SSGN 2010-S1 Transaction Summary

The FDIC issued $1.81 billion in notes backed by non-agency residential mortgage backed securities. The underlying securities, which were held by the FDIC as receiver for various depository institutions, were sold to a statutory trust, which issued senior notes backed by those underlying securities. The notes were issued with the benefit of a full and unconditional FDIC Guaranty backed by the full faith and credit of the United States of America.

Pricing Details

- The transaction features two series of senior notes, each backed by a separate pool of securities.
  - Senior I-A notes are backed by securities which are in turn backed by option ARM mortgage loans and pay a monthly floating rate coupon of 1-month LIBOR plus 0.55% per annum with a maximum rate of 7.00% per annum.
  - Senior II-A notes are backed by securities which are in turn backed primarily by fixed rate mortgage loans and pay a monthly fixed rate coupon of 3.25% per annum.
- Pricing Date: March 5, 2010
- Closing Date: March 11, 2010
- Financial Advisor to FDIC/Structuring Agent/Sole Bookrunner: Barclays Capital

Investor Participation

- The transaction was met with robust investor demand and subscription levels with over 70 accounts participating across fixed and floating rate series.
- Investors included banks, investment funds, insurance funds, and pension funds. All investors were 144A eligible (Qualified Institutional Buyers).

Note Structure

- The FDIC will initially retain the owner trust certificate, or equity interest, for each series, which will not receive any principal or interest cashflows until the senior notes for that series have been repaid in full.
- The senior notes will amortize based on the timing of cashflows on the underlying securities. Principal will not be paid based on a fixed amortization schedule.

- Each series of senior notes will benefit from credit enhancement in the form of overcollateralization and excess interest, in addition to the FDIC Guaranty.

- Senior I-A notes were structured with 56.51% initial overcollateralization.

- Senior II-A notes were structured with 11.97% initial overcollateralization.

FDIC Guaranty

- The FDIC, in its corporate capacity, will fully and unconditionally guarantee the timely payment of principal and interest due and payable on the senior notes.

- The Guaranty is backed by the full faith and credit of the United States of America.

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