

*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. and UBS Securities LLC as the Joint Lead Managers (the "Lead Managers") of this issue of the Bonds, and to the Dealers in the Federal 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: \$1,000,000,000

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

Issue Price: 99.9962%

Issue Date & Settlement Date: July 1, 2003

Maturity Date: January 16, 2007

Interest Rate: 1.875%

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 January 16 and July 16, beginning on January 16, 2004, 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. and UBS Securities LLC

CUSIP Number: 31331Q 3M7

**Bear, Stearns & Co. Inc.
UBS Securities LLC**

The date of the Term Sheet is June 24, 2003.

Eligibility for Stripping: The Bonds are eligible for stripping in minimum aggregate principal amounts of \$320,000. These Bonds may not be stripped any earlier than January 17, 2004.

Identifying CUSIP Number Table
Interest Components

| <u>Interest Payment Dates</u> | <u>CUSIP Number</u> |
|-------------------------------|---------------------|
| July 16, 2004 | 31331U EH7 |
| January 16, 2005 | 31331U EJ3 |
| July 16, 2005 | 31331U EK0 |
| January 16, 2006 | 31331U EL8 |
| July 16, 2006 | 31331U EM6 |
| January 16, 2007 | 31331U EN4 |

Principal Component

| <u>Maturity Date</u> | <u>CUSIP Number</u> |
|----------------------|---------------------|
| January 16, 2007 | 31331W BA1 |

| | | |
|-----------------------|--------------------------------|-----------------|
| Lead Managers: | Bear, Stearns & Co. Inc. | \$425,000,000 |
| | UBS Securities LLC | \$425,000,000 |
| Co-Managers: | Banc of America Securities LLC | \$50,000,000 |
| | Greenwich Capital Markets Inc. | \$50,000,000 |
| | J.P. Morgan Securities Inc. | \$50,000,000 |
| | <hr/> | |
| | Total: | \$1,000,000,000 |

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.