paired Classes: a “Call Class” and a “Callable Class.” The Securities will evidence interests in separate trusts (each, a “Callable Trust”). As described in the Offering Circular, the eligible assets of each Callable Trust will consist of Ginnie Mae Platinum Certificates, Ginnie Mae MBS Certificates or Underlying Certificates that have not been designated as Increased Minimum Denomination Classes (“Permitted Underlying Certificates”). The assets of any Callable Trust may be subdivided into separate groups, each of which may relate to a separate pair of Call and Callable Class Securities.

Each Callable Series of Securities will be issued pursuant to a separate Callable Trust Agreement which will incorporate the terms of the Standard Trust Provisions for Callable Trusts. As further described therein, the Callable Class Securities will be entitled to all distributions on the related Ginnie Mae Platinum Certificates, Ginnie Mae MBS Certificates or Permitted Underlying Certificates (other than any amounts allocable to the payment of Trustee Fees). The Call Class Securities will evidence the right to direct the Trustee to redeem the related Callable Class Securities on the terms provided therein. Upon any such redemption, the Holder of the

Call Class Securities will be entitled to receive from the Callable Trust the related Ginnie Mae Platinum Certificates, Ginnie Mae MBS Certificates or Permitted Underlying Certificates in exchange for the Call Class and the payment of the Redemption Amount and Exchange Fee. The Call and Callable Class Securities and the redemption and exchange mechanics are described in detail in the Offering Circular for Callable Trusts in this Part V. The Callable Trust Agreement that incorporates the terms of the Standard Trust Provisions for Callable Trusts sets forth the circumstances under which the Call Class and Callable Class Securities in a Callable Series may be exchanged for the related Trust Assets.

The Callable Class Securities will be guaranteed as to timely distribution of principal and interest by Ginnie Mae. Additionally, Ginnie Mae will guarantee to the Holder of each Call Class Security all amounts, if any, due such Security on the related Redemption Date which represent distributions of principal and interest as provided in the related Callable Trust Agreement.

Callable Class Securities constitute “eligible collateral” for purposes of Ginnie Mae’s Multiclass regulations, and as such may be conveyed by Sponsors to Ginnie Mae REMIC Trusts.

### ***FEES AND EXPENSES***

1. *Trustee Fees.* For all “stand-alone” Callable Trusts (i.e., if the Callable Class is not deposited in a Ginnie Mae REMIC Trust concurrently upon issuance), provision for the payment of Trustee Fees shall be made by the conveyance to a Callable Trust of Ginnie Mae Platinum Certificates, Ginnie Mae MBS Certificates or Permitted Underlying Certificates with a principal balance in excess of the Class Principal Balance of the related Callable Class. Under such arrangement, the Trustee will be entitled to a proportionate share of monthly payments of principal and interest on the Trust Assets. Upon redemption of the related Callable Class, the Trust Assets, including the excess portion (unless otherwise provided in the related Callable Trust Agreement), will be conveyed to the Holder of the Call Class.

If a Callable Class is conveyed to a Ginnie Mae REMIC Trust upon issuance, the Sponsor may utilize the above arrangement exclusively or in combination with a similar arrangement at the REMIC level. Please note, however, that in cases in which multiple Callable Classes are issued in a Callable Series (i.e., the Callable Trust is divided into Trust Asset Groups) and are not each conveyed to a Ginnie Mae REMIC Trust, provision for the payment of Trustee Fees in respect of each “stand-alone” Callable Class (i.e., those not conveyed to a Ginnie Mae REMIC Trust) must be made at the Callable Trust level as described in the preceding paragraph.

2. *Exchange Fee.* Upon any redemption exercised by the Holder of the Call Class, an Exchange Fee will be payable to the Trustee no later than 11:00 a.m. (Eastern time) on the third business day preceding the last day of the month preceding the month of the proposed redemption. The “Exchange Fee” for any redemption will equal the greater of (i) \$5,000 or (ii) the lesser of \$15,000 or 1/32 of 1% of the outstanding principal balance of the applicable Callable Class. In connection with any exchange of Callable Class Securities and Call Class Securities permitted by the related Callable Trust Agreement, the Trustee may impose an Exchange Fee or a Transaction Fee payable to the Trustee on the business day prior to exchange date.



3. *Guaranty Fee*. Ginnie Mae will be entitled to a Guaranty Fee payable at the settlement (i.e., the Closing Date) of each Callable Trust. The Guaranty Fee will equal the greater of (x) the sum of 0.02% of the first \$200,000,000 of Original Class Principal Balance of the related Callable Class (or Classes) and 0.01% for any additional amounts; and (y) \$40,000.

The Guaranty Fee may be changed from time to time at Ginnie Mae's discretion.

### ***GINNIE MAE POLICIES REGARDING THE SECURITIES***

In connection with offerings of Ginnie Mae Callable Securities, Ginnie Mae has determined that:

- No Callable Class may be subject to redemption until the third Distribution Date for such Class unless Ginnie Mae approval has been obtained. Any Callable Class Security that is redeemable before the twelfth Distribution Date will be deemed an Increased Minimum Denomination Class and, thus, will be required to be issued in a minimum denomination that results in a minimum purchase price of \$100,000.
- No Callable Class may be redeemed unless the Trustee has determined, in the manner provided in the Callable Trust Agreement, that the market value of the Ginnie Mae Platinum Certificates, Ginnie Mae MBS Certificates or Underlying Certificates included in the Callable Trust exceed their outstanding principal balance multiplied by the Redemption Price Percentage for such Callable Class.
- In the event a Callable Class is included in a Ginnie Mae REMIC Trust, the entity serving as Trustee for the Callable Trust must also serve in such capacity for the REMIC Trust.
- In the event a Callable Class is included in a Ginnie Mae REMIC Trust (or a Trust Asset Group thereof), the Ginnie Mae REMIC Trust (or Trust Asset Group) may not issue a Principal Only Security with an initial Class Principal Balance in excess of 10% of the Class Principal Balance of the Callable Class included in such Callable Trust (or Trust Asset Group).
- In cases in which a Callable Class is being included in a Ginnie Mae REMIC Trust and the related Call Class is being sold to an investor by the Sponsor, additional copies of the related Offering Circular must be distributed to investors in the Call Class.

**FORM OF OFFERING CIRCULAR FOR CALLABLE SECURITIES**



\$[ ]

## Government National Mortgage Association GINNIE MAE®

### Guaranteed Callable Pass-Through Securities Ginnie Mae Callable Trust 20[ ]-C[ ]

**The Securities**

The Trust will issue the Classes of Securities listed on the front cover of this offering circular.

| Class   | Original Principal Balance(1) | Interest Rate  | Class Type(3)       | Interest Type(3) | Initial Redemption Date | [Final Redemption Date] | Redemption Price Percentage(4) | CUSIP Number | Final Distribution Date(5) |
|---|-------------------------------|----------------|---------------------|------------------|-------------------------|-------------------------|--------------------------------|--------------|----------------------------|
| [Security Group 1]<br>[A][A1].....<br>[B][B1].....<br>..... | [(2)]                         | [(6)]<br>[(2)] | [Callable<br>[Call] |                  |                         | [                       | 100)%                          |              |                            |
| [Security Group 2]<br>[A2].....<br>[B2].....<br>.....       |                               |                |                     |                  |                         |                         |                                |              |                            |
| [Security Group 3]<br>.....<br>.....<br>.....               |                               |                |                     |                  |                         |                         |                                |              |                            |

**The Ginnie Mae Guaranty**

Ginnie Mae will guarantee the timely payment of principal and interest on the securities. The Ginnie Mae Guaranty is backed by the full faith and credit of the United States of America. Ginnie Mae does not guarantee the payment of any premium included in any Redemption Price.

- (1) Subject to increase as described under "Increase in Size" in this Offering Circular.
- (2) The Call Class Security[ies] [is] [are] not issued with [a] principal balance[s] and [is] [are] not entitled to payments of any interest.
- (3) As defined under "Class Types" in Appendix I or "Glossary" in Appendix II, as applicable, to the Base Offering Circular.
- (4) If the Redemption Price Percentage exceeds 100%, then the Redemption Price will include the Class Principal Balance of the Callable Class Securities as well as an additional amount (the "premium"). See "Description of the Securities — Redemption and Exchange" in this Offering Circular.
- (5) See "Yield, Maturity and Prepayment Considerations — Final Distribution Date" in this Offering Circular.
- (6) See "Terms Sheet — Interest Rates" in this Offering Circular.

**The Trust and its Assets**

The Trust will own [(1)] [Ginnie Mae Platinum Certificates] [and] [,] [(2)] [Ginnie Mae Certificates] [[and] [(3)] [[a] certain previously issued certificate[s]].

**The securities may not be suitable investments for you. You should consider carefully the risks of investing in them.**

**See "Risk Factors" beginning on page [ ] which highlights some of these risks.**

The Sponsor will offer the securities from time to time in negotiated transactions at varying prices. We expect the closing date to be [ ], 20[ ].

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

**[SPONSOR]**

**The date of this Offering Circular is [ ], 20[ ].**

## AVAILABLE INFORMATION

You should purchase the securities only if you have read and understood the following documents:

- this Offering Circular[,] [and]
- [[in the case of the Group [ ] securities,] the Base Offering Circular for Ginnie Mae Platinum Certificates and [each] [the] Offering Circular Supplement thereto applicable to the underlying Ginnie Mae Platinum Certificate [s] (collectively, the “Ginnie Mae Platinum Offering Circular”)] [,] [and]
- the Base Offering Circular for Ginnie Mae Guaranteed REMIC Pass-Through Securities (the “Base Offering Circular”) [and]
- [in the case of the Group [ ] securities,] the disclosure document[s] relating to the Underlying Certificate[s] (the “Underlying Certificate Disclosure Document[s]”).]

The [Ginnie Mae Platinum Offering Circular, ] Base Offering Circular [and] [the Underlying Certificate Disclosure Document[s]] [is] [are] available on Ginnie Mae’s website located at <http://www.ginniemae.gov>.

If you do not have access to the internet, call BNY Mellon, which will act as information agent for the Trust, at (800) 234-GNMA, to order copies of any document listed above.

Please consult the standard abbreviations of Class Types included in the Base Offering Circular as Appendix I and the Glossary included in the Base Offering Circular as Appendix II for definitions of capitalized terms that are not otherwise defined herein.

## TABLE OF CONTENTS

|                                       | <u>Page</u> |  | <u>Page</u> |
|---------------------------------------|-------------|--|-------------|
| Terms Sheet .....                     | 3           | Plan of Distribution .....                 | 31          |
| Risk Factors .....                    | 7           | Increase in Size .....                     | 32          |
| The Trust Asset[s] .....              | 12          | Legal Matters .....                        | 32          |
| Ginnie Mae Guaranty .....             | 14          | Exhibit A: Underlying Certificate[s] ..... | A-1         |
| Description of the Securities .....   | 14          | Exhibit B: Cover Page[s] [,] [and]         |             |
| Yield, Maturity and Prepayment        |             | Terms Sheet[s] [,] [and] [Schedule         |             |
| Considerations .....                  | 20          | I[, if applicable,]] [and Exhibit A[,      |             |
| Certain United States Federal Income  |             | if applicable,]] from Underlying           |             |
| Tax Consequences .....                | 28          | Certificate Disclosure Document[s] .....   | B-1         |
| State, Local and Foreign Tax          |             |  |             |
| Considerations .....                  | 30          |  |             |
| ERISA Matters .....                   | 30          |  |             |
| Legal Investment Considerations ..... | 31          |  |             |

## TERMS SHEET

This terms sheet contains selected information for quick reference only. You should read this Offering Circular, particularly “Risk Factors,” and each of the other documents listed under “Available Information.”

**Sponsor:** [ ]

**Trustee:** [ ]

**Tax Administrator:** The Trustee

**Closing Date:** [ ], 20[ ]

**Distribution Date[s]:** [[For the Group [ ] Securities, the] [The] 16th day of each month or, if the 16th day is not a Business Day, the first Business Day thereafter, commencing in [ ] 20[ ].] [[For the Group [ ] Securities, the] [The] 20th day of each month or, if the 20th day is not a Business Day, the first Business Day thereafter, commencing in [ ] 20[ ].]

**Callable Class Security:** Any Class [A] [A1] Security.

**Call Class Security :** [The] [Any] Class [B] [B1] [or B[2]] Security.

**Security:** Any of the Call Class or Callable Class Securities.

**Redemption and Exchange:** The Holder of [the] [a] Call Class Security will have the right to direct the Trustee to redeem the [related] Callable Class Securities, in whole but not in part, on [any Distribution Date (the “Redemption Date”) on or after the Initial Redemption Date [and on or before the Final Redemption Date ]] [the Distribution Date (the “Redemption Date”) coinciding with the Initial Redemption Date (which is also the Final Redemption Date)] [for such Class]. Only one Holder is permitted to hold [the] [a] Call Class Security at any time. Upon redemption of the [related] Callable Class Securities, the amount payable to the Holders of such Securities will equal the Class Principal Balance thereof plus (i) the premium thereon[, if any]\* and (ii) accrued and unpaid interest on the Class Principal Balance thereof to the Redemption Date, calculated as set forth under “*Description of the Securities — Redemption and Exchange*” in this Offering Circular. Ginnie Mae will guarantee the timely payment of principal and interest on the Securities. Ginnie Mae does not guarantee the payment of any premium included in any Redemption Price.

[After the Final Redemption Date [for a Security Group], the Holder of all of the outstanding Callable Class Securities [for that Security Group] will have the right to direct the Trustee to exchange 100% of the outstanding balance of the Callable Class Securities for the [related] Trust Asset [s]. See “*Description of the Securities — Redemption and Exchange*” in this Offering Circular.]

**Redemption Date[s]:** The Initial Redemption Date[s] [and the Final Redemption Date[s]] for [the] [each Class of] Callable Class Securities [is] [are] the Distribution Date[s] occurring in the month[s] shown on the front cover of this Offering Circular.

---

\* **Note to Trust Counsel:** Insert “, if any” if no premium is payable in connection with the redemption of any Class of Callable Class Securities.

**Trust Asset[s]:**

| <u>[Trust Asset Group]</u> | <u>Trust Asset Type(1)</u>  | <u>Certificate Rate</u> | <u>Original Term To Maturity (in years)</u> |
|----------------------------|-----------------------------|-------------------------|---|
| 1 Ginnie                   | Mae [I] %                   |                         | [30]  |
| 2 Ginnie                   | Mae [II]                    |                         | [15]  |
| 3                          | [Underlying Certificate[s]] | (2) (2)                 |   |

(1) With respect to [a] Trust Asset Group[s] consisting of [a] Ginnie Mae Platinum Certificate[s], the Trust Asset Type refers to the Ginnie Mae MBS Certificates underlying the Ginnie Mae Platinum Certificate[s].

(2) Certain information regarding the Underlying Certificate[s] is set forth in Exhibits A and B to this Offering Circular.]

**[Security Groups :** This series of Securities consists of multiple Security Groups (each, a “Group”), as shown on the front cover of this Offering Circular. Payments on each Security Group will be based solely on payments on the Trust Asset Group with the same numerical designation.]

**[NOTE TO TRUST COUNSEL: DO NOT INCLUDE “ASSUMED” IF THE TRUST ASSET IS A PREVIOUSLY ISSUED REMIC SECURITY ISSUED PRIOR TO THE MONTH OF THE CALLABLE ISSUANCE; INCLUDE “ASSUMED” IF THE TRUST ASSET IS A REMIC SECURITY ISSUED IN THE SAME MONTH AS THE CALLABLE ISSUANCE OR IS MBS OR PLATINUM SECURITIES.] [Assumed] Characteristics of the Mortgage Loans Underlying the [Group [ ]] Trust Asset[s]<sup>1</sup>:**

| <u>Principal Balance<sup>2</sup></u>   | <u>Weighted Average Remaining Term to Maturity (in months)</u> | <u>Weighted Average Loan Age (in months)</u> | <u>[Weighted Average] Mortgage Rate<sup>3</sup></u> |
|--|--|--|---|
| \$                                     |  |  |   |
| <b>Group 1 Trust Assets</b>            |  |  |   |
| \$                                     | %  |  | %   |
| <u>\$</u>                              |  |  |   |
| <b>Group 2 Trust Asset<sup>4</sup></b> |  |  |   |
| \$                                     | %  |  | %   |
| <u>\$</u>                              |  |  |   |

<sup>1</sup> As of [ ], 20[ ].

<sup>2</sup> Does not include [the Group [ ]] Trust Assets that will be added to pay the Trustee Fee.]

<sup>3</sup> The Mortgage Loans underlying the [Group [ ]] Trust Assets may bear interest at rates ranging from 0.25% to 1.50% per annum above the related Certificate Rate.]

<sup>4</sup> More than 10% of the Mortgage Loans underlying the [Group [ ]] Trust Assets may be higher balance Mortgage Loans. See “Risk Factors” in this Offering Circular.] **[NOTE: ONLY USE THIS FOOTNOTE TO IDENTIFY TRUST ASSET GROUPS THAT ARE BACKED BY “M/JM”, “M**

FS”, “All ARMs”, C SF”, “C BD”, “X BD” or “X SN” MORTGAGE LOANS.]

The actual remaining terms to maturity [and loan ages] [, loan ages and [, in the case of the Group [ ] Trust Asset, ] Mortgage Rates ] of many of the Mortgage Loans [underlying the Group [ ] Trust Assets ] will differ from the weighted averages shown above, perhaps significantly. *See “The Trust Assets” in this Offering Circular.*

**[[Assumed] Characteristics of the Mortgage Loans Underlying the [Group [ ] [and [ ] Trust Assets:** See Exhibit A to this Offering Circular for certain information regarding the characteristics of the Mortgage Loans included in the [related] Underlying Trust[s].]

**Issuance of Securities :** The Callable Class Securities will initially be issued in book-entry form through the book-entry system of the U.S. Federal Reserve Banks (the “Fedwire Book-Entry System”). The Call Class Security [y][ies] will be issued in fully registered, certificated form. *See “Description of the Securities — Form of Securities” in this Offering Circular.*

**Increased Minimum Denomination Class[es ]:** [The Callable Class Securities. ][The Class [A] [A1] [and A2] Securities]. [None.] [NOTE TO TRUST COUNSEL: List all Classes of Callable Class Securities that are redeemable within less than twelve months.] *See “Description of the Securities — Form of Securities” in this Offering Circular.*

**Interest Rates :** [The Interest Rate [s] for the Fixed Rate Class [es] [is] [are] shown on the front cover of this Offering Circular.]

[Class[es] [ ] [and [ ]] [is an] [are] Ascending Rate Class [es] that will bear interest at the per annum initial Interest Rate [s] shown below for the indicated number of Accrual Periods and at the per annum Interest Rate[s] shown below thereafter:

| <u>Class</u> | <u>Initial Interest Rate</u> | <u>Accrual Periods</u> | <u>Rate Thereafter</u> |
|--------------|------------------------------|------------------------|------------------------|
|--------------|------------------------------|------------------------|------------------------|

[Class [ ] is [an Ascending] [a Descending] Rate Class that will bear interest at a per annum Interest Rate of [ ]% for the first [ ] Accrual Periods and [ ]% thereafter.]

The Call Class Security [y][ies] [is] [are] are not entitled to any interest, and no amounts will be distributable thereon, except as described in this Offering Circular.

**Allocation of Principal:** On each Distribution Date [for a Security Group], [[a percentage of the Principal Distribution Amount [for that Group] will be applied to the Trustee Fee, and the remainder of ] the Principal Distribution Amount [(the “Adjusted Principal Distribution Amount”)] [the Principal Distribution Amount] [for [each] [that] Security Group ] will be distributed to the [related] Callable Class Securities until the Class Principal Balance thereof has been reduced to zero. The Call Class Security [y][ies] [is] [are] not issued with [a] Class Principal Balance[s], and no amounts will be distributable thereon, except as described under “Description of the Securities — Redemption and Exchange” in this Offering Circular.

**[Accrual Class[es]:** Interest will accrue on [the] [each] Accrual Class identified on the front cover of this Offering Circular at the per annum rate set forth on that page. However, no interest will be distributed to the Callable Class Securities as interest. Interest so accrued on [the Callable Class Securities] [such Class[es]] on each Distribution Date will constitute [the] [an] Accrual Amount, which will be added to the Class Principal Balance of such Class on each Distribution Date.

Principal will be distributed to [[the] [each Class of] Callable Class Securities ] [the Class [ ] Securities] when received as principal from the [related] Underlying Certificate[s], as set forth in this Terms Sheet under “Allocation of Principal.” The [ related] Underlying Certificate[s] [is] [are] also [an Accrual Class ] [ Accrual Classes ]. Interest will accrue on [each] [the] Underlying Certificate at the per annum Interest Rate set forth in the front cover of the [related] Underlying Certificate Disclosure Document attached as Exhibit B to this Offering Circular. However, no interest will be distributed to the [related] Underlying Certificate as interest, but will constitute an Accrual Amount with respect to the [related] Underlying Trust, which will be added to the Class Principal Balance of the [related] Underlying Certificate on each Distribution Date and will be distributable as principal as set forth in the Terms Sheet of the [related] Underlying Certificate Disclosure Document included in Exhibit B to this Offering Circular. The [related] Underlying Certificate [s] will not receive principal distributions until the Class Principal Balance[s] of [its][their] related Accretion Directed Class[es] [is][are] reduced to zero . When such principal distributions commence, the Principal Distribution Amount [for the related Callable Class Securities ] will include the Accrual Amount for the [related] Underlying Certificate [s].] **[NOTE TO TRUST COUNSEL: THE ABOVE LANGUAGE IS USED FOR UNDERLYING CERTIFICATES THAT ARE ACCRUAL CLASSES]**



## RISK FACTORS

*You should purchase securities only if you understand and are able to bear the associated risks. The risks applicable to your investment depend on the principal and interest type of your securities. This section highlights certain of these risks.*

***The rate of principal payments on the underlying mortgage loans will affect the rate of principal payments on your securities.*** The rate at which you will receive principal payments will depend largely on the rate of principal payments, including prepayments, on the mortgage loans underlying the [related] trust asset[s]. Any historical data regarding mortgage loan prepayment rates may not be indicative of the rate of future prepayments on the underlying mortgage loans, and no assurances can be given about the rates at which the underlying mortgage loans will prepay. To the extent the property securing a mortgage loan is released from the lien under the related mortgage, the proceeds generated by any sale thereof may be used by the borrower to prepay the mortgage loan in whole or in part. We expect the rate of principal payments on the underlying mortgage loans to vary. Borrowers generally may prepay their mortgage loans at any time without penalty.

The terms of the mortgage loans may be modified to permit, among other things, a partial release of security which releases a portion of the mortgaged property from the lien securing the mortgage loan. Partial releases of security may reduce the value of the remaining security and also allow the related borrower to sell the released property and generate proceeds that may be used to prepay the mortgage loan in whole or in part.

In addition to voluntary prepayments, mortgage loans can be prepaid as a result of governmental mortgage insurance claim payments, loss mitigation arrangements,

repurchases or liquidations of defaulted mortgage loans. Although under certain circumstances Ginnie Mae issuers have the option to repurchase defaulted mortgage loans from the related pool underlying a Ginnie Mae MBS certificate, they are not obligated to do so. Defaulted mortgage loans that remain in pools backing Ginnie Mae MBS certificates may be subject to governmental mortgage insurance claim payments, loss mitigation arrangements or foreclosure, which could have the same effect as voluntary prepayments on the cash flow available to pay the securities. No assurances can be given as to the timing or frequency of any governmental mortgage insurance claim payments, issuer repurchases, loss mitigation arrangements or foreclosure proceedings with respect to defaulted mortgage loans and the resulting effect on the timing or rate of principal payments on your securities.

***Callable class securities are subject to redemption prior to their final distribution date.*** [The] [Each class of] callable class securities [is] [are] subject to redemption on [any distribution date on or after the initial redemption date [and on or before the final redemption date]] [on the distribution date coinciding with the initial redemption date (which is also the final redemption date)] [for that class]. A redemption of callable class securities is more likely to occur to the extent that prevailing mortgage interest rates have declined or the market value of the [related] trust asset[s] otherwise exceeds the redemption price for such trust asset[s]. [The existence of redemption risk may

diminish significantly the ability of the holder to sell a callable class security at a premium.]\* The value of a callable class security, and accordingly the value of [its related] [the] call class security, may fluctuate significantly depending on the prevailing interest rates.

***Rates of principal payments and the occurrence [and timing] \*\* of any redemption can reduce your yield.*** The yield on your securities probably will be lower than you expect if:

- you bought your securities at a premium and principal payments are faster than you expected (or [a] [an early] redemption occurs), or
- you bought your securities at a discount and principal payments are slower than you expected (and a redemption does not occur).

In addition, if your securities are purchased at a significant premium, you could lose money on your investment if prepayments occur at a rapid rate.

***Under certain circumstances, a Ginnie Mae issuer has the right to repurchase a defaulted mortgage loan from the related pool of mortgage loans underlying a particular Ginnie Mae MBS certificate, the effect of which would be comparable to a prepayment of such mortgage loan.***

At its option and without Ginnie Mae's prior consent, a Ginnie Mae issuer may repurchase any mortgage loan at an amount equal to par less any amounts

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\* **Note to Trust Counsel:** Insert this sentence if no premium is payable in connection with the redemption of any Class of Callable Class Securities.

\*\* **Note to Trust Counsel:** Bracketed language should be deleted if each Class of Callable Class Securities has identical Initial and Final Redemption Dates.

previously advanced by such issuer in connection with its responsibilities as servicer of such mortgage loan to the extent that (i) in the case of a mortgage loan included in a pool of mortgage loans underlying a Ginnie Mae MBS certificate issued on or before December 1, 2002, such mortgage loan has been delinquent for four consecutive months, and at least one delinquent payment remains uncured or (ii) in the case of a mortgage loan included in a pool of mortgage loans underlying a Ginnie Mae MBS certificate issued on or after January 1, 2003, no payment has been made on such mortgage loan for three consecutive months. Any such repurchase will result in prepayment of the principal balance or reduction in the notional balance of the securities ultimately backed by such mortgage loan. No assurances can be given as to the timing or frequency of such repurchases.

***An investment in the securities is subject to significant reinvestment risk.*** The rate of principal payments on your securities is uncertain. You may be unable to reinvest the payments on your securities at the same returns provided by the securities. Lower prevailing interest rates may result in an unexpected return of principal. In that interest rate climate, higher yielding reinvestment opportunities may be limited. Conversely, higher prevailing interest rates may result in slower returns of principal and you may not be able to take advantage of higher yielding investment opportunities. The final payment on your security may occur much earlier than the final distribution date.

***[The rate of payments on the underlying certificate/s] will directly affect the rate of payments on the [group] securities.*** The underlying certificate[s] will be sensitive [in varying degrees] to:

- the rate of payments of principal (including prepayments) of the related mortgage loans[.], and
- the priorities for the distribution of principal among the classes of the [related] underlying series.]\*

**[NOTE TO TRUST COUNSEL:** For sequential classes of second or lower priority, including PAC, TAC, SCH or SUP classes with a sequential pay rule. ] [As described in the [related] underlying certificate disclosure document[s], [certain of] the underlying certificate [s] [included in trust asset group [ ]]] are not entitled to distributions of principal **[NOTE TO TRUST COUNSEL:** Include only if such accrual amount is payable while higher priority bonds are outstanding: (other than from any applicable accrual amount)] until [a] certain class [es] of the related underlying series [have] [has] been retired and, accordingly, distributions of principal of the related mortgage loans for extended periods may be applied to the distribution of principal of [those] [that] classes of certificates having priority over the underlying certificate[s].]

**[NOTE TO TRUST COUNSEL:** For PAC, TAC, SCH or SUP classes that fit the description. ] [In addition, [certain of] the underlying certificate [s] [included in trust asset group [ ]]] are support classes that are entitled to receive principal distributions **[NOTE TO TRUST COUNSEL:** Include only if such accrual amount is payable while higher priority bonds are outstanding. ] [(other than from any applicable accrual amount)] only if scheduled payments have been made on

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\* **Note to Trust Counsel:** this can be deleted if each underlying certificate is the only certificate in its underlying security group to receive principal payments.

other specified classes of the related underlying series [(or if specified classes have been retired) ]. Accordingly, the underlying certificate [s] may receive no principal distributions for extended periods of time [or may receive principal payments that vary widely from period to period].]

[As described in the [related] underlying disclosure document[s],] [In addition,] the principal entitlement[s] of certain [of the] underlying certificate [s] [included in trust asset groups [ ] [through] [and] [ ]]] on any payment date [is] [are] calculated, directly or indirectly, on the basis of schedules; no assurance can be given that the underlying certificates will adhere to their schedules.] Further, prepayments on the related mortgage loans may have occurred at rates faster or slower than those initially assumed.

[The trust asset[s] underlying [certain of] the underlying certificate [s] [included in trust asset group [s] [ ] [and [ ]]] [is also a] [are also ] previously issued certificate[s] that represent [s] beneficial ownership interests in [a] separate trust [s]. The rate of payments on the previously issued certificate [s] backing [this] [these] [the] underlying certificate [s] will directly affect the timing and rate of [principal payments on] [your] [the group [ ] [and [ ]]] securities. You should read the [related] underlying certificate disclosure document[s], including the risk factors contained therein, to understand the payments on and related risks of the previously issued certificate [s] backing [this] [these] [the] underlying certificate[s].]

**[\*\*This offering circular contains no information as to whether [the] [an]**

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**\*\* Note to Trust Counsel:** This language should be included to the extent that an underlying (continued...)

underlying certificate [s] [ or the r elated class[es] w ith which [the][a] notional underlying certificate [s] reduce [s]] [has] [have] adhered to [any applicable ] principal balance sche dules, whet her a ny related supporting classes rem ain outstanding or whether the underlying certificate[s] otherwise ] [ has] [have] performed as originally anticipated. Additional inf ormation as to the underlying certificate [s] [included in trust asset groups [ ] [through] [and] [ ]] may be obtained by perform ing an analysis of current principal facto rs of the underly ing certificates in ligh t of applicab le information contained in the [related] underlying certificate disclosure document[s].]

***[NOTE TO TRUST C OUNSEL: FOR USE IN AL L DEALS] Up to 10 % of the mortgage loans underlying the [group [ ] trust assets [NOTE: SPECIFY NON-JUMBO ASSET GROUPS (“X SF” OR “M SF” POOLS) ONLY IF DEAL ALSO INCLUDES JUMBO (“M JM” “M FS”, “All ARMs”, “C SF”, “C BD”, “X BD” or “X SN”) POOLS] [and up to [100] % of the mortgage loans underlying the group [ ] trust assets ] [NOTE TO TRUST COUNSEL: INSERT ALL GROUP S BACKED BY “M JM” “M FS”, “All ARMs”, “C SF”, “C BD”, “X BD” or “X SN” POOLS AND APPROXIMATE PERCENTAGE OF THE TRUS T ASSETS FOR THAT GROUP CONSISTING OF “M JM” OR “ M FS” POOLS] may be higher balance mortgage loans.*** Subject to special pooling parameters set f orth in the Ginnie Mae Mortgage-Backed Securities Guide, qualifying federally-insured or guaranteed

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certificate was issued at least one month prior to the issuance of the Callable Securities.

mortgage loans that exceed certain balance thresholds established by Ginnie Mae (“higher balance m ortgage loans”) may be included in Ginnie Ma e guaranteed pools. There are n o historical perform ance data regarding the prepaym ent rates for higher balance m ortgage loan s. If the higher balance m ortgage loans prepay faster or slower than expected, the weighted average liv es and yields of the related securities are likely to be affected, perhaps significantly. Furtherm ore, higher balance mortgage loans tend to be concen trated in certain geographic areas, which m ay experience relatively higher rates of defaults in the even t of adverse eco nomic conditions. No assurances can be given about the prepaym ent experience or performance of the higher balance mortgage loans.

***The securities may n ot be a suitable investment for you.*** [The securities [, especially the group [ ] securities,] may not be suitable investm ents for all investors. In particu lar, the call class securities[,] [and the ] [ascending rate, ] [descending rate,] [and] [accrual] class [es] [is] [are] not [a] suitable investm ent[s] for all investors. ] **[NOTE TO TRUST COUNSEL:** insert the f ollowing sentence in place of the first two sentences if all of the c lasses fall in to on e of the categorie s noted in the preced ing sentence : The securities are not su itable investm ents for all investors.]

In addition, although the sponsor intends to make a market for the purchase and sale of the securities after their initial issuance, it has no obligation to do so. There is no assurance that a seco ndary m arket will develop, that any secondary m arket will continue, or that the price at which you can sell an investm ent in any class will enable you to realize a desired yield on that investment.

You will bear the market risks of your investment. The market values of the classes are likely to fluctuate. These fluctuations may be significant and could result in significant losses to you.

The secondary markets for mortgage-related securities have experienced periods of illiquidity and can be expected to do so in the future. Illiquidity can have a severely adverse effect on the prices of classes that are especially sensitive to prepayment, redemption or interest rate risk or that have been structured to meet the investment requirements of limited categories of investors.

You are encouraged to consult advisors regarding the financial, legal, tax and other aspects of an investment in the securities. You should not purchase the securities of any class unless you understand and are able to bear the prepayment, yield, liquidity, market and any redemption risks associated with that class.

***The actual characteristics of the underlying mortgage loans will affect the weighted average lives and yields of your securities.*** The yield and decrement tables in this offering circular are based on assumed characteristics which are likely to be different from the actual characteristics. As a result, the yields on your securities could be lower than you expected, even if the mortgage loans prepay at the constant prepayment rates set forth in the applicable table.

It is highly unlikely that the underlying mortgage loans will prepay at any of the prepayment rates assumed in this offering circular, or at any constant prepayment rate.

## THE TRUST ASSET[S]

### General

The Sponsor intends to acquire the Trust Asset [s] in [a] privately negotiated transaction[s] [on] [prior to] [on or prior to ] the Closing Date and to sell [it] [them] to the Trust t according to the terms of a Trust Agreement between the Sponsor and the Trustee. The Sponsor will make certain representations and warranties with respect to the Trust Asset[s]. [The] [All] Trust Asset[s] [, regardless of whether the assets consist of [Trust MBS] [or] [the] [an] [Underlying Certificates[s]], will evidence, [directly or] indirectly, Ginnie Mae Certificates.

### [The Trust MBS [(Group[s] [1] [and] [2])]

[The Trust MBS] [The] Group [1] Trust Assets ] are either:

1. Ginnie Mae I MBS Certificates guaranteed by Ginnie Mae, or
2. Ginnie Mae Platinum Certificates backed by Ginnie Mae I MBS Certificates and guaranteed by Ginnie Mae.

Each Mortgage Loan underlying a Ginnie Mae I MBS Certificate bears interest at a Mortgage Rate 0.50% per annum greater than the related Certificate Rate. The difference between the Mortgage Rate and the Certificate Rate is used to pay the related servicers of the Mortgage Loans a monthly servicing fee and Ginnie Mae a fee for its guaranty of the Ginnie Mae I MBS Certificate of 0.44% per annum and 0.06% per annum, respectively, of the outstanding principal balance of the Mortgage Loan.]

[The Trust MBS] [The Group 2 Trust Assets] are either:

1. Ginnie Mae II MBS Certificates guaranteed by Ginnie Mae, or
2. Ginnie Mae Platinum Certificates backed by Ginnie Mae II MBS Certificates and guaranteed by Ginnie Mae.

Each Mortgage Loan underlying a Ginnie Mae II MBS Certificate issued prior to July 1, 2003 bears interest at a Mortgage Rate 0.50% to 1.50% per annum greater than the related Certificate Rate. Each Mortgage Loan underlying a Ginnie Mae II MBS Certificate issued on or after July 1, 2003 bears interest at a Mortgage Rate 0.25% to 0.75% per annum greater than the related Certificate Rate. Ginnie Mae receives a fee (the “Ginnie Mae Certificate Guaranty Fee”) for its guaranty of each Ginnie Mae II MBS Certificate of 0.06% per annum of the outstanding principal balance of each related Mortgage Loan. The difference between (a) the Mortgage Rate and (b) the sum of the Certificate Rate and the rate of the Ginnie Mae Certificate Guaranty Fee is used to pay the related servicers of the Mortgage Loans a monthly servicing fee.]

### [The Underlying Certificates[s] [(Group[3])]

The [Group [3]] Trust Asset [s] [is an ] [are] Underlying Certificate [s] that represent[s] beneficial ownership interests in [a] [one or more] separate trust[s], the assets of which evidence direct or indirect beneficial ownership interests in certain Ginnie Mae Certificates. [Each] [The] Underlying Certificate constitutes all or a portion of a class of a [separate] Series of certificates described in the [related] Underlying Certificate Disclosure Document, excerpts of which are attached as Exhibit B to this Offering Circular. The Underlying Certificate Disclosure

Document[s] may be obtained from the Information Agent as described under “Available Information” in this Offering Circular. [Investors are cautioned that material changes in facts and circumstances may have occurred since the date of [certain of the] [the] [each] Underlying Certificate Disclosure Document[s], including changes in prepayment rates, prevailing interest rates and other economic factors, which may limit the usefulness of, and be directly contrary to the assumptions used in preparing the information included in, the offering document.]\*

[Each] [The] Underlying Certificate provides for monthly distributions and is further described in the table contained in Exhibit A to this Offering Circular. The table also sets forth information regarding approximate weighted average remaining terms to maturity, loan ages and mortgage rates of the Mortgage Loans underlying the related Ginnie Mae Certificates.]

### **The Mortgage Loans**

[The Mortgage Loans underlying the [Group [ ]] [Trust Assets] are expected to have, on a weighted average basis, the characteristics set forth in the Terms Sheet under “[Assumed] Characteristics of the Mortgage Loans Underlying the [Group [ ]] Trust Assets.”] [The Mortgage Loans underlying the Underlying Certificate [s] are expected to have, on a weighted average basis, the characteristics set forth in Exhibit A to this Offering Circular.] The Mortgage Loans will consist of first lien, single-family, fixed rate, residential mortgage loans that are insured or guaranteed by the Federal Housing Administration, the United States Department of Veterans Affairs, Rural Development or the United States Department of Housing and Urban Development (“HUD”). The terms of the Mortgage Loans may be modified to allow, among other things, the borrower at its option to obtain a partial release of security which releases a portion of the Mortgaged Property from the lien securing the Mortgage Loan.

[Specific information regarding the characteristics of the Mortgage Loans [underlying the Trust MBS] is not available. For purposes of this Offering Circular, certain assumptions have been made regarding the remaining terms to maturity [and loan ages] [, loan ages and [, in the case of the Group [ ] Trust Assets,] Mortgage Rates] of the Mortgage Loans [underlying the Trust MBS]. However, the actual remaining terms to maturity [and loan ages] [, loan ages and [, in the case of the Group [ ] Trust Assets,] Mortgage Rates] of many of the Mortgage Loans will differ from the characteristics assumed, perhaps significantly. This will be the case even if the weighted average characteristics of the Mortgage Loans are the same as the assumed characteristics. Small differences in the characteristics of the Mortgage Loans can have a significant effect on the Weighted Average Lives and yields of the Securities. See “Risk Factors” and “Yield, Maturity and Prepayment Considerations” in this Offering Circular.]

### **Trustee Fee**

[The Sponsor will contribute certain Ginnie Mae Certificates in respect of the fee to be paid to the Trustee (the “Trustee Fee”).] On each Distribution Date, the Trustee will retain [a fixed percentage of] all principal and interest distributions received on [specified Trust Assets] [such Ginnie Mae Certificates] in payment of [the Trustee Fee] [its fee (the “Trustee Fee”)]. [NOTE TO TRUST COUNSEL: GINNIE MAE CERTIFICATES THAT ARE CONTRIBUTED TO

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\* **Note to Trust Counsel:** This sentence should be included to the extent that the Underlying Certificates are issued at least one month prior to the issuance of the Callable Securities.

A SEPARATE TRUST ASSET GROUP IN RESPECT OF THE TRUSTEE FEE MUST HAVE THE LONGEST TERM COMPARED TO ALL OTHER TRUST ASSET GROUPS.]

### **GINNIE MAE GUARANTY**

The Government National Mortgage Association (“Ginnie Mae”), a wholly-owned corporate instrumentality of the United States of America within HUD, guarantees the timely payment of principal and interest on the Securities. Ginnie Mae also guarantees to the Holder of [each] [the] Call Class Security all amounts, if any, due thereon on the [related] Redemption Date, representing principal and interest as described in this Offering Circular. The General Counsel of HUD has provided an opinion to the effect that Ginnie Mae has the authority to guarantee multiclass securities and that Ginnie Mae guarantees will constitute general obligations of the United States, for which the full faith and credit of the United States is pledged. Ginnie Mae does not guarantee the payment of any premium included in any Redemption Price.

### **DESCRIPTION OF THE SECURITIES**

#### **General**

The description of the Securities contained in this Offering Circular is not complete and is subject to, and is qualified in its entirety by reference to, all of the provisions of the Trust Agreement.

#### **Form of Securities**

The Callable Class Securities initially will be issued and maintained on, and may be transferred only on, the Fedwire Book-Entry System. Beneficial Owners of Book-Entry Securities will ordinarily hold the Callable Class Securities through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations which are eligible to maintain book-entry accounts with the Federal Reserve Bank of New York. By request accompanied by the payment of a transfer fee of \$25,000 per physical certificate to be issued, a Beneficial Owner may receive a Callable Class Security in certificated form.

The Callable Class Securities [(other than the Increased Minimum Denomination Class(es))] will be issued in minimum dollar denominations [of initial principal balance of \$1,000 and integral multiples of \$1 in excess of \$1,000.] [The Increased Minimum Denomination Class(es) will be issued in minimum dollar denominations] that equal [(i) \$100,000 in initial principal [or notional] balance [or (ii) the initial principal [or notional] balance if such balance is less than \$100,000]. **[NOTE TO TRUST COUNSEL:** If the initial principal balance is less than \$100,000 the minimum dollar denominations may be set equal to such balance.]

[Each] [The] Call Class Security will be issued as a single certificated, fully registered security, representing the entire interest in such Class, and may be transferred or exchanged at the Corporate Trust Office of the Trustee. Only one Holder is permitted to hold [the] [a] Call Class Security at any time. The Trustee may impose a service charge upon Holders for any registration of exchange or transfer of certificated securities, and the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge incurred in connection with any transfer.



## Distributions

Distributions on the Callable Class Securities will be made on each Distribution Date as specified under “*Terms Sheet — Distribution Date [s]*” in this Offering Circular. On each [related] Distribution Date, the Distribution Amount will be distributed to the Holders of record as of the close of business on the last Business Day of the calendar month immediately preceding the month in which the Distribution Date occurs (each, a “Record Date”). Beneficial Owners of Book-Entry Securities will receive distributions through credits to accounts maintained for their benefit on the books and records of the appropriate financial intermediaries. The “Distribution Amount” for each Distribution Date [for each Class of Callable Class Securities] will be the aggregate of the [Adjusted] Principal Distribution Amount and the Interest Distribution Amount for that date. For purposes hereof, a “Business Day” is a day other than (a) a Saturday or Sunday, (b) a day on which the banking institutions in the state of New York are authorized or obligated by law or executive order to remain closed or (c) a Federal legal public holiday. Except as described under “— Redemption and Exchange,” no amounts will be distributable to the Call Class Security[ies].

## Interest Distributions

The amount of interest (the “Interest Distribution Amount”) to be distributed on [each Class of] [the] Callable Class Securities on any Distribution Date will equal interest accrued for the related Accrual Period on the Class Principal Balance thereof immediately before that Distribution Date at the [related] Interest Rate [specified on the front cover of this Offering Circular] [set forth under “*Terms Sheet — Interest Rates*” in this Offering Circular].

- The Accrual Period will be the calendar month preceding the Distribution Date.
- Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.
- Interest distributable on [(or accrued in the case of [an] [the] Accrual Class)] [the] [each Class of] Callable Class Securities for any Distribution Date will consist of 30 days’ interest on [its] [the] Class Principal Balance [thereof] as of the related Record Date.
- Investors can calculate the amount of interest to be distributed [(or accrued in the case of [an] [the] Accrual Class)] on [the] [each Class of] Callable Class Securities for any Distribution Date by using the [related] Class Factor published in the preceding month. See “— Class Factors” below.

### [Fixed Rate Class[es]]

[The] [Each] Fixed Rate Class will bear interest at the per annum Interest Rate shown on the front cover of this Offering Circular.]

### [Accrual Class[es]]

[Each of] Class[es] [ ] [and [ ]] is an Accrual Class. Interest will accrue on the Accrual Class[es] and be distributed as described under “ *Terms Sheet — Accrual Class [es]*” in this Offering Circular.]

## Principal Distributions

The [Adjusted] Principal Distribution Amount for each Distribution Date [for each Security Group] will be distributed to the Holders of the [related] Callable Class Securities. The

"[Adjusted] Principal Distribution Amount" for each Distribution Date [and each Group ] represents the aggregate of amounts in respect of principal received on the [related] Trust Asset[s] on the distribution date for [the] [such] Trust Asset [s] occurring in the month of such Distribution Date[, net of the principal portion of amounts allocable to the Excess MBS Portion in payment of the monthly Trustee's Fee]; except that, in the event that the factor for any Trust Asset (each, a "Certificate Factor") is not available on the date specified in the Trust Agreement, no amounts in respect of principal for such Trust Asset will be distributable to the [related] Callable Class Securities on the following Distribution Date. ["Excess MBS Portion" refers to the excess of the principal balance of the [related] Trust Asset [s] over the Class Principal Balance of the [related] Callable Class Securities. ] Investors can calculate the amount of principal to be distributed with respect to any Distribution Date by using the Class Factors published in the preceding and current months. See "*— Class Factors*" below.

### **Redemption and Exchange**

The Holder of [each] [the] Call Class Security will have the right to direct the Trustee to cause the redemption of the [related] Callable Class Securities, in whole but not in part, on [any Distribution Date on or after the Initial Redemption Date [and on or before the Final Redemption Date]] [the Distribution Date coinciding with the Initial Redemption Date (which is also the Final Redemption Date)] [for that Callable Class]. However, such a redemption may be effected only if, as of the time specified in the Trust Agreement on the date the Trustee receives notice from the Holder of the [related] Call Class Security directing such redemption, the [related] Trust Asset[s] [has] [have] a market value in excess of [its] [their] outstanding principal balance multiplied by the [applicable] Redemption Price Percentage. The determination by the Trustee of the market value, in accordance with the Trust Agreement, will (in the absence of manifest error) be final and binding. [Each] [The] redemption of Callable Class Securities will be made at the Redemption Price (defined below) for such Securities.

The Holder of [the] [a] Call Class Security proposing to effect a redemption may notify the Trustee at any time during the month preceding redemption but must do so no later than 11:00 a.m. Eastern time on the third Business Day preceding the last calendar day of such month ([the] [each, a] "Redemption Notice Date"). Any such notice is required to be delivered to the Trustee in writing at its Corporate Trust Office at [address]. The Trustee may be contacted by telephone at [ ], and by fax at [ ]. Any notice received after 11:00 a. m. will be deemed to be received on the next following Business Day before 11:00 a.m.

No later than the [applicable] Redemption Notice Date, the Holder of the [applicable] Call Class Security must surrender [its] [the] Call Class Security to the Trustee and deposit a fee (the "Exchange Fee") and the Redemption Amount with the Trustee. The "Redemption Amount" will equal the sum of:

- the outstanding principal balance of the [related] Trust Asset[s] (based on the Certificate Factor[s] published for such Trust Asset[s] for the month prior to the month of redemption) multiplied by the redemption price percentage shown on the front cover of this Offering Circular for the [related Class of ] Callable Classes Securities (the "Redemption Price Percentage"), and
- an amount equal to the interest that would be payable on the [related Class of] Callable Class Securities for the period from the first day of the month of redemption to the Redemption Date, calculated on the basis of [its] [the applicable] Interest Rate and Class

Factor published in the month preceding redemption [; provided, however, that in the event of a redemption during the month in which the Interest Rate on the [related] Callable Class Securities that is an Ascending Rate Class is scheduled to increase as described under “*Terms Sheet — Interest Rates*” in this Offering Circular, the applicable Interest Rate used to calculate such accrued interest will be the [lower] [higher] Interest Rate in effect for the Callable Class Securities during the month preceding the month of redemption]. [The applicable Interest Rate used to calculate such interest will be the [higher][lower] Interest Rate in effect for the Callable Class Securities during the month of redemption.]

*Example:* [If the Redemption Date falls on the 16<sup>th</sup> day of the month, the Redemption Amount will include 15 days of accrued interest [at [ ]% per annum].] [If the Redemption Date falls on the 20<sup>th</sup> day of the month, the Redemption Amount will include 19 days of accrued interest [at [ ]% per annum].]

The Exchange Fee for any redemption will equal the greater of:

- \$5,000 or
- the lesser of \$15,000 or 1/32 of [ ]% of the outstanding principal balance of the [applicable] Callable Class Securities.

Upon delivery of the Redemption Amount and the Exchange Fee, surrender of the [applicable] Call Class Security to the Trustee and determination of a satisfactory market value for such Trust Asset [s] as described above, the notice of redemption and exchange will become irrevocable, and redemption of the [related] Callable Class Securities will be made on the Distribution Date in the month following the month of the [related] Redemption Notice Date.

On the Redemption Date, the Trustee will redeem the [applicable Class of] Callable Class Securities by distributing to each Holder of [the] [such related] Callable Class Securities its pro rata share of the Redemption Price for [the] [such Class of] Callable Class Securities. The “Redemption Price” will equal the sum of:

- 100% of the outstanding principal balance of [the] [such Class of] Callable Class Securities;
- **[NOTE TO TRUST COUNSEL:** omit this bullet item if no premium is payable in connection with the redemption of any Class of Callable Class Securities][the premium, which will equal the product of (i) the excess of the Redemption Price Percentage for [such Class of][the] Callable Class Securities over 100% and (ii) the reduced principal balance of [such Class] [the Callable Class Securities] determined on the basis of the Class Factor for [such Class] [the Callable Class Securities] that would have been published in the month of redemption were no redemption to occur;]
- accrued interest at the Interest Rate borne by [the] [such Class of] Callable Class Securities for the Accrual Period preceding such Redemption Date, based on the outstanding principal balance thereof; and
- additional accrued interest at the [related] [applicable] Interest Rate for the period from the first day of the month of redemption to the Redemption Date, calculated on a reduced principal balance determined on the basis of the Class Factor for [the] [such Class of]

Callable Class Securities that would have been published in the month of redemption were no redemption to occur [; provided, however, that in the event of a redemption during the month in which the Interest Rate on the [related] Callable Class Securities [that is an Ascending Rate Class] is scheduled to increase as described under “*Terms Sheet — Interest Rates*” in this Offering Circular, the applicable Interest Rate used to calculate such additional accrued interest will be the [lower] [higher] Interest Rate in effect for [the] [such Class of] Callable Class Securities during the month preceding the month of redemption]. [The applicable Interest Rate used to calculate such additional accrued interest will be the [higher][lower] Interest Rate in effect for the Callable Class Securities during the month of redemption.]

*Example:* [If the Redemption Date falls on the 16<sup>th</sup> day of the month, the Redemption Price will include 15 days of additional accrued interest [at [ ]% per annum].] [If the Redemption Date falls on the 20<sup>th</sup> day of the month, the Redemption Price will include 19 days of additional accrued interest [at [ ]% per annum].]

Distribution of the Redemption Price in respect of the [related] Callable Class Securities on the [related] Redemption Date will be in lieu of any distribution of principal and interest that would otherwise be made on that date. According to the terms of the Ginnie Mae Guaranty, Ginnie Mae will guarantee payment in full of the Class Principal Balance of [the][each Class of] Callable Class Securities. Ginnie Mae does not guarantee the payment of any premium included in any Redemption Price.

Subject to the conditions described above, the Trustee will deliver the [related] Trust Asset[s] to the Holder of the [applicable] Call Class Security on the first Business Day of the month of redemption. In addition, on the Redemption Date, the Trustee will remit to the Holder of [the] [such] Call Class Security the sum of:

- the positive difference, if any, of the Redemption Amount paid by such Holder and the distributions received on the [related] Trust Asset[s] in the month of redemption [(net[, if applicable,] [ of the Trustee Fee payable to the Trustee on such date ))] less the Redemption Price for [the] [such] Callable Class Securities, and
- investment earnings, if any, on the Redemption Amount (which, following deposit, is expected to be invested by the Trustee in short-term Treasury obligations).

Amounts distributable to the Holder of [the] [such] Call Class Security on a Redemption Date will constitute principal or interest to the extent of the source of such amounts, as provided in the Trust Agreement.

[The Holder of both [a][the] Call Class Security and all of the outstanding related Callable Class Securities shall have the right to exchange such Call Class Security and 100% of the outstanding balance of the related Callable Class Securities for the related Trust Assets. The Holder of such Securities proposing to effect such an exchange must notify the Trustee at least three Business Days preceding the exchange date (the “Exchange Date”), as described above. On the Business Day prior to the Exchange Date, the Holder will deliver the Securities to the Trustee and deposit with the Trustee a Transaction Fee in the amount of \$ \_\_\_\_\_, and the exchange will become irrevocable. On the Exchange Date, the Trustee shall cancel such Securities, shall cause the removal of such Callable Class Securities from the Book-Entry

Depository Account and shall credit the remaining related Trust Assets to the account of the surrendering Holder.]\*

[After the Final Redemption Date [for a Security Group], the Holder of all of the outstanding Callable Class Securities [for that Security Group] will have the right to direct the Trustee to exchange 100% of the outstanding balance of the Callable Class Securities for the [related underlying] Trust Asset[s]. However, such an exchange may be effected only if none of [the] [such] Callable Class Securities are held by a REMIC Trust. The Holder of a Callable Class proposing to effect such an exchange must notify the Trustee at least three Business Days preceding the exchange date (the “Exchange Date”), as described above.

On the Business Day prior to the Exchange Date, the Holder will [pay the Exchange Fee, as described above, and]\*\* deliver the Callable Class Securities to the Trustee, and the exchange will become irrevocable. On the Exchange Date the Trustee shall credit the remaining Trust Asset[s] [underlying the related Security Group] to the account of the surrendering Holder.]

### **Class Factors**

The Trustee will calculate and make available for [the] [each Class of] Callable Class Securities, no later than the day preceding the [applicable] Distribution Date, the factor (carried out to eight decimal places) that when multiplied by the original Class Principal Balance [of that Class] [thereof], determines the Class Principal Balance after giving effect to the distribution of principal to be made on the Securities [(and any addition to the Class Principal Balance of [the] [an] Accrual Class)] on that Distribution Date (each, a “Class Factor”).

- The Class Factor for [the] [any Class of] Callable Class Securities for each month following the issuance of the Securities will reflect its remaining Class Principal Balance after giving effect to any principal distribution [(or addition to principal)] to be made on the Distribution Date occurring in that month.
- The Class Factor for [the] [each Class of] Callable Class Securities for the month of issuance is 1.00000000.
- Based on the Class Factors published in the preceding and current months (and Interest Rate[s]), investors in [the] [any Class of] Callable Class Securities [(other than [an] [the] Accrual Class)] can calculate the amount of principal and interest to be distributed to that Class [and investors in [the][an] Accrual Class can calculate the total amount of principal [and interest] to be distributed to (or interest to be added to the Class Principal Balance of) that Class] on the Distribution Date in the current month.
- Investors may obtain current Class Factors on Ginnie Mae’s Multiclass Securities e-Access located on Ginnie Mae’s website (“e-Access”).

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\* **NOTE TO TRUST COUNSEL:** the foregoing exchange option should be included if the Trustee requires the payment of a Transaction Fee.

\*\* **NOTE TO TRUST COUNSEL:** an Exchange Fee is not required by Ginnie Mae, but if one is to be charged under these circumstances, it must be disclosed.

## Termination

The Trustee, at its option, may purchase or cause the sale of the Trust Asset[s] (unless the Holder of [the] [a] Call Class Security has previously tendered its notice of redemption) and thereby terminate the Trust on any Distribution Date on which the aggregate of the Class Principal Balances of the Securities is less than 1% of the aggregate original Class Principal Balances of the Securities.

Upon any termination of the Trust, the Holder of any outstanding Callable Class Security will be entitled to receive that Holder's allocable share of the Class Principal Balance of that Class of Callable Class Securities plus any accrued and unpaid interest thereon at the applicable Interest Rate.

Upon any such termination, no amounts will be distributable with respect to the Call Class Security[ies].

## YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS

### General

The prepayment experience of the Mortgage Loans underlying the [related] Trust Asset [s] will affect the Weighted Average Lives of and the yields realized by investors in the [related] Securities.

- The Mortgage Loans do not contain “due-on-sale” provisions, and any Mortgage Loan may be prepaid in full or in part at any time without penalty.
- The rate of payments (including prepayments and payments in respect of liquidations) on the Mortgage Loans is dependent on a variety of economic, geographic, social and other factors, including prevailing market interest rates and general economic factors.

The rate of prepayments with respect to single-family mortgage loans has fluctuated significantly in recent years. Although there is no assurance that prepayment patterns for the Mortgage Loans will conform to patterns for more traditional types of conventional fixed-rate mortgage loans, generally:

- if mortgage interest rates fall materially below the Mortgage Rates on any of the Mortgage Loans (giving consideration to the cost of refinancing), the rate of prepayment of those Mortgage Loans would be expected to increase; and
- if mortgage interest rates rise materially above the Mortgage Rates on any of the Mortgage Loans, the rate of prepayment of those Mortgage Loans would be expected to decrease.

In addition, following any Mortgage Loan default and the subsequent liquidation of the underlying Mortgaged Property, the principal balance of such Mortgage Loan will be distributed through a combination of liquidation proceeds, advances from the related Ginnie Mae Issuer and, to the extent necessary, proceeds of Ginnie Mae's guaranty of the Trust Asset [s]. As a result, defaults experienced on the Mortgage Loans will accelerate the distribution of principal of the Securities.

The terms of the Mortgage Loans may be modified to permit, among other things, a partial release of security, which releases a portion of the mortgaged property from the lien securing the

Mortgage Loan. Partial releases of security may allow the related borrower to sell the related property and generate proceeds that may be used to prepay the Mortgage Loan in whole or in part.

Under certain circumstances, the Trustee has the option to purchase the Trust Asset [s], thereby effecting early retirement of the Securities. See “Description of the Securities — Termination” in this Offering Circular.

[Investors in the [Group [ ]] Securities are urged to review the discussion under “Risk Factors — The rate of payments on the underlying certificate [s] will directly affect the rate of payments on the [group [ ]] securities” in this Offering Circular.]

In addition, the Callable Class Securities are subject to redemption. See “Risk Factors — Callable class securities are subject to redemption prior to their final distribution date.”

### **Assumability**

Each Mortgage Loan may be assumed, subject to HUD review and approval upon the sale of the related Mortgaged Property.

### **Final Distribution Date**

The Final Distribution Date for [the][each] Callable Class [Securities][Security], which is set forth on the front cover of this Offering Circular, is the latest date on which the [related] Class Principal Balance [thereof] will be reduced to zero.

- The actual retirement of [any Security][the Callable Class Securities] may occur earlier than its Final Distribution Date (as a result of the occurrence of a redemption or otherwise).
- According to the terms of the Ginnie Mae Guaranty, Ginnie Mae will guarantee payment in full of the Class Principal Balance of the Callable Class Securities no later than [the][their] [respective] Final Distribution Date[s].

### **Modeling Assumptions**

[Unless otherwise indicated, the] [The] tables that follow have been prepared on the basis of [the characteristics of the Underlying Certificate [s]], the priorities of distributions on the Underlying Certificate [s]] [and ] the following assumptions (the “Modeling Assumptions”), among others:

1. [The Mortgage Loans underlying the [Group [ ]] [Trust Assets]] have the [assumed] characteristics shown [for the related Trust Asset Group] under “ [Assumed] Characteristics of the Mortgage Loans Underlying the [Group [ ]] Trust Asset[s]” in the Terms Sheet[s] [of the Underlying Certificate Disclosure Document[s]], except in the case of information set forth under the 0% PSA Prepayment Assumption Rate, for which each Mortgage Loan [underlying a [Group [ ]] Trust Asset] [is assumed to have an original and a remaining term to maturity of [180] months [and] [each Mortgage Loan underlying a Group [ ]] Trust Asset] is assumed to have an original and a remaining term to maturity of [360] months [and] [each Mortgage Loan underlying a

Group [ ] Trust Asset] [is assumed to have] a Mortgage Rate of 1.50% per annum higher than the related Certificate Rate.]\*

2. The Mortgage Loans prepay at the constant percentages of PSA (described below) shown in the related table.
3. Distributions on the [Group 1] Securities are always received on the [16th day of the month] [,] [and distributions on the [Group 2] Securities are always received on ] [the 20th day of the month], [in each case,] whether or not a Business Day, commencing in [ ] , 20[ ] .
4. A termination of the Trust [or the Underlying Trust[s]] does not occur.
5. The Closing Date for the Securities is [ ] , 20[ ] .
6. No expenses or fees are paid by the Trust other than the Trustee Fee, which is paid as described under “The Trust Assets — The Trustee Fee” in this Offering Circular.
7. [Distributions on the Underlying Certificate[s] are made as described in the [related] Underlying Certificate Disclosure Document[s].]
8. [Except as otherwise indicated, no redemption of the Callable Class Securities occurs as described under “Description of the Securities — Redemption and Exchange” in this Offering Circular.]

When reading the tables and the related text, investors should bear in mind that the Modeling Assumptions, like any other stated assumptions, are unlikely to be entirely consistent with actual experience.

- For example, most of the Mortgage Loans will not have the characteristics assumed, many Distribution Dates will occur on a Business Day after the [[16th] [20th] day of the month] [16th or 20th day of the month, as applicable], a redemption may occur, and the Trustee may cause a termination of the Trust as described under “Description of the Securities — Termination” in this Offering Circular.
- In addition, distributions on the Securities are based on Certificate Factors, which may not reflect actual receipts on the Trust Asset[s].

### **Decrement Table[s]**

Prepayments of mortgage loans are commonly measured by a prepayment standard or model. The model used in this Offering Circular, Prepayment Speed Assumption (“PSA”), is the standard prepayment assumption model of The Securities Industry and Financial Market Association. PSA represents an assumed rate of prepayment each month relative to the then outstanding principal balance of the Mortgage Loans to which the model is applied.

The decrement table[s] set forth below [is] [are] based on the assumption that the Mortgage Loans prepay at the indicated percentages of PSA (the “PSA Prepayment Assumption Rates”). As used in the table[s], each of the PSA Prepayment Assumption Rates reflects a percentage of

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\* **Note to Trust Counsel:** For Trust Assets consisting of previously issued certificates, include the related exceptions from this modeling assumption that are included in the Underlying Certificate Disclosure Documents.



the 100% PSA assumed prepayment rate. **The Mortgage Loans will not prepay at any of the PSA Prepayment Assumption Rates, and the timing of changes in the rate of prepayments actually experienced on the Mortgage Loans will not follow the pattern described for the PSA assumption.**

The decrement table [s] set forth below illustrate[s] the percentage of the original Class Principal Balance of [the] [each Class of] Callable Class Securities that would remain outstanding following the distribution made each specified month, based on the assumption that the [related] Mortgage Loans prepay at the PSA Prepayment Assumption Rates. The percentages set forth in the following decrement table[s] have been rounded to the nearest whole percentage (including rounding down to zero).

The decrement table[s] also indicate[s] the Weighted Average Life of [the] [each Class of] Callable Class Securities under each PSA Prepayment Assumption Rate. The Weighted Average Life of [the] [each Class of] Callable Class Securities is calculated by:

- (a) multiplying the net reduction, if any, of the Class Principal Balance from one Distribution Date to the next Distribution Date by the number of years from the date of issuance thereof to the related Distribution Date,
- (b) summing the results, and
- (c) dividing the sum by the aggregate amount of the assumed net reductions in principal balance referred to in clause (a).

**The Weighted Average Lives are likely to vary, perhaps significantly, from those set forth in the table[s] below due to the differences between the actual characteristics of the Mortgage Loans underlying the [related] Trust Asset[s] and the Modeling Assumptions.**

**Percentages of Original Class Principal Balance[s]  
and Weighted Average Lives**

| Distribution Date             | [S                              |   | ecurity Group 1 |   |
|-------------------------------|---------------------------------|---|-----------------|---|
|                               | PSA Prepayment Assumption Rates |   |                 |   |
|                               | Class [A1] [A]                  |   |                 |   |
|                               | 0%                              | % | %               | % |
| Initial Percent               |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| [Month] [ ]                   |                                 |   |                 |   |
| Weighted Average Life (years) |                                 |   |                 |   |

| Distribution Date             | [Security                       |   | Group 2] |   |
|-------------------------------|---------------------------------|---|----------|---|
|                               | PSA Prepayment Assumption Rates |   |          |   |
|                               | Class                           |   | A2       |   |
|                               | 0%                              | % | %        | % |
| Initial Percent               |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| [Month] [ ]                   |                                 |   |          |   |
| Weighted Average Life (years) |                                 |   |          |   |

## Yield Considerations

An investor seeking to maximize yield should make a decision whether to invest in any Security based on the anticipated yield of that Security resulting from its purchase price, the investor's own projection of Mortgage Loan prepayment rates under a variety of scenarios [,] [and] [[in the case of the Group [ ] Securities,] the investor's own projection of payment rates on the Underlying Certificates [s] under a variety of scenarios ] and the likelihood [and timing]\* of any redemption or the yield of any Security. **No representation is made regarding Mortgage Loan prepayment rates, [Underlying Certificate payment rates,] the likelihood [or timing]\* of any redemption or the yield of any Security.**

### *Prepayments: Effect on Yields*

In the case of Callable Class Securities, the yields to investors will be sensitive in varying degrees to the rate of prepayments on the [related] Mortgage Loans.

- In the case of Callable Class Securities purchased at a premium, faster than anticipated rates of principal payments or [a] [an early] redemption could result in actual yields to investors that are lower than the anticipated yields.
- In the case of Callable Class Securities purchased at a discount, slower than anticipated rates of principal payments or the absence of a redemption could result in actual yields to investors that are lower than the anticipated yields.

*See "Risk Factors — Rates of principal payments and the occurrence [and timing] of any redemption can reduce your yield" in this Offering Circular.*

Rapid rates of prepayments on the Mortgage Loans or a redemption are likely to coincide with periods of low prevailing interest rates.

During periods of low prevailing interest rates, the yields at which an investor may be able to reinvest amounts received as principal payments on the Callable Class Securities may be lower than the yield on such securities.

Slow rates of prepayments on the Mortgage Loans and the absence of a redemption are likely to coincide with periods of high prevailing interest rates.

During periods of high prevailing interest rates, the amount of principal payments available to an investor for reinvestment at those high rates may be relatively low.

The Mortgage Loans will not prepay at any constant rate until maturity, nor will all of the Mortgage Loans **[NOTE TO TRUST COUNSEL: INCLUDE THE FOLLOWING IF THERE IS MORE THAN ONE GROUP:** underlying any Trust Asset Group ] prepay at the same rate at any one time. The timing of changes in the rate of prepayments may affect the actual yield to an investor, even if the average rate of principal prepayments is consistent with the investor's expectation. In general, the earlier a prepayment of principal (including as a result of a redemption) on the Mortgage Loans, the greater the effect on an investor's yield. As a

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\* **Note to Trust Counsel:** bracketed language should be deleted if each Class of Callable Class Securities has identical Initial and Final Redemption Dates.

result, the effect on an investor's yield of principal prepayments occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the Closing Date is not likely to be offset by a later equivalent reduction (or increase) in the rate of principal prepayments.

*Payment Delay: Effect on Yields*

The effective yield on [the] [each Class of] Callable Class Securities will be less than the yield otherwise produced by the Interest Rate thereon and purchase price because 30 days' interest will be payable on such Securities even though interest began to accrue approximately [46] [or] [50] days earlier [, as applicable] and, except upon a redemption, [the] [each Class of] Callable Class Securities will not bear interest during such delay.

**Weighted Average Life and Yield Table[s]**

The following table[s] show[s] the Weighted Average Lives (in years) and the pre-tax yields to maturity on a corporate bond equivalent basis of [the] [each Class of] Callable Class Securities at various constant percentages of PSA and various redemption scenarios.

The Mortgage Loans will not prepay at any constant rate until maturity. Moreover, it is likely that the Mortgage Loans will experience actual prepayment rates that differ from those of the Modeling Assumptions. In addition, no assurance can be made as to the likelihood [or timing]\* of any redemption. **Therefore, the actual pre-tax yield of [the] [each Class of] Callable Class Securities may differ from those shown in the [applicable] table below for that Class even if the Class is purchased at the assumed price shown.**

The yields were calculated by

1. determining the monthly discount rates that, when applied to the applicable assumed streams of cash flows to be paid on the [applicable] Callable Class Securities, would cause the discounted present value of the assumed streams of cash flows to equal the assumed purchase price of that Class plus accrued interest, and
2. converting the monthly rates to corporate bond equivalent rates.

These calculations do not take into account variations that may occur in the interest rates at which investors may be able to reinvest funds received by them as distributions on their Securities and consequently do not purport to reflect the return on any investment in the Callable Class Securities when those reinvestment rates are considered.

The information set forth in the following table[s] was prepared on the basis of the Modeling Assumptions and the assumption[s] that [(1) a redemption of [the] [a Class of] Callable Class Securities either does not occur or occurs on the indicated Redemption Date at the [applicable] Redemption Price (including any premium), (2) interest is paid through the day preceding such Redemption Date and [(3) the purchase price of [the] [each Class of] Callable Class Securities (expressed as a percentage of [the] [its] original Class Principal Balance [thereof]) plus accrued interest is as indicated in the [related] table. **The assumed purchase price is not necessarily that at which actual sales will occur.**

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\* **Note to Trust Counsel:** bracketed language should be deleted if each Class of Callable Class Securities has identical Initial and Final Redemption Dates.

































































































































































































































































































































