

(I) 1. AS TO SECURITIES LENDING TRANSACTIONS, AND FOR THE PURPOSE OF CALCULATING COUNTERPARTY EXPOSURE AMOUNT, CASH, CASH EQUIVALENTS, LETTERS OF CREDIT, AND DIRECT OBLIGATIONS OF, OR SECURITIES THAT ARE FULLY GUARANTEED AS TO PRINCIPAL AND INTEREST BY, THE GOVERNMENT OF THE UNITED STATES OR AN AGENCY OF THE UNITED STATES, OR BY THE FEDERAL NATIONAL MORTGAGE ASSOCIATION OR THE FEDERAL HOME LOAN MORTGAGE CORPORATION; AND

2. AS TO LENDING FOREIGN SECURITIES, SOVEREIGN DEBT RATED I BY THE SECURITIES VALUATION OFFICE OF THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS;

(II) AS TO REPURCHASE TRANSACTIONS, CASH, CASH EQUIVALENTS, AND DIRECT OBLIGATIONS OF, OR SECURITIES THAT ARE FULLY GUARANTEED AS TO PRINCIPAL AND INTEREST BY, THE GOVERNMENT OF THE UNITED STATES OR AN AGENCY OF THE UNITED STATES, OR BY THE FEDERAL NATIONAL MORTGAGE ASSOCIATION OR THE FEDERAL HOME LOAN MORTGAGE CORPORATION; AND

(III) AS TO REVERSE REPURCHASE TRANSACTIONS, CASH AND CASH EQUIVALENTS.

~~(2)~~ (3) (I) "ASSET-BACKED SECURITY" MEANS A SECURITY OR OTHER INSTRUMENT, EXCLUDING A MUTUAL FUND, EVIDENCING AN INTEREST IN, OR THE RIGHT TO RECEIVE PAYMENTS FROM, OR PAYABLE FROM DISTRIBUTIONS ON, AN ASSET, A POOL OF ASSETS, OR SPECIFICALLY DIVISIBLE CASH FLOWS THAT ARE LEGALLY TRANSFERRED TO A TRUST OR ANOTHER SPECIAL PURPOSE BANKRUPTCY-REMOTE BUSINESS ENTITY, ON THE FOLLOWING CONDITIONS:

1. THE TRUST OR OTHER BUSINESS ENTITY IS ESTABLISHED SOLELY FOR THE PURPOSE OF ACQUIRING SPECIFIC TYPES OF ASSETS OR RIGHTS TO CASH FLOWS, ISSUING SECURITIES AND OTHER INSTRUMENTS REPRESENTING AN INTEREST IN OR RIGHT TO RECEIVE CASH FLOWS FROM THOSE ASSETS OR RIGHTS, AND ENGAGING IN ACTIVITIES REQUIRED TO SERVICE THE ASSETS OR RIGHTS AND ANY CREDIT ENHANCEMENT OR SUPPORT FEATURES HELD BY THE TRUST OR OTHER BUSINESS ENTITY; AND

2. THE ASSETS OF THE TRUST OR OTHER BUSINESS ENTITY CONSIST SOLELY OF INTEREST BEARING OBLIGATIONS OR OTHER CONTRACTUAL OBLIGATIONS REPRESENTING THE RIGHT TO RECEIVE PAYMENT FROM THE CASH FLOWS FROM THE ASSETS OR RIGHTS.

(II) HOWEVER, THE EXISTENCE OF CREDIT ENHANCEMENTS, SUCH AS LETTERS OF CREDIT OR GUARANTEES, OR SUPPORT FEATURES SUCH AS SWAP AGREEMENTS, DO NOT CAUSE A SECURITY OR OTHER INSTRUMENT TO BE INELIGIBLE AS AN ASSET-BACKED SECURITY.

~~(2)~~ (4) "BUSINESS ENTITY" INCLUDES A SOLE PROPRIETORSHIP, CORPORATION, ASSOCIATION, GENERAL OR LIMITED PARTNERSHIP, LIMITED