

*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 Supplements dated August 20, 2001 and November 26, 2003 (the "Offering Circular"). The Designated Bonds described herein (the "Bonds") were sold to JP Morgan Securities Inc., Merrill Lynch Government Securities, 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 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:** \$1,500,000,000

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

**Issue Price:** 99.745%

**Issue Date & Settlement Date:** August 25, 2006

**Maturity Date:** August 25, 2016

**Interest Rate:** 5.125%

**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 February 25 and August 25, beginning on February 25, 2007, 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:** 0.150%. 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:** 0.125%

**Stabilizing Managers:** JP Morgan Securities Inc., Merrill Lynch Government Securities, Inc. and Morgan Stanley & Co., Incorporated

**CUSIP Number:** 31331V 2U9

**JPMorgan  
Merrill Lynch & Co.  
Morgan Stanley**

*The date of the Term Sheet is August 22, 2006.*

<b>Lead Managers:</b>	JP Morgan Securities Inc.	\$433,333,334
	Merrill Lynch Government Securities, Inc.	\$433,333,333
	Morgan Stanley & Co., Incorporated	\$433,333,333
<b>Co-Managers:</b>	Barclays Capital Inc.	\$100,000,000
	Lehman Brothers Inc.	\$100,000,000
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	<b>Total:</b>	\$1,500,000,000

***Backup Withholding and Information Reporting***

The Jobs and Growth Tax Relief Reconciliation Act of 2003 lowered the backup withholding tax rate to 28% , effective January 1, 2003.

**DISTRIBUTION**

Morgan Stanley maintains two separate broker-dealer entities. Offerings are underwritten by Morgan Stanley & Co. Incorporated and distributed by both Morgan Stanley & Co. Incorporated and Morgan Stanley DW Inc.