

*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., 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 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: 99.537%

Issue Date & Settlement Date: January 9, 2007

Maturity Date: January 17, 2017

Interest Rate: 4.875%

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 17 and July 17, beginning on July 17, 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., Lehman Brothers Inc. and Morgan Stanley & Co., Incorporated

CUSIP Number: 31331X LG5

**JPMorgan
Lehman Brothers Inc.
Morgan Stanley**

The date of the Term Sheet is January 4, 2007.

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|-----------------------|------------------------------------|-----------------|
| Lead Managers: | JP Morgan Securities Inc. | \$433,333,333 |
| | Lehman Brothers Inc. | \$433,333,334 |
| | Morgan Stanley & Co., Incorporated | \$433,333,333 |
| Co-Managers: | Barclays Capital Inc. | \$100,000,000 |
| | UBS Securities LLC | \$100,000,000 |
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| | Total: | \$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.