

From: CN=Gail McDonnell/OU=mcdonneg/O=MSDW
Date: 04/29/2002 04:57:54 PM
To: CN=Craig Phillips/OU=craig/O=MSDW@MSDW; Anthony.Tufariello@morganstanley.com@MSDW
BCC: CN=Spencer Young/OU=youngs/O=MSDW
ID: OF5D37C888:A4AC2321-ON85256E13:00020DD2
Subject: AXA - Ag Portfolio Sale

FYI -

Great client feedback from AXA.

Gail

Gail McDonnell Lobkowitz
gail.mcdonnell@morganstanley.com
P# 761-1880
F# 761-0782

--- Forwarded by Gail McDonnell/mcdonneg/MSDW on 04/29/2002 04:56 PM ----

Spencer Young
04/26/2002 01:33 PM

To: Gail McDonnell/mcdonneg/MSDW@MSDW
cc:
Subject: AXA -- Ag Portfolio Sale

Gail -

It's rewarding to receive this type of feedback from a client (see below) -- Mike Vitale runs Real Estate for AXA Financial / Equitable. Thank you.

Spencer C. Young III, Executive Director

1585 Broadway | New York, NY 10036
Phone: 212/761-2181 | Fax: 212/761-0748
Spencer.Young@MorganStanley.com

---- Forwarded by Spencer Young/youngs/MSDW on 04/26/2002 01:28 PM ----

Michael.Vitale@axa-financial.com
04/26/2002 11:52 AM

To: Nicki.Livanos@axa-financial.com, Michael.Switzer@axa-financial.com,
Warren.Friend@MorganStanley.com, Spencer.Young@MorganStanley.com,
Sanjeeve.Khanna@MorganStanley.com, RHenderson@lendleaserei.com, JManning@lendleaserei.com,
RBickford@kelleydrye.com, KCorlett@kelleydrye.com
cc: Peter.Noris@axa-financial.com
Subject: Ag Portfolio Sale

I would like to express my sincere thanks to all of you for the hard work

and effort it took to bring about what I consider a very successful
outcome to
our efforts to monetize portions of our agricultural mortgage portfolio.
Your professionalism and team effort made what in reality was a complex
and unique undertaking look relatively easy. This was one of the most
time efficient due diligence and portfolio closings that I have ever had
the pleasure of seeing.. Thank you again and congratulations to all.

From: Peter.Noris@axa-financial.com
Date: 04/26/2002 02:31:42 PM
To: Michael.Vitale@axa-financial.com
CC: Nicki.Livanos@axa-financial.com; Michael.Switzer@axa-financial.com;
Warren.Friend@MorganStanley.com; Spencer.Young@MorganStanley.com;
Sanjeeve.Khanna@MorganStanley.com; RHenderson@lendleaserei.com; JManning@lendleaserei.com;
RBickford@kelleydrye.com; KCorlett@kelleydrye.com
ID: OFB199BA0C:2B1A0878-ON85256E13:00020DCB
Subject: Re: Ag Portfolio Sale

I'll add my thanks. I know it was much harder than it looked.

Michael J Vitale
04/26/2002 11:52 AM

To: Nicki Livanos/NYM/Equitable@AXA-Equitable, Michael H Switzer/NYM/Equitable@AXA-Equitable, Warren.Friend@MorganStanley.com, Spencer.Young@MorganStanley.com, Sanjeeve.Khanna@MorganStanley.com, RHenderson@lendleaserei.com, JManning@lendleaserei.com, RBickford@kelleydrye.com, KCorlett@kelleydrye.com
cc: Peter D Noris/NYM/Equitable@AXA-Equitable

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From: CN=Gail McDonnell/OU=mcdonneg/O=MSDW
Date: 04/29/2002 04:55:10 PM
To: CN=Warren Friend/OU=friendw/O=MSDW@MSDW; CN=Spencer Young/OU=youngs/O=MSDW@MSDW; CN=Sanjeev Khanna/OU=sanj/O=MSDW@MSDW; CN=Betsy Gibson/OU=gibsonb/O=MSDW@MSDW
ID: OFB0BCD8A1:DFE1B46D-ON85256E13:00020DD1
Subject: AXA -- Ag Portfolio Sale

Outstanding feedback group. Congratulations on a great transaction and a strong client report card! Let's get a case study out to the group soon! Way to go-

Gail

Gail McDonnell Lobkowitz
gail.mcdonnell@morganstanley.com
P# 761-1880
F# 761-0782

---- Forwarded by Gail McDonnell/mcdonneg/MSDW on 04/29/2002 04:50 PM ----

Spencer Young
04/26/2002 01:33 PM

To: Gail McDonnell/mcdonneg/MSDW@MSDW
cc:
Subject: AXA -- Ag Portfolio Sale

Gail --

It's rewarding to receive this type of feedback from a client (see below) -- Mike Vitale runs Real Estate for AXA Financial / Equitable. Thank you.

Spencer C. Young III, Executive Director

1585 Broadway | New York, NY 10036
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Spencer.Young@MorganStanley.com

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04/26/2002 11:52 AM

To: Nicki.Livanos@axa-financial.com, Michael.Switzer@axa-financial.com, Warren.Friend@MorganStanley.com, Spencer.Young@MorganStanley.com, Sanjeev.Khanna@MorganStanley.com, RHenderson@lendleaserei.com, JManning@lendleaserei.com, RBickford@kelleydrye.com, KCorlett@kelleydrye.com
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and unique undertaking look relatively easy. This was one of the most
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the pleasure of seeing.. Thank you again and congratulations to all.

From: [Anthony Tufariello](mailto:Anthony.Tufariello@morganstanley.com) <Anthony.Tufariello@morganstanley.com>
Date: 04/22/2002 08:00:54 AM
To: Spencer Young <Spencer.Young@morganstanley.com>
ID: OF419ECCAB:56F8E3B0-ON85256E13:0002EF6C
Subject: Re: AXA / Equitable's Whole Loan Sale of Whole Loans Completed

great job

Spencer Young wrote:
Tony --

This email provides further context to the AXA / Equitable situation. Thank you.

Spencer C. Young III, Executive Director
[IMAGE]
1585 Broadway | New York, NY 10036
Phone: 212/761-2181 | Fax: 212/761-0748
Spencer.Young@MorganStanley.com

----- Forwarded by Spencer Young/youngs/MSDW on 04/22/2002 06:38 AM -----
Spencer Young

04/19/2002 06:29 AM To: SPG AXA Team
cc:
bcc:
Subject: AXA / Equitable's Whole Loan Sale of Whole Loans Completed

I am pleased to report that AXA Financial / Equitable's sale of 1,109 agricultural loans to Farmer Mac was completed yesterday. The transaction size was approximately \$500 million. Morgan Stanley acted as sole advisor, and will receive a \$3.2 million fee, which included an incentive "success fee", as the client was most pleased with the execution -- we expect our fee to be wired today. Sanjeev Khanna and his execution team (A.J. Sfarra, Betsy Gibson, and Roopali Gupta) carried out such a seamless bidding and negotiation process that the client volunteered comments on many occasions as to their effectiveness and professionalism. As a result, AXA is most interested in pursuing a follow-on whole loan sale of another \$250 million in agricultural loans.

This transaction was noteworthy from many vantage points:

It is the largest stand-alone whole loan sale of agricultural loans ever completed. The transaction achieves AXA's objectives to reduce their relative agribusiness portfolio exposure, recognize a gain and (to a secondary extent) preserve their servicing relationship with Lend Lease. Cutting edge technology was utilized (through the services of Uninvest) for the due diligence process in that all loan files were electronically scanned, key portfolio data was incorporated into a rigorous relational database and all the information was made available via password protected internet access -- this offered a level playing field to the bidders (which totalled 10 at the outset), and accelerated the sale process.

This assignment provided Morgan Stanley the opportunity to gain expertise in the agribusiness industry and related opportunities in the securitization of this new asset type -- to this end, we will be holding discussions with other institutional clients on the monetization/management of their agribusiness exposures.

In addition to the follow-on whole loan sale, other opportunities from this new SPG client include:

Securitization of agribusiness loans -- based on advisory feedback provided by Morgan Stanley. Lend Lease (as delegated underwriter to AXA) will originate agribusiness loans pursuant to capital markets standards that will enable AXA to monetize its agribusiness loans in AMBS transactions.

Certificated Swap -- AXA also has a \$1.2 billion portfolio of "closed block" agribusiness loans that it is interested in addressing through what may be some form of a certificated swap transaction to further reduce its agribusiness exposure

Commercial Mortgage Securitization -- AXA has provided Morgan Stanley a \$522 million pool of fixed rate commercial mortgages for inclusion in a Morgan Stanley-sponsored IQ ("Institutional Quality") CMBS transaction.

Other Morgan Stanley representatives that played a material role in securing the mandate for the initial advisory assignment included: Cecilia Tarrant, Jon Strain, Robert Young, Steve Rudner, Dimitri Kavour, Chris Marx, Joel Margolies and Kris Gilly. Most importantly, I'd like to thank Gary Parr, Bob Towse, Warren Friend and Don Callahan for their invaluable guidance in establishing this opportunity with this important new client for SPG.

Thank you.

Spencer C. Young III, Executive Director
[IMAGE]
1585 Broadway | New York, NY 10036
Phone: 212/761-2181 | Fax: 212/761-0748
Spencer.Young@MorganStanley.com

[IMAGE]

AXA Financial / Equitable Life Agribusiness Loan Disposition Strategy

Summary of Alternatives & Recommendation

December 3, 2001

Table of Contents

Section 1	Executive Summary
Section 2	Whole Loan Indications
Section 3	Securitization and Farmer Mac Options
Section 4	Financial Impact
Section 5	Considerations in a Disposition
Appendix A	Whole Loan Indicative Bid Letters
Appendix B	CARVE Analyses
Appendix C	Yield Tables

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

Section 1

Executive Summary

AXA Financial / Equitable Life Agribusiness Loan Disposition Strategy

Executive Summary

Introduction

- **We appreciate the opportunity to present a summary of the results of our evaluation of the different disposition alternatives for the AXA Financial/Equitable Life (“AXA”) agribusiness portfolio**
- **We also present our recommendation of the disposition strategy that best addresses the stated objectives**
- **We understand executing on the contemplated disposition strategy may be subject to the approval of AXA Financial’s Investment Committee of its Board of Directors, which will be sought in December**
- As we agreed in August, this assignment is being carried out in two stages
 - Stage I = Evaluation of alternative disposition strategies in the context of AXA’s stated objectives leading to a final recommendation
 - Stage II = Executing the agreed upon strategy with a targeted closing in Q1 of 2002
- Morgan Stanley’s proposed engagement agreement which accompanies this presentation, articulates our respective roles and responsibilities in executing on the agreed upon disposition strategy
- We understand AXA’s objectives to be as follows:
 - Reduce agribusiness exposure
 - Maximize gain
 - Protect agribusiness origination franchise
 - Protect Lend Lease as servicer
 - Obtain risk based capital relief
- In the sections that follow, we have summarized each of the possible alternatives, including the benefits and disadvantages of each alternative, and related economics
- A summary of the results and the extent to which each alternative meets your objectives is set out on the following page. Note that the indications are shown on a gross execution basis. It is anticipated that the transaction expenses would range from 57 to 86 basis points of the loan amount, depending on the alternative selected and to the extent the execution is deemed a “success”. The details of the transaction expenses are contained in the Financial Impact section.

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

Executive Summary

Comparison of Alternatives

Measuring the Degree to which Stated Objectives are Achieved

Options	Counter Party	Amount Indicated (\$mm)	Original Indicative Bid to Par ^{(1) (5)} (\$mm)	Refreshed Indicative Bid to Par ^{(2) (5)} (\$mm)	Protect Agribusiness Lending Franchise	Protect Lend Lease as Servicer	Maximize Accounting Gain	Obtain Risk-Based Capital Relief	Reduce Agribusiness Credit Exposure
Whole Loan Purchase	FCB of Wichita	727	105.8	104.8	M	H	H	H	H
Certificated Swap – Sold ⁽³⁾ / Whole Loan Purchase	Farmer Mac	621	106.0	103.7-104.4 (mid pt=104.1)	H	H	H	H	H
Wrap Guarantee	Farmer Mac	621	103.6	102.4	H	H	M	H	H
Whole Loan Purchase	MetLife	802	102.0-104.5 (mid pt=103.3)	101.0-103.0 (mid pt=102.0)	L	L	L/M	H	H
Whole Loan Purchase	Prudential	400	100-100.5 (mid pt=100.3)	101.5-102.5 (mid pt=102.0)	L	L	L/M	M	M
Certificated ⁽⁴⁾ Swap-Retained	Farmer Mac	621	103.0	101.6	H	H	L	H	H
Whole Loan Purchase	MONY	166	102.0	101.0	L	L	L	L	L
Senior / Sub Structure	Farmer Mac	621	99.8-100.6 (mid pt=100.2)	99.8-100.5 (mid pt=100.2)	H	H	L	M/H	M/H
Private Label Securitization	Morgan Stanley	802	99.5	99.3	H	H	L	M/H	M/H
Credit Risk Transfer	Farmer Mac	621	N/A	N/A	H	H	L	L	H

KEY

H - High achievement of objectives
M - Medium achievement of objectives
L - Low achievement of objectives

Notes

1. Original bids as of 10/31/01
2. Refreshed bids as of 11/27/01
3. Sold refers to sale to Farmer Mac
4. Valuation for securities retained by AXA based on market levels for sale to third parties other than Farmer Mac
5. Gross execution – Estimated expenses between 57 and 86 basis points depending on type of execution

AXA Financial / Equitable Life Agribusiness Loan Disposition Strategy

- **Morgan Stanley recommends that AXA execute on the disposition of its Open Block agribusiness portfolio and suggests changes in AXA's current lending practices in order to improve the monetization of agribusiness loans in the future**

Executive Summary

Recommendations

Portfolio Disposition

AXA should execute a strategy for the disposition of approximately \$800 million of its “Open Block” agribusiness loan portfolio that entails a formal whole loan sale process to a specific group of institutions experienced in U.S. agribusiness

It is envisioned that Farmer Mac would be a targeted purchaser, who can offer a range of alternative structures, including an unconditional commitment to purchase “non-Farmer-Mac-eligible” loans with a range of institutional partners. Other factors behind targeting Farmer Mac are:

- High achievement of AXA's stated corporate objectives, particularly with regard to the impact on its agribusiness lending franchise
- Potentially establishes a platform for an ongoing exit strategy for newly originated agribusiness loans, as well as presenting an opportunity to improve liquidity to the “Closed Block” portfolio through certificated swaps
- As a government sponsored entity established to support U.S. Agribusiness, Farmer Mac has access to low cost of capital which can in turn be passed onto AXA for this and future transactions

Lending Practices

In addition to our recommended disposition strategy, we further suggest that AXA implement certain changes to its current agribusiness lending practices, including: (1) improved call provisions; (2) specific rate reset indices; and (3) renegotiating servicing fees to market levels

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

Executive Summary

Whole Loan Sale Process

- **To minimize whole loan sale execution risks, we would recommend:**
 - **pre-bid due diligence and**
 - **pre-negotiation of purchase agreement**
- To insure a successful whole loan sale process, we would recommend the following steps:
 - Initial discussions with potential bidders with regards to the scope and expense of the due diligence process
 - Consider due diligence expense reimbursement to winning bidder
 - Create and pre-negotiate form of purchase agreement
 - Announce sale with formal announcement of sale advisor and distribution of sale package
 - Set due diligence schedule and bid date
 - Set closing within three weeks of bid date

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

Executive Summary

Next Steps

- **If the recommended disposition strategy is acceptable, there are three more immediate steps that should be undertaken**

- 1. Obtain Internal Approvals** - Morgan Stanley will be available to participate in further discussions, as necessary

- 2. Formally Engage Advisor** -- Morgan Stanley's engagement letter accompanies this presentation

- 3. Establish Hedge** -- Morgan Stanley can provide assistance to AXA in order to preserve the anticipated transaction gain

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

Section 2

Whole Loan Indications

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

Whole Loan Indications

Whole Loan Indications

- **FCB Wichita and Farmer Mac submitted the most attractive whole loan proposals**
 - **Highest price**
 - **Lend Lease retained as servicer**
 - **Interested in building a relationship with AXA**
- **The other proposals were weaker**
 - **Contingent on ability to release Lend Lease as servicer**
 - **Compromises AXA’s franchise**
- **All would have a similar impact on RBC in that RBC would be released on loans sold**

Summary					
Bidder	Targeted Loans	Initial Indicative Bid⁽¹⁾	Refreshed Indicative Bid⁽²⁾	Key Issues	
Farm Credit Bank of Wichita	\$726.5 MM Representing a 99.9% interest	105.825 (S+180)	104.8	<ul style="list-style-type: none"> • Lend Lease remains as servicer • Non-compete clause 	
Farmer Mac	Farmer Mac eligible loans \$621MM	106 - 108	103.7-104.4	<ul style="list-style-type: none"> • Lack of clarity over conditions and caveats in the bid, particularly as they relate to prepayment assumptions 	
MetLife	Entire portfolio \$818.4 MM	102 - 104.5	101-103	<ul style="list-style-type: none"> • Servicing released basis • Non compete clause 	
Prudential	200+ larger loans \$400 MM	“Slightly Above Par”	101.5-102.5	<ul style="list-style-type: none"> • Servicing released basis • Non-compete clause 	
MONY	529 smaller loans \$166 MM	102	101	<ul style="list-style-type: none"> • Servicing released basis • Non-compete clause 	

Notes
 1. Original bids as of 10/31/01
 2. Refreshed bids as of 11/27/01

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

- **Farm Credit Bank of Wichita is represented by Greg Reno, Vice President in charge of agribusiness lending**
- **Lend Lease strongly endorses FCB**
- **Relative to other bidders, Greg Reno has expressed a very high degree of interest in the AXA Agribusiness**

Whole Loan Indications

Whole Loan Purchase- Farm Credit Bank of Wichita

Indicative Bid Description

- Due to current bank regulations, the Farm Credit Bank of Wichita (“FCB”) is restricted from purchasing whole loans -- accordingly, their indicative bid is for a 99.9% participation interest in \$726.5mm of agribusiness loans (roughly 89% of the offered loan pool). Bid is subject to Farmer Mac eligibility requirements, which serves as a filtering mechanism, but is not an absolute.
- Due to bank regulatory requirements, FCB will need to acquire the servicing and then separately contract their servicing with Lend Lease (who currently services loans on behalf of FCB)
- In the event of a securitization, FCB would be interested in buying the AAA AMBS only

Pros

- Business Relationship -- Wants to establish ongoing business relationship with AXA to purchase agribusiness loans
- Premium Bid -- Initial bid was 105.825 (or S+180), refreshed to 104.8 based on the current yield curve
- Servicing Retained -- Lend Lease will remain as servicer for 30bps
- Q1 2002 Closing -- indicated timing is “very doable”

Cons

- Large Loans -- bid excludes loans >\$9mm
- Non Compete Clause -- will require non compete provisions (i.e., no solicitation prior to maturity or rate resets)

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

- **Farmer Mac is represented by Henry Edelman (CEO) and Nancy Corsiglia (Vice President of Finance)**
- **Lend Lease strongly endorses Farmer Mac**
- **Relative to other bidders, Henry Edelman has expressed a very high degree of interest in the AXA Agribusiness Loan Pool, which is further evidenced by the presentation of nine alternative strategies**

Whole Loan Indications

Whole Loan Purchase- Farmer Mac

Indicative Bid Description

- The Farmer Mac whole loan indicative bid is one of nine alternative proposals to address the disposition of the AXA Agribusiness portfolio, and is very interested in establishing a relationship with AXA
- The Farmer Mac whole loan indicative bid pertains only to Farmer Mac eligible loans, and loans that meet their due diligence standards, which were indicated to be \$621 million -- Farmer Mac has represented that they have business partners who will buy the balance of the portfolio “at some premium” to par
- Bid range shown below reflects a servicing retained and released basis, as well as 0 to 10 CPR -- it is subject to verification of loan quality, servicing fee, and prepayment speeds

Pros

- Business Relationship -- Wants to establish ongoing business relationship with AXA
- Premium Bid -- Initial bid was indicated at 106-108, refreshed to 103.7-104.4 based on the current yield curve
- Servicing Retained -- if desired, Lend Lease will remain as servicer at up to 50 bps per annum
- Q1 2002 Closing -- can be accomplished if decision is made in December

Cons

- Eligibility -- bid excludes non-Farmer Mac eligible loans -- although they are willing to commit on non-Farmer Mac eligible loans with institutional partners
- Price Adjustment -- Bid may be negatively impacted by CPR assumed relative to actual loan performance data

AXA Financial / Equitable Life Agribusiness Loan Disposition Strategy

- **MetLife is represented by Darryl Smith (Vice President of Agricultural Investments)**
- **Other staff involved in the process of evaluating the subject loan pool include Dan O'Neill, Ken Kohler, Steve Craig and Dan Segar**
- **Relative to other bidders, MetLife has asked a large number of questions pertaining to the open block portfolio**

Whole Loan Indications

Whole Loan Purchase - MetLife

Description

- MetLife has an agribusiness portfolio of approximately \$5 billion, and originates \$750mm to \$1.0 billion per year -- of all insurance companies in this business, they are the largest
- MetLife believes the base servicing rate of 40 bp paid to Lend Lease is above market for servicing only -- philosophically they view continuing to pay this fee to be in effect “paying AXA to compete against us in originations”
- MetLife contends that servicing should be “in the single digits” [bp]
- Final bid is subject to approval by the MetLife Board of Directors

Pros

- Purchased Amount -- MetLife has indicated that it will purchase the complete offered open block pool
- Premium Indicative Bid -- the initial bid was indicated at 102-104.5 to par on a servicing released basis, refreshed to 101-103 based on the current yield curve

Cons

- Servicing Released -- MetLife will commit to retain Lend Lease as servicer for one year only (AXA to bear cost of servicing) -- it appears they would likely terminate thereafter, as they chose not to submit a bid on a servicing retained basis
- Non Compete Clause -- will require some form of non compete provisions with a specific time period in the purchase agreement
- Borrower Limits -- Certain loans may not be bid due to internal lending limits to certain borrowers

AXA Financial / Equitable Life Agribusiness Loan Disposition Strategy

- Prudential is represented by John Meneely (Senior Vice President of Agricultural Investments) and Paul Marsh (Vice President)

Whole Loan Indications

Whole Loan Purchase - Prudential

Description

- Prudential's agribusiness portfolio is approximately \$2 billion, and they originate \$150mm to \$450 million per year
- Preponderance of their portfolio is fixed rate, although recently they have originated more floating rate loans
- Underwriting standards and parameters employed by Prudential coincide with those of Farmer Mac, however they are not subject to the Farmer Mac constraints
- Prudential indicated an interest in loans with an unpaid principal balance of \$500,000 or more; they have an interest in purchasing approximately \$400 million

Pros

- Indicative Bid -- Prudential had indicated an initial bid of marginally over par, but have revised their bid to 101.5-102.5
- Accelerated Closing -- Prudential has indicated that they can close the proposed purchase transaction within 60 days

Cons

- Servicing Released -- Prudential will purchase the agribusiness loan pool on a servicing released basis only
- Non Compete Clause -- will require some form of non compete provisions with a specific time period in the purchase agreement
- Borrower Limits -- Certain loans may not be bid due to internal lending limits to certain borrowers

AXA Financial / Equitable Life Agribusiness Loan Disposition Strategy

- **MONY is represented by Monte Lyons (Head of MONY's Agribusiness operations)**

Whole Loan Indications

Whole Loan Purchase - MONY

Indicative Bid Description

- MONY services an agribusiness portfolio of approximately \$600 million, of which slightly more than half was originated by MONY
- MONY is interested in growing their agribusiness servicing portfolio, and they typically originate \$50mm to \$60 million per year
- MONY indicated an interest in loans with an unpaid principal balance of less than \$750,000; they have indicated an interest in purchasing \$166 million of the offered open block pool (529 loans). These are principally fixed rate loans that have some form of yield maintenance
- MONY's bid would require the approval of the MONY Board of Directors' Investment Committee for which a special meeting can be convened on short notice

Pros

- Premium Indicative Bid -- the initial MONY bid was indicated at 102.0, refreshed to 101.0 based on the current yield curve
- Accelerated Closing -- MONY has indicated that they can close the proposed purchase transaction within 60 - 90 days

Cons

- Servicing Released -- MONY will purchase the agribusiness loan pool on a servicing released basis only
- Non Compete Clause -- will require some form of non compete provisions with a specific time period in the purchase agreement

AXA Financial / Equitable Life Agribusiness Loan Disposition Strategy

Whole Loan Indications

Other Firms Approached

Major Market Participants

- **There were four other firms who were approached to determine their interest in purchasing the AXA open block of agribusiness loans**
- **Each of the firms currently manage significant agribusiness lending and servicing operations**
- **Another firm (TIAA) is contemplating entering the business of agribusiness lending, and has expressed an interest in purchasing the AXA open block pool in order to acquire a “seed pool” to grow the business**
- CitiGroup / Travelers -- chose to pass on submitting an indicative bid for the first round, but indicated a strong interest in purchasing the largest loans in the pool
- AEGON -- was not able to get comfortable with the AXA form of confidentiality agreement
- John Hancock -- will not be bidding on the pool
- United California Bank -- will not be bidding on the pool

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

Section 3

Securitization and Farmer Mac Options

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

Securitization and Farmer Mac Options

Economic Comparison

Assumptions

- All bonds pay principal and interest semi-annually
- No underwriting fees or expenses have been subtracted
- Assumed 5% CPR for fixed rate loans; 0% CPR until reset date and 100% CPR at reset date for variable rate loans
- 100% refinance rate for the adjustable rate loans at the next reset date
- Economic value of each structure based on our assessment of the IO using the following assumptions
 - 25% yield at 10% CPR for fixed rate
 - 30% yield at 0% CPR until reset date and 100% CPR at reset date for variable rate

Summary Economics

Option	Portfolio Size (\$MM)	Proceeds			Economic Value			RBC Impact
		Fixed	Variable	Total	Fixed	Variable	Total	
Farmer Mac- Wrap 100%	621	99.03	99.04	99.04	102.30	102.53	102.40	Release RBC in respect of loans sold
Farmer Mac Certificated Swap	621	98.78	99.04	98.90	101.18	102.21	101.63	Release RBC in respect of loans sold
Farmer Mac Wrap 97%	621	96.58	97.05	96.79	100.34	100.68	100.49	Release RBC in respect of loans sold
Farmer Mac Wrap 94%	621	95.32	96.49	95.83	99.18	100.49	99.75	Release RBC in respect of loans sold
Private Label Securitization	802	95.25	96.68	95.89	98.74	100.04	99.32	Release RBC in respect of loans sold

- The above economics are based upon current capital market spreads; however, Farmer Mac has indicated a price of 103+ and 104+ for the variable and fixed rate eligible portfolio for a weighted average of approximately 104

Securitization and Farmer Mac Options

Certificated Swap - Farmer Mac

- **Exchange of ag loans for Farmer Mac securities reduces risk based capital from 3.94% to 0.30% if Farmer Mac securities are retained by AXA**
- **AXA may choose to sell securities upfront or over time subject to market conditions**

Description

- AXA exchanges agriculture loan portfolio for Farmer Mac guaranteed certificates
- Fixed rate portfolio certificates are pooled to minimize excess servicing by underlying gross coupon ranges
- Variable rate portfolio pooled by reset period and underlying gross coupon.
- All credit exposure on eligible portfolio transferred to Farmer Mac for ongoing fee
- Regulatory capital charges reduced from 3.94% to 0.30% if Farmer Mac securities are retained by AXA

Pros

- Minimizes retained excess servicing
- Increases portfolio liquidity
- No rating required
- Potentially recognize accounting gain without sale of securities

Cons

- Limited investor universe
- Significant investor education required
- Prepayment history crucial to valuation
- Farmer Mac most likely investor

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

Securitization and Farmer Mac Options

Economic Analysis of Certificated Swap - Par Cap

Fixed Rate

- Limited the pass-through rate to no higher than par
- Unlikely third party investors will value securities with significant premiums unless provided with supporting historical data
- Valuation assumes servicing fee of 42.5 bps and guarantee fee of 47.7 bps. Excess servicing discounted at 25% at 10% CPR rates
- Total economics may be significantly greater if Farmer Mac purchases premium securities
- Farmer Mac has indicated a price of 103+ and 104+ for the variable and fixed rate eligible portfolio for a weighted average of approximately 104

"Par Cap" Economics							
Class	Implied Rating	Balance \$	Coupon %	Price %	Spread bps	Yield %	Average Life years
<u>Fixed Rate</u>							
A-1	AAA	7,635,800	5.50	96.0148	100	6.2402	6.33
A-2	AAA	39,330,091	6.00	97.4599	100	6.3705	7.21
A-3	AAA	118,631,861	6.19	99.0201	100	6.3401	6.96
A-4	AAA	83,875,298	5.98	99.0155	100	6.2153	6.17
A-5	AAA	75,684,971	5.96	99.0353	100	6.1900	6.00
A-6	AAA	16,474,356	5.36	99.0245	100	5.6359	3.89
A-7	AAA	7,500,288	3.10	99.0440	100	3.7380	1.38
X	AAA	349,132,665	W	2.3984	2067	25.0000	5.10
Cash Proceeds	344,878,587	98.7815%					
PV of Retained Servicing		2.3984%					
Economic Value	353,252,073	101.1799%					

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

Securitization and Farmer Mac Options

Economic Analysis of Certificated Swap - Par Cap

Variable Rate

- Limited the pass-through rate to no higher than par
- Unlikely third party investors will value securities with significant premiums unless provided with supporting historical data
- Valuation assumes servicing fee of 42.5 bps and guarantee fee of 47.7 bps. Excess servicing discounted at 35% at 0% CPR until reset date and 100% CPR at reset date
- Total economics may be significantly greater if Farmer Mac purchases premium securities
- Farmer Mac has indicated a price of 103+ and 104+ for the variable and fixed rate eligible portfolio for a weighted average of approximately 104

“Par Cap” Economics							
Class	Implied Rating	Balance \$	Coupon %	Price %	Spread bps	Yield %	Average Life years
<u>Variable Rate</u>							
A-1	AAA	17,279,898	2.00	99.0453	75	3.0100	0.88
A-2	AAA	17,228,865	1.81	99.0493	75	2.9330	0.79
A-3	AAA	15,556,587	1.65	99.0473	75	2.8920	0.73
A-4	AAA	5,596,669	3.20	99.0391	75	3.7350	1.63
A-5	AAA	37,614,201	2.62	99.0465	75	3.3390	1.22
A-6	AAA	19,165,357	2.73	99.0411	75	3.4010	1.31
A-7	AAA	17,396,144	3.33	99.0497	75	3.8250	1.72
A-8	AAA	11,126,998	3.50	99.0481	75	3.9560	1.86
A-9	AAA	26,999,259	4.00	99.0421	75	4.3987	2.13
A-10	AAA	48,408,859	4.33	99.0285	75	4.6712	2.53
A-11	AAA	34,008,139	2.96	99.0424	75	3.5620	1.45
A-12	AAA	21,360,312	4.29	99.0356	75	4.6349	2.47
X	AAA	271,741,289	W	3.1641	2718	30.0000	1.67
Cash Proceeds	269,136,279	99.0414%					
PV of Retained Servicing		3.1641%					
Economic Value	277,734,576	102.2055%					
<u>Total- Fixed and Variable</u>							
Cash Proceeds	614,014,866	98.8953%					
PV of Retained Servicing		2.7335%					
Economic Value	630,986,649	101.6288%					

Securitization and Farmer Mac Options

Private Label Securitization

Description

- Securitization provides access to the Capital Markets, a potentially deeper pool of capital than the whole loan market
- The fixed rate loans and the variable rate reset loans will be separated into two distinct pools and two series of Securities, each backed by one of the pools will be created
- The Securities will be tranching from AAA to non-rated according to the ratings assigned by the rating agencies. Based on feedback received to date, the Securities would be rated by Moody's and Fitch
- The Securities would be sold to the market in a private 144A offering. Non-investment grade bonds must be sold at a discount to provide yield investors require. The Securities for sale will also include an IO strip
- RBC in respect of the mortgage loans would be released and this would be offset by the RBC required in respect of reinvested proceeds

Pros

- AXA Franchise – investors, particularly investment grade investors, are not buying to obtain future loan business
- Servicing Retained – Lend Lease will continue to service the loans
- Proceeds - Cash is received for redeployment
- Balance Sheet – reduces agribusiness exposure and capital required, demonstrates portfolio liquidity

Cons

- Weak call protection and lack of historical prepayment data will limit saleability of IO and opportunity to sell other bonds above par
- Market will demand a spread concession for a new product
- Execution is subject to changing market conditions outside of AXA's control

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

Securitization and Farmer Mac Options

Economic Analysis of Private Label Securitization

Fixed Rate

- Valuation assumes servicing fee of 42.5 bps
- Subordination levels based on preliminary rating agency feedback

Economics							
Class	Rating (Moody's/Fitch)	Balance \$	Coupon %	Price %	Spread bps	Yield %	Average Life years
<u>Fixed Rate</u>							
A-1	Aaa/AAA	260,749,922	5.02	99.0489	90	5.3219	3.40
A-2	AaaAAA	113,379,105	WAC-0.67	98.0317	125	6.7898	8.80
B	Aa2/AA	14,009,237	WAC-0.16	98.0385	155	7.2861	11.42
C	A2/A	12,910,473	WAC	96.3445	200	7.7860	12.18
D	Baa2/BBB	13,185,164	WAC	91.9514	250	8.3306	13.08
E	Ba2/BB	9,888,873	6.00	61.5387	650	11.5355	14.19
F	B2/B	4,395,055	6.00	37.7943	1294	18.0000	15.37
G	NR	10,987,637	6.00	17.2290	2990	35.0000	17.17
X	AAA	439,505,465	W	3.4857	2067	25.0000	5.11
Cash Proceeds	418,627,937	95.2498%					
PV of Retained IO		3.4856%					
Economic Value	433,947,624	98.7354%					

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

Securitization and Farmer Mac Options

Economic Analysis of Private Label Securitization

Variable Rate

- Valuation assumes servicing fee of 42.5 bps
- Subordination levels based on preliminary rating agency feedback

Economics							
Class	Rating (Moody's/Fitch)	Balance \$	Coupon %	Price %	Spread bps	Yield %	Average Life years
<u>Variable Rate</u>							
A	Aaa/AAA	308,834,539	2.70	99.0471	80	3.4040	1.24
B	Aa2/AA	11,564,289	5.49	99.0291	145	5.7515	3.13
C	A2/A	10,657,286	6.06	99.0379	190	6.2972	3.34
D	Baa2/BBB	10,884,037	WAC-0.25	99.0387	240	7.0906	4.02
E	Ba2/BB	8,163,027	6.00	83.0734	650	10.6585	4.63
F	B2/B	3,628,012	6.00	63.1128	1384	18.0000	4.63
G	NR	9,070,031	6.00	32.9634	3067	35.0000	5.13
X	AAA	362,801,221	W	3.3599	2719	30.0000	1.65
Cash Proceeds	350,738,522	96.6751%					
PV of Retained IO		3.3599%					
Economic Value	362,928,203	100.0350%					
<u>Total- Fixed and Variable</u>							
Cash Proceeds	769,366,459	95.8943%					
PV of Retained IO		3.4288%					
Economic Value	796,875,827	99.3231%					

Securitization and Farmer Mac Options

Farmer Mac Wrapped Securitization Structures

Description

- Farmer Mac will provide a guarantee for up to 100% of the Securities backed by the Farmer Mac eligible loans. The portion of the Securities not wrapped will be subordinated to the wrapped Securities. The wrapped Securities will have an implied AAA rating consistent with Farmer Mac's GSE status.
- The level of subordination required by Farmer Mac will depend on Farmer Mac's assessment of the credit quality of the pool. Farmer Mac have given a preliminary indication of 0% to 6% subordination. The Farmer Mac guarantee fee reduces from 47bps in a fully guaranteed structure to 32bps in this structure.
- The subordinated securities will be able to be rated by the rating agencies and offered for sale. An IO class will be created as in a private label securitization
- RBC in respect of the mortgage loans would be released and this would be offset by the RBC required in respect of reinvested proceeds

Pros

- Capital Structure is superior to that of private label securitization
- This structure has the same advantages as a private label non-wrapped securitization

Cons

- Farmer Mac is not known in the market as a wrapper; market education and a spread concession will be required. Accordingly Farmer Mac is the best purchaser for the Senior Securities
- This structure has the same limitations as a private label non-wrapped securitization

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

Securitization and Farmer Mac Options

Economic Analysis of Farmer Mac Wrap

100% Wrap

- Valuation assumes 42.5 bps servicing fee and 47.7 bps guarantee fee

Economics							
Class	Implied Rating⁽¹⁾	Balance \$	Coupon %	Price %	Spread bps	Yield %	Average Life years
<u>Fixed Rate</u>							
A-1	AAA	215,682,433	4.79	99.0285	65	5.0719	3.40
A-2	AAA	133,450,232	WAC-0.54	99.0393	80	6.5077	11.02
X	AAA	349,132,655	W	3.2688	2067	25.0000	5.10
Cash Proceeds	345,755,276	99.0326%					
PV of Retained IO		3.2688%					
Economic Value	357,167,842	102.3015%					
<u>Variable Rate</u>							
A	AAA	271,741,289	3.15	99.0428	65	3.6730	1.67
X	AAA	271,741,289	W	3.4826	2718	30.0000	1.67
Cash Proceeds	269,140,060	99.0428%					
PV of Retained IO		3.4826%					
Economic Value	278,603,843	102.5254%					
<u>Total</u>							
Cash Proceeds	614,895,336	99.0371%					
PV of Retained IO		3.3624%					
Economic Value	635,771,685	102.3995%					

Notes

1. Assumed AAA rating for senior piece because it is wrapped by Farmer Mac.

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

Securitization and Farmer Mac Options

Economic Analysis Farmer Mac Wrap

97% Wrap / 3% Subordination

- Valuation assume a 42.5 bps servicing fee and 32 bps guarantee fee

Economics							
Class	Implied Rating⁽¹⁾	Balance \$	Coupon %	Price %	Spread bps	Yield %	Average Life years
<u>Fixed Rate</u>							
A-1	AAA	215,682,433	4.79	99.0367	65	5.0719	3.40
A-2	AAA	122,976,252	WAC-0.76	99.0407	80	6.4712	10.51
B	NR	10,473,980	6.00	17.2046	2990	35.0000	17.05
X	AAA	349,132,665	W	3.7543	2067	25.0000	5.10
Cash Proceeds	337,203,265	96.5831%					
PV of Retained IO		3.7543%					
Economic Value	350,310,713	100.3374%					
<u>Variable Rate</u>							
A	AAA	263,589,051	3.00	99.0432	65	3.5600	1.56
B	NR	8,152,239	6.00	32.6659	3066	35.0000	5.18
X	AAA	271,741,289	W	3.6242	2718	30.0000	1.67
Cash Proceeds	263,730,034	97.0519%					
PV of Retained IO		3.6242%					
Economic Value	273,578,374	100.6760%					
<u>Total</u>							
Cash Proceeds	600,933,299	96.7883%					
PV of Retained IO		3.6973%					
Economic Value	623,889,087	100.4856%					

Notes

1. Assumed AAA rating for senior piece because it is wrapped by Farmer Mac. Assumed subordinate piece rated B by rating agencies.

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

Securitization and Farmer Mac Options

Economic Analysis of Farmer Mac Wrap

94% Wrap / 6% Subordination

- Valuation assumes 42.5 bps servicing fee and 32 bps guarantee fee

Economics							
Class	Implied Rating⁽¹⁾	Balance \$	Coupon %	Price %	Spread bps	Yield %	Average Life years
<u>Fixed Rate</u>							
A-1	AAA	215,682,433	4.79	99.0367	65	5.0719	3.40
A-2	AAA	112,502,272	WAC-0.81	99.0383	80	6.4436	10.12
B	BB	7,855,485	6.00	61.1886	650	11.5409	14.45
C	B	3,491,327	6.00	37.6528	1294	18.0000	15.50
D	NR	9,601,148	6.00	17.1964	2990	35.0000	17.17
X	AAA	349,132,665	W	3.8592	2067	25.0000	5.10
Cash Proceeds	332,797,398	95.3212%					
PV of Retained IO		3.8592%					
Economic Value	346,271,132	99.1804%					
<u>Variable Rate</u>							
A	AAA	255,436,812	2.87	99.0438	65	3.4680	1.46
B	BB	6,114,179	6.00	83.0670	650	10.6585	4.63
C	B	2,717,413	6.00	63.1066	1384	18.0000	4.63
D	NR	7,472,885	6.00	32.4123	3066	35.0000	5.24
X	AAA	271,741,289	W	4.0003	1718	20.0000	1.67
Cash Proceeds	262,210,241	96.4926%					
PV of Retained IO		4.0003%					
Economic Value	273,080,824	100.4929%					
<u>Total</u>							
Cash Proceeds	595,007,639	95.8339%					
PV of Retained IO		3.9210%					
Economic Value	619,351,956	99.7549%					

Notes

1. Assumed AAA rating for senior piece because it is wrapped by Farmer Mac. Assumed subordinate piece rated BB and B by rating agencies.

Securitization and Farmer Mac Options

Par Purchase with IO - Farmer Mac

- **A loan-by-loan level par purchase by Farmer Mac may produce a lower effective yield than a single class pass-through**

Description

- Farmer Mac would purchase the loans and, in addition to the cash proceeds, deliver to Equitable an interest-only strip representing excess interest over the coupon required by Farmer Mac on each loan for a par price
- The value of this alternative will depend on the value which Equitable is able to attribute to this excess interest strip

Pros

- Guaranteed par execution plus the value of the excess servicing
- Cash is received for re-deployment
- Sale of loans; demonstrates portfolio liquidity and reduce exposure to agribusiness

Cons

- Interest only strip difficult to value; accounting gain depends on its prepayment experience and valuation
- Sale of interest-only strip will not provide optimal execution

Securitization and Farmer Mac Options

Credit Risk Transfer with Farmer Mac

Description

- AXA retains agriculture loan portfolio and purchases Farmer Mac standby purchase commitment on eligible portfolio
- Farmer Mac agrees to purchase any mortgages upon default by borrower
- All credit exposure on eligible portfolio transferred to Freddie Mac for ongoing fee of 47.7 b.p.
- Potentially no risk-based capital benefit since NAIC formula does not contemplate insured farm loans

Pros

- Reduced upfront costs
- No reinvestment concerns

Cons

- No gain on sale recognized
- Same guarantee fee as certificated swap without benefit of additional liquidity

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

Section 4

Financial Impact

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

Financial Impact

Impact on Earnings & Risk-Based Capital

- A comparative analysis of three leading bidders was prepared to evaluate the financial impact that an agribusiness portfolio disposition would have
- Assumptions:
 - Proceeds are reinvested at T + 200 (6.72%) less investment management fee of 15bp
 - Current portfolio yield is 7.90% less weighted average management fee of 73bp
 - Existing RBC charge is 3.94%
 - Reinvestment RBC charge is 1%

Pre Tax Earnings Impact (\$ millions)			
	MetLife	FCB Wichita	Farmer Mac
Assumptions:			
Amount Sold	802.00	727.00	621.00
Indicative Pricing	102.00%	104.8%	104.10%
Fees & Expenses	0.57%	0.57%	0.57%
Cash Proceeds	813.47	757.75	642.92
Pre Tax Earnings Impact			
FGAAP Capital Gain	11.47	30.75	21.92
Reinvestment Yield	6.57%	6.57%	6.57%
Reinvestment Earnings	53.44	49.78	42.24
Current Portfolio Yield	7.17%	7.17%	7.17%
Current Investment Income	57.50	52.13	44.53
Marginal Impact on Investment Income	-4.06	-2.34	-2.29
Net Earnings Impact Year 1	7.41	28.41	19.64
Risk Based Capital Impact (@200%)			
Existing Charge	63.19	57.28	48.93
Reinvestment Charge	<u>16.27</u>	<u>15.16</u>	<u>12.85</u>
RBC Benefit	46.92	42.13	36.08

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

Financial Impact

Transaction Expenses

Estimated Expenses				
	Private Label Securitization	Farmer Mac- Sell Securities	Farmer Mac- Retain or Sell to Farmer Mac	Whole Loan
Due Diligence	500,000	250,000	250,000	250,000
Legal	400,000	300,000	200,000	200,000
Two Rating Agencies	400,000	NA	NA	NA
Roadshow	50,000	50,000	NA	NA
REMIC Residual	150,000	NA	NA	NA
Accountant	150,000	150,000	NA	NA
Printer	50,000	50,000	NA	NA
Trustee	20,000	20,000	NA	NA
Miscellaneous	100,000	100,000	100,000	100,000
Subtotal	1,820,000	920,000	550,000	550,000
% of Deal ⁽¹⁾	0.23%	0.15%	0.09%	0.07%
Placement Fee	0.50-0.625%	0.50-0.625%	0.50-0.625%	0.50-0.625%
Total	0.73-0.855%	0.65-0.775%	0.59-0.715%	0.57-0.695%

Notes

1. Based on full loan amount of \$802MM for the Private Label Securitization and Whole Loan Transaction. Based on Farmer Mac eligible loan amount of \$621mm for Certificated Swap and Farmer Mac Transactions.

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

Section 5

Considerations in a Disposition

Operational Considerations

Suggestions Based On Observations Of Lend Lease Agribusiness Operations

- **As part of its evaluation of disposition alternatives, Morgan Stanley has determined that certain changes in related business operations may result in additional value-added to AXA**
- **The context of the comments made herein are to suggest improvements to the current business practices of Lend Lease Agribusiness, in its capacity as delegated underwriter and servicer for AXA Financial's agribusiness loans**

Call Provisions -- As noted in the economic analysis of a private label securitization, and based on the conditions that Farmer Mac and various potential whole loan buyers have expressed in their indicative bids, AXA would be well-served to revise the standard call provisions of originated agribusiness loans. Lock out periods followed by either defeasance or yield maintenance discounted at Treasuries flat would substantially improve the economics and liquidity associated with the future monetization of its agribusiness loans.

Rate Reset Indices -- for the variable rate agribusiness loans, it was noted that a high degree of ambiguity was inherent in the rate resets. AXA should consider specifying indices that are acceptable in a capital markets transaction, and which are readily understood and accepted by the borrowing market. Candidates to consider are Libor and short term treasuries. While some structural modifications can be made in a securitization, loans with subjective rate resets are generally precluded from capital markets transactions.

Servicing Fees --The 40 basis point annual base servicing fee paid (on loan balance) to Lend Lease Agribusiness is an above market rate. Market rates are generally at 20 to 30 bp. Future monetization of these loans on a servicing retained basis will accordingly be negatively impacted.

Strategic Considerations

Factors That Should Be Considered in a Disposition

- **The disposition strategy finally selected should take into account strategic considerations that are not readily quantifiable, but nevertheless may have significant economic implications to AXA**

Strategic Direction -- With this disposition strategy, does AXA plan to remain in the business of agribusiness lending in the long term, or will this be a preamble to ultimately exit the business?

Market Reaction -- How will the farm borrower market interpret and react to the sale and to what extent will this reaction impact agribusiness loan originations?

Impact to Lend Lease -- How will the impact of a whole loan sale affect Lend Lease Agribusiness in the context of their role as servicer to the AXA “Closed Block” portfolio?

Closed Block Portfolio -- Are there circumstances where AXA will consider the sale of agribusiness loans in its “closed block portfolio” in a subsequent transaction?

Business Flow -- Can the selected disposition strategy establish a platform for an ongoing exit strategy for newly originated agribusiness loans?

Market Branding -- To what extent would establishing the AXA name in the capital markets with Agribusiness paper be of value, and is this the type of collateral to do this with?

Other Considerations

Factors That Should Be Considered in a Disposition

- In addition to strategic business implications, there are other factors to consider in a portfolio disposition

Hedging -- Given the current volatile interest rate environment, what hedging strategies should be implemented to preserve the gain on disposition?

Ease of Execution --How important is ease and certainty of execution in the context of potentially selling to one counterparty?

Cherry-Pick Risk -- To what extent will the selected strategy expand or mitigate the risk that only the best loans will be accepted or sufficiently priced so as to avert adverse selection

Reinvestment Strategy -- In the relatively low interest rate environment, AXA will likely realize a reduced yield on reinvestment into comparable risks

Corporate Guarantee of CPR -- Farmer Mac has offered to purchase or swap the offered portfolio at a zero CPR pricing speed at a significant premium, in consideration of receiving a corporate guarantee from AXA. In such an instance, AXA would remit make-whole payments to compensate Farmer Mac for early prepayments. An internal reserve could then be established to an expected CPR. If actual prepayments come in better than expected, the reserve would eventually be released. This would capture CPR uncertainty that will otherwise be priced into the bid. However, in the event prepayment speeds exceed that which is assumed in the reserved amount, there would be an earnings impact.

Non-Compete Clauses -- In a whole loan sale, AXA will likely be required to enter into contractual provisions that will limit AXA's ability to conduct future agribusiness lending with those clients

Factors Driving the Bid Premiums

- In evaluating the indicative bids received to date, it is important to understand the factors that may drive the premiums that others may be willing to pay for the AXA open block agribusiness loans

Relative Interest Rate Levels -- Although the fixed income markets have traded off dramatically over the past month (approximately 60 basis points in the 5 year treasury note) the coupons of the subject loan portfolio are still at relatively high levels

Cost of Capital -- As a government sponsored entity, Farmer Mac benefits from a lower relative cost of capital. In addition, Farm Credit Banks also enjoy access to inexpensive capital, as well as well capitalized insurance companies such as MetLife, Prudential and MONY Life.

Market Knowledge -- Knowledge of prepayment and credit risk in agribusiness lending is a significant factor in valuing the subject loan pool. This knowledge is currently held by a relatively small group of market participants who are able to purchase agribusiness loan pools in size. In addition, this requires an understanding of regional markets, crop types, loan documentation and industry practices. As most fixed income investors do not possess this knowledge, a significant premium is less likely from such a group.

Future Franchise Value -- Certain whole loan buyers accord significant franchise value to the acquisition of new agribusiness borrowers who tend to refinance with the same lender, and accordingly are willing to pay a premium for this, irrespective of interest rate levels.

Servicing Value -- Many of the whole loan bidders will only purchase loans in the subject pool on a servicing released basis, as they value the associated servicing.

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

Appendix A

Whole Loan Indicative Bid Letters



Federal Agricultural Mortgage Corporation
919 Eighteenth Street, N.W.
Washington, D.C. 20006
(202) 872-7700 FAX 872-7713

November 29, 2001

Mr. Spencer C. Young, III
Executive Director
Morgan Stanley Dean Witter
1585 Broadway
New York, New York 10036

Re: Equitable Agricultural Mortgage Portfolio

Dear Spencer:

Pursuant to our telephone conversation yesterday morning, we are pleased to submit herein, as a supplement to our November 27, 2001 letter, the further information you have requested. Unless otherwise stated, all indications continue to be based on the assumptions, terms and conditions submitted in our November 8, 2001 and November 27, 2001 proposals.

In response to your request that we provide whole loan purchase indications comparable to those of other bidders who are assuming “servicing released” terms, we are have expanded our alternatives to include scenarios in which the servicing is released to Farmer Mac. Please note that, while we are confident of the numbers in our indication, there can be no assurance that Lend Lease Agri-Business would be the servicer under those circumstances. Nevertheless, if Farmer Mac were to purchase the loans servicing released, we would work with Equitable to preserve its franchise rights now in place, by maintaining the confidentiality of the ag mortgage borrower list; providing and facilitating Equitable’s opportunity to refinance borrowers in the ordinary course (subject to the conditions set forth in my November 8th and 27th letters); and otherwise acting consistent with the preservation of Equitable’s current relationships with the borrowers. We believe this gives Equitable the best of both worlds – monetization of the value of “excess servicing” and preservation of an important intangible asset, the goodwill of the borrowers – not available through competing servicing released offers.

For convenience of future reference, our numbering of alternatives continues from that of my November 27th letter; those alternatives are as follows:

- 1a. a re-pricing of our “whole loan” purchase proposal, under which we would purchase all of the ag mortgages that meet our eligibility criteria, now based

on Treasury market yields as of November 27, 2001, assuming the servicing is retained by Equitable at 40 basis points;

- Ib. a re-pricing of our “whole loan” purchase proposal, under which we would purchase all of the ag mortgages that meet our eligibility criteria, now based on Treasury market yields as of November 27, 2001, assuming the servicing is released to Farmer Mac at our internal servicing rate;
- 9. a “whole loan/debt swap” proposal based upon our own prepayment speed assumptions, under which we would purchase all of the ag mortgages that meet our eligibility criteria for a combination of cash and Farmer Mac current coupon non-callable medium-term notes valued at par, based on Treasury market yields as of November 27, 2001.

As in our prior submissions, this letter sets forth our best efforts at framing transaction alternatives that we would be prepared to finalize with you based upon information that has been provided to Farmer Mac by Morgan Stanley and Equitable through this date, pending our receipt of additional facts and execution parameters from you and negotiations with you consistent therewith and with the indications set forth below; it should not, however, be considered an offer subject to acceptance.

Before proceeding to describe our several proposals, we think it would be useful to specify the details of the new assumptions and new conditions we have established in connection with the preparation of these proposals (in addition to the Assumptions and Conditions in my prior letters, which remain in effect, except as expressly changed here). Lettered continuously for convenience, they are as follow:

New Assumptions

- A-1. Scheduled amortization end dates were estimated by amortizing the scheduled fixed principal payments to zero and saving the dates, as that information was not provided in the ag mortgage database;
- B-1. All servicing is released to Farmer Mac under alternative 1b or in one instance under alternative 9;
- C-1. Treasury yields are as of November 27, 2001.

New Conditions

D-1. Prepayment Assumptions are made as follows:

- i. An assumption of an average 7% CPR was used for the whole loan purchase on the assumption that an analysis of Equitable's historical experience would justify such an assumption, as well as the previously-assumed 10% CPR;
- ii. Use of these CPR assumptions must be validated through data based upon Equitable's experience, in form and substance acceptable to Farmer Mac;

The supplemental information appended to our November 8, 2001 submission still remains unchanged and, accordingly, has not been repeated here. At your request, we have provided as an additional supplement the following:

1. A list of previously delinquent loans and loans previously involved in bankruptcy proceedings.
2. A list of loans included in the Farmer Mac analysis (Lend Lease dataset) and not in the Morgan Stanley dataset; and a list of loans included in the Morgan Stanley dataset and not in the Farmer Mac analysis (Lend Lease dataset).

Equitable Ag Portfolio Indicative Valuations
November 29, 2001
Summary of Valuation Scenarios

	Whole Loan Cash	Whole Loan Cash	Whole Loan Cash /Debt Swap
Farmer Mac Qualified Par Amount (\$Mil.)	643.0	643.0	643.0
Farmer Mac Partner Eligible Par Amt (\$Mil.)	154.4	154.4	154.4
Total Par Amount (\$Mil.)	797.4	797.4	797.4
Guarantee Fee (wtd. avg.)	47.7	47.7	47.7
Servicing Fee (bp)	40 retained by Equitable	FM internal	40 retained by Equitable or FM internal
Valuation (%) on Farmer Mac Qualified Amount	103.1-103.7	103.7-104.4	103.3-104.6
CPR %	7-10	7-10	7-10
Subordinated%	N/A	N/A	N/A

1a. and 1b. Whole Loan Purchase Proposal

The purchase price for the Farmer Mac eligible ag mortgages is estimated to range from approximately 103.1% to 104.4% of par, depending on whether servicing is retained by Equitable or released to Farmer Mac.

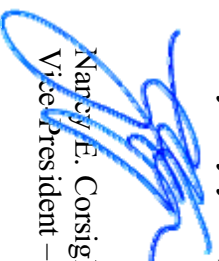
For prepayment speed assumptions, we evaluated various CPR assumptions ranging from 7% to 10% for loan groups having different prepayment provisions. You have provided raw data on Equitable's loan payment histories. To the extent that our analysis of that data during the time between now and our submission of a final bid changes our assumptions, we shall so indicate. In any event, if Farmer Mac is chosen as the purchaser of the ag loans as a whole loan transaction, we shall provide you with loan level pricing prior to commencing due diligence.

9. Whole Loan Cash and Debt Swap

Farmer Mac would normally fund a whole loan purchase by issuing its debt securities (MTNs) in the capital markets and paying commissions to its securities dealers. Should Equitable intend to invest part of the cash proceeds of the ag mortgage sale in Farmer Mac MTNs – which are valued by investors as comparable to debt of other U.S. government sponsored enterprises – we would be willing to place the securities directly with Equitable and pass the saved commissions on to Equitable in the form of a higher cash component. This alternative would be available in a servicing retained or servicing released transaction. We estimate that such a debt placement in a Farmer Mac's entire debt funding needs, mainly 3-, 5- and 7-year MTNs, would generate combined commission savings of 20 basis points (0.20%), or approximately \$1 million, to be paid over to Equitable together with the cash balance of the purchase price.

Thank you for your consideration of these further ideas. We look forward to hearing from you.

Very truly yours,



Nancy E. Corsiglia
Vice President – Finance and CFO

NEC:ngw

Farmer Mac Ag Mortgage Portfolio Proposal to Equitable

November 29, 2001

Page 7

Seasoned Previously 60 + Days Delinquent

Last 60+

Account #	Borrower Name	UPB	Cutoff/LTV	Estimated		Orig Date	Underwriting	Criteria Met	DA	TDC	PDC	State	County	Commodity	Delinquency
				LTV	Day										
16786600	SMITH	622	2%	2%	5/5/69	1	1	.	.	.	.	ID	BONNEVILLE	GENERAL FARM	5/1/00
17011800	KROHN	12,400	8%	8%	4/12/71	1	1	.	.	.	.	MI	HURON	LIVESTOCK	4/1/01
17554200	EVERETT	3,908	4%	4%	1/3/74	1	1	.	.	.	.	GA	MACON	DAIRY	5/10/99
17727000	FEGTER	2,348	3%	3%	5/31/74	1	1	.	.	.	.	NE	FRANKLIN	GENERAL FARM	2/1/01
18272800	DEWALL	32,900	16%	16%	4/15/77	1	1	.	.	.	.	IA	POCAHONTAS	CORN	4/1/98
18392500	BROWER	20,700	17%	17%	11/29/76	1	1	.	.	.	.	MI	MIDLAND	CORN	5/1/01
18432500	FRANCIS	43,948	16%	16%	12/29/76	1	1	.	.	.	.	OK	KINGFISHER	WHEAT	11/1/00
18432600	FRANCIS	44,765	18%	18%	12/29/76	1	1	.	.	.	.	OK	KINGFISHER	GENERAL FARM	11/1/00
18436900	SCOTT	14,597	19%	19%	1/10/77	1	1	.	.	.	.	OK	COMANCHE	WHEAT	3/7/99
18446700	HOSKINS	28,000	20%	20%	1/7/77	1	1	.	.	.	.	MO	PEMISCOT	COTTON	1/1/01
18484100	BURNS	2,080	5%	5%	11/8/77	1	1	.	.	.	.	OK	CIMARRON	GENERAL FARM	3/1/97
18496000	HUTCHISON	5,689	9%	9%	5/3/77	1	1	.	.	.	.	OK	CUSTER	WHEAT	1/1/97
18604400	ROSS	8,000	10%	10%	2/1/78	1	1	.	.	.	.	NE	OTOE	CORN	1/1/01
18611100	COIT	65,863	35%	35%	8/16/77	1	1	.	.	.	.	OK	CUSTER	GENERAL FARM	9/30/00
18645800	ERICKSON	246,554	68%	68%	3/31/78	1	1	.	.	.	.	NE	PHELPS	CORN	5/13/96
18715000	HENDERSON	122,467	44%	44%	3/20/78	1	1	.	.	.	.	IA	POCAHONTAS	CORN	3/1/98
19050900	PRUDE RANCH	565,200	99%	99%	3/20/86	1	1	.	.	.	.	TX	JEFF DAVIS	PASTURE	8/1/98
19115300	LOVE	145,000	28%	28%	12/28/88	1	1	.	.	.	.	CO	RIO BLANCO	RANCH	1/1/99
19118600	ROHR	148,000	43%	43%	3/29/89	1	1	.	.	.	.	KS	COFFEY	GENERAL FARM	6/1/01
19330500	COEBIN	95,872	41%	41%	6/15/85	1	1	.	.	.	.	OK	WASHITA	GENERAL FARM	3/1/01
19474400	BOZEMAN	3,425,000	39%	39%	4/15/93	1	1	.	.	.	.	MS	MADISON	GENERAL FARM	1/1/99
19477400	HOLDEN LAND CO	255,000	49%	49%	10/4/93	1	1	.	.	.	.	AR	LAWRENCE	RICE	7/1/01
19491700	SALISBURY	272,000	34%	34%	8/1/89	1	1	.	.	.	.	CA	MADDERA	VINEYARDS - TAB	7/1/98
19498600	LARSON	190,000	46%	46%	3/14/90	1	1	.	.	.	.	MT	TETON	WHEAT	10/1/00
19504800	TWEDT	120,000	36%	36%	5/19/89	1	1	.	.	.	.	SD	LINCOLN	CORN	10/1/96
19509000	DRISCOLL	84,000	40%	40%	8/17/89	1	1	.	.	.	.	ND	GRAND FORKS	CORN	7/1/99
19515300	AMUNDSON	142,000	40%	40%	1/16/90	1	1	.	.	.	.	MN	POLK	GENERAL FARM	1/1/00
19533700	BAIER	334,929	45%	45%	8/10/89	1	1	.	.	.	.	KS	BARBER	LIVESTOCK	7/1/96
19534900	RIO FRESH	710,000	36%	36%	10/26/89	1	1	.	.	.	.	TX	HIDALGO	AGRI-BUSINESS	7/1/97
19540500	LAWRENCE	98,250	45%	45%	1/10/90	1	1	.	.	.	.	OK	CADDO	GENERAL FARM	6/1/96
19542400	GIGOT	388,000	61%	61%	4/23/90	1	1	.	.	.	.	KS	FINNEY	CORN	6/1/99
19557200	ESPONDA RANCH	781,250	35%	35%	7/13/92	1	1	.	.	.	.	WY	JOHNSON	RANCH	6/1/96
19558800	PETERS	377,000	41%	41%	9/15/92	1	1	.	.	.	.	NE	HALL	HEADQUARTERS	1/1/00
19572100	REINNA	369,600	32%	32%	12/18/90	1	1	.	.	.	.	CA	FRESNO	GENERAL FARM	7/1/01
19579500	MAHLI	297,000	14%	14%	7/27/92	1	1	.	.	.	.	CA	SUTTER	GENERAL FARM	9/1/00
19608400	MAGNUMSON	225,000	46%	46%	5/4/92	1	1	.	.	.	.	MN	FREEBORN	CORN	10/1/98
19669400	GDM TRUST DATED 7.	57,500	53%	53%	12/29/95	1	1	.	.	.	.	IL	POLK	GENERAL FARM	6/1/98
19675700	WESTERGARD	1,062,500	44%	44%	4/2/96	1	1	.	.	.	.	IL	KENDALL	CORN	3/1/00
19675900	DIETERMAN TRUST B	192,500	46%	46%	4/23/96	1	1	.	.	.	.	IA	SIoux	CORN	4/1/01
19676000	MICKEY	630,000	45%	45%	4/29/96	1	1	.	.	.	.	MN	COTTONWOOD	CORN	1/1/97
19701500	EVANS	317,500	20%	20%	3/10/94	1	1	.	.	.	.	IL	BOONE	CORN	7/1/96
19710000	CALDWELL	525,000	48%	48%	7/6/94	1	1	.	.	.	.	TX	PRESDIDIO	RANCH	7/1/96
19715200	STEED	296,000	43%	43%	5/22/95	1	1	.	.	.	.	TX	GRAY	GENERAL FARM	5/1/01
19716000	KRESIN	528,750	40%	40%	4/20/95	1	1	.	.	.	.	TX	GRAY	GENERAL FARM	7/1/01
19720300	TOLLIVER	231,445	46%	46%	8/21/95	1	1	.	.	.	.	KS	MITCHELL	GENERAL FARM	2/1/01
19721600	THE COLLINS INVEST	172,500	52%	52%	11/8/95	1	1	.	.	.	.	NE	CLAY	CORN	7/1/01
19722200	IVEY INVESTMENTS	1,170,000	36%	36%	12/6/95	1	1	.	.	.	.	OK	PONTOTOC	LIVESTOCK	5/1/01
19722300	HANSEN	422,400	58%	58%	11/20/95	1	1	.	.	.	.	TX	EL PASO	GENERAL FARM	1/1/01
19728400	JUST	741,585	53%	53%	5/30/96	1	1	.	.	.	.	OK	CANADIAN	GENERAL FARM	10/1/00
19782600	SKOVHOLT	300,000	53%	53%	8/7/96	1	1	.	.	.	.	NE	PHELPS	CORN	1/1/99
19803900	REYNOLDS	378,000	56%	56%	9/14/95	1	1	.	.	.	.	ND	RICHLAND	GENERAL FARM	9/1/99
19809700	R & LD	1,665,500	54%	54%	7/15/96	1	1	.	.	.	.	AR	JACKSON	RICE	1/1/99
19811300	LUCK	237,852	34%	34%	11/26/96	1	1	.	.	.	.	AR	ST. FRANCIS	GENERAL FARM	5/1/01
19903400	KETSCHER CATTLE	844,710	42%	42%	3/14/94	1	1	.	.	.	.	KY	HOPKINS	CORN	1/1/00
19907400	LEBRECHT	197,567	33%	33%	10/5/94	1	1	.	.	.	.	OR	WALLOWA	RANCH	1/1/00
19908100	DREGER	546,000	35%	35%	12/14/94	1	1	.	.	.	.	ID	BINGHAM	GENERAL FARM	4/1/99
19912200	HORSE PRAIRIE LIVE:	200,000	34%	34%	9/27/95	1	1	.	.	.	.	WA	LINCOLN	GENERAL FARM	12/1/98
19913600	CHRISTMAN RANCH	108,000	41%	41%	12/19/95	1	1	.	.	.	.	MT	BEAVERHEAD	GENERAL FARM	1/1/00
19915100	DIETZ	270,000	44%	44%	1/25/96	1	1	.	.	.	.	MT	TETON	WHEAT	10/1/98
19915700	STOKES	1,564,000	58%	58%	6/5/96	1	1	.	.	.	.	MT	CARTER	GENERAL FARM	12/1/00
19920400	BRAR	240,000	40%	40%	6/3/96	1	1	.	.	.	.	CA	SACRAMENTO	GENERAL FARM	1/1/97
19922400	BAINS	1,130,000	52%	52%	7/30/96	1	1	.	.	.	.	CA	FRESNO	VINEYARDS - TAB	12/1/00
												CA	BUTTE	TREE FRUITS	7/1/00

Farmer Mac Ag Mortgage Portfolio Proposal to Equitable
 November 29, 2001
 Page 8

Loans in 9/30/01 LLAG dataset & not in 7/31/01 MSDW dataset
 # Loans 45
 Total UPB (9/30/01) 34,866,692

Loan #	Borrower Name	Tape UPB (9/30/01)	Closing Date	Maturity Date
10116000	SCIOTO FARMS	1,975,000	6/8/01	2/1/16
10119700	JOHNSON	100,000	9/19/01	7/1/16
10119900	HAUSER	232,000	8/8/01	9/1/11
10120000	GARRIOTT	125,000	8/10/01	7/1/16
10120200	WIESE	746,000	8/29/01	8/1/16
10614300	LOWE	639,500	5/2/01	4/1/11
10614400	CONRAD TRUST B	260,000	8/8/01	7/1/16
10615100	STEVENS	300,000	8/1/01	6/1/16
10615600	FALK	1,100,000	8/20/01	7/1/16
10615800	EAGLE PASS RANCH	4,000,000	8/6/01	5/1/16
10616200	VAN HOUSEN	120,000	8/2/01	4/1/16
10616500	NIENHUESER	210,000	9/12/01	9/1/16
10616600	THIESSEN	200,000	9/27/01	7/1/16
10616700	JOHNSON	174,000	9/13/01	10/1/16
10617300	DRUMMOND	2,800,000	9/6/01	7/1/16
17011800	KROHN	12,400	4/12/71	4/1/04
18271000	NELSON	40,000	8/25/77	3/1/02
18392500	BROWER	20,700	11/29/76	2/1/02
19675700	WESTERGARD	192,500	4/23/96	4/1/11
19710000	CALDWELL	525,000	7/6/94	5/1/09
19716000	KRESIN	528,750	4/20/95	2/1/10
19721600	THE COLLINS INVESTMENT TRUS	172,500	11/6/95	1/1/10/5
19747902	CRAIG RANCHES	690,000	8/1/01	1/1/16
19798500	CLAUSSEN	202,800	10/1/97	1/1/13
19887700	BOSTROM	114,000	4/6/99	3/1/19
19891900	KLEIN	104,000	6/10/99	6/1/19
19920702	DENIZ PACKING	1,200,000	8/13/01	7/1/16
19927900	GARNER & SON	543,306	2/6/97	2/1/13
19934200	WAGNER	362,174	11/20/97	12/1/02
19949800	SUNRISE RANCH	2,293,297	12/16/98	12/1/13
19962800	MASSA	1,206,105	10/28/99	1/1/10/9
19974800	DEBUSSCHERE	798,445	7/31/01	6/1/16
19975300	DOBSON RANCHES	70,000	5/1/01	5/1/16
19975500	MONDAVI	6,000,000	8/29/01	1/1/16
19975600	ROUNDY	818,501	8/28/01	6/1/16
19975700	RANCHO GUADALUPE	1,740,000	8/30/01	8/1/16
19975800	BLUE BANNER CO	1,500,000	9/20/01	9/1/16
19975900	PAUMA RANCHES	482,998	7/1/01	7/1/16

Farmer Mac Ag Mortgage Portfolio Proposal to Equitable
November 29, 2001
Page 9

19976000PAUMA RANCHES	561,627	7/1/01	7/1/16
19976100PAUMA RANCHES	306,088	7/1/01	7/1/16
19976500MIANECKI	400,000	9/4/01	7/1/16
19976700KUMMER	270,000	9/6/01	9/1/16
19976800KUMMER	270,000	9/6/01	9/1/16
19977000DRUFFEL & SONS	460,000	9/27/01	8/1/16
	<hr/>		
	34,866,692		

Loans in 7/31/01 MSDW dataset & not in 9/30/01 LLAG dataset

Loans 45
Total UPB (9/30/01) 30,779,976

Loan #	MSDW UPB (7/31/01)
18334300	11,000
18435100	2,400
18442900	6,320
18523600	1,000
18667600	34,100
18702400	2,750
18706500	17,000
19058700	525,000
19091100	6,321
19156900	565,000
19157300	307,925
19157600	485,900
19162200	129,600
19184400	508,500
19203400	88,800
19205300	105,000
19378800	145,703
19472000	262,000
19489300	475,000
19490000	310,482
19509600	29,400
19539800	138,750
19556200	336,000
19567000	2,595,000
19670300	700,000
19712900	250,500
19731900	212,000
19734300	648,750
19739800	590,000
19760800	342,500
19774900	362,123
19811200	1,019,000
19811600	2,024,000
19814900	2,500,000
19822500	2,682,500
19827500	2,805,000
19827600	4,312,000

Farmer Mac Ag Mortgage Portfolio Proposal to Equitable
November 29, 2001
Page 11

19859300	364,000
19871400	157,700
19880500	537,500
19892300	970,000
19911700	615,000
19940900	598,452
19969000	2,000,000
	<hr/>
	30,779,976



Federal Agricultural Mortgage Corporation
919 Eighteenth Street, N.W.
Washington, D.C. 20006
(202) 872-7700 FAX 872-7713

November 27, 2001

Mr. Spencer C. Young, III
Executive Director
Morgan Stanley Dean Witter
1585 Broadway
New York, New York 10036

Re: Equitable Agricultural Mortgage Portfolio

Dear Spencer:

We at the Federal Agricultural Mortgage Corporation ("Farmer Mac") are pleased to have the opportunity to submit this update to our November 8, 2001 response to the request of Morgan Stanley Dean Witter ("Morgan Stanley") for indications of the terms and conditions upon which we would enter into transactions in connection with a portfolio of agricultural mortgage loans ("the ag mortgages") currently held in portfolio by Morgan Stanley's client, The Equitable Life Assurance Society ("Equitable").

In accordance with further discussions we have had on a number of occasions with you, your colleagues at Morgan Stanley, and representatives of Equitable, we present herein our indicative pricing and other terms and conditions with respect to the ag mortgages for each of the following alternative transactions:

1. a "whole loan" purchase proposal, under which we would purchase for cash all of the ag mortgages that meet our eligibility criteria;
2. a "certificated swap" proposal, under which we would exchange marketable Farmer Mac guaranteed securities for all of the ag mortgages that meet our eligibility criteria;
3. a "credit risk transfer" or pool guarantee proposal, under which we would agree to purchase any defaulted loan in a defined group constituting all of the ag mortgages that meet our eligibility criteria, held on the books of Equitable;
4. a "senior/subordinated" structured security proposal, under which a senior security, backed by all of the ag mortgages that meet our eligibility criteria, would be issued and the timely payment of principal and interest thereon guaranteed by Farmer Mac, and a subordinated security, not guaranteed by Farmer Mac, would be issued by

Equitable or Morgan Stanley, with all issued securities sold by Morgan Stanley for the benefit of Equitable or retained by Equitable;

5. a “wrap guarantee” proposal, under which a security, backed by all of the ag mortgages that meet our eligibility criteria, would be issued and the timely payment of principal and interest thereon would be guaranteed by Farmer Mac, with all issued securities sold by Morgan Stanley for the benefit of Equitable or retained by Equitable; and
6. a par purchase and interest-only strip combination, in which Farmer Mac would buy the par component of the loans and Equitable would retain an interest-only strip representing the above-market yield on the ag mortgages that could be valued to provide a gain based upon Equitable’s superior knowledge of the prepayment characteristics of the ag mortgage portfolio.

In addition to the preceding six alternatives, we have provided valuations of an alternate structure you have asked us to consider for both a whole loan purchase and a certificated swap, based on loan pools grouped by rate type (i.e., fixed or adjustable), reset interval and coupon ranges that you provided. We have also developed and provided valuations for a pooling variation correlated to prepayment provisions that might be of particular value to Equitable.

Based upon information that has been provided to Farmer Mac by Morgan Stanley and Equitable through this date, this letter sets forth our best efforts at framing transaction alternatives that we would be prepared to finalize with you, pending our receipt of additional facts and execution parameters from you and negotiations with you consistent therewith and with the indications set forth below; it should not, however, be considered an offer subject to acceptance.

Before proceeding to describe our several proposals, we think it would be useful to specify the assumptions and conditions we have established in connection with the preparation of these proposals. Lettered continuously for convenience, they are as follow:

Assumptions

- A. All valuations include cash flows on the \$643.0 million of ag mortgages identified as “Included” in the data attachment and exclude accrued interest through January 1, 2002;
- B. “Loan Amortization” and “Loans Maturing” of \$22.6 million combined refers to the scheduled principal payments on the ag mortgages and maturities through January 1, 2002, based upon the timely receipt of those payments through January 1, 2002, which have been excluded from the cash flows;

- C. "Loans that do not qualify" are ag mortgages with acreage or principal balances that do not conform to Farmer Mac's statutory eligibility requirements, or which were rejected as a result of previous Farmer Mac due diligence;
- D. A Cut-off Date of January 1, 2002 was used (cash flows exclude January 1, 2002 payments scheduled to be received on the cut-off date, adjustable-rate ag mortgages were treated as balloons on their next reset date);
- E. Ag mortgages that were previously delinquent or involved in bankruptcy proceedings were included with no servicing management fee surcharge; such surcharges may be required based upon due diligence or the loans may be excluded;
- F. Scheduled maturity dates were not provided in the ag mortgage database; such dates were estimated by amortizing the scheduled fixed principal payments to zero and saving the dates;
- G. Adjustable-rate ag mortgages having reset dates from November 1, 2001 through January 1, 2002 were assumed to mature on the next scheduled reset dates through January 1, 2002, as indicated by the database and are excluded from the cash flows;
- H. Yield maintenance loans having a prepayment privilege option without penalty have a privilege expressed as a percentage of original loan amount, which consequently grows as a percent of the outstanding balance;
- I. A 40 basis point servicing fee is assumed whether the portfolio is sold servicing retained or released;
- J. The Guarantee Fee rate was determined using two alternative methods:
 - 1. on a loan level basis ranging from 40 to 50 basis points according to loan quality for a 100% whole loan purchase or 100% senior security structure; and
 - 2. on a single pool level rate of 32 basis points across all loans in the senior security for a senior/subordinated structure;
- K. Treasury yields, market spreads and volatility are as of October 31, 2001;
- L. Transaction timing by transaction type is estimated as follows:
 - 1. For all transaction types, due diligence is expected to take approximately two weeks to complete, assuming complete and clear loan files in standardized format; we are available to commence the process during the first week of December 2001;

2. For Whole Loan Purchase and Pool Guarantee, transaction documentation is expected to require less than one week to complete, exclusive of due diligence time;
3. For a Wrap Guarantee, Farmer Mac documentation is expected to take 2-3 days; SEC registration may take more time, depending on whether Farmer Mac's registration statement is used;
4. For a Senior/Subordinated Structure, Farmer Mac would expect to need 2-3 days to review security documents after such documents have been drafted by counsel to the issuer, with a potential 2 months of additional SEC turnaround time, if Farmer Mac shelf registration statement is not used.

Conditions

- M. All cash flows shall be tied out among the parties prior to consummation of the transaction;
- N. Loan inclusion is subject to Farmer Mac due diligence relative to assumptions;
- O. Loan level Guarantee Fee rate is subject to Farmer Mac due diligence;
- P. Prepayment Assumptions are made as follows:
 1. An assumption of an average 10-13% CPR was used for the whole loan purchase; 8.5-13% CPR was used for the Certificated Swap and Par-I/O Strip transactions on the assumption that Equitable would use an average of the 8 years of prepayment data provided to Farmer Mac yesterday;
 2. Use of these CPR assumptions must be validated through data based upon Equitable's experience, in form and substance acceptable to Farmer Mac;
- Q. Assumptions as to interest rate resets on loans must be verified by Equitable and or LendLease;
- R. Farmer Mac will require that the servicer cause the reset loans to reset to a rate at least equal to the then current Farmer Mac required net yield for comparable loans;
- S. All other assumptions as to loan level details must be verified by Equitable and/or LendLease;

- T. Valuations shall be updated, based on final portfolio composition and validated assumptions,
 - U.S. Treasury yields, market spreads and market volatility at time of consummation;
- U. A reduced, 32 basis point guarantee fee will be available if the guaranteed securities are senior securities in a senior/subordinated structure with a subordination level determined by Farmer Mac, based upon additional information (estimated at 3-6%);
- V. Standard Farmer Mac representations and warranties will be required;
- W. Special representations and warranties with respect to yield maintenance loans will be required:
 - 1. Yield maintenance provisions of ag mortgages are valid and binding obligations of the borrower, enforceable under applicable law in accordance with their terms;
 - 2. The servicer will use its best efforts to collect in full the yield maintenance adjustment due upon any prepayment; and
 - 3. The borrower will not be refinanced by Equitable, the servicer or any other party for whom Equitable or the servicer acts, without payment in full of the yield maintenance adjustment due upon any prepayment.

The supplemental information appended to our November 8, 2001 submission remains unchanged and, accordingly, has not been repeated here.

Criteria for Subordination Level

To obtain a subordination level of 3-6% of the total pool, the following types of loans will most likely be excluded from the pool:

1. Loans with LTV greater than 70% (and greater than 60% if original UPB is greater than \$2.75 million).
2. Previously delinquent loans and loans previously involved in bankruptcy proceedings (except when such loans have a sufficiently low LTV).
3. Loans that do not meet Farmer Mac's general Underwriting Standards and have:
 - a. Debt/Asset Ratio > 50%; or
 - b. Total Debt Coverage Ratio < 1.25:1; or
 - c. Property Debt Coverage Ratio < 1.0:1; or
 - d. Loan to Value Ratio > 70%.
4. Loans secured by properties not eligible as security for Farmer Mac loans.
5. Ag mortgages secured by agricultural "facilities," e.g., poultry coops, that do not meet Farmer Mac's facility underwriting standards.

Equitable Ag Portfolio Indicative Valuations
November 27, 2001
Summary of Valuation Scenarios

	Whole Loan	Certificated Swap	Pool Guarantee	Senior/ Subordinated	Wrap Guarantee	Par and I/O Strip
Farmer Mac Qualified Par Amount (\$Mil.)	643.0	643.0	643.0	Senior 623.71-604.42 Sub 19.29-38.58	Senior 643.0 Sub 154.4	643
Farmer Mac Partner Eligible Par Amt (\$Mil.)	154.4	154.4	154.4	Unguar-antedeed 154.4	N/A N/A	154.4
Total Par Amount (\$Mil.)	797.4	797.4	797.4		643.0 154.4	797.4
Guarantee Fee (wrd. avg.)	47.7	47.7	47.7	32	N/A	47.7 N/A
Servicing Fee (bp)	40	40	40	40	40	40
Valuation (%) on Farmer Mac Qualified Amount	105.5-106.5	105.5-106.8	N/A	TBD by MS	TBD by MS	TBD by MS 105.5-106.8
CPR %	10-13	8.5-13	N/A	TBD by MS	TBD by MS	TBD by MS 8.5-13
Subordinated %	N/A	N/A	N/A	3-6	3-6	N/A

1. Whole Loan Purchase Proposal

This table summarizes Farmer Mac's whole loan purchase indication.

	Whole Loan Purchase
Farmer Mac Qualified Par Amount (\$Mil.)	643.0
Farmer Mac Partner Eligible Par Amt (\$Mil.)	154.4
Total Par Amount (\$Mil.)	797.4
Guarantee Fee (wtd. avg. bp)	47.7
Servicing Fee (bp)	40
CPR %	10-13
Valuation (%) on Farmer Mac Qualified Amount	105.5-106.5
Sub %	N/A

For a whole loan purchase, you have also requested that we provide the following information:

- whether our indicative price is subject to due diligence;
- which ag mortgages are included in the transaction;
- which ag mortgages are excluded from the transaction and why;
- conditions for purchase of the ag mortgages;
- assumptions we made in formulating our proposal(s);
- our timeframe for closing; and
- whether our bid is servicing retained or released.

This information is set forth above and in the attachments, and is discussed in more detail below.

Farmer Mac has identified a principal balance of \$797.4 million in loans that will remain outstanding and available for purchase as of January 1, 2002, after January 1, 2002 payments and maturities. Subject to due diligence, we believe \$643.0 million of this amount would meet Farmer Mac's criteria to be considered eligible for our guarantee. The remaining \$154.4 million appear to be ineligible due to Farmer Mac's statutory size/acreage limitations; or are currently delinquent; or were rejected due to quality problems identified by Farmer Mac during a previous due diligence review. It is possible that upon final due diligence, Farmer Mac may determine that some of these loans are eligible for re-inclusion. In addition, we have business partners who have expressed interest in purchasing the loans that do not meet Farmer Mac's eligibility criteria for technical reasons. On that basis, upon final due diligence, Farmer Mac believes it will be able to provide Equitable with a combined offer to purchase up to \$797.4 million in principal amount of loans. The purchase price for the Farmer Mac eligible ag mortgages is estimated to range from approximately 105.5% to 106.5% of par, depending on several key assumptions, including

loan quality and the related guarantee fee requirement; the level of the servicing fee; and the assumed prepayment speed of the loans. We estimate that the price offered by our partner for the Farmer Mac ineligible loans would be at a premium to par similar to our own, depending on the characteristics of the loans actually purchased. Should Equitable select the whole loan option, we would be prepared to provide a single combined bid for the portfolio and act as principal for our partner. Our valuation methodology is based on discounting of the loan cash flows based on U.S. Treasury yields, market spreads and market volatility as of October 31, 2001, with interest at the pass-through rate (net of all servicing fees, guarantee fees and trustee fees). Based on a preliminary review of the loan credit criteria, we have assigned a loan level guarantee fee of 40-50 basis points, which results in a weighted-average guarantee fee rate of 47.7 basis points. Based upon final due diligence, the final weighted-average guarantee fee rate could be lower, which would enhance the valuation. We used a servicing fee rate of 40 basis points, based upon your input, and a trustee/administrative fee of 2.5 basis points. If the servicing fee were set at 30 basis points, the valuation estimate would be 105.8% to 106.8%.

For prepayment speed assumptions, we evaluated various CPR assumptions ranging from 10% to 13% for loan groups having different prepayment provisions. Yesterday, you provided us with summary data on prepayment speeds that led us to make these assumptions. Subsequently, you also provided raw data on Equitable's loan payment histories. To the extent that our analysis of that data during the time between now and our submission of a final bid changes our assumptions, we shall so indicate. In any event, if Farmer Mac's is chosen as the purchaser of the ag loans as a whole loan transaction, we shall provide you with loan level pricing prior to commencing due diligence.

We have been unable to confirm the historical prepayment speed of the Equitable portfolio; accordingly, it is unclear how accurate these hypothetical prepayment speed assumptions are. We understand that Equitable does not wish to provide a guarantee of prepayment speed or stated cash flows or to provide a corporate level yield maintenance agreement for prepayments above a certain speed, or perhaps at 0%. Nevertheless, we note that if such agreement were to be available, Farmer Mac would be willing to purchase the eligible ag mortgages at a valuation above the higher end of our range of valuation estimates.

2. Certificated Swap Proposal

A Certificated Swap represents the sale of all Farmer Mac eligible loans (including eligible participation interests in certain larger loans) and the purchase by Equitable of SEC-registered or privately placed Farmer Mac guaranteed securities representing a 100% beneficial interest in such loans. The Farmer Mac guaranteed security would afford Equitable a reduction in its risk-based capital requirement from 3.00% on the whole loans to 0.30% on the Farmer Mac guaranteed securities.

The table below summarizes a Farmer Mac certificated swap transaction, in which Equitable would exchange the ag mortgages for a Farmer Mac guaranteed security backed by those loans and their cash flows, net of fees. The loan eligibility and Guarantee Fee rate are determined as in the whole loan purchase. In addition, our partners stand ready to purchase the loans not included on eligibility grounds. We assume the servicing would likely be retained in its current form, but at the 40 basis point fee level you requested that we use. The final valuation of the swap would be largely a function of Equitable's internal assumptions of prepayment expectations or other proprietary assumptions. We believe Equitable is in the best position to judge these variables and may therefore be able to justify more aggressive prepayment (e.g., 8.5%) and other assumptions to achieve the highest possible valuation of the Farmer Mac guaranteed securities it would receive in a swap.

	Certificated Swap
Farmer Mac Qualified Par Amount (\$Mil.)	643.0
Farmer Mac Partner Eligible Par Amount (\$Mil.)	154.4
Total Par Amount (\$Mil.)	797.4
Guarantee Fee (wtd. avg. bp)	47.7
Servicing Fee (bp)	40
Valuation (%) on Farmer Mac Qualified Amount	105.5-106.8
CPR %	8.5-13
Sub %	N/A

The securitization of the loans in this transaction alternative would permit Equitable to mark the securities received to market and book a gain for the premium valuation, based largely upon assumptions it controls and advice from Morgan Stanley as to trading levels of Farmer Mac guaranteed securities. If Equitable does not need to generate cash, this alternative may well provide the best means of achieving the highest possible gain, while minimizing the impact upon Equitable's existing asset and liability management and not exposing Equitable to reinvestment risk on the proceeds from an entirely cash sale. Farmer Mac would also stand ready to purchase

all or a portion of the certificates based on similar assumptions to those we made in valuing a whole loan purchase.

While there would be no rating or related fee required on the Farmer Mac guaranteed security, Equitable would be subject to legal and accounting fees for structuring and validating the transaction, estimated at approximately \$50,000, plus SEC registration fees of approximately 3 basis points on the principal balance of the guaranteed securities

3. Credit Risk Transfer Proposal (Pool Guarantee)

A Pool Guarantee is Farmer Mac's Long-Term Standby Purchase Commitment through which Farmer Mac agrees to purchase any Farmer Mac eligible ag mortgages upon default by the borrower. This alternative provides a reduction in the loan risk-weighting and capital requirements comparable to a certificated swap, but does not provide sale treatment for the loans or recognition of a gain.

This table summarizes a pool guarantee. The loan eligibility and guarantee fee rate are determined as set forth in the whole loan purchase proposal.

	Pool Guarantee
Farmer Mac Qualified Par Amount (\$Mil.)	643.0
Farmer Mac Partner Eligible Par Amount (\$Mil.)	154.4
Total Par Amount (\$Mil.)	797.4
Guarantee Fee (wtd. avg. bp)	47.7
Servicing Fee (bp)	40
Valuation (%) on Farmer Mac Qualified Amount	N/A
CPR %	N/A
Sub %	N/A

**4. Senior/Subordinated Structured Transaction Proposal
(issuance by Equitable, Morgan Stanley or Farmer Mac Trust)**

Farmer Mac would participate in the structuring of a senior/subordinated transaction, using Farmer Mac’s agricultural mortgage-backed securities (“AMBS”) shelf registration (or a private placement), resulting in Farmer Mac issuing its guarantee with respect to a security that is the tranche backed only by Farmer Mac eligible loans (except with respect to any subordinated interest).

This table summarizes a senior/subordinated structure in which Equitable sells for cash or exchanges the eligible ag mortgages for a Farmer Mac guaranteed senior security backed by those loans and their cash flows, net of fees, and creates a subordinated, unguaranteed security backed by those loans, which it may sell or retain. The senior security could be sold to Farmer Mac in a private transaction or to investors in a public registered sale. The loan eligibility and guarantee fee rate are determined as set forth in the whole loan purchase proposal. Based on preliminary analysis, we estimate that the Farmer Mac guarantee fee on the senior security could be as low as 32 basis points and that the subordinated percentage would range from 3% to 6%, subject to final due diligence. A description of the general loan credit characteristics that will drive the level of required subordination to achieve this reduced guarantee fee can be found under the heading “Criteria for Subordination Level,” above. We assume the servicing would likely be retained in its current form at the 40 basis point fee level. The exclusion or inclusion of ag mortgages that were previously delinquent or involved in bankruptcy proceedings would also be a factor that would affect the final level of subordination within the 3-6% range. The final valuation of the senior and subordinated securities would be determined by Morgan Stanley.

Senior/Sub		
Farmer Mac Qualified Par Amount (\$Mil.)	Senior 623.7-604.4	Sub 19.3-38.6
Farmer Mac Partner Eligible Par Amount (\$Mil.)	N/A	N/A
Total Par Amount (\$Mil.)		
Guarantee Fee (wtd. avg. bp)	32	N/A
Servicing Fee (bp)	40	40
Valuation (%) on Farmer Mac Qualified Amount	TBD by MS	TBD by MS
CPR %	TBD by MS	TBD by MS
Sub %	3-6	3-6

While there would be no rating or related fee required on the Farmer Mac guaranteed security, Equitable would be subject to legal and accounting fees for structuring and validating the

transaction, estimated at approximately \$50,000, plus SEC registration fee of approximately 3 basis points on the principal balance of the senior guaranteed securities

**5. Wrap Guarantee Proposal of Public Security
(issuance by Morgan Stanley or Equitable)**

Farmer Mac will guarantee a publicly issued security that is the tranche backed only by Farmer Mac eligible loans (except with respect to any subordinated interest). The transaction would be developed by Morgan Stanley and Equitable, and reviewed by Farmer Mac.

	Wrap Guarantee	Sub
Farmer Mac Qualified Par Amount (\$Mil.)	Senior 643.0	154.4
Farmer Mac Partner Eligible Par Amount (\$Mil.)	N/A	N/A
Total Par Amount (\$Mil.)	643.0	154.4
Guarantee Fee (wtd. avg. bp)	47.7	N/A
Servicing Fee (bp)	40	40
Valuation (%) on Farmer Mac Qualified Amount	TBDD by MS	TBDD by MS
CPR %	TBDD by MS	TBDD by MS
Sub %	N/A	N/A

This table summarizes the wrap guarantee transaction, in which Equitable would securitize eligible ag mortgages and obtain a Farmer Mac guarantee on securities it plans to sell, which may or may not also include a subordinated security. The loan eligibility would be as determined as in the whole loan purchase, but the guarantee fee rate would be reduced to take a lower actuarial loss expectation into account. We assume the servicing would likely be retained in its current form and fee level. The final valuation of the guaranteed security would be determined by Morgan Stanley.

6. Par Purchase I/O Combination

Farmer Mac would be prepared to securitize and purchase the entire qualified loan pool for par and deliver back to Equitable an interest-only strip the value of which would be related to Farmer Mac's blended cost of capital and Equitable's own internal prepayment assumptions. This transaction would afford Equitable the opportunity to generate cash for the majority of the portfolio value while recognizing a gain for accounting purposes equal to the value of the interest-only strip, based on Equitable's internal prepayment assumptions and proprietary knowledge of the loans in the portfolio and without requiring Farmer Mac (or any other party to the transaction) to make such assumptions. We estimate that the weighted average I/O strip across the Farmer Mac eligible loans would be approximately 2.0%. The actual I/O strip, however, would be determined on a loan-by-loan basis. We estimate that, depending on Equitable's prepayment and valuation assumptions, Equitable could book a gain of 5.3% to 6.8% for the value of the I/O strip.

	Par Purchase with I/O Strip
Farmer Mac Qualified Par Amount (\$Mil.)	643.0
Farmer Mac Partner Eligible Par Amt (\$Mil.)	154.4
Total Par Amount (\$Mil.)	797.4
Guarantee Fee (wtd. avg. bp)	47.7
Servicing Fee (bp)	40
I/O est. (%)	2.0-2.15
I/O Estimated Value (%)	5.5-6.8

This transaction would require review by Equitable's independent auditors as necessary to confirm the specific accounting treatment, valuation and gain recognition.

Alternative Structures

7. Loan Pools by Rate Type and Coupon Range

You have asked us to consider alternate structures for both a whole loan purchase and a certificated swap based on loan pools grouped by rate type (i.e., fixed or adjustable), reset interval and coupon ranges that you provided. All other assumptions regarding fees remain the same as in the single pool whole loan purchase and certificated swap proposals. We have included below your loan pool definitions and a table of values by loan pool. As you will note, the sum of these individual pools equals the combined lower-side valuation we have provided for

the whole loan purchase proposal. Values for the higher side would be commensurately greater. We would be pleased to entertain purchases or swaps of any individual pools, pool groups or all pools combined on this basis.

**AXA Financial/Equitable Life
Certificated Swap**

<u>Tranche</u>	<u>Coupon</u>	<u># of Loans</u>	<u>Current Balance</u>
Fixed Rate			
A-1	5.5%	3	7,635,800.00
B-1	6.0%	31	39,330,091.28
C-1	6.5%	202	118,631,860.56
D-1	7.0%	174	83,875,298.18
E-1	7.5%	132	75,684,971.36
F-1	8.0%	151	16,474,355.58
G-1	8.5%	73	7,500,288.18

<u>Variable Rate</u>			
A-1	5.5%	0	0.00
B-1	6.0%	37	17,279,897.88
C-1	6.5%	38	17,228,865.02
D-1	7.0%	0	0.00
E-1	7.5%	13	15,556,587.07
A-2	5.5%	10	5,596,669.43
B-2	6.0%	102	37,614,200.83
C-2	6.5%	26	19,165,357.44
D-2	7.0%	56	17,396,144.24
E-2	7.5%	18	11,126,997.79
A-3	5.5%	52	26,999,259.38
B-3	6.0%	0	0.00
C-3	6.5%	86	48,408,859.15
D-3	7.0%	129	34,008,138.65
E-3	7.5%	49	21,360,312.42

<u>Loan Type</u>	<u>Tranche</u>	<u>Face Amount</u>	<u>Valuation Percent</u>
ARM	A-2	6,689,396	104.1
	A-3	30,095,340	104.5
	B-1	17,888,187	100.8
	B-2	38,027,756	103.0
	B-3	3,449,467	105.8
	C-1	16,910,152	101.3
	C-2	21,621,902	102.7
	C-3	50,033,445	104.7
	D-2	17,667,516	103.8
	D-3	33,281,809	103.3
	E-1	19,353,958	101.9
	E-2	11,014,613	104.9
	E-3	22,205,957	106.9
ARM Total		288,239,499	103.6
FRM	B-1	41,188,430	104.7
	C-1	121,597,284	106.6
	D-1	92,939,168	108.1
	E-1	76,382,118	107.9
	F-1	16,292,007	106.0
	G-1	7,029,313	105.4
	A-1	7,540,600	103.8
FRM Total		362,968,920	106.9
Grand Total		651,208,419	105.5

8. Loan Pools by Rate Type and Prepayment Provision

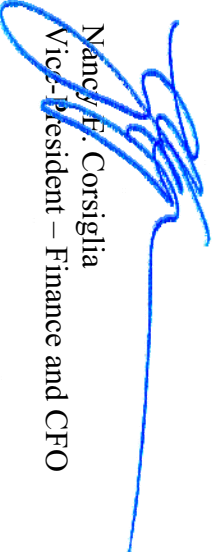
We would also propose that you consider structuring the loan pools by rate type (i.e., fixed or adjustable) and prepayment provision. All other assumptions regarding fees remain the same as in the single pool whole loan purchase and certificated swap proposals. We have also shown a table of values by such loan pools. As you will note, the sum of these individual pools equals the combined lower-side valuation we have provided for the whole loan purchase proposal. Values for the higher side would be commensurately greater. We would also be prepared to tranche the pools further by coupon ranges if you desire. We would be pleased to entertain purchases or swaps of any individual pools, pool groups or all pools combined on this basis.

<u>Loan Type</u>	<u>Prepayment Protection</u>	<u>Face Value</u>	<u>Valuation Percent</u>
ARM	ARM - Prepay Provision	109,168,828	104.9
	ARM - Yield Maintenance	9,984,120	101.8
	ARM - Open Prepay	91,771,768	102.0
	ARM - Prepay W/ Penalty	77,314,783	104.1
ARM Total		288,239,499	103.6
FRM	FRM - Prepay W/ Penalty	2,058,742	105.3
	FRM - Open Prepay	29,096,004	103.0
	FRM - Prepay Provision	331,047,877	107.3
	FRM - Yield Maintenance	766,298	104.3
FRM Total		362,968,920	106.9
Grand Total		651,208,419	105.5

Conclusion

Farmer Mac appreciates your consideration of this revised proposal of alternative transactions for the Equitable ag mortgage portfolio and would be pleased to discuss any details set forth in this letter in greater detail. Upon Equitable's decision to proceed with any of Farmer Mac's proposed transactions, we would be pleased to discuss Farmer Mac's loan level assumptions prior to commencing due diligence. We look forward to working with you as this project advances into its final phase.

Very truly yours,



Nancy F. Corsiglia
Vice-President – Finance and CFO

NEC:ngw



Federal Agricultural Mortgage Corporation
919 Eighteenth Street, N.W.
Washington, D.C. 20006
(202) 872-7700 FAX 872-7713

November 8, 2001

Mr. Spencer C. Young, III
Executive Director
Morgan Stanley Dean Witter
1585 Broadway
New York, New York 10036

Re: Equitable Agricultural Mortgage Portfolio

Dear Spencer:

We at the Federal Agricultural Mortgage Corporation ("Farmer Mac") are pleased to have the opportunity to submit this response to the request of Morgan Stanley Dean Witter ("Morgan Stanley") for indications of the terms and conditions upon which we would enter into transactions in connection with a portfolio of agricultural mortgage loans ("the ag mortgages") currently held in portfolio by Morgan Stanley's client, The Equitable Life Assurance Society ("Equitable").

In accordance with discussions we have had on a number of occasions with you, your colleagues at Morgan Stanley, and representatives of Equitable, we present herein our indicative pricing and other terms and conditions with respect to the ag mortgages for each of the following alternative transactions:

1. a "whole loan" purchase proposal, under which we would purchase for cash all of the ag mortgages that meet our eligibility criteria;
2. a "certificated swap" proposal, under which we would exchange marketable Farmer Mac guaranteed securities for all of the ag mortgages that meet our eligibility criteria;
3. a "credit risk transfer" or pool guarantee proposal, under which we would agree to purchase any defaulted loan in a defined group constituting all of the ag mortgages that meet our eligibility criteria, held on the books of Equitable;
4. a "senior/subordinated" structured security proposal, under which a senior security, backed by all of the ag mortgages that meet our eligibility criteria,

would be issued and the timely payment of principal and interest thereon guaranteed by Farmer Mac, and a subordinated security, not guaranteed by Farmer Mac, would be issued by Equitable or Morgan Stanley, with all issued securities sold by Morgan Stanley for the benefit of Equitable or retained by Equitable; and

5. a “wrap guarantee” proposal, under which a security, backed by all of the ag mortgages that meet our eligibility criteria, would be issued and the timely payment of principal and interest thereon would be guaranteed by Farmer Mac, with all issued securities sold by Morgan Stanley for the benefit of Equitable or retained by Equitable.

In addition to the preceding five alternatives, we have developed one other variation that might be of particular value to Equitable:

6. a par purchase and interest-only strip combination, in which Farmer Mac would buy the par component of the loans and Equitable would retain an interest-only strip representing the above-market yield on the ag mortgages that could be valued to provide a gain but also give Equitable the economic benefit of its superior knowledge of the ALM characteristics of the ag mortgage portfolio.

Based upon information that has been provided to Farmer Mac by Morgan Stanley and Equitable through this date, this letter sets forth our best efforts at framing transaction alternatives that we would be prepared to finalize with you, pending our receipt of additional facts and execution parameters from you and negotiations with you consistent therewith and with the indications set forth below; it should not, however, be considered an offer subject to acceptance.

Before proceeding to describe our several proposals, we think it would be useful to specify the assumptions and conditions we have established in connection with the preparation of these proposals. Lettered continuously for convenience, they are as follow:

Assumptions

- A. All valuations include cash flows on the \$643.0 million of ag mortgages identified as “Included” in the data attachment and exclude accrued interest through January 1, 2002;
- B. “Loan Amortization” and “Loans Maturing” of \$22.6 million combined refers to the scheduled principal payments on the ag mortgages and maturities through January 1, 2002, based upon the timely receipt of those payments through January 1, 2002, which have been excluded from the cash flows;

- C. "Loans that do not qualify" are ag mortgages with acreage or principal balances that do not conform to Farmer Mac's statutory eligibility requirements, or which were rejected as a result of previous Farmer Mac due diligence;
- D. A Cut-off Date of January 1, 2002 was used (cash flows exclude January 1, 2002 payments scheduled to be received on the cut-off date, adjustable-rate ag mortgages were treated as balloons on their next reset date);
- E. Ag mortgages that were previously bankrupt or delinquent were included with no servicing management fee surcharge; such surcharges may be required based upon due diligence or the loans may be excluded;
- F. Scheduled maturity dates were not provided in the ag mortgage database; such dates were estimated by amortizing the scheduled fixed principal payments to zero and saving the dates;
- G. Adjustable-rate ag mortgages having reset dates from November 1, 2001 through January 1, 2002 were assumed to mature on the next scheduled reset dates through January 1, 2002, as indicated by the database and are excluded from the cash flows;
- H. Yield maintenance loans having a prepayment privilege option without penalty have a privilege expressed as a percentage of original loan amount, which consequently grows as a percent of the outstanding balance;
- I. The current 50 basis point servicing fee was assumed if servicing is retained by Lend Lease Ag under the existing servicing arrangement;
- J. A 30 basis point servicing fee is assumed if the portfolio is sold servicing released;
- K. The Guarantee Fee rate was determined using two alternative methods:
 - 1. on a loan level basis ranging from 40 to 50 basis points according to loan quality for a 100% whole loan purchase or 100% senior security structure; and
 - 2. on a single pool level rate across all loans in the senior security for a senior/subordinated structure;
- L. Treasury yields and market spreads are as of October 31, 2001;
- M. Transaction timing by transaction type is estimated as follows:

1. For all transaction types, due diligence is expected to take approximately two weeks to complete, assuming complete and clear loan files in standardized format; we are available to commence the process during the first week of December 2001;
2. For Whole Loan Purchase and Pool Guarantee, transaction documentation is expected to require less than one week to complete, exclusive of due diligence time;
3. For a Wrap Guarantee, Farmer Mac documentation is expected to take 2-3 days; SEC registration may take more time, depending on whether Farmer Mac's registration statement is used;
4. For a Senior/Subordinated Structure, Farmer Mac would expect to need 2-3 days to review security documents after such documents have been drafted by counsel to the issuer, with a potential 2 months of additional SEC turnaround time, if Farmer Mac shelf registration statement is not used.

Conditions

- N. All cash flows shall be tied out among the parties prior to consummation of the transaction;
- O. Loan inclusion is subject to Farmer Mac due diligence relative to assumptions;
- P. Guarantee fee rate is subject to Farmer Mac due diligence;
- Q. Prepayment Assumptions are made in the alternative:
 1. Use of a 0% constant prepayment rate ("CPR") assumption will require Equitable to provide either a CPR guarantee or corporate level yield maintenance agreement as to any prepayments on all loans that meet our eligibility criteria under a Farmer Mac guarantee; and
 2. Use of other CPR assumptions must be validated through data based upon Equitable's experience, in form and substance acceptable to Farmer Mac;
- R. Assumptions as to interest rate resets on loans must be verified by Equitable;

- S. All other assumptions as to loan level must be verified by Equitable;
- T. Valuations shall be updated, based on final portfolio composition and validated assumptions, U.S. Treasury yields and market spreads at time of consummation;
- U. A reduced, 32 basis point guarantee fee will be available if the guaranteed securities are senior securities in a senior/subordinated structure with a subordination level determined by Farmer Mac, based upon additional information (estimated at 3-6%);
- V. Standard Farmer Mac representations and warranties will be required;
- W. Special representations and warranties with respect to yield maintenance loans will be required:
 - 1. Yield maintenance provisions of ag mortgages are valid and binding obligations of the borrower, enforceable under applicable law in accordance with their terms;
 - 2. The servicer will use its best efforts to collect in full the yield maintenance adjustment due upon any prepayment; and
 - 3. The borrower will not be refinanced by Equitable, the servicer or any other party for whom Equitable or the servicer acts, without payment in full of the yield maintenance adjustment due upon any prepayment.

Also included are three appendices to this letter, addressing each of these items for all bid types, as well as other information and data we feel are relevant to our bid. They are as follows:

- Appendix I. List of loans considered;
- Appendix II. List of Farmer Mac eligible loans; and
- Appendix III. List of Farmer Mac ineligible loans and reasons therefor.

Criteria for Subordination Level

To obtain a subordination level of 3-6% of the total pool, the following types of loans will most likely be excluded from the pool:

1. Loans with LTV greater than 70% (and greater than 60% if original UPB is greater than \$2.75 million).
2. Previously delinquent and bankrupt loans (except when previously delinquent and bankrupt loans have a sufficiently low LTV).
3. Loans that do not meet Farmer Mac's general Underwriting Standards and have:
 - a. Debt/Asset Ratio > 50%; or
 - b. Total Debt Coverage Ratio < 1.25:1; or
 - c. Property Debt Coverage Ratio < 1.0:1; or
 - d. Loan to Value Ratio > 70%.
4. Loans secured by properties not eligible as security for Farmer Mac loans.
5. Ag mortgages secured by agricultural "facilities," e.g., poultry coops, that do not meet Farmer Mac's facility underwriting standards.

**Equitable Ag Portfolio Indicative Valuations
November 8, 2001
Summary of Valuation Scenarios**

	Whole Loan		Certificated Swap	Pool Guarantee	Senior/ Subordinated		Wrap Guarantee	
Farmer Mac Qualified Par Amount (\$Mil.)	643.0	643.0	643.0	643.0	Senior 623.71- 604.42	Sub 19.29- 38.58	Senior 643.0	Sub 154.4
Farmer Mac Partner Eligible Par Amt (\$Mil.)	154.4	154.4	154.4	154.4	Unguar- anteed 154.4		N/A	N/A
Total Par Amount (\$Mil.)	797.4	797.4	797.4	797.4			643.0	154.4
Guarantee Fee (wtd. avg.)	47.7	47.7	47.7	47.7	32	N/A	47.7	N/A
Servicing Fee (bp)	30	50	50	50	50	50	50	50
Valuation (%) on Farmer Mac Qualified Amount	106.5- 108.0	106.0- 107.5	106.5- 108.5	N/A	TBD by MS	TBD by MS	TBD by MS	TBD by MS
CPR %	0-10	0-10	0-10	0-10	TBD by MS	TBD by MS	TBD by MS	TBD by MS
Subordinated %	N/A	N/A	N/A	N/A	3-6	3-6	N/A	N/A

1. Whole Loan Purchase Proposal

This table summarizes Farmer Mac's whole loan purchase indication.

	Whole Loan Purchase	
Farmer Mac Qualified Par Amount (\$Mil.)	643.0	643.0
Farmer Mac Partner Eligible Par Amt (\$Mil.)	154.4	154.4
Total Par Amount (\$Mil.)	797.4	797.4
Guarantee Fee (wd. avg. bp)	47.7	47.7
Servicing Fee (bp)	30	50
CPR %	0-10	0-10
Valuation (%) on Farmer Mac Qualified Amount	106.5-108.0	106.0-107.5
Sub %	N/A	N/A

For a whole loan purchase, you have also requested that we provide the following information:

- whether our indicative price is subject to due diligence;
- which ag mortgages are included in the transaction;
- which ag mortgages are excluded from the transaction and why;
- conditions for purchase of the ag mortgages;
- assumptions we made in formulating our proposal(s);
- our timeframe for closing; and
- whether our bid is servicing retained or released.

This information is set forth above and in the attachments, and is discussed in more detail below.

Farmer Mac has identified a principal balance of \$797.4 million in loans that will remain outstanding and available for purchase as of January 1, 2002, after January 1, 2002 payments and maturities. Subject to due diligence, we believe \$643.0 million of this amount would meet Farmer Mac's criteria to be considered eligible for our guarantee. The remaining \$154.4 million appear to be ineligible due to Farmer Mac's statutory size/acreage limitations; or are currently delinquent; or were rejected due to quality problems identified by Farmer Mac during a previous due diligence review. It is possible that upon final due diligence, Farmer Mac may determine that some of these loans are eligible for re-inclusion. In addition, we have business partners who have expressed interest in purchasing the loans that do not meet Farmer Mac's eligibility criteria for technical reasons. On that basis, upon final due diligence, Farmer Mac believes it will be able to provide Equitable with a combined offer to purchase up to \$797.4 million in principal

amount of loans. The purchase price for the Farmer Mac eligible ag mortgages is estimated to range from approximately 106% to 108% of par, depending on several key assumptions, including loan quality and the related guarantee fee requirement; the level of the servicing fee; and the assumed prepayment speed of the loans. We estimate that the price offered by our partner for the Farmer Mac ineligible loans would be a premium to par near our own price range estimate. Our valuation methodology is based on discounting of the loan cash flows based on U.S. Treasury yields and market spreads as of October 31, 2001, with interest at the pass-through rate (net of all servicing fees, guarantee fees and trustee fees). Based on a preliminary review of the loan credit criteria, we have assigned a loan level guarantee fee of 40-50 basis points, which results in a weighted-average guarantee fee rate of 47.7 basis points. Based upon final due diligence, the final guarantee fee rate could be lower, which would enhance the valuation. We have evaluated two servicing scenarios: (i) Lend Lease Ag retains the servicing at the current 50 basis point servicing fee rate, and (ii) the loans are sold servicing released and the servicing fee is reduced to 30 basis points. A lower servicing fee enhances the valuation. The trustee fee is 2.5 basis points in both cases. For prepayment speed assumptions, we evaluated various CPR assumptions ranging from 0% to 10% for loan groups having different prepayment provisions. We have been unable to determine the historical prepayment speed of the Equitable portfolio; accordingly, it is unclear how accurate/realistic these hypothetical prepayment speed assumptions are. If historical prepayment experience can be shown to be at the slower end of this range then the resulting valuation will be in the upper end of our estimated range. If the experience shows the opposite, then the converse is true. The prepayment speed assumption has the greatest impact on valuation, while changes to the servicing fee and guarantee fee affect valuation to a lesser extent. Alternatively, if Equitable cannot provide definitive historical experience, but has an internal confidence level with regard to expected prepayment speeds, it may wish to provide a guarantee of prepayment speed/cash flows or provide a corporate level yield maintenance agreement for prepayments above a certain speed, or perhaps at 0%. Based on any such agreement, Farmer Mac would be willing to purchase the eligible ag mortgages at the higher end of our range of valuation estimates.

2. Certified Swap Proposal

A Certificated Swap represents the sale of all Farmer Mac eligible loans (including eligible participation interests in certain larger loans) and the purchase by Equitable of SEC-registered or privately placed Farmer Mac guaranteed securities representing a 100% beneficial interest in such loans. The Farmer Mac guaranteed security would afford Equitable a reduction in its risk-based capital requirement from 3.00% on the whole loans to 0.30% on the Farmer Mac guaranteed securities.

The table below summarizes a Farmer Mac certificated swap transaction, in which Equitable would exchange the ag mortgages for a Farmer Mac guaranteed security backed by those loans and their cash flows, net of fees. The loan eligibility and guarantee fee rate are determined as in the whole loan purchase. In addition, our partners stand ready to purchase the loans not included on eligibility grounds. We assume the servicing would likely be retained in its current form. The final valuation of the swap would be largely a function of Equitable's internal assumptions of prepayment expectations. We believe Equitable is in the best position to judge and therefore accept this risk and could therefore justify the highest possible valuation of the Farmer Mac guaranteed securities it would receive in a swap.

	Certificated Swap
Farmer Mac Qualified Par Amount (\$Mil.)	643.0
Farmer Mac Partner Eligible Par Amount (\$Mil.)	154.4
Total Par Amount (\$Mil.)	797.4
Guarantee Fee (wtd avg. bp)	47.7
Servicing Fee (bp)	50
Valuation (%) on Farmer Mac Qualified Amount	106.5-108.5
CPR %	0-10
Sub %	N/A

The securitization of the loans in this transaction alternative would permit Equitable to mark the securities received to market and book a gain for the premium valuation, based largely upon assumptions it controls and advice from Morgan Stanley as to trading levels of Farmer Mac guaranteed securities. If Equitable does not need to generate cash, this alternative may well provide the best means of achieving the highest possible gain, while minimizing the impact upon Equitable's existing asset and liability management and not exposing Equitable to reinvestment risk on the proceeds from an entirely cash sale.

3. Credit Risk Transfer Proposal (Pool Guarantee)

A Pool Guarantee is Farmer Mac's Long-Term Standby Purchase Commitment through which Farmer Mac agrees to purchase any Farmer Mac eligible ag mortgages upon default by the borrower. This alternative provides a reduction in the loan risk-weighting and capital requirements comparable to a certificated swap, but does not provide sale treatment for the loans or recognition of a gain.

This table summarizes a pool guarantee. The loan eligibility and guarantee fee rate are determined as set forth in the whole loan purchase proposal.

	Pool Guarantee
Farmer Mac Qualified Par Amount (\$Mil.)	643.0
Farmer Mac Partner Eligible Par Amount (\$Mil.)	154.4
Total Par Amount (\$Mil.)	797.4
Guarantee Fee (wtd. avg. bp)	47.7
Servicing Fee (bp)	50
Valuation (%) on Farmer Mac Qualified Amount	N/A
CPR %	N/A
Sub %	N/A

**4. Senior/Subordinated Structured Transaction Proposal
(Issuance by Equitable, Morgan Stanley or Farmer Mac Trust)**

Farmer Mac would participate in the structuring of a senior/subordinated transaction, using Farmer Mac’s agricultural mortgage-backed securities (“AMBS”) shelf registration (or a private placement), resulting in Farmer Mac issuing its guarantee with respect to a security that is the tranche backed only by Farmer Mac eligible loans (except with respect to any subordinated interest).

This table summarizes a senior/subordinated structure in which Equitable sells for cash or exchanges the eligible ag mortgages for a Farmer Mac guaranteed senior security backed by those loans and their cash flows, net of fees, and creates a subordinated, unguaranteed security backed by those loans, which it may sell or retain. The senior security could be sold to Farmer Mac in a private transaction or to investors in a public registered sale. The loan eligibility and guarantee fee rate are determined as set forth in the whole loan purchase proposal. Based on preliminary analysis, we estimate that the Farmer Mac guarantee fee on the senior security could be as low as 32 basis points and that the subordinated percentage would range from 3% to 6%, subject to final due diligence. A description of the general loan credit characteristics that will drive the level of required subordination to achieve this reduced guarantee fee can be found under the heading “Criteria for Subordination Level,” above. We assume the servicing would likely be retained in its current form at the existing fee level. The final valuation of the senior and subordinated securities would be determined by Morgan Stanley.

	Senior/Sub	
Farmer Mac Qualified Par Amount (\$Mil.)	Senior 623.71-604.42	Sub 19.29-38.58
Farmer Mac Partner Eligible Par Amount (\$Mil.)	N/A	N/A
Total Par Amount (\$Mil.)		
Guarantee Fee (wtd. avg. bp)	32	N/A
Servicing Fee (bp)	50	50
Valuation (%) on Farmer Mac Qualified Amount	TBD by MS	TBD by MS
CPR %	TBD by MS	TBD by MS
Sub %	3-6	3-6

While there would be no rating or related fee required on the Farmer Mac guaranteed security, Equitable would be subject to legal, accounting and registration expenses for structuring, validating and registering the transaction.

**5. Wrap Guarantee Proposal of Public Security
(issuance by Morgan Stanley or Equitable)**

Farmer Mac will guarantee a publicly issued security that is the tranche backed only by Farmer Mac eligible loans (except with respect to any subordinated interest). The transaction would be developed by Morgan Stanley and Equitable, and reviewed by Farmer Mac.

	Wrap Guarantee	
	Senior	Sub
Farmer Mac Qualified Par Amount (\$Mil.)	643.0	154.4
Farmer Mac Partner Eligible Par Amount (\$Mil.)	N/A	N/A
Total Par Amount (\$Mil.)	643.0	154.4
Guarantee Fee (wtd. avg. bp)	47.7	N/A
Servicing Fee (bp)	50	50
Valuation (%) on Farmer Mac Qualified Amount	TBD by MS	TBD by MS
CPR %	TBD by MS	TBD by MS
Sub %	N/A	N/A

This table summarizes the wrap guarantee transaction, in which Equitable would securitize eligible ag mortgages and obtain a Farmer Mac guarantee on securities it plans to sell, which may or may not also include a subordinated security. The loan eligibility would be as determined as in the whole loan purchase, but the guarantee fee rate would be reduced to take a lower actuarial loss expectation into account. We assume the servicing would likely be retained in its current form and fee level. The final valuation of the guaranteed security would be determined by Morgan Stanley.

Alternative Transaction

6. Par Purchase I/O Combination

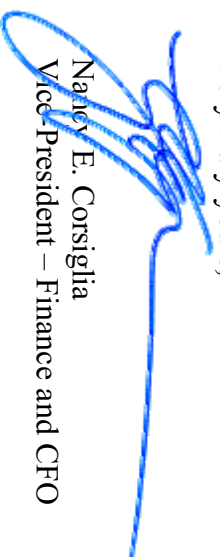
Farmer Mac would be prepared to securitize and purchase the entire qualified loan pool for par and deliver back to Equitable an interest-only strip the value of which would be related to Farmer Mac's blended cost of capital and Equitable's own internal prepayment assumptions. This transaction would afford Equitable the opportunity to generate cash for the majority of the portfolio value while recognizing a gain for accounting purposes equal to the value of the interest-only strip, based on Equitable's internal prepayment assumptions and proprietary knowledge of the loans in the portfolio and without requiring Farmer Mac (or any other party to the transaction) to make such assumptions..

This transaction would require review by Equitable's independent auditors as necessary to confirm the specific accounting treatment, valuation and gain recognition.

Conclusion

Farmer Mac appreciates your consideration of its proposal of alternative transactions for the Equitable ag mortgage portfolio and would be pleased to discuss any details set forth in this letter in greater detail. We have enjoyed working with you in this thought-provoking initial stage of this process and look forward to working with you in the future.

Very truly yours,



Nancy E. Corsiglia
Vice-President – Finance and CFO

NEC:ngw
Atts.

Revised Indicative Bid from Farm Credit Bank of Wichita

Spencer, we have completed the recalculation of our bid on the Equitable portfolio based on new market information. Again, we have left the spread over Pay Fix Swap Equivalents at 180 basis points. Utilizing the data from the information sent to us, our revised bid is 104.77%. We need to make mention that the data has aged somewhat and the short maturities of some of the portfolio may be skewing the data slightly. As we discussed on the phone just now, this does not have a great impact, but we wanted you to be of aware of the situation.

Please call Greg or me anytime if you need further information.

Greg E. Somerhalder
Vice President
Farm Credit Bank of Wichita
Phone - (316) 266-5283
Fax - (316) 291-5011
greg.somerhalder@fcbw.com

November 2, 2001

CONFIDENTIAL

The Equitable Life Assurance
Society of the United States
1290 Avenue of the Americas
New York, NY 10105

Re: Proposal to Purchase Participation Interest In Loans

Ladies and Gentlemen:

We are pleased to provide the proposal of Farm Credit Bank of Wichita ("Farm Credit") subject to the terms and conditions set forth in this letter and in the Term Sheet referenced below, to purchase a 99.9% participation interest ("Participation Interest") in a portfolio of specific commercial real estate mortgage loans chosen based on Eligibility Criteria from a portfolio of offered loans as delivered to us by Email from Spencer Young on Monday, October 29, 2001 at 5:49 AM (the "Loans"). Our initial estimate of the loans which meet the Eligibility Criteria and which may be accepted on a case-by-case basis would be \$726,525,381. The Participation Interest in the Loans, along with related servicing rights and obligations, would be purchased pursuant to a Loan Sale Participation Agreement.

Based upon our discussions and on the information you have provided to us to date, we are enclosing herewith a summary of terms and conditions (the "Term Sheet") which sets forth the principal terms on which Farm Credit is willing to purchase the Participation Interest in the Loans. You should understand that the Term Sheet does not purport to include all of the terms which will be contained in definitive documents for the transactions contemplated hereby, all of which must be satisfactory in form and substance to you and us and our respective counsel prior to proceeding with the proposed purchase of the Participation Interest in the Loans.

Although the Term Sheet contemplates our direct purchase of a Participation Interest in the Loans, we would also be willing to discuss and consider alternative structures for our proposed investment, including a potential investment in a securitization transaction.

Our willingness to proceed with the proposed purchase of the Participation Interest will be conditional upon (i) the preparation, execution and delivery of comprehensive purchase documentation acceptable to you and us, incorporating the terms and conditions set forth in the Term Sheet, and incorporating such other covenants, representations and warranties and conditions precedent as may be customary for transactions of this type or as may otherwise be required by us; (ii) the completion by us of a satisfactory due diligence review of the Loans and

November 2, 2001

Page 2

related files and historical data and such other matters as we deem appropriate, (iii) the successful negotiation of an acceptable servicing agreement with LendLease Agribusiness or another acceptable third party servicer and (iv) no material adverse changes in governmental regulation or policy affecting Farm Credit and no material changes or disruption in the financial or capital markets.

This proposal is available for your consideration until 5:00 PM New York Time on the 26th day of November, 2001 unless before such date you and we have executed definitive documents by which we will be given sole rights to continue further due diligence to finalize our bid as outlined or unless such time is extended in our sole and absolute discretion.

This letter and the Term Sheet are confidential and you may not disclose the terms of any such document, without our prior written consent, to any firm or entity other than your officers, directors and advisors, provided that in each case such persons also agree to abide by the confidentiality provisions hereof.

This letter and the Term Sheet is delivered with the specific understanding that it is not intended to give rise to any legal obligation or liability on the part of either you or us, but rather, merely constitutes a proposal to purchase the Participation Interest in the Loans as set forth herein.

We appreciate this opportunity and look forward to working with you.

Very truly yours,

Greg Reno
Vice President

**THE EQUITABLE LIFE ASSURANCE
SOCIETY OF THE UNITED STATES**

**PURCHASE OF PARTICIPATION INTEREST
IN REAL ESTATE LOANS
BY
FARM CREDIT BANK OF WICHITA**

SUMMARY OF TERMS AND CONDITIONS

This term sheet does not constitute an offer to buy the Loans described herein. It has been prepared for discussion purposes only.

Sale of Loan Participation:

Farm Credit Bank of Wichita (“Purchaser”) proposes to purchase from The Equitable Life Assurance Society of the United States (“Seller”) an undivided 99.9% participation interest (the “Participation Interest”) in a portfolio of specific commercial real estate mortgage loans chosen based on Eligibility Criteria (as defined herein) from a portfolio of offered loans as delivered to us by Email from Spencer Young on Monday, October 29, 2001 at 5:49 AM (the “Loans”). The Participation Interest in the Loans, along with related servicing rights and obligations, would be purchased pursuant to Loan Sale Participation Agreement (the “Participation Agreement”).

Purchase Price:

105.825% of the aggregate contractually scheduled principal payments on the Loans from and after the Cut-Off Date (as defined below). The proposed purchase price was determined based upon the following assumptions:

- A per annum rate of return to Purchaser equal to One Hundred Eighty (180) basis points over the interpolated pay fix Swap Rate equal to the weighted average maturity of the Loan portfolio.
- Final purchase price to be established 2 days prior to Cut-Off Date.
- The offer is contingent on the verification of the prepayment covenants.

Loan Servicing:

Purchaser will acquire all rights and obligations with respect to the servicing of the Loans, including physical possession of all original documents comprising the loan files and copies of all electronic files or data containing historical information with respect to the Loans. Purchaser reserves the right to transfer or assign its servicing obligations to a third party (such servicer of the loans being referred to herein as the "Servicer"). The rights and obligations of Servicer shall be set forth in a Loan Servicing Agreement.

Collection Account:

All payments received with respect to each Loan, including scheduled principal, interest, prepayments, fees etc., will be deposited into a segregated Collection Account maintained by Servicer. All collections on the Loans will be remitted pro rata to Purchaser in accordance with its Participation Interest and Seller in accordance with its Retained Interest on a date or dates to be mutually determined by the parties.

Cut-Off Date:

The date fixed for terminating the Seller's right to collections on the Loans (other than with respect to its Retained Interest).

Eligibility Criteria:

All Loans will be secured by a first priority lien on the related real estate, improvements and fixtures and the ratio of the principal balance of each Loan to the value of the real estate collateral securing said Loan will not exceed 70%.

All Loans shall have a current principal balance not exceeding \$9.0 million. Purchaser is willing to explore purchase of loans greater than \$9.0 million on a case-by-case basis.

All Loans will meet the eligibility criteria for Farmer Mac Guarantees. Purchaser is willing to explore purchase of assets not meeting the Farmer Mac Guarantee criteria on a case-by-case basis.

All loans are eligible to be purchased by Purchaser under its existing participation lending authority.

All Loans will not be more than 60 days delinquent as of the Cut-Off Date or have had a history of slow payments.

No Borrower, or any affiliate thereof, under any Loan shall have previously declared or sought bankruptcy protection or currently be seeking bankruptcy protection or instituting insolvency proceedings.

All Loans shall be a valid and binding obligation of each Borrower.

Due Diligence:

All Loans and related files and historical loan data shall have been subjected to a satisfactory due diligence review by Purchaser and Purchaser shall be satisfied, among other things: (i) with collateral values and adequacy of property appraisals, (ii) that its prepayment assumptions are accurate and conform to the Loan documentation and (iii) that each loan file contains such customary documentation, including surveys, appraisals and title insurance policies, as is ordinarily obtained by prudent lenders providing credit of a similar nature.

Representations and Warranties

Seller will be asked to make certain representations and warranties regarding the Loans, including, but not limited to, that: (i) said Loans meet the eligibility criteria set forth above and (ii) each Loan shall have been issued in a transaction which complied, and is in compliance in all material respects, with all requirements of applicable federal, state and local laws, including those related to usury, truth-in-lending, land sales, consumer credit and disclosure laws. Seller will be required to repurchase any Loan which is adversely affected by a breach of such representations and warranties.

Legal Opinions:

Customary legal opinions will be provided.

November 8, 2001

Spencer C. Young, III
Morgan Stanley
1585 Broadway
New York, NY 10036

Re: AXA/Equitable Agricultural Loan Portfolio – Open Block

Dear Spencer:

In response to your inquiry as to MetLife's interest in the acquisition of the approximately \$815 million agricultural mortgage loan portfolio held by The Equitable Life Assurance Society of the United States in its general account. We are pleased to submit the following parameters for your consideration:

Loans

1,492 first mortgage loans with a combined principal balance outstanding of \$818,484,030 as of August 1, 2001, as depicted in the summary provided to MetLife on October 24, 2001.

Closing

First quarter 2002.

Servicing

Subject to a satisfactory servicing agreement, servicing would be obtained by Lend Lease Agri-Business for one year after closing. Any extension of servicing would be at the discretion of MetLife. Equitable and Lend Lease would agree not to solicit new farm loan business from these borrowers for a reasonable period of time.

Price Range

102.0 % to 104.5% of combined outstanding principal balance at closing. This price range assumes servicing would be provided by Lend Lease at no cost to MetLife. Interest accrued to date of closing would also be paid at closing.

Conditions and Due Diligence

1. The price range assumes yields of U.S. Treasuries as of November 1, 2002 and that payments on all loans are current as of closing, including scheduled payments which will become due through closing. It also assumes that all loans maturing or subject to rate resets between August 1, 2001 and closing will be retained at market rates.
2. An updated database for re-pricing will be required. Final pricing will be subject to revisions based upon changes in the bond yields and changes in the loans as of closing, including principal reductions, non-scheduled rate adjustments and payments in full.
3. Review of all loan files including processes, appraisals, credit analysis, environmental assessments, accounting records and correspondence.
4. Satisfactory review of all documents for each individual loan including, but not limited to, deeds of trust, mortgages, notes, loan agreements, title insurance policies, UCC financing statements, security agreements, indemnity agreements and assignments, as well as proposed endorsements and assignments.
5. Verification and/or representation from Equitable that real estate taxes and assessments are current.
6. Satisfactory review of a listing of loans designated as "restructured" or "impaired" for statutory purposes.
7. Inspection of the security properties for the loans to be sold.
8. Verification of prepayment options contained in each loan.
9. MetLife at its sole discretion may exclude any loan for any of the following reasons:
 - LTV in excess of 80%
 - Past or present bankruptcy
 - Monetary defaults with a duration of 90 days or more
 - Foreclosure
 - Single Credit Exposure
 - Loans cross-defaulted or cross-collateralized with any loan not being purchased by MetLife
 - Loans in which the interest rate adjustment would be unreasonably limited by usury laws
10. Satisfactory representations and warranties.
11. Approval by the Investment Committee of MetLife's Board of Directors.

We anticipate a process in which a team of MetLife Agricultural Investment professionals are allowed access to all of the loan files for a detailed review. These individuals will determine which loan securities will be inspected. We do not anticipate an inspection of each property. Rather, we would inspect a sampling of loan securities based on geographic distribution, as well as the collateral for all larger loans, high LTV's, and problem loans. These inspections would be concurrent with our review of the files. For the most effective loan review, Lend Lease personnel should be available to guide us through the files and answer questions on individual loans. As you may expect, no obligation should exist on the part of either party unless and until a definitive, binding agreement has been executed by all parties.

We appreciate the opportunity to consider this purchase and look forward to your response by December 1, 2002 at which time our offer expires.

Very truly yours,

Darrell J. Smith
Vice President

DJS/jr

MONEY Indicative Bid

The following is our bid for a portion of the AXA/Equitable portfolio:

Scope:

Loans with yield maintenance (YM, YM100, YM150) call protection and principal outstanding at 8/1/01 of <\$750,000;

529 loans

Aggregate principal outstanding \$172,754,014.73 at 8/1/01

Purchase:

All scheduled cash flows on the above loans due after 1/1/02.

Based on OUR projected cash flows as generated from the data set provided, the principal purchased is \$166,140,244.04. Please note the difference between \$172.7M and \$166.1M is scheduled principal payments due on or before 1/1/01 and whole loan balances with maturities or resets scheduled on or before 1/1/01.

Indicative Price:

102% of the principal purchased. Please understand that because the valuation was determined using the schedule cash flow stream and corresponding payment dates, the price of 102% includes accrued interest as of the purchase date (but not interest due on or before the purchase date.)

Conditions:

Subject to verification of scheduled cash flows, review of payment history for selected loans, review of selected loan files and site inspection of certain identified loans. Loans to be purchased on a servicing released basis. This transaction requires investment committee approval.

Closing:

January 2, 2002

As I told you yesterday, it is very difficult to effectively formulate a bid for only a small part of the portfolio. We would be interested in bidding on any other group of loans with aggregate balance of \$50 to \$200 million if such loan pools arise during the course of bidding. We would also be interested in providing any form of mortgage accounting or servicing in connection with a securitization of the portfolio.

November 12, 2001

Mr. Spencer C. Young, III
Executive Director
Morgan Stanley
1585 Broadway
New York, NY 10036

RE: AXA/Equitable Ag Mortgage Pool

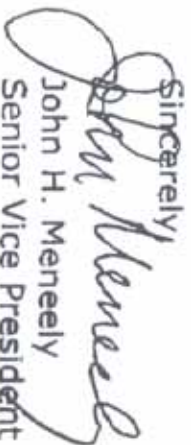
Dear Mr. Young:

Thank you for the opportunity to consider the purchase of a portion of the AXA/Equitable agricultural mortgage pool.

We have completed our preliminary analysis based upon the information you provided to us. Subject to additional due diligence, our current capital sources would be interested in the purchase of around \$400 million, perhaps more or less, of the largest fixed rate and 5-year Adjustable Rate Mortgage (ARM) loans. We wish to service any loans we purchase. Given current investor appetite and other constraints, we do not have a strong interest in the smaller loans. The specific amount of a pool purchase would depend upon our further underwriting analysis and due diligence review of each loan file and confidential inspections of the property, in certain cases. Upon further due diligence review, individual loans not meeting our underwriting criteria, or loans to our existing customers that may exceed our issuer exposure limits, could be excluded from our selection process.

Based on our preliminary analysis of loan quality and call provisions, we would be interested in a purchase at a price range of 300-325 b.p. over Treasuries. We are prepared to pay a small premium to par, but given the current treasury yield curve, will not pay a significant premium. We would expect to close within 60 days after completing our due diligence review. Our purchase would be contingent upon a pool purchase agreement satisfactory to Prudential. Should these general parameters be of interest to your client, we look forward to discussing with you how we might proceed.

Sincerely,


John H. Meneely
Senior Vice President

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

Appendix B

CARVE Analyses

MS AXA Agribusiness Series Fixed Rate FarmerMac Certificated Swap

Scenarios

Name	Trigger	Prepay
5CPR	optionalCall NO	CPR 5
10CPRC	optionalCall YES	CPR 10

Treasury Curve (11/27/2001)

3 mth	1.9095	6 mth	1.9806	1 yr	2.3408	2 yr	3.0612	5 yr	4.3153	10 yr	4.9479	30 yr	5.3659
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Swap Curve (11/27/2001)

2 yr	49.7500	3 yr	76.7500	5 yr	66.7500	7 yr	77.7500	10 yr	68.7500	20 yr	87.7500	30 yr	69.0000
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Custom Deal Sheet

Class	Rating	Balance	Coupon	Margin	Price	Yield	Spread	Bench- mark	Avg Life	Modified Duration	First Principal	Last Principal	Payment Window	Pricing Scenario	Bond Proceeds
A1	Aaa/AAA	7,635,800.00	5.50000		96.0148	6.2402	100.0	SA	6.3251	5.0678	01/15/02	07/15/11	115	5CPR	7,331,498.90
A2	Aaa/AAA	39,330,091.28	6.00000		97.4599	6.3705	100.0	SA	7.2073	5.3949	01/15/02	01/15/19	205	5CPR	38,331,050.75
A3	Aaa/AAA	118,631,860.56	6.19000		99.0201	6.3401	100.0	SA	6.9634	5.2051	01/15/02	01/15/25	277	5CPR	117,469,422.54
A4	Aaa/AAA	83,875,298.18	5.98000		99.0155	6.2153	100.0	SA	6.1658	4.7437	01/15/02	07/15/18	199	5CPR	83,049,562.72
A5	Aaa/AAA	75,684,971.36	5.96000		99.0353	6.1900	100.0	SA	6.0045	4.5938	01/15/02	01/15/21	229	5CPR	74,954,810.68
A6	Aaa/AAA	16,474,355.58	5.36000		99.0245	5.6359	100.0	SA	3.8885	3.1310	01/15/02	01/15/21	229	5CPR	16,313,653.82
A7	Aaa/AAA	7,500,288.18	3.10000		99.0440	3.7380	100.0	O2.73800	1.3776	1.3056	01/15/02	01/15/10	97	5CPR	7,428,587.51
X	Aaa/AAA	349,132,665.14	W		2.3984	25.0000	2067.2	W	5.0978	2.6407	01/15/02	01/15/25	277	10CPRC	8,373,486.13

AAA

Collateral Balance	349,132,665.14
Bond Balance	349,132,665.14
Bond Proceeds	344,878,586.92
Yield Freq	SemiAnnual
Yield Day Count	30/360
Yield	6.2449
Spread	176.3523
Average Life	6.3123

AAA, X

Collateral Balance	349,132,665.14
Bond Balance	349,132,665.14
Bond Proceeds	353,252,073.05
Yield Freq	SemiAnnual
Yield Day Count	30/360
Yield	6.6489
Spread	216.7586
Average Life	6.3123

Collateral

Type	Prefund Period	Principal Balance	Gross Coupon	Servic	WALA	WAM	Orig Term	Orig Ball Month	Index	Gross Margin	Gross Life Cap	Gross Life Floor	Current PerRate Cap	Current PerRate Floor	Next PerRate Cap	Next Per Reset	Per Pay Cap	Next Rate Reset	Rate Reset Freq	Next Pay Reset	Pay Reset Freq
Total		349,132,665.14	8.0472	0.4250	11	40	52	168		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
SubTotal FRM Balloon		122,131,379.85	8.0168	0.4250	16	73	89	177		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
SubTotal GEN Balloon		227,001,285.29	8.0636	0.4250	9	23	31	163		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A

Constants

Name	Value	Description
Surety_Fee	47.7	bps

MS AXA Agribusiness Series Variable Rate FarmerMac Certificated Swap - Assumes Refinancing at Reset

Scenarios

Name	Trigger	Prepay	Index			
100CPR	optionalCall NO	CPR 100	Miscellaneous #1 0.0000	5 Year Swap 0.0000	Miscellaneous #3 0.0000	
100CPRC	optionalCall YES	CPR 100	Miscellaneous #1 0.0000	5 Year Swap 0.0000	Miscellaneous #3 0.0000	

Treasury Curve (11/27/2001)

3 mth	1.9095	6 mth	1.9806	1 yr	2.3408	2 yr	3.0612	5 yr	4.3153	10 yr	4.9479	30 yr	5.3659
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Swap Curve (11/27/2001)

2 yr	49.7500	3 yr	76.7500	5 yr	66.7500	7 yr	77.7500	10 yr	68.7500	20 yr	87.7500	30 yr	69.0000
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Custom Deal Sheet

Class	Rating	Balance	Coupon	Margin	Price	Yield	Spread	Bench- mark	Avg Life	Modified Duration	First Principal	Last Principal	Payment Window	Pricing Scenario	Bond Proceeds
A1	AAA/AAA	17,279,897.88	2.00000		99.0453	3.0100	75.0	02.26000	0.8808	0.8643	01/15/02	07/15/02	7	100CPR	17,114,928.87
A2	AAA/AAA	17,228,865.02	1.81000		99.0493	2.9330	75.0	02.18300	0.7945	0.7806	01/15/02	07/15/02	7	100CPR	17,065,062.95
A3	AAA/AAA	15,556,587.07	1.65000		99.0473	2.8920	75.0	02.14200	0.7254	0.7122	01/15/02	01/15/05	37	100CPR	15,408,384.02
A4	AAA/AAA	5,596,669.43	3.20000		99.0391	3.7350	75.0	02.98500	1.6282	1.5478	01/15/02	07/15/04	31	100CPR	5,542,892.25
A5	AAA/AAA	37,614,200.83	2.62000		99.0465	3.3390	75.0	02.58900	1.2197	1.1746	01/15/02	01/15/05	37	100CPR	37,255,552.28
A6	AAA/AAA	19,165,357.44	2.73000		99.0411	3.4010	75.0	02.65100	1.3063	1.2610	01/15/02	01/15/05	37	100CPR	18,981,577.64
A7	AAA/AAA	17,396,144.24	3.33000		99.0497	3.8250	75.0	03.07500	1.7165	1.6423	01/15/02	01/15/05	37	100CPR	17,230,827.27
A8	AAA/AAA	11,126,997.79	3.50000		99.0481	3.9560	75.0	03.20600	1.8553	1.7710	01/15/02	01/15/04	25	100CPR	11,021,082.06
A9	AAA/AAA	26,999,259.38	4.00000		99.0421	4.3987	75.0	SA	2.1308	1.9857	01/15/02	01/15/07	61	100CPR	26,740,638.02
A10	AAA/AAA	48,408,859.15	4.33000		99.0285	4.6712	75.0	SA	2.5269	2.3195	01/15/02	07/15/06	55	100CPR	47,938,560.16
A11	AAA/AAA	34,008,138.65	2.96000		99.0424	3.5620	75.0	02.81200	1.4544	1.3860	01/15/02	07/15/10	103	100CPR	33,682,459.81
A12	AAA/AAA	21,360,312.42	4.29000		99.0356	4.6349	75.0	SA	2.4741	2.2792	01/15/02	07/15/09	91	100CPR	21,154,313.41
X	AAA/AAA	271,741,289.30	W		3.1641	30.0000	2717.9	W	1.6666	1.1616	01/15/02	07/15/10	103	100CPRC	8,598,297.16

AAA

Collateral Balance	271,741,289.30
Bond Balance	271,741,289.30
Bond Proceeds	269,136,278.75
Yield Freq	SemiAnnual
Yield Day Count	30/360
Yield	4.0372
Spread	121.6163
Average Life	1.6666

AAA, X

Collateral Balance	271,741,289.30
Bond Balance	271,741,289.30
Bond Proceeds	277,734,575.91
Yield Freq	SemiAnnual
Yield Day Count	30/360
Yield	4.8476
Spread	202.6587
Average Life	1.6666

Collateral

Type	Prefund Period	Principal Balance	Gross Coupon	Servic	WALA	WAM	Orig Term	Orig Ball Month	Index	Gross Margin	Gross Life Cap	Gross Life Floor	Current PerRate Cap	Current PerRate Floor	Next PerRate Cap	Next Per Reset	Per Pay Cap	Next Rate Reset	Rate Reset Freq	Next Pay Reset	Pay Reset Freq
Total		271,741,289.30	7.7720	0.4250	13	28	41	168		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
SubTotal ARM		56,439,150.13	7.8285	0.4250	15	68	83	164		1.7500	94.2404	1.7500	99.9999	100.0000				14.00	18.00	14.00	18.00
BBSwap5 NegAm Balloon		22,119,494.40	7.6338	0.4250	25	65	90	178		1.7500	99.9999	1.7500	99.9999	100.0000				18.00	24.00	18.00	24.00
_misc3 NegAm Balloon		19,625,217.67	7.8511	0.4250	11	88	99	180		1.7500	90.1247	1.7500	99.9999	100.0000				13.00	16.00	13.00	16.00
_misc1 NegAm Balloon		14,694,438.06	8.0913	0.4250	5	44	50	122		1.7500	91.0674	1.7500	99.9999	100.0000				9.00	10.00	9.00	10.00

Type	Prefund Period	Principal Balance	Gross Coupon	Servic	WALA	WAM	Orig Term	Orig Ball Month	Index	Gross Margin	Gross Life Cap	Gross Life Floor	Current PerRate Cap	Current PerRate Floor	Next PerRate Cap	Next Per Reset	Per Pay Cap	Next Rate Reset	Rate Reset Freq	Next Pay Reset	Pay Reset Freq
SubTotal GEN		215,302,139.17	7.7572	0.4250	13	18	31	169		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
Balloon		215,302,139.17	7.7572	0.4250	13	18	31	169		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A

MS AXA Agribusiness Series Fixed Rate - Private Label Securitization**Scenarios**

Name	Trigger	Prepay
5CPR	optionalCall NO	CPR 5
10CPRC	optionalCall YES	CPR 10

Treasury Curve (11/27/2001)

3 mth	1.9095	6 mth	1.9806	1 yr	2.3408	2 yr	3.0612	5 yr	4.3153	10 yr	4.9479	30 yr	5.3659
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Swap Curve (11/27/2001)

2 yr	49.7500	3 yr	76.7500	5 yr	66.7500	7 yr	77.7500	10 yr	68.7500	20 yr	87.7500	30 yr	69.0000
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Custom Deal Sheet

Class	Rating	Balance	Coupon	Margin	Price	Yield	Spread	Bench- mark	Avg Life	Modified Duration	First Principal	Last Principal	Payment Window	Pricing Scenario	Bond Proceeds
A1	Aaa/AAA	260,749,921.95	5.02000		99.0489	5.3219	90.0	SA	3.4000	2.9946	01/15/02	07/15/08	79	5CPR	258,270,053.65
A2	Aaa/AAA	113,379,104.87	W	-0.67000	99.0317	6.7898	125.0	SA	8.7972	6.5864	07/15/08	07/15/12	49	5CPR	112,281,240.38
B	Aa2/AA	14,009,236.69	W	-0.16000	99.0385	7.2861	155.0	SA	11.4207	7.7399	07/15/12	01/15/13	7	5CPR	13,874,539.26
C	A2/A	12,910,473.03	W	0.00000	96.3445	7.7860	200.0	SA	12.1785	7.9259	01/15/13	01/15/14	13	5CPR	12,438,534.13
D	Baa2/BBB	13,185,163.94	W	0.00000	91.9514	8.3306	250.0	SA	13.0849	8.1435	01/15/14	01/15/15	13	5CPR	12,123,946.41
E	Ba2/BB	9,888,872.96	6.00000		61.5387	11.5355	650.0	W	14.1897	7.9641	01/15/15	01/15/16	13	5CPR	6,085,484.35
F	B2/B	4,395,054.65	6.00000		37.7943	18.0000	1294.0	W	15.3691	6.3138	01/15/16	07/15/17	19	5CPR	1,661,081.12
G	NR	10,987,636.62	6.00000		17.2290	35.0000	2990.2	W	17.1658	3.1261	07/15/17	01/15/25	91	5CPR	1,893,058.20
X	Aaa/AAA	439,505,464.69	W		3.4857	25.0000	2067.1	W	5.1104	2.0951	01/15/02	01/15/25	277	10CPRC	15,319,686.66

AAA-NR

Collateral Balance	439,505,464.69
Bond Balance	439,505,464.69
Bond Proceeds	418,627,937.49
Yield Freq	SemiAnnual
Yield Day Count	30/360
Yield	7.0859
Spread	260.5708
Average Life	6.3030

AAA-NR, X

Collateral Balance	439,505,464.69
Bond Balance	439,505,464.69
Bond Proceeds	433,947,624.15
Yield Freq	SemiAnnual
Yield Day Count	30/360
Yield	7.5109
Spread	303.0728
Average Life	6.3030

Collateral

Type	Prefund Period	Principal Balance	Gross Coupon	Servic	WALA	WAM	Orig Term	Orig Ball Month	Index	Gross Margin	Gross Life Cap	Gross Life Floor	Current PerRate Cap	Current PerRate Floor	Next PerRate Cap	Next Per Reset	Per Pay Cap	Next Rate Reset	Rate Reset Freq	Next Pay Reset	Pay Reset Freq
Total		439,505,464.69	7.9538	0.4250	12	49	60	163		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
SubTotal FRM Balloon		183,395,409.40	7.7721	0.4250	16	85	101	163		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
SubTotal GEN Balloon		256,110,055.29	8.0838	0.4250	8	23	31	163		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A

MS AXA Agribusiness Series Variable Rate - Private Label Securitization - Assumes Refinancing at Reset

Scenarios

Name	Trigger	Prepay	Index			
100CPR	optionalCall NO	CPR 100	Miscellaneous #1 0.0000	Miscellaneous #3 0.0000	5 Year Swap 0.0000	
100CPRC	optionalCall YES	CPR 100	Miscellaneous #1 0.0000	Miscellaneous #3 0.0000	5 Year Swap 0.0000	

Treasury Curve (11/27/2001)

3 mth	1.9095	6 mth	1.9806	1 yr	2.3408	2 yr	3.0612	5 yr	4.3153	10 yr	4.9479	30 yr	5.3659
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Swap Curve (11/27/2001)

2 yr	49.7500	3 yr	76.7500	5 yr	66.7500	7 yr	77.7500	10 yr	68.7500	20 yr	87.7500	30 yr	69.0000
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Custom Deal Sheet

Class	Rating	Balance	Coupon	Margin	Price	Yield	Spread	Bench-mark	Avg Life	Modified Duration	First Principal	Last Principal	Payment Window	Pricing Scenario	Bond Proceeds
A	Aaa/AAA	308,834,539.20	2.70000		99.0471	3.4040	80.0	O2.60400	1.2358	1.1952	01/15/02	07/15/04	31	100CPR	305,891,506.99
B	Aa2/AA	11,564,288.91	5.49000		99.0291	5.7515	145.0	SA	3.1250	2.8389	07/15/04	07/15/04	1	100CPR	11,452,013.16
C	A2/A	10,657,285.86	6.06000		99.0379	6.2972	190.0	SA	3.3435	2.9883	07/15/04	01/15/05	7	100CPR	10,554,757.11
D	Baa2/BBB	10,884,036.62	W	-0.25000	99.0387	7.0906	240.0	SA	4.0197	3.4741	01/15/05	01/15/06	13	100CPR	10,779,413.53
E	Ba2/BB	8,163,027.47	6.00000		83.0734	10.6585	650.0	W	4.6250	3.8546	01/15/06	01/15/06	1	100CPR	6,781,305.55
F	B2/B	3,628,012.21	6.00000		63.1128	18.0000	1384.1	W	4.6250	3.6325	01/15/06	01/15/06	1	100CPR	2,289,738.39
G	NR	9,070,030.52	6.00000		32.9634	35.0000	3066.9	W	5.1276	3.2933	01/15/06	07/15/10	55	100CPR	2,989,787.46
X	Aaa/AAA	362,801,220.79	W		3.3599	30.0000	2719.2	W	1.6489	1.0210	01/15/02	07/15/10	103	100CPRC	12,189,680.62

AAA-NR

Collateral Balance	362,801,220.79
Bond Balance	362,801,220.79
Bond Proceeds	350,738,522.20
Yield Freq	SemiAnnual
Yield Day Count	30/360
Yield	5.9885
Spread	318.0222
Average Life	1.6489

AAA-NR, X

Collateral Balance	362,801,220.79
Bond Balance	362,801,220.79
Bond Proceeds	362,928,202.81
Yield Freq	SemiAnnual
Yield Day Count	30/360
Yield	6.6793
Spread	387.1026
Average Life	1.6489

Collateral

Type	Prefund Period	Principal Balance	Gross Coupon	Servic	WALA	WAM	Orig Term	Orig Ball Month	Index	Gross Margin	Gross Life Cap	Gross Life Floor	Current PerRate Cap	Current PerRate Floor	Next PerRate Cap	Next PerRate Reset	Per Pay Cap	Next Rate Reset	Rate Reset Freq	Next Pay Reset	Pay Reset Freq
Total		362,801,220.79	7.8443	0.4250	14	45	59	167		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SubTotal ARM		96,124,689.65	8.0856	0.4250	13	126	139	163		1.7500	96.6182	1.7500	99.9999	100.0000				17.00	24.00	17.00	24.00
BBSwap5 NegAm Balloon		33,095,929.95	7.9211	0.4250	19	120	140	175		1.7500	99.9999	1.7500	99.9999	100.0000				30.00	36.00	30.00	36.00
_misc3 NegAm Balloon		38,350,309.50	8.0914	0.4250	12	135	146	179		1.7500	94.9462	1.7500	99.9999	100.0000				13.00	21.00	13.00	21.00
_misc1 NegAm Balloon		24,678,450.20	8.2971	0.4250	6	120	126	120		1.7500	94.6812	1.7500	99.9999	100.0000				8.00	11.00	8.00	11.00
SubTotal GEN Balloon		266,676,531.14	7.7573	0.4250	14	16	30	169		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
Balloon		266,676,531.14	7.7573	0.4250	14	16	30	169		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A

MS AXA Agribusiness Series Fixed Rate - FarmerMac 100% Wrap

Scenarios

Name	Trigger	Prepay
5CPR	optionalCall NO	CPR 5
10CPRC	optionalCall YES	CPR 10

Treasury Curve (11/27/2001)

3 mth	1.9095	6 mth	1.9806	1 yr	2.3408	2 yr	3.0612	5 yr	4.3153	10 yr	4.9479	30 yr	5.3659
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Swap Curve (11/27/2001)

2 yr	49.7500	3 yr	76.7500	5 yr	66.7500	7 yr	77.7500	10 yr	68.7500	20 yr	87.7500	30 yr	69.0000
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Custom Deal Sheet

Class	Rating	Balance	Coupon	Margin	Price	Yield	Spread	Bench- mark	Avg Life	Modified Duration	First Principal	Last Principal	Payment Window	Pricing Scenario	Bond Proceeds
A1	Aaa/AAA	215,682,433.33	4.79000		99.0285	5.0719	65.0	SA	3.4000	3.0093	01/15/02	07/15/08	79	5CPR	213,587,082.89
A2	Aaa/AAA	133,450,231.82	W	-0.54000	99.0393	6.5077	80.0	SA	11.0192	7.7430	07/15/08	01/15/25	199	5CPR	132,168,193.32
X	Aaa/AAA	349,132,665.14	W		3.2688	25.0000	2067.2	W	5.0978	2.1135	01/15/02	01/15/25	277	10CPRC	11,412,565.98

AAA

Collateral Balance		349,132,665.14													
Bond Balance		349,132,665.15													
Bond Proceeds		345,755,276.22				99.03263									
Yield Freq				SemiAnnual											
Yield Day Count				30/360											
Yield				5.9703											
Spread				148.8979											
Average Life				6.3123											

AAA, X

Collateral Balance		349,132,665.14													
Bond Balance		349,132,665.15													
Bond Proceeds		357,167,842.19				102.30147									
Yield Freq				SemiAnnual											
Yield Day Count				30/360											
Yield				6.3743											
Spread				189.2976											
Average Life				6.3123											

Collateral

Type	Prefund Period	Principal Balance	Gross Coupon	Servic	WALA	WAM	Orig Term	Orig Ball Month	Index	Gross Margin	Gross Life Cap	Gross Life Floor	Current PerRate Cap	Current PerRate Floor	Next PerRate Cap	Next Per Reset	Per Pay Cap	Next Rate Reset	Rate Reset Freq	Next Pay Reset	Pay Reset Freq
Total		349,132,665.14	8.0472	0.4250	11	40	52	168		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
SubTotal FRM Balloon		122,131,379.85	8.0168	0.4250	16	73	89	177		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
SubTotal GEN Balloon		227,001,285.29	8.0636	0.4250	9	23	31	163		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A

Constants

Name	Value	Description
Surety_Fee	47.7	bps

MS AXA Agribusiness Series Variable Rate - FarmerMac: 100% Wrap, Assumes Refinancing at Reset

Scenarios

Name	Trigger	Prepay	Index			
100CPR	optionalCall NO	CPR 100	Miscellaneous #1 0.0000	Miscellaneous #3 0.0000	5 Year Swap 0.0000	
100CPRC	optionalCall YES	CPR 100	Miscellaneous #1 0.0000	Miscellaneous #3 0.0000	5 Year Swap 0.0000	

Treasury Curve (11/27/2001)

3 mth	1.9095	6 mth	1.9806	1 yr	2.3408	2 yr	3.0612	5 yr	4.3153	10 yr	4.9479	30 yr	5.3659
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Swap Curve (11/27/2001)

2 yr	49.7500	3 yr	76.7500	5 yr	66.7500	7 yr	77.7500	10 yr	68.7500	20 yr	87.7500	30 yr	69.0000
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Custom Deal Sheet

Class	Rating	Balance	Coupon	Margin	Price	Yield	Spread	Bench-mark	Avg Life	Modified Duration	First Principal	Last Principal	Payment Window	Pricing Scenario	Bond Proceeds
A	Aaa/AAA	271,741,289.30	3.15000		99.0428	3.6730	65.0	03.02300	1.6666	1.5799	01/15/02	07/15/10	103	100CPR	269,140,060.21
X	Aaa/AAA	271,741,289.30	W		3.4826	30.0000	2717.9	W	1.6666	1.2104	01/15/02	07/15/10	103	100CPRC	9,463,782.45

AAA

Collateral Balance	271,741,289.30
Bond Balance	271,741,289.30
Bond Proceeds	269,140,060.21
Yield Freq	SemiAnnual
Yield Day Count	30/360
Yield	3.6730
Spread	85.1982
Average Life	1.6666

AAA, X

Collateral Balance	271,741,289.30
Bond Balance	271,741,289.30
Bond Proceeds	278,603,842.65
Yield Freq	SemiAnnual
Yield Day Count	30/360
Yield	4.6176
Spread	179.6538
Average Life	1.6666

Collateral

Type	Prefund Period	Principal Balance	Gross Coupon	Servic	WALA	WAM	Orig Term	Orig Ball Month	Index	Gross Margin	Gross Life Cap	Gross Life Floor	Current PerRate Cap	Current PerRate Floor	Next PerRate Cap	Next PerRate Reset	Per Pay Cap	Next Rate Reset	Rate Reset Freq	Next Pay Reset	Pay Reset Freq
Total		271,741,289.30	7.7720	0.4250	13	28	41	168		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
SubTotal ARM		56,439,150.13	7.8285	0.4250	15	68	83	164		1.7500	94.2404	1.7500	99.9999	100.0000				14.00	18.00	14.00	18.00
BBSwap5 NegAm Balloon		22,119,494.40	7.6338	0.4250	25	65	90	178		1.7500	99.9999	1.7500	99.9999	100.0000				18.00	24.00	18.00	24.00
_misc1 NegAm Balloon		14,694,438.06	8.0913	0.4250	5	44	50	122		1.7500	91.0674	1.7500	99.9999	100.0000				9.00	10.00	9.00	10.00
_misc3 NegAm Balloon		19,625,217.67	7.8511	0.4250	11	88	99	180		1.7500	90.1247	1.7500	99.9999	100.0000				13.00	16.00	13.00	16.00
SubTotal GEN		215,302,139.17	7.7572	0.4250	13	18	31	169		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
Balloon		215,302,139.17	7.7572	0.4250	13	18	31	169		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A

Constants

Name	Value	Description
Surety_Fee	47.7	bps

MS AXA Agribusiness Series Fixed Rate - FarmerMac 97% Wrap/ 3% Sub

Scenarios

Name	Trigger	Prepay
5CPR	optionalCall NO	CPR 5
10CPRC	optionalCall YES	CPR 10

Treasury Curve (11/27/2001)

3 mth	1.9095	6 mth	1.9806	1 yr	2.3408	2 yr	3.0612	5 yr	4.3153	10 yr	4.9479	30 yr	5.3659
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Swap Curve (11/27/2001)

2 yr	49.7500	3 yr	76.7500	5 yr	66.7500	7 yr	77.7500	10 yr	68.7500	20 yr	87.7500	30 yr	69.0000
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Custom Deal Sheet

Class	Rating	Balance	Coupon	Margin	Price	Yield	Spread	Bench-mark	Avg Life	Modified Duration	First Principal	Last Principal	Payment Window	Pricing Scenario	Bond Proceeds
A1	Aaa/AAA	215,682,433.33	4.79000		99.0367	5.0719	65.0	SA	3.4000	3.0094	01/15/02	07/15/08	79	5CPR	213,604,744.57
A2	Aaa/AAA	122,976,251.86	W	-0.76000	99.0407	6.4712	80.0	SA	10.5052	7.5453	07/15/08	01/15/17	103	5CPR	121,796,513.78
B	NR	10,473,979.95	6.00000		17.2046	35.0000	2990.5	W	17.0549	3.1389	01/15/17	01/15/25	97	5CPR	1,802,006.82
X	Aaa/AAA	349,132,665.14	W		3.7543	25.0000	2067.2	W	5.0978	2.1776	01/15/02	01/15/25	277	10CPRC	13,107,448.21

AAA-NR

Collateral Balance	349,132,665.14
Bond Balance	349,132,665.14
Bond Proceeds	337,203,265.18
Yield Freq	SemiAnnual
Yield Day Count	30/360
Yield	6.4364
Spread	195.5100
Average Life	6.3123

AAA-NR, X

Collateral Balance	349,132,665.14
Bond Balance	349,132,665.14
Bond Proceeds	350,310,713.39
Yield Freq	SemiAnnual
Yield Day Count	30/360
Yield	6.9268
Spread	244.5459
Average Life	6.3123

Collateral

Type	Prefund Period	Principal Balance	Gross Coupon	Servic	WALA	WAM	Orig Term	Orig Ball Month	Index	Gross Margin	Gross Life Cap	Gross Life Floor	Current PerRate Cap	Current PerRate Floor	Next PerRate Cap	Next PerRate Reset	Per Pay Cap	Next Rate Reset	Rate Reset Freq	Next Pay Reset	Pay Reset Freq
Total		349,132,665.14	8.0472	0.4250	11	40	52	168		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
SubTotal FRM		122,131,379.85	8.0168	0.4250	16	73	89	177		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
Balloon		122,131,379.85	8.0168	0.4250	16	73	89	177		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
SubTotal GEN		227,001,285.29	8.0636	0.4250	9	23	31	163		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
Balloon		227,001,285.29	8.0636	0.4250	9	23	31	163		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A

Constants

Name	Value	Description
Surety_Fee	32	bps

MS AXA Agribusiness Series Variable Rate - FarmerMac 97% Wrap/ 3% Sub - Assumes Refinancing at Reset

Scenarios

Name	Trigger	Prepay	Index		
100CPR	optionalCall NO	CPR 100	Miscellaneous #1 0.0000	Miscellaneous #3 0.0000	5 Year Swap 0.0000
100CPRC	optionalCall YES	CPR 100	Miscellaneous #1 0.0000	Miscellaneous #3 0.0000	5 Year Swap 0.0000

Treasury Curve (11/27/2001)

3 mth	1.9095	6 mth	1.9806	1 yr	2.3408	2 yr	3.0612	5 yr	4.3153	10 yr	4.9479	30 yr	5.3659
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Swap Curve (11/27/2001)

2 yr	49.7500	3 yr	76.7500	5 yr	66.7500	7 yr	77.7500	10 yr	68.7500	20 yr	87.7500	30 yr	69.0000
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Custom Deal Sheet

Class	Rating	Balance	Coupon	Margin	Price	Yield	Spread	Bench- mark	Avg Life	Modified Duration	First Principal	Last Principal	Payment Window	Pricing Scenario	Bond Proceeds
A	Aaa/AAA	263,589,050.62	3.00000		99.0432	3.5600	65.0	02.91000	1.5578	1.4863	01/15/02	01/15/06	49	100CPR	261,067,035.11
B	NR	8,152,238.68	6.00000		32.6659	35.0000	3066.1	W	5.1842	3.3134	01/15/06	07/15/10	55	100CPR	2,662,998.65
X	Aaa/AAA	271,741,289.30	W		3.6242	30.0000	2717.9	W	1.6666	1.1692	01/15/02	07/15/10	103	100CPRC	9,848,340.02

AAA-NR

Collateral Balance	271,741,289.30
Bond Balance	271,741,289.30
Bond Proceeds	263,730,033.77
Yield Freq	SemiAnnual
Yield Day Count	30/360
Yield	5.0864
Spread	226.5425
Average Life	1.6666

AAA-NR, X

Collateral Balance	271,741,289.30
Bond Balance	271,741,289.30
Bond Proceeds	273,578,373.79
Yield Freq	SemiAnnual
Yield Day Count	30/360
Yield	5.9902
Spread	316.9164
Average Life	1.6666

Collateral

Type	Prefund Period	Principal Balance	Gross Coupon	Servic	WALA	WAM	Orig Term	Orig Ball Month	Index	Gross Margin	Gross Life Cap	Gross Life Floor	Current PerRate Cap	Current PerRate Floor	Next PerRate Cap	Next Per Reset	Per Pay Cap	Next Rate Reset	Rate Reset Freq	Next Pay Reset	Pay Reset Freq
Total		271,741,289.30	7.7720	0.4250	13	28	41	168		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
SubTotal ARM		56,439,150.13	7.8285	0.4250	15	68	83	164		1.7500	94.2404	1.7500	99.9999	100.0000				14.00	18.00	14.00	18.00
BBSwap5 NegAm Balloon		22,119,494.40	7.6338	0.4250	25	65	90	178		1.7500	99.9999	1.7500	99.9999	100.0000				18.00	24.00	18.00	24.00
_misc3 NegAm Balloon		19,625,217.67	7.8511	0.4250	11	88	99	180		1.7500	90.1247	1.7500	99.9999	100.0000				13.00	16.00	13.00	16.00
_misc1 NegAm Balloon		14,694,438.06	8.0913	0.4250	5	44	50	122		1.7500	91.0674	1.7500	99.9999	100.0000				9.00	10.00	9.00	10.00
SubTotal GEN		215,302,139.17	7.7572	0.4250	13	18	31	169		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
Balloon		215,302,139.17	7.7572	0.4250	13	18	31	169		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A

Constants

Name	Value	Description
Surety_Fee	32	bps

MS AXA Agribusiness Series Fixed Rate - FarmerMac 94% Wrap/ 6% Sub

Scenarios

Name	Trigger	Prepay
5CPR	optionalCall NO	CPR 5
10CPRC	optionalCall YES	CPR 10

Treasury Curve (11/27/2001)

3 mth	1.9095	6 mth	1.9806	1 yr	2.3408	2 yr	3.0612	5 yr	4.3153	10 yr	4.9479	30 yr	5.3659
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Swap Curve (11/27/2001)

2 yr	49.7500	3 yr	76.7500	5 yr	66.7500	7 yr	77.7500	10 yr	68.7500	20 yr	87.7500	30 yr	69.0000
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Custom Deal Sheet

Class	Rating	Balance	Coupon	Margin	Price	Yield	Spread	Bench-mark	Avg Life	Modified Duration	First Principal	Last Principal	Payment Window	Pricing Scenario	Bond Proceeds
A1	Aaa/AAA	215,682,433.33	4.79000		99.0367	5.0719	65.0	SA	3.4000	3.0094	01/15/02	07/15/08	79	5CPR	213,604,744.57
A2	Aaa/AAA	112,502,271.91	W	-0.81000	99.0383	6.4436	80.0	SA	10.1160	7.3774	07/15/08	01/15/15	79	5CPR	111,420,352.50
B	Ba2/BB	7,855,484.97	6.00000		61.1886	11.5409	650.0	W	14.4481	8.0247	01/15/15	07/15/16	19	5CPR	4,806,663.56
C	Ba2/B	3,491,326.65	6.00000		37.6528	18.0000	1293.7	W	15.4952	6.3207	07/15/16	07/15/17	13	5CPR	1,314,582.66
D	NR	9,601,148.29	6.00000		17.1964	35.0000	2990.2	W	17.1701	3.1324	07/15/17	01/15/25	91	5CPR	1,651,054.61
X	Aaa/AAA	349,132,665.14	W		3.8592	25.0000	2067.2	W	5.0978	2.2154	01/15/02	01/15/25	277	10CPRC	13,473,734.03

AAA-NR

Collateral Balance	349,132,665.14
Bond Balance	349,132,665.15
Bond Proceeds	332,797,397.90
Yield Freq	SemiAnnual
Yield Day Count	30/360
Yield	6.6714
Spread	219.0111
Average Life	6.3123

AAA-NR, X

Collateral Balance	349,132,665.14
Bond Balance	349,132,665.15
Bond Proceeds	346,271,131.92
Yield Freq	SemiAnnual
Yield Day Count	30/360
Yield	7.1900
Spread	270.8615
Average Life	6.3123

Collateral

Type	Prefund Period	Principal Balance	Gross Coupon	Servic	WALA	WAM	Orig Term	Orig Ball Month	Index	Gross Margin	Gross Life Cap	Gross Life Floor	Current PerRate Cap	Current PerRate Floor	Next PerRate Cap	Next PerRate Reset	Per Pay Cap	Next Rate Reset	Rate Reset Freq	Next Pay Reset	Pay Reset Freq
Total		349,132,665.14	8.0472	0.4250	11	40	52	168		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
SubTotal FRM		122,131,379.85	8.0168	0.4250	16	73	89	177		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
Balloon		122,131,379.85	8.0168	0.4250	16	73	89	177		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
SubTotal GEN		227,001,285.29	8.0636	0.4250	9	23	31	163		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
Balloon		227,001,285.29	8.0636	0.4250	9	23	31	163		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A

Constants

Name	Value	Description
Surety_Fee	32	bps

MS AXA Agribusiness Series Variable Rate - FarmerMac 94% Wrap/ 6% Sub - Assumes Refinancing at Reset

Scenarios

Name	Trigger	Prepay	Index			
100CPR	optionalCall NO	CPR 100	Miscellaneous #1 0.0000	Miscellaneous #3 0.0000	5 Year Swap 0.0000	
100CPRC	optionalCall YES	CPR 100	Miscellaneous #1 0.0000	Miscellaneous #3 0.0000	5 Year Swap 0.0000	

Treasury Curve (11/27/2001)

3 mth	1.9095	6 mth	1.9806	1 yr	2.3408	2 yr	3.0612	5 yr	4.3153	10 yr	4.9479	30 yr	5.3659
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Swap Curve (11/27/2001)

2 yr	49.7500	3 yr	76.7500	5 yr	66.7500	7 yr	77.7500	10 yr	68.7500	20 yr	87.7500	30 yr	69.0000
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Custom Deal Sheet

Class	Rating	Balance	Coupon	Margin	Price	Yield	Spread	Bench- mark	Avg Life	Modified Duration	First Principal	Last Principal	Payment Window	Pricing Scenario	Bond Proceeds
A	Aaa/AAA	255,436,811.94	2.87000		99.0438	3.4680	65.0	O2.81800	1.4599	1.4002	01/15/02	01/15/06	49	100CPR	252,994,375.23
B	Ba2/BB	6,114,179.01	6.00000		83.0670	10.6585	650.0	W	4.6250	3.8548	01/15/06	01/15/06	1	100CPR	5,078,864.98
C	B2/B	2,717,412.89	6.00000		63.1066	18.0000	1384.1	W	4.6250	3.6328	01/15/06	01/15/06	1	100CPR	1,714,867.08
D	NR	7,472,885.46	6.00000		32.4123	35.0000	3065.5	W	5.2351	3.3307	01/15/06	07/15/10	55	100CPR	2,422,133.32
X	Aaa/AAA	271,741,289.30	W		4.0003	20.0000	1717.9	W	1.6666	1.2333	01/15/02	07/15/10	103	100CPRC	10,870,583.76

AAA-NR

Collateral Balance	271,741,289.30
Bond Balance	271,741,289.30
Bond Proceeds	262,210,240.61
Yield Freq	SemiAnnual
Yield Day Count	30/360
Yield	5.5916
Spread	277.0614
Average Life	1.6666

AAA-NR, X

Collateral Balance	271,741,289.30
Bond Balance	271,741,289.30
Bond Proceeds	273,080,824.37
Yield Freq	SemiAnnual
Yield Day Count	30/360
Yield	6.1335
Spread	331.2530
Average Life	1.6666

Collateral

Type	Prefund Period	Principal Balance	Gross Coupon	Servic	WALA	WAM	Orig Term	Orig Ball Month	Index	Gross Margin	Gross Life Cap	Gross Life Floor	Current PerRate Cap	Current PerRate Floor	Next PerRate Cap	Next Per Reset	Per Pay Cap	Next Rate Reset	Rate Reset Freq	Next Pay Reset	Pay Reset Freq
Total		271,741,289.30	7.7720	0.4250	13	28	41	168		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
SubTotal ARM		56,439,150.13	7.8285	0.4250	15	68	83	164		1.7500	94.2404	1.7500	99.9999	100.0000				14.00	18.00	14.00	18.00
BBSwap5 NegAm Balloon		22,119,494.40	7.6338	0.4250	25	65	90	178		1.7500	99.9999	1.7500	99.9999	100.0000				18.00	24.00	18.00	24.00
_misc3 NegAm Balloon		19,625,217.67	7.8511	0.4250	11	88	99	180		1.7500	90.1247	1.7500	99.9999	100.0000				13.00	16.00	13.00	16.00
_misc1 NegAm Balloon		14,694,438.06	8.0913	0.4250	5	44	50	122		1.7500	91.0674	1.7500	99.9999	100.0000				9.00	10.00	9.00	10.00
SubTotal GEN		215,302,139.17	7.7572	0.4250	13	18	31	169		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
Balloon		215,302,139.17	7.7572	0.4250	13	18	31	169		N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A

Constants

Name	Value	Description
Surety_Fee	32	bps

**AXA Financial / Equitable Life
Agribusiness Loan
Disposition Strategy**

Appendix C

Yield Tables

11/26/2001 19:35:36 CARVE Version 629.0 /u/dkavour/axa/111601/FIXED_FMPC_PASS_THRU_SEMI.111601.carve

MS AXA Agribusiness Series Fixed Rate FarmerMac Certificated Swap Class X

Class	X	Settlement Date	05/30/2001	Coupon	-1.00000	Cusip	N/A
Original Balance	349,132,665.14	Dated Date	05/30/2001	Delay	15	Yield Table Date	11/26/2001
Current Balance	1.00	First Payment Date	01/15/2002	Lead Manager	Morgan Stanley & Co.	Yield Frequency	SemiAnnual
Credit Rating	Aaa/AAA	Next Payment Date	01/15/2002	Orig Deal Size	?	Yield Day Count	30/360
Market Desc	N/A	Payment Freq	SemiAnnual	Num of Tranches	16		
Factor	1.00000000	Interest Freq	SemiAnnual	Deal Age	1		

Trigger Prepay	optionalCall YES CPR 0	optionalCall YES (!YM) CPR 5	optionalCall YES (!YM) CPR 10	optionalCall YES (!YM) CPR 50	optionalCall YES (!YM) CPR 100	optionalCall YES CPR 5	optionalCall YES CPR 6	optionalCall YES CPR 7	optionalCall YES CPR 8	optionalCall YES CPR 9	optionalCall YES CPR 10	optionalCall YES CPR 25	optionalCall YES CPR 50	optionalCall YES CPR 100
Price / Yield														
2.2700	34.2081	31.4716	28.6520	16.2639	12.3930	33.4149	33.2370	33.0524	32.8610	32.6625	32.4570	30.8126	48.5004	154.6113
2.5200	30.3488	27.6477	24.8657	12.4031	8.4262	29.3035	29.0766	28.8435	28.6040	28.3581	28.1055	25.5260	39.2128	128.4367
2.7700	27.0800	24.4087	21.6583	9.1169	5.0159	25.8196	25.5507	25.2760	24.9953	24.7085	24.4155	21.0428	31.3936	106.5302
3.0200	24.2681	21.6221	18.8989	6.2779	2.0410	22.8221	22.5169	22.2061	21.8897	21.5674	21.2392	17.1846	24.7085	87.8952
3.2700	21.8175	19.1933	16.4938	3.7948	-0.5859	20.2098	19.8729	19.5307	19.1829	18.8296	18.4705	13.8233	18.9194	71.8268
3.5200	19.6579	17.0530	14.3742	1.6002	-2.9294	17.9084	17.5436	17.1736	16.7982	16.4174	16.0311	10.8641	13.8516	57.8119
3.7700	17.7367	15.1487	12.4884	-0.3571	-5.0384	15.8618	15.4722	15.0775	14.6776	14.2725	13.8619	8.2352	9.3738	45.4675
4.0200	16.0134	13.4405	10.7967	-2.1164	-6.9507	14.0268	13.6151	13.1984	12.7766	12.3496	11.9174	5.8813	5.3855	34.5014
4.2700	14.4563	11.8970	9.2681	-3.7086	-8.6963	12.3697	11.9382	11.5017	11.0603	10.6137	10.1619	3.7591	1.8079	24.6872
4.5200	13.0405	10.4933	7.8780	-5.1582	-10.2988	10.8637	10.4144	9.9601	9.5009	9.0366	8.5671	1.8340	-1.4212	15.8460
4.7700	11.7456	9.2096	6.6066	-6.4852	-11.7775	9.4874	9.0219	8.5514	8.0761	7.5957	7.1103	0.0781	-4.3520	7.8348
5.0200	10.5555	8.0296	5.4380	-7.7059	-13.1484	8.2233	7.7429	7.2578	6.7678	6.2727	5.7727	-1.5313	-7.0253	0.5380
5.2700	9.4565	6.9399	4.3588	-8.8335	-14.4243	7.0568	6.5630	6.0644	5.5609	5.0525	4.5391	-3.0131	-9.4748	-6.1394
Average Life	8.0106	7.0340	6.2195	3.7784	3.2539	6.3123	6.0368	5.7788	5.5371	5.3105	5.0978	3.0473	1.7121	0.6893
Mod Duration @ 3.7700	3.6509	3.6833	3.7193	3.5796	3.3072	3.4279	3.3870	3.3472	3.3086	3.2710	3.2345	2.6704	1.5720	0.5710

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11/26/2001 19:36:05 CARVE Version 629.0 /u/dkavour/axa/111601/FIXED_SECURITIZATION_SEMI.111601.carve

MS AXA Agribusiness Series Fixed Rate - Private Label Securitization Class X

Class	X	Settlement Date	05/30/2001	Coupon	-1.00000	Cusip	N/A
Original Balance	439,505,464.69	Dated Date	05/30/2001	Delay	15	Yield Table Date	11/26/2001
Current Balance	1.00	First Payment Date	01/15/2002	Lead Manager	Morgan Stanley & Co.	Yield Frequency	SemiAnnual
Credit Rating	Aaa/AAA	Next Payment Date	01/15/2002	Orig Deal Size	852,354,292.12	Yield Day Count	30/360
Market Desc	N/A	Payment Freq	SemiAnnual	Num of Tranches	22		
Factor	1.00000000	Interest Freq	SemiAnnual	Deal Age	1		

Trigger Prepay	optionalCall YES CPR 0	optionalCall YES (!YM) CPR 5	optionalCall YES (!YM) CPR 10	optionalCall YES (!YM) CPR 50	optionalCall YES (!YM) CPR 100	optionalCall YES CPR 5	optionalCall YES CPR 6	optionalCall YES CPR 7	optionalCall YES CPR 8	optionalCall YES CPR 9	optionalCall YES CPR 10	optionalCall YES CPR 25	optionalCall YES CPR 50	optionalCall YES CPR 100
Price / Yield														
3.7700	31.4009	27.2109	22.7544	4.8787	-1.3915	28.4187	27.8254	27.2120	26.5850	25.9747	25.2988	19.5893	34.0419	137.9347
4.0200	28.7445	24.5797	20.1564	2.3910	-3.9866	25.5840	24.9575	24.3102	23.6495	23.0075	22.2994	16.0440	27.9152	121.9304
4.2700	26.3579	22.2182	17.8286	0.1722	-6.3259	23.0406	22.3853	21.7084	21.0184	20.3491	19.6136	12.8872	22.4641	107.6177
4.5200	24.1996	20.0849	15.7292	-1.8207	-8.4487	20.7440	20.0636	19.3610	18.6456	17.9526	17.1939	10.0594	17.5850	94.7335
4.7700	22.2361	18.1464	13.8249	-3.6219	-10.3865	18.6584	17.9560	17.2311	16.4938	15.7803	15.0019	7.5122	13.1944	83.0670
5.0200	20.4403	16.3757	12.0884	-5.2590	-12.1649	16.7547	16.0333	15.2890	14.5327	13.8014	13.0066	5.2063	9.2242	72.4476
5.2700	18.7903	14.7507	10.4975	-6.7548	-13.8048	15.0091	14.2712	13.5100	12.7374	11.9907	11.1821	3.1092	5.6183	62.7357
5.5200	17.2677	13.2529	9.0338	-8.1278	-15.3235	13.4018	12.6495	11.8737	11.0870	10.3271	9.5071	1.1936	2.3299	53.8157
5.7700	15.8571	11.8672	7.6819	-9.3936	-16.7355	11.9163	11.1514	10.3631	9.5644	8.7930	7.9635	-0.5630	-0.6802	45.5913
Average Life	7.9548	7.0193	6.2340	3.8549	3.2990	6.3030	6.0333	5.7804	5.5430	5.3200	5.1104	3.0651	1.7083	0.6763
First Prin	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002
Last Prin	01/15/2025	01/15/2025	01/15/2025	01/15/2025	07/15/2011	01/15/2025	01/15/2025	01/15/2025	01/15/2025	01/15/2025	01/15/2025	01/15/2025	01/15/2025	01/15/2006
Payment Window	277	277	277	277	115	277	277	277	277	277	277	277	277	49
Accrual Factor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Mod Duration @ 4.7700	2.7944	2.8322	2.8855	3.0560	2.8265	2.6333	2.6066	2.5799	2.5543	2.5308	2.5090	2.1652	1.2568	0.4714

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11/26/2001 19:54:01 CARVE Version 629.0 /u/dkavour/axa/111601/FIXED_FMPC_PAR-IO_SEMI.111601.carve

MS AXA Agribusiness Series Fixed Rate - FarmerMac 100% Wrap Class X

Class	X	Settlement Date	05/30/2001	Coupon	-1.00000	Cusip	N/A
Original Balance	349,132,665.14	Dated Date	05/30/2001	Delay	15	Yield Table Date	11/26/2001
Current Balance	1.00	First Payment Date	01/15/2002	Lead Manager	Morgan Stanley & Co.	Yield Frequency	SemiAnnual
Credit Rating	Aaa/AAA	Next Payment Date	01/15/2002	Orig Deal Size	788,624,788.78	Yield Day Count	30/360
Market Desc	N/A	Payment Freq	SemiAnnual	Num of Tranches	22		
Factor	1.00000000	Interest Freq	SemiAnnual	Deal Age	1		

Trigger Prepay	optionalCall YES CPR 0	optionalCall YES (!YM) CPR 5	optionalCall YES (!YM) CPR 10	optionalCall YES (!YM) CPR 50	optionalCall YES (!YM) CPR 100	optionalCall YES CPR 5	optionalCall YES CPR 6	optionalCall YES CPR 7	optionalCall YES CPR 8	optionalCall YES CPR 9	optionalCall YES CPR 10	optionalCall YES CPR 25	optionalCall YES CPR 50	optionalCall YES CPR 100
Price / Yield														
3.2700	34.1010	29.8272	25.3239	7.4984	1.8049	31.8043	31.3781	30.9157	30.4351	30.0316	29.5838	25.9010	47.9952	173.0572
3.5200	30.9642	26.7013	22.2231	4.4876	-1.3238	28.4191	27.9495	27.4410	26.9142	26.4712	25.9816	21.5164	40.1885	152.7604
3.7700	28.1897	23.9382	19.4863	1.8447	-4.1033	25.4252	24.9176	24.3687	23.8013	23.3238	22.7976	17.6502	33.3108	134.8970
4.0200	25.7145	21.4750	17.0503	-0.4951	-6.5938	22.7554	22.2144	21.6298	21.0268	20.5189	19.9605	14.2148	27.2036	119.0407
4.2700	23.4896	19.2626	14.8660	-2.5824	-8.8421	20.3574	19.7869	19.1708	18.5363	18.0016	17.4148	11.1415	21.7432	104.8606
4.5200	21.4763	17.2624	12.8943	-4.4571	-10.8851	18.1896	17.5930	16.9490	16.2866	15.7283	15.1164	8.3754	16.8316	92.0958
4.7700	19.6437	15.4434	11.1043	-6.1511	-12.7526	16.2188	15.5990	14.9302	14.2431	13.6638	13.0297	5.8724	12.3900	80.5375
5.0200	17.9668	13.7806	9.4705	-7.6904	-14.4685	14.4179	13.7775	13.0865	12.3776	11.7795	11.1257	3.5964	8.3542	70.0168
5.2700	16.4250	12.2533	7.9723	-9.0962	-16.0525	12.7647	12.1058	11.3952	10.6669	10.0520	9.3807	1.5177	4.6713	60.3953
5.5200	15.0015	10.8445	6.5925	-10.3860	-17.5209	11.2407	10.5653	9.8372	9.0915	8.4616	7.7746	-0.3887	1.2976	51.5586
5.7700	13.6819	9.5399	5.3168	-11.5743	-18.8875	9.8305	9.1404	8.3964	7.6354	6.9920	6.2910	-2.1434	-1.8039	43.4111
Average Life	8.0106	7.0340	6.2195	3.7784	3.2539	6.3123	6.0368	5.7788	5.5371	5.3105	5.0978	3.0473	1.7121	0.6893
First Prin	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002
Last Prin	01/15/2025	01/15/2025	01/15/2025	01/15/2025	07/15/2011	01/15/2025	01/15/2025	01/15/2025	01/15/2025	01/15/2025	01/15/2025	01/15/2025	01/15/2025	01/15/2006
Payment Window	277	277	277	277	115	277	277	277	277	277	277	277	277	49
Accrual Factor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Mod Duration @ 4.5200	2.8832	2.9035	2.9480	3.1080	2.8352	2.6793	2.6478	2.6149	2.5829	2.5563	2.5287	2.1047	1.1857	0.4560

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11/26/2001 19:20:34 CARVE Version 629.0 /u/dkavour/axa/111601/FIXED_FMACE_97SENIOR-3SUB_SEMI.111601.carve

MS AXA Agribusiness Series Fixed Rate - FarmerMac 97% Wrap/ 3% Sub Class X

Class	X	Settlement Date	05/30/2001	Coupon	-1.00000	Cusip	N/A
Original Balance	349,132,665.14	Dated Date	05/30/2001	Delay	15	Yield Table Date	11/26/2001
Current Balance	1.00	First Payment Date	01/15/2002	Lead Manager	Morgan Stanley & Co.	Yield Frequency	SemiAnnual
Credit Rating	Aaa/AAA	Next Payment Date	01/15/2002	Orig Deal Size	788,624,788.73	Yield Day Count	30/360
Market Desc	N/A	Payment Freq	SemiAnnual	Num of Tranches	22		
Factor	1.00000000	Interest Freq	SemiAnnual	Deal Age	1		

Trigger Prepay	optionalCall YES CPR 0	optionalCall YES (!YM) CPR 5	optionalCall YES (!YM) CPR 10	optionalCall YES (!YM) CPR 50	optionalCall YES (!YM) CPR 100	optionalCall YES CPR 5	optionalCall YES CPR 6	optionalCall YES CPR 7	optionalCall YES CPR 8	optionalCall YES CPR 9	optionalCall YES CPR 10	optionalCall YES CPR 25	optionalCall YES CPR 50	optionalCall YES CPR 100
Price / Yield														
3.7700	33.8521	29.8965	25.7681	9.3192	4.0370	31.3200	30.8400	30.3273	29.7975	29.3345	28.8304	23.7670	38.9831	140.3086
4.0200	31.1509	27.2099	23.1085	6.7105	1.3314	28.4330	27.9205	27.3736	26.8095	26.3169	25.7813	20.1290	32.7127	124.2704
4.2700	28.7272	24.8010	20.7270	4.3791	-1.1077	25.8435	25.3024	24.7252	24.1308	23.6121	23.0487	16.8776	27.1146	109.9266
4.5200	26.5380	22.6266	18.5804	2.2814	-3.3214	23.5059	22.9394	22.3353	21.7141	21.1724	20.5842	13.9542	22.0867	97.0134
4.7700	24.5486	20.6523	16.6339	0.3821	-5.3425	21.3834	20.7944	20.1665	19.5215	18.9594	18.3492	11.3113	17.5469	85.3200
5.0200	22.7311	18.8501	14.8596	-1.3469	-7.1976	19.4463	18.8374	18.1882	17.5221	16.9419	16.3121	8.9101	13.4282	74.6754
5.2700	21.0628	17.1971	13.2345	-2.9290	-8.9084	17.6702	17.0434	16.3754	15.6905	15.0943	14.4468	6.7189	9.6756	64.9398
5.5200	19.5247	15.6744	11.7395	-4.3832	-10.4929	16.0348	15.3921	14.7072	14.0057	13.3951	12.7320	4.7109	6.2430	55.9975
5.7700	18.1010	14.2662	10.3587	-5.7255	-11.9661	14.5231	13.8663	13.1663	12.4500	11.8266	11.1493	2.8638	3.0920	47.7520
Average Life	8.0106	7.0340	6.2195	3.7784	3.2539	6.3123	6.0368	5.7788	5.5371	5.3105	5.0978	3.0473	1.7121	0.6893
Mod Duration @ 4.7700	2.7596	2.7818	2.8236	2.8958	2.7098	2.5878	2.5610	2.5332	2.5061	2.4833	2.4591	2.0829	1.2134	0.4703

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11/26/2001 19:28:16 CARVE Version 629.0 /u/dkavour/axa/111601/FIXED_FM_AC_SENIOR-SUB_SEMI.111601.carve

MS AXA Agribusiness Series Fixed Rate - FarmerMac 94% Wrap/ 6% Sub Class X

Class	X	Settlement Date	05/30/2001	Coupon	-1.00000	Cusip	N/A
Original Balance	349,132,665.14	Dated Date	05/30/2001	Delay	15	Yield Table Date	11/26/2001
Current Balance	1.00	First Payment Date	01/15/2002	Lead Manager	Morgan Stanley & Co.	Yield Frequency	SemiAnnual
Credit Rating	Aaa/AAA	Next Payment Date	01/15/2002	Orig Deal Size	788,624,788.72	Yield Day Count	30/360
Market Desc	N/A	Payment Freq	SemiAnnual	Num of Tranches	22		
Factor	1.00000000	Interest Freq	SemiAnnual	Deal Age	1		

Trigger	optionalCall YES	optionalCall YES	optionalCall YES	optionalCall YES	optionalCall YES	optionalCall YES	optionalCall YES	optionalCall YES	optionalCall YES	optionalCall YES	optionalCall YES	optionalCall YES	optionalCall YES	optionalCall YES
Prepay	CPR 0	(!YM) CPR 5	(!YM) CPR 10	(!YM) CPR 50	(!YM) CPR 100	CPR 5	CPR 6	CPR 7	CPR 8	CPR 9	CPR 10	CPR 25	CPR 50	CPR 100
Price / Yield														
3.7700	34.7827	30.9273	26.9097	10.9641	5.7980	32.3572	31.8950	31.4019	30.8929	30.4453	29.9597	25.1455	40.4047	142.6894
4.0200	32.0592	28.2201	24.2304	8.3372	3.0758	29.4528	28.9589	28.4324	27.8901	27.4136	26.8975	21.5148	34.1736	126.6363
4.2700	29.6159	25.7932	21.8314	5.9889	0.6214	26.8483	26.3264	25.7704	25.1986	24.6966	24.1536	18.2714	28.6134	112.2780
4.5200	27.4093	23.6030	19.6692	3.8752	-1.6063	24.4977	23.9510	23.3687	22.7708	22.2463	21.6794	15.3563	23.6218	99.3507
4.7700	25.4046	21.6148	17.7089	1.9609	-3.6403	22.3638	21.7952	21.1895	20.5686	20.0241	19.4359	12.7217	19.1161	87.6434
5.0200	23.5735	19.8002	15.9221	0.2175	-5.5073	20.4169	19.8286	19.2022	18.5607	17.9985	17.3914	10.3288	15.0292	76.9854
5.2700	21.8930	18.1363	14.2857	-1.3782	-7.2292	18.6321	18.0264	17.3815	16.7217	16.1437	15.5196	8.1454	11.3059	67.2366
5.5200	20.3441	16.6039	12.7805	-2.8454	-8.8241	16.9891	16.3679	15.7064	15.0304	14.4383	13.7990	6.1447	7.9001	58.2814
5.7700	18.9106	15.1871	11.3904	-4.2001	-10.3071	15.4707	14.8356	14.1593	13.4688	12.8642	12.2112	4.3044	4.7733	50.0232
Average Life	8.0106	7.0340	6.2195	3.7784	3.2539	6.3123	6.0368	5.7788	5.5371	5.3105	5.0978	3.0473	1.7121	0.6893
First Prin	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002	01/15/2002
Last Prin	01/15/2025	01/15/2025	01/15/2025	01/15/2025	07/15/2011	01/15/2025	01/15/2025	01/15/2025	01/15/2025	01/15/2025	01/15/2025	01/15/2025	01/15/2025	01/15/2006
Payment Window	277	277	277	277	115	277	277	277	277	277	277	277	277	49
Accrual Factor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Mod Duration @ 4.7700	2.7388	2.7626	2.8038	2.8725	2.6926	2.5744	2.5484	2.5214	2.4953	2.4732	2.4500	2.0899	1.2228	0.4698

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