

Form of Election

CFC Daily Liquidity Fund Program

Please indicate your selection below and return by the close of business on June 4, 2007 to Denise Pugh at (fax) 703-709-6728 or National Rural Utilities Cooperative Finance Corporation, 2201 Cooperative Way, Herndon, VA 20171.

Name [and Coop ID #] of Participant: _____

_____ I hereby request to participate in the new Daily Liquidity Fund Program [CHECK ONE OF THE FOLLOWING]:

_____ In the full amount of my participation in the former program; or

_____ In the amount of \$_____ [MUST BE AT LEAST \$50,000]
Please redeem the remainder of my Demand Notes in accordance with their terms.

_____ I hereby request that all of my Demand Notes under the former program be redeemed in accordance with their terms. I understand that I remain eligible to participate in the new Daily Liquidity Fund Program.

By making the foregoing election, the undersigned hereby confirms receipt of the Prospectus dated April 19, 2007 relating to the Floating Rate Demand Notes offered pursuant to the new CFC Daily Liquidity Program.

Signed: _____

By: _____

Address: _____

CFC has filed a registration statement (including a prospectus) with the SEC for the offering to which this free writing prospectus relates. Before you invest, you should read the prospectus in that registration statement and other documents CFC has filed with the SEC for more complete information about CFC and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, CFC will arrange to send you the prospectus if you request it by calling CFC toll-free at 1-800-424-2954 or online at our Web site at www.nrucfc.coop.