

LEHMAN BROTHERS

December 20, 2006

Dear Prospective Investor:

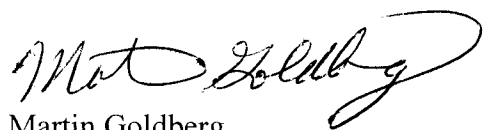
Enclosed is a CFC Daily Liquidity Program (the "Program") Prospectus Supplement and related Prospectus for the National Rural Utilities Cooperative Finance Corporation ("CFC"). In order to comply with the statutory and regulatory provisions of the federal and state securities laws, Lehman Brothers Inc. is providing these materials on behalf of CFC.

The enclosed document, together with the documents incorporated by reference therein, provide the basic information necessary for you to make an informed investment decision. Please review the document for complete details. A Pricing Supplement will also be prepared in connection with each issue off the Program.

Lehman Brothers Inc. is not making any recommendation with respect to the Program, nor do we assume any responsibility for the accuracy of the statements made in the enclosed materials, which have been provided solely by CFC.

If you have any questions, please contact John Suter of CFC's Treasury department at (703)709-6748.

Sincerely,

A handwritten signature in black ink, appearing to read "Martin Goldberg". The signature is fluid and cursive, with a large loop at the end.

Martin Goldberg
Senior Vice President