

*Federal Farm Credit Banks  
Consolidated Systemwide  
Designated Bonds*



This Term Sheet relates to the Bonds described below and should be read in conjunction with the Federal Farm Credit Banks Consolidated Systemwide Bonds and Discount Notes Offering Circular dated June 18, 1999, as amended and supplemented by the Offering Circular Supplement dated August 20, 2001 (the "Offering Circular"). The Designated Bonds described herein (the "Bonds") were sold to Bear, Stearns & Co. Inc., Lehman Brothers Inc. and Morgan Stanley & Co. Incorporated as the Joint Lead Managers (the "Lead Managers") of this issue of the Bonds, and to the Dealers in the Farm Credit Banks Consolidated Systemwide Bond Selling Group (the "Co-Managers") listed in the Term Sheet, for resale to investors at the Issue Price. Terms set forth below unless otherwise defined have the meaning ascribed to them in the Offering Circular.

**Principal Amount:** \$2,000,000,000

**Denomination:** \$5,000 and integral multiples of \$1,000 in excess thereof

**Issue Price:** 99.778%

**Issue Date & Settlement Date:** January 15, 2003

**Maturity Date:** March 15, 2006

**Interest Rate:** 2.500%

**Day Count Basis:** Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months

**Interest Payment Dates:** Each March 15 and September 15, beginning on March 15, 2003, and the Maturity Date

**Redemption:** The Bonds are not subject to redemption prior to the Maturity Date

**Reopenings:** The outstanding principal amount of this issue may be increased from time to time.

**Underwriting Concession:** 0.075%. The Lead Managers must sell a certain portion of the Bonds they have purchased as principal to other Dealers designated by Funding Corporation less the Selling Concession specified below which constitutes a portion of the Underwriting Concession received from the Funding Corporation.

**Selling Concession:** 0.050%

**Stabilizing Managers:** Bear, Stearns & Co. Inc., Lehman Brothers Inc. and Morgan Stanley & Co. Incorporated

**CUSIP Number:** 31331Q RY5

**Bear, Stearns & Co. Inc.  
Lehman Brothers Inc.  
Morgan Stanley Dean Witter**

*The date of the Term Sheet is January 9, 2003*

**Eligibility for Stripping:** The Bonds are eligible for stripping in minimum aggregate principal amounts of \$80,000. These Bonds may not be stripped any earlier than March 16, 2003.

Identifying CUSIP Number Table  
Interest Components

<u>Interest Payment Dates</u>	<u>CUSIP Number</u>
September 15, 2003	31331U DJ4
March 15, 2004	31331U DK1
September 15, 2004	31331U DL9
March 15, 2005	31331U DM7
September 15, 2005	31331U DN5
March 15, 2006	31331U DP0

Principal Component

<u>Maturity Date</u>	<u>CUSIP Number</u>
March 15, 2006	31331W AW4

<b>Lead Managers:</b>	Bear, Stearns & Co. Inc.	\$566,000,000
	Lehman Brothers Inc.	\$567,000,000
	Morgan Stanley & Co. Incorporated	\$567,000,000
<b>Co-Managers:</b>	Banc of America Securities LLC	\$75,000,000
	Credit Suisse First Boston Corporation	\$75,000,000
	HSBC Securities (USA) Inc.	\$75,000,000
	UBS Warburg LLC	\$75,000,000
	<b>Total:</b>	\$2,000,000,000

***Backup Withholding and Information Reporting***

Under The Economic Growth and Tax Relief Act of 2001, the backup withholding rate was lowered to 30% for payments made in 2002 and 2003, 29% for payments made in 2004 and 2005 and 28% for payments made in 2006 and thereafter.

**DISTRIBUTION**

Morgan Stanley Group Inc. has merged with and into Dean Witter, Discover & Co. which has been renamed Morgan Stanley Dean Witter & Co. Morgan Stanley & Co. Incorporated ("Morgan Stanley") and Dean Witter Reynolds Inc. ("Dean Witter Reynolds"), the two broker dealers, continue to exist as separate entities. Offerings are underwritten by Morgan Stanley and distributed by both Morgan Stanley and Dean Witter Reynolds. "Morgan Stanley Dean Witter" is the marketing name used by both Morgan Stanley and Dean Witter Reynolds.