

**Procedures for Determining Lists of Deliverable Obligations
for the CDS Protocols in respect of
Federal National Mortgage Association and Federal Home Loan Mortgage Corporation**

The International Swaps and Derivatives Association, Inc. (**ISDA**) is currently working together with the CDS dealers listed below to develop, pursuant to the following steps, a **List of Deliverable Obligations** to be included in the CDS Protocols in respect of each of Federal National Mortgage Association (**Fannie Mae**) and Federal Home Loan Mortgage Corporation (**Freddie Mac**).

Without prejudice to the disclaimers, deemed waivers and agreement to contribute to costs set out herein, the description of the procedure for determining the Lists (as defined below) set out herein is for informational purposes only and remains subject to adjustment at the discretion of ISDA.

How Will the Lists Be Determined?

The working group will review each obligation submitted by a market participant to determine whether the obligation's terms meet the Deliverable Obligation Characteristics under a standard credit default swap trading on North American Corporate terms (as set out in the latest version of the Credit Derivatives Physical Settlement Matrix published by ISDA) (a **North American CDS**). If the working group determines that the obligation is a Deliverable Obligation, it will be added to the **List of Deliverable Obligations**. If the working group determines that the obligation is not a Deliverable Obligation, it will be added to the **List of Non-Deliverable Obligations** (together with the List of Deliverable Obligations, the **Lists**).

Determinations as to which List an obligation should be added will be based on the relevant provisions of the 2003 ISDA Credit Derivatives Definitions, as published by ISDA, as those provisions apply to a North American CDS, although such determinations may be made in reliance on internal or external advisers when interpreting those provisions.

ISDA and members of the working group expressly disclaim any liability arising from the development of the Lists. A market participant submitting an obligation for addition to a List or challenging the inclusion of an obligation on a List will be deemed to agree to waive all rights and remedies which might otherwise be available to it against ISDA or any member of the working group arising in connection with the development of the Lists. Each market participant that participates in the development of the Lists will be deemed to agree that neither ISDA nor any member of the working group will be liable to any party for any form of damages, whether direct, indirect, special or consequential, arising as a result of the determination of the Lists (or as a result of any other procedures described herein), and will be deemed to agree to waive any claim that may arise against ISDA or any member of the working group. Nothing herein shall limit or exclude any liability for fraud.

When Will the Lists Be Published?

Beginning on Friday, September 19, 2008, ISDA will publish the Lists. The Lists will be supplemented and modified following comments from market participants as set out below. ISDA expects to publish the final Lists, along with the final version of the Protocols for Fannie Mae and Freddie Mac, on Monday, September 29, 2008.

How Are Obligations Submitted?

Market participants may nominate additional obligations by submitting to one of the working group members listed below a completed version of the spreadsheet available here: [Submission form spreadsheet for a proposed Deliverable Obligation](#). Market participants must include a general description of the obligation, the CUSIP or ISIN number as well as copies of, or internet links to, all relevant documentation, including offering documents and pricing supplements. Market participants should not submit nominations

to more than one working group member. **No additional obligations may be submitted after 5 p.m. New York time on Wednesday, September 24, 2008.**

How Are Challenges to the Lists Submitted?

Market participants may also challenge the inclusion of any obligation on any List by submitting a notification of challenge by email. Each such notification of challenge must include the CUSIP and ISIN of the challenged obligation, and a full statement of the reasons why such obligation should or should not be considered a Deliverable Obligation (as applicable). Notifications of challenge will only be accepted at the following address: FFDOChallenge@isda.org. **No objections will be considered after noon New York time on Friday, September 26, 2008.**

Obligations that are subject to a valid challenge will be referred back to the working group. If the working group informs ISDA that it requires external legal advice in order to reach a decision in respect of the relevant obligation, ISDA will instruct external legal counsel on behalf of the working group. External legal counsel's advice will be communicated to the working group and may be used ultimately to determine which List the relevant obligation should be added to.

Market participants who wish to challenge the inclusion of an obligation on a List must, in order for the relevant challenge to be considered, agree to pay USD5,000 per obligation challenged to ISDA to cover costs of the associated review.

When Will the Lists Be Updated?

The Lists will be updated at the end of the day on each of September 22, 23, 24 and 25. Along with the Lists, ISDA will also publish a list of obligations that the working group is currently considering; obligations on this list need not be re-nominated by market participants. The final Lists will be published on September 29 as part of the final version of the relevant CDS Protocol.

To Whom Are Nominations Submitted?

All nominations must be made by email to one of the addresses on the working group list. Nominations sent only to ISDA will not be considered in the determination process.

Please contact your usual sales representative at one of the firms below, or the specific contact where an email address is provided below:

Firm	Contact
Bank of America	Please contact your usual sales representative
Barclays	anthi.simotas@barcap.com
BNP Paribas	Please contact your usual sales representative
Citi	paul.cangro@citi.com michael.bosl@citi.com
Credit Suisse	gregory.molloy@credit-suisse.com maryanne.richter@credit-suisse.com
Deutsche Bank	db_fannie_freddie@list.db.com
Goldman Sachs	erin.holland@gs.com beth.hammack@gs.com
HSBC	Please contact your usual sales representative
JPMorgan	Please contact your usual sales representative
Merrill Lynch	ian_burdette@ml.com
Morgan Stanley	Please contact your usual sales representative
UBS	sh-dbcg@ubs.com