

EXAMPLE OF YIELD MAINTENANCE CALCULATION IN CONNECTION WITH A PARTIAL PREPAYMENT (APPLICATION OF LOC PROCEEDS) FOR NOTE VERSIONS BETWEEN 11/2001 and 04/2003

GIVEN:

- (1) Date of the note (closing date) = 9/30/90
- (2) Loan Term = 10 years
- (3) Yield Maintenance Period = 7 years (ending 9/29/97)
- (4) Note rate = "c" = 10.5% (.105)
- (5) Servicing fee = "s" = .50% (.005)
- (6) Date of Partial Prepayment = 6/30/94
- (7) Yield on pre-selected Treasury security* = "r" = 8.4% (.084)
- (8) Total proceeds from cashed LOC = "a" = \$600,000

**Yield on security as reported in The Wall Street Journal on the twenty-fifth Business Day preceding the Borrower's Intended Prepayment Date on the Borrower's formal notice of intent to prepay.

THEN:

(a) Remaining yield maintenance period = "n" = 6/30/94 to 9/29/97
 = 1187 days (actual number of days)
 = 3.2521 years (365/366-day years)

(b) Present value factor = "f" = $\frac{1 - (1 + r)^{-n}}{r}$
 = $\frac{1 - (1 + .084)^{-3.2521}}{.084}$
 = 2.7467

(c) Portion of proceeds to be applied to UPB = "b" = $\frac{a}{1 + f(c - r)}$
 = $\frac{600,000}{1 + (2.7467)(.105 - .084)}$
 = \$567,278.80

(d) Yield maintenance premium due = a - b
 = 600,000 - 567,278.80
 = \$32,721.20

(e) Lender's share of premium = s X f X b**
 = .005 (2.7467) (567,278.80)
 = \$7,790.72

**To the extent that such amount does not exceed the difference between (i) the total premium and (ii) 1% of the amount to be applied to the UPB of the loan.

(f) Fannie Mae's share of premium = \$32,721.20 - \$7,790.72
 = \$24,930.48

EXAMPLE OF YIELD MAINTENANCE CALCULATION IN CONNECTION WITH A PARTIAL PREPAYMENT (APPLICATION OF LOC PROCEEDS) FOR NOTE VERSIONS AS OF 04/2003

GIVEN:

(1)	Maturity Date =	6/1/2013
(2)	Yield Maintenance End Date =	11/30/2012
(3)	Note Rate = "c" =	5.600%
(4)	Servicing Fee = "s" =	0.390%
(5)	Fannie Mae Pass-through Rate = "p" =	5.210%
(6)	Amount of Partial Prepayment = "b" =	\$635,000.00
(7)	Effective Date of partial prepayment* =	3/31/2010
(8)	Yield on Pre-selected Treasury Security** = "r" =	2.080%

*Must be last day of a month

**As reported in The Wall Street Journal on the twenty-fifth Business Day preceding the intended to prepayment date.

THEN:

(a)	Remaining Yield Maintenance Period (in months) = "n" Yield Maintenance End Date - Effective Partial Prepayment Date =	32 months
(b)	Present value factor = "f" $= \frac{1 - (1 + r)^{-n/12}}{r}$	2.57
(c)	Prepayment Premium due from Borrower = "t" = (c - r) X f X b	\$57,403.82
	<u>or</u> 1% of the Partial prepayment = .01 X b	\$6,350.00
	whichever is greater greater of (\$556,982.37 or \$61,613.29)	\$57,403.82

(d) Lender's Share of Premium** = "l"
= sXfXb \$6,360.08

**To the extent that such amount does not exceed the difference (i) t and (ii) 1% of the UPB.

(e) Fannie Mae's Share of Premium =
= t - l \$51,043.74