Financial Supplement Q2 2021

August 3, 2021

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- Some of the terms and other information in this presentation are defined and discussed more fully in Fannie Mae's Form 10-Q for the quarter ended June 30, 2021 ("Q2 2021 Form 10-Q") and Form 10-K for year ended December 31, 2020 ("2020 Form 10-K"). This presentation should be reviewed together with the Q2 2021 Form 10-Q and the 2020 Form 10-K, which are available at www.fanniemae.com in the "About Us—Investor Relations—SEC Filings" section. Information on or available through the company's website is not part of this supplement.
- Some of the information in this presentation is based upon information from third-party sources such as sellers and servicers of mortgage loans. Although Fannie Mae generally considers this information reliable, Fannie Mae does not independently verify all reported information.
- Due to rounding, amounts reported in this presentation may not sum to totals indicated (i.e. 100%), or amounts shown as 100% may not reflect the entire population.
- Unless otherwise indicated "Q2 YTD 2021" data is as of June 30, 2021 or for the first six months of 2021. Data for prior years is as of December 31 or for the full year indicated.
- Note references are to endnotes, appearing on pages 27 to 30.
- Terms used in presentation

  CAS: Connecticut Avenue Securities®

  CIRT™: Credit Insurance Risk Transfer™

  CRT: Credit risk transfer

  DSCR: Weighted-average debt service coverage ratio

  DTI ratio: Debt-to-income ("DTI") ratio refers to the ratio of a borrower's outstanding debt obligations (including both mortgage debt and certain other long-term and significant short-term debts) to that borrower's reported or calculated monthly income, to the extent the income is used to qualify for the mortgage

  DUS®: Fannie Mae's Delegated Underwriting and Servicing program

  FHFA: The Federal Housing Finance Agency

  HARP®: Home Affordable Refinance Program®, registered trademarks of the Federal Housing Finance Agency, which allowed eligible Fannie Mae borrowers with high LTV ratio loans to refinance into more sustainable loans

  LTV ratio: Loan-to-value ratio

  MSA: Metropolitan statistical area

  MTMLTV ratio: Mark-to-market loan-to-value ratio, which refers to the current unpaid principal balance of a loan at period end, divided by the estimated current home price at period end

  OLTV ratio: Origination loan-to-value ratio, which refers to the unpaid principal balance of a loan at the time of origination of the loan, divided by the home price at origination of the loan

  Refi Plus™: Refi Plus initiative, which offered refinancing flexibility to eligible Fannie Mae borrowers

  REO: Real estate owned by Fannie Mae because it has foreclosed on the property or obtained the property through a deed-in-lieu of foreclosure

  TCCA: Temporary Payroll Tax Cut Continuation Act of 2011

  UPB: Unpaid principal balance

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Overview

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Corporate Financial Highlights

Summary of Q2 2021 Financial Results

(Dollars in millions)	Q2 2021	Q1 2021	Variance	Q2 YTD 2021	Q2 YTD 2020	Variance
Net interest income	**$8,286**	$6,742	$1,544	**$15,028**	$11,124	$3,904
Fee and other income	**103**	87	16	**190**	210	(20)
Net revenues	**8,389**	6,829	1,560	**15,218**	11,334	3,884
Investment gains (losses), net	**646**	45	601	**691**	(9)	700
Fair value gains (losses), net	**(446)**	784	(1,230)	**338**	(1,294)	1,632
Administrative expenses	**(746)**	(748)	2	**(1,494)**	(1,503)	9
Credit-related income (expense)	**2,547**	770	1,777	**3,317**	(2,685)	6,002
TCCA fees	**(758)**	(731)	(27)	**(1,489)**	(1,297)	(192)
Other expenses, net[1]	**(598)**	(634)	36	**(1,232)**	(754)	(478)
Income before federal income taxes	**9,034**	6,315	2,719	**15,349**	3,792	11,557
Provision for federal income taxes	**(1,882)**	(1,322)	(560)	**(3,204)**	(786)	(2,418)
Net income	**$7,152**	$4,993	$2,159	**$12,145**	$3,006	$9,139
Total comprehensive income	**$7,120**	$4,966	$2,154	**$12,086**	$3,008	$9,078
Net worth	**$37,345**	$30,225	$7,120	**$37,345**	$16,477	$20,868
Net worth ratio[2]	0.9 %	0.7 %		0.9 %	0.4 %	

Q2 Key Highlights

$7.2 billion second quarter 2021 net income, with net worth reaching $37.3 billion as of June 30, 2021

Net income increased $2.2 billion in the second quarter of 2021 compared with the first quarter of 2021 driven by:

Credit-related income

- Increased $1.8 billion in the second quarter of 2021, driven by higher actual and forecasted home prices, as well as an increase in the volume of redesignations of reperforming single-family mortgage loans from held-for-investment to held-for sale.

Net interest income

- Increased $1.5 billion, driven primarily by an increase in net amortization income, particularly in the beginning of the second quarter. Single-family loan prepayment slowed some throughout the second quarter of 2021 compared to the first quarter; however refinancing activity remained strong due to the continued low interest-rate environment.

Partially offset by:

Fair value gains (losses), net

- $1.2 billion shift from fair value gains to fair value losses driven by a decrease in Treasury yields, which drove losses on commitments to sell securities and fair value debt as prices rose.

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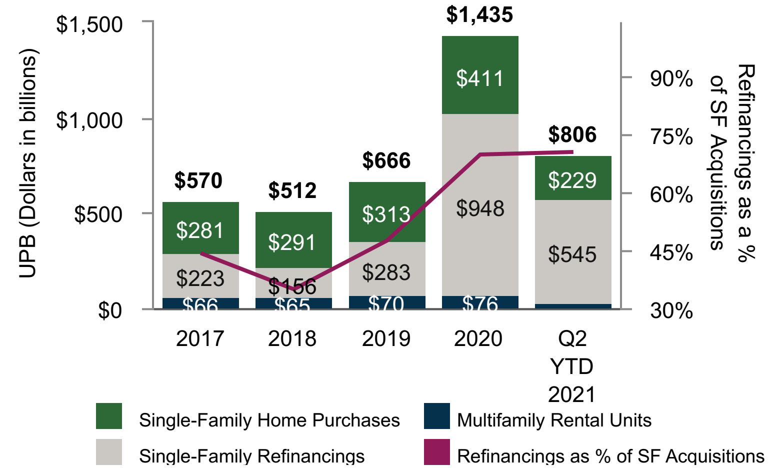
Guaranty Book of Business Highlights

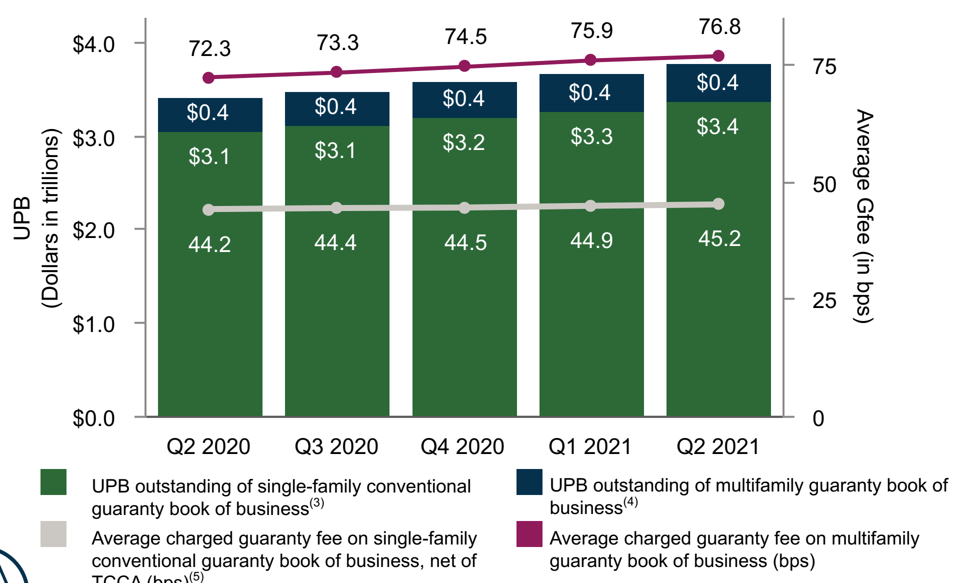
Market Liquidity Provided

Total liquidity provided in the second quarter of 2021 was $384 billion

Unpaid Principal Balance	Units
$129.5B	419K Single-Family Home Purchases
$243.8B	906K Single-Family Refinancings
$10.9B	128K Multifamily Rental Units



Outstanding Conventional Guaranty Book of Business at Period End



Highlights

- Fannie Mae provided $384 billion in total liquidity in the second quarter of 2021, which continues to represent historically high volumes.
- Refinancings continued to drive acquisition volumes with 906,000 single-family refinance loans delivered in the second quarter of 2021 due to the continued low rate environment.
- Average charged guaranty fee continued to increase for both the company's single-family and multifamily segments.

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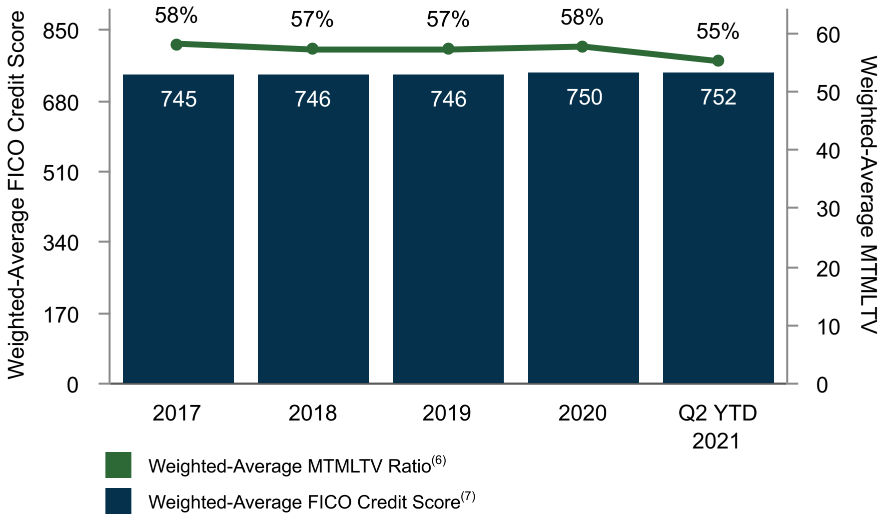
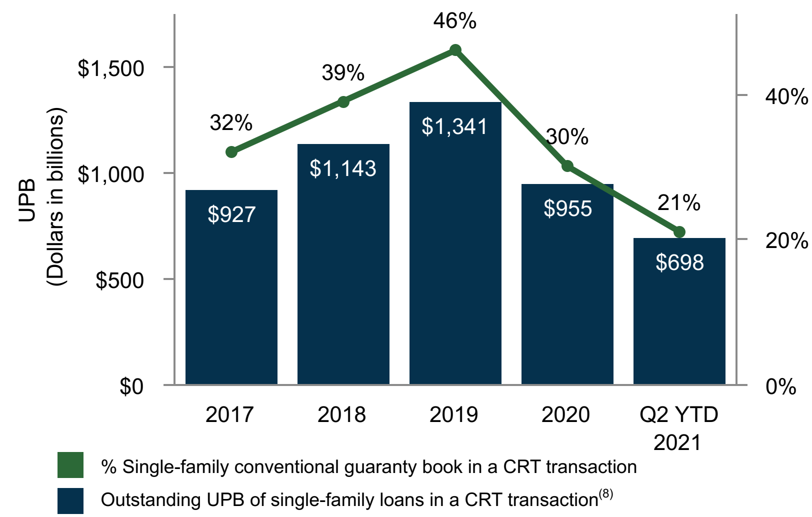
Single-Family Credit Characteristics

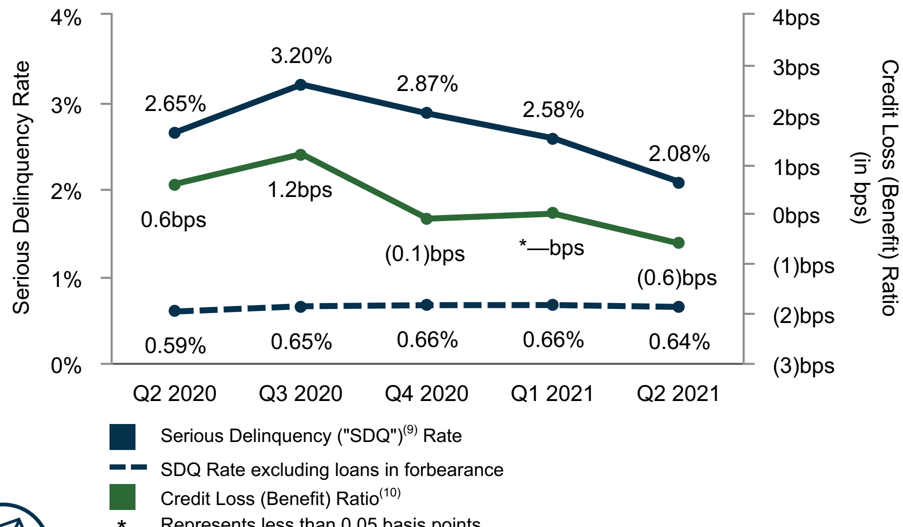
Certain Credit Characteristics of Guaranty Book



Guaranty Book in a CRT



Credit Ratios



Highlights

- The credit characteristics of the single-family conventional guaranty book of business remained strong in the second quarter of 2021 with a weighted-average MTMLTV ratio of 55% and weighted-average FICO credit score of 752.
- The company has not entered into any new credit risk transfer transactions since Q1 2020 as it continues to evaluate their costs and benefits, including the capital relief these transactions provide. As a result, the percentage of the single-family conventional guaranty book of business covered by CRT declined to 21% as of June 30, 2021.
- The single-family SDQ rate decreased compared with March 31, 2021 due to the on-going economic recovery and the decline in the number of the company's single-family loans in a COVID-19 forbearance plan. The single-family SDQ rate excluding loans in forbearance decreased slightly to 0.64%.

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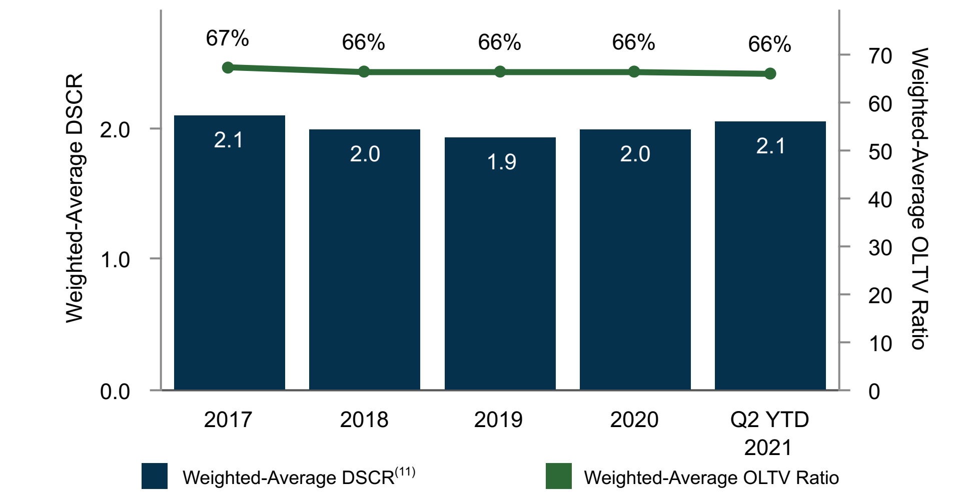
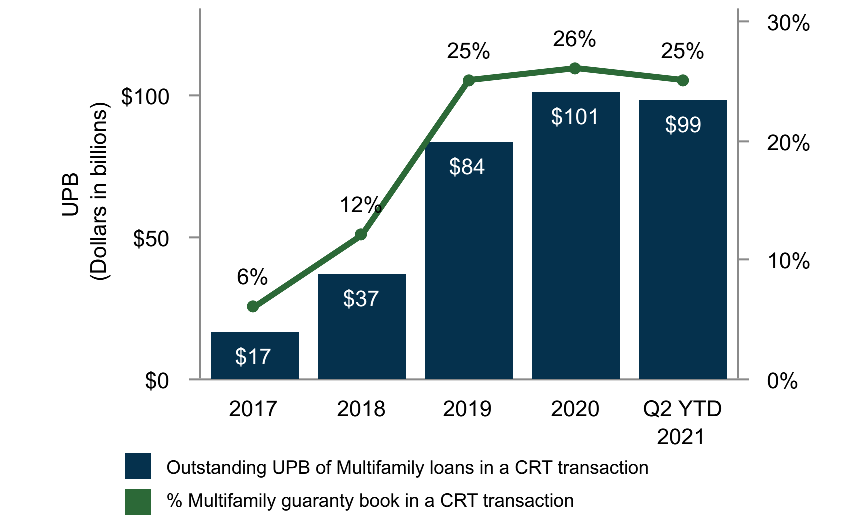
Multifamily Credit Characteristics

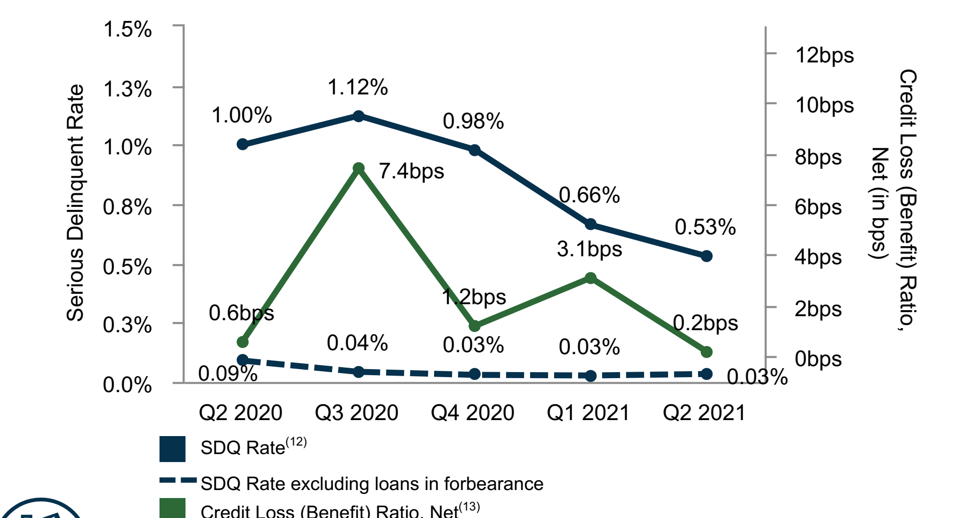
Certain Credit Characteristics of Guaranty Book



Guaranty Book in a CRT



Credit Ratios



Highlights

- The credit characteristics of the multifamily guaranty book of business remained strong in Q2 2021 with a weighted-average OLTV ratio of 66% and weighted-average DSCR of 2.1.
- As of June 30, 2021, substantially all of the multifamily guaranty book of business was covered by DUS loss sharing. Additionally, 25% had back-end coverage through the company's CRT programs.
- The multifamily SDQ rate continued to decrease in Q2 2021, primarily driven by the on-going economic recovery resulting in loans that received a forbearance finishing repayment plans or otherwise reinstating. The multifamily SDQ rate excluding loans in forbearance remained very low in Q2 2021 at 0.03%.

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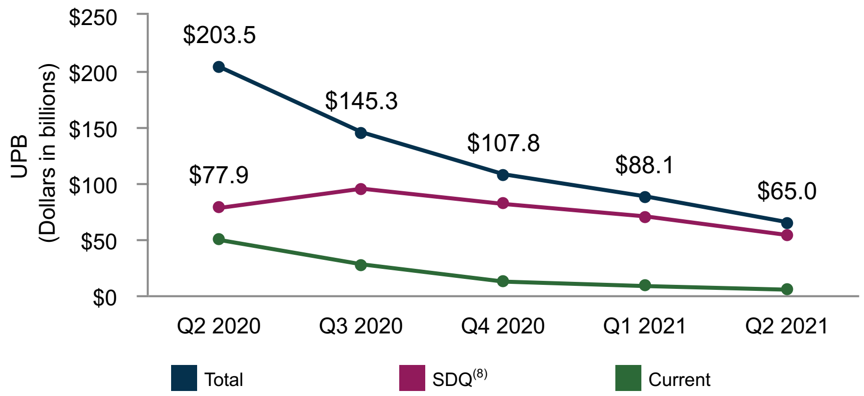
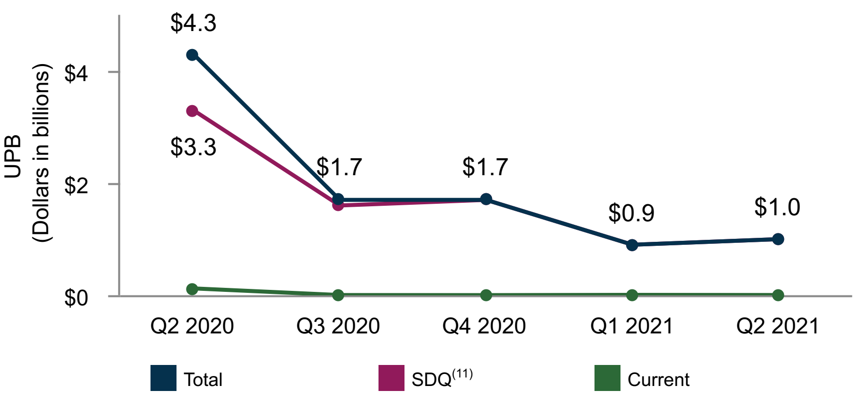
Single-Family Conventional and Multifamily Guaranty Books of Business in Forbearance

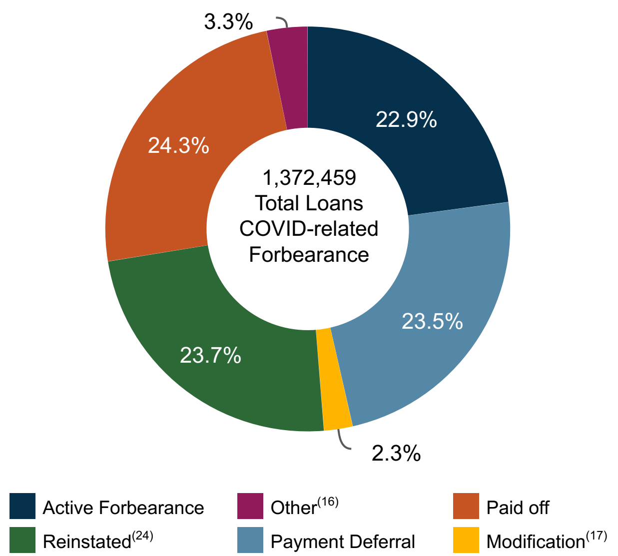
Single-Family Delinquency Status of Loans in Forbearance(14)



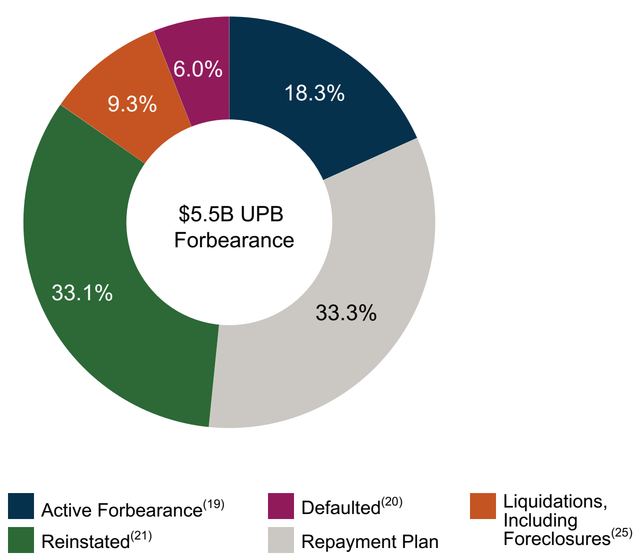
Multifamily Delinquency Status of Loans in Forbearance(14)



Single-Family Loan Forbearance Status(15) As of June 30, 2021



Multifamily Loan Forbearance Status(18) As of June 30, 2021



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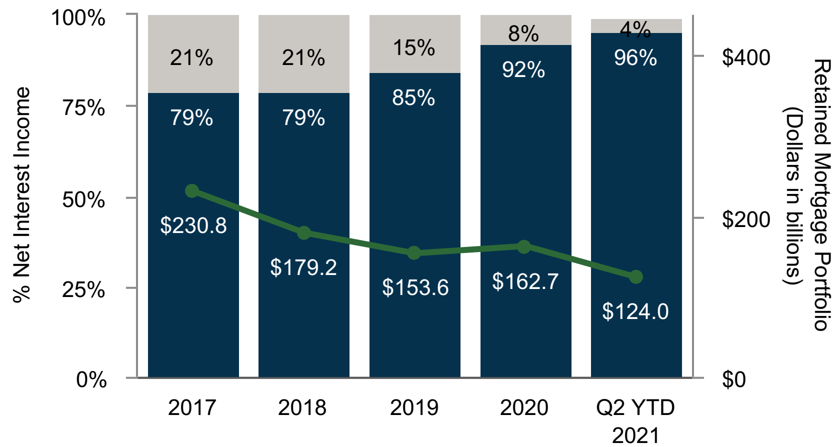
Portfolio and Liquidity Management

Sources of Net Interest Income and Retained Mortgage Portfolio Balance

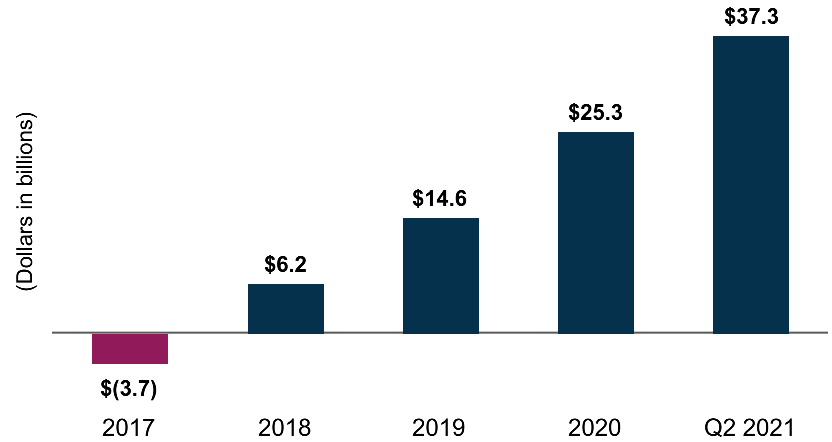


% Net interest income from guaranty book of business[22]

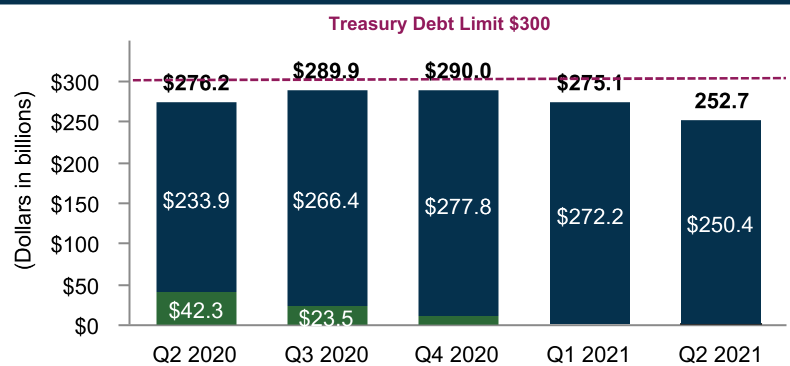
% Net interest income from portfolios[23]

Retained mortgage portfolio, at end of period

Net Worth of Fannie Mae



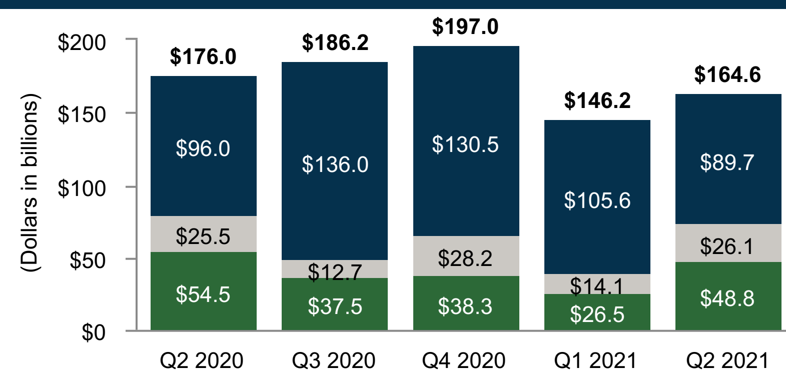
Aggregate Indebtedness of Fannie Mae[26]



Short-term debt

Long-term debt

Other Investments Portfolio ("OIP")



Cash and cash equivalents[27]

Federal funds sold and securities purchased under agreements to resell or similar arrangements

U.S. Treasury securities

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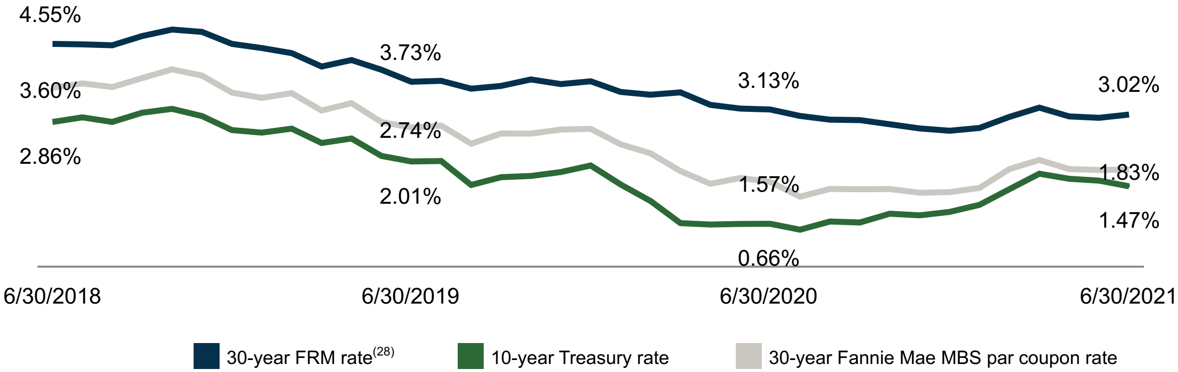
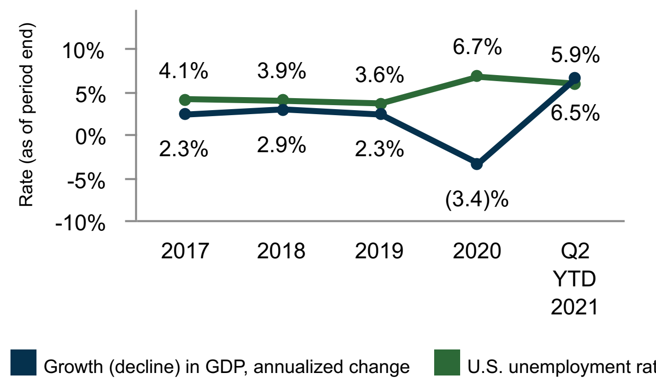
Key Market Economic Indicators

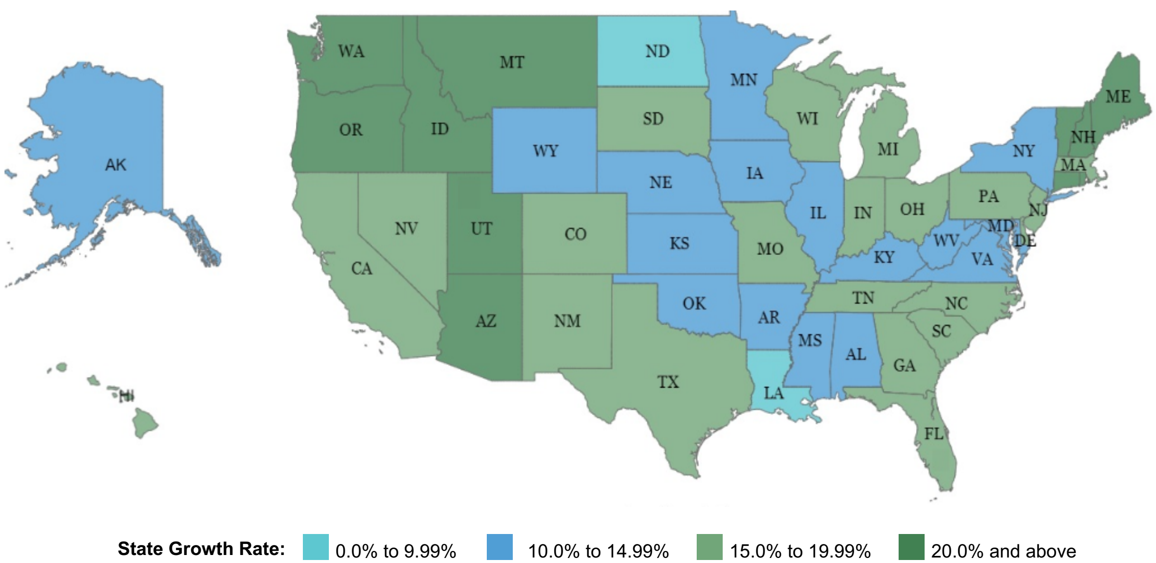
Benchmark Interest Rates



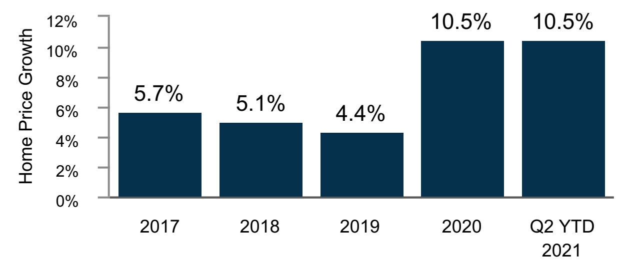
U.S. GDP Growth (Decline) Rate and Unemployment Rate[29]



One Year Home Price Growth Rate Q2 2021[30] United States 17.2%



Single-Family Home Price Growth Rate[30]



Top 10 States by UPB[30]

State	One Year Home Price Growth Rate Q2 2021	Share of Single-Family Conventional Guaranty Book
CA	18.27%	19.50 %
TX	16.95%	6.59 %
FL	18.61%	5.93 %
NY	14.22%	4.64 %
WA	23.78%	3.98 %
NJ	18.72%	3.38 %
CO	19.91%	3.26 %
IL	11.89%	3.26 %
VA	14.78%	3.20 %
NC	18.39%	2.85 %

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Single-Family Business

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Single-Family Highlights

Q2 2021

$7,323M
Net interest income

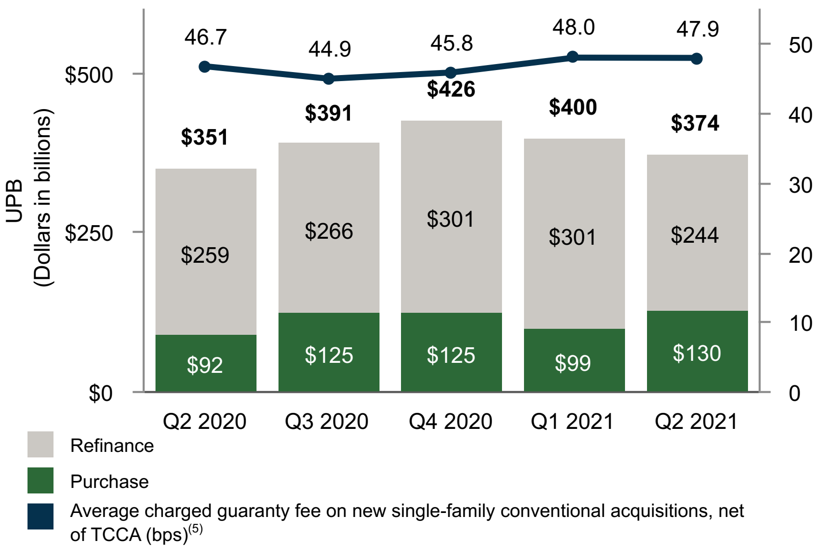
$658M
Investment gains, net

$(386)M
Fair value losses, net

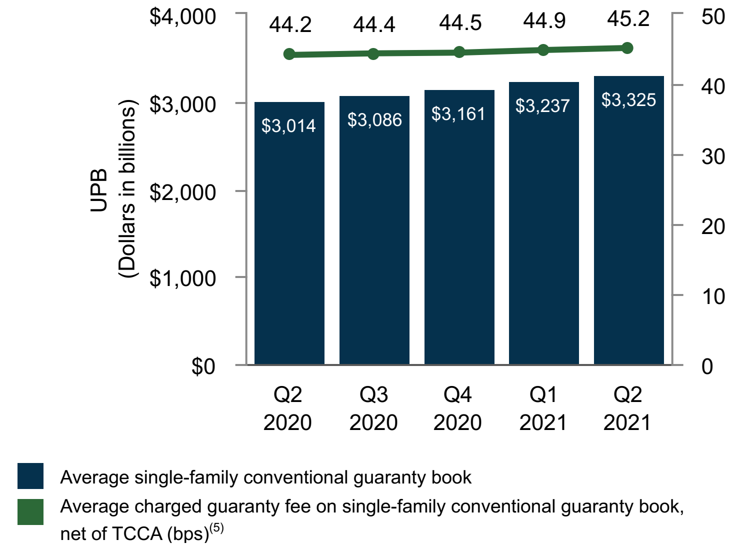
$2,525M
Credit-related income

$6,507M
Net income

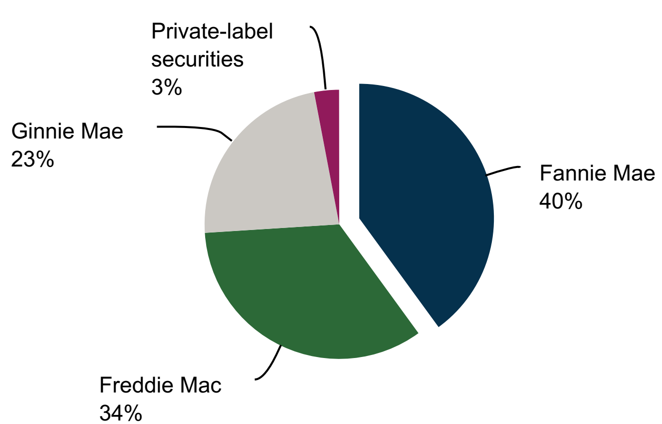
Single-Family Conventional Loan Acquisitions(3)



Single-Family Conventional Guaranty Book of Business(3)



Single-Family Mortgage-Related Securities Share of Issuances Q2 2021



Highlights

- Purchase acquisitions reached a record high of $129.5 billion, of which nearly 50% were for first-time homebuyers. Refinance acquisitions were $243.8 billion in the second quarter of 2021, a $57 billion decline compared with the first quarter of 2021, but remained strong due to the continued low interest-rate environment.
- The average single-family conventional guaranty book of business increased during the quarter by 2.7%.
- The average charged guaranty fee on Q2 2021 acquisitions remained relatively flat compared with Q1 2021.
- The company's share of mortgage-related securities issuances remained strong relative to the overall market.

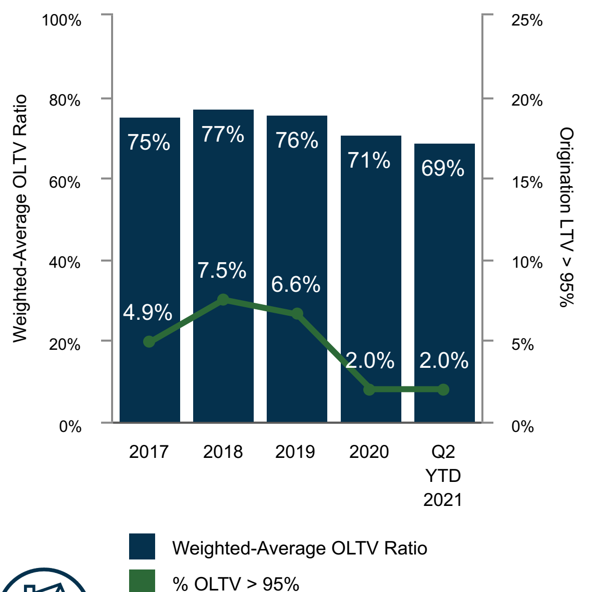
Credit Characteristics of Single-Family Conventional Loan Acquisitions

Certain Credit Characteristics of Single-Family Conventional Loans by Acquisition Period

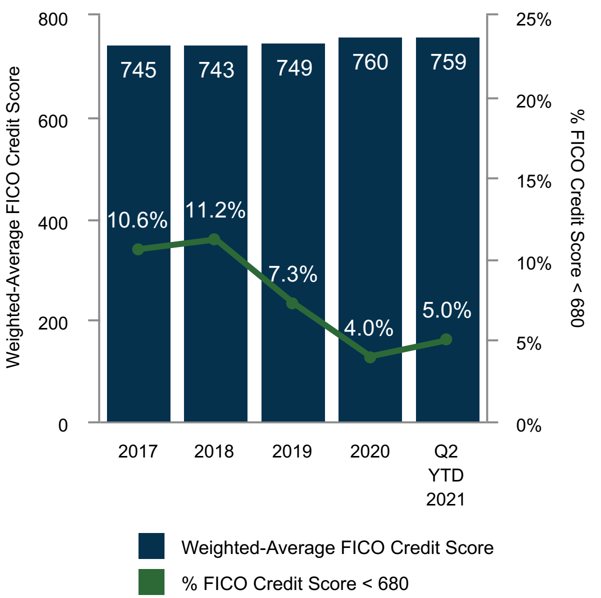
Q2 YTD 2021 Acquisition Credit Profile by Certain Loan Features

Categories are not mutually exclusive	Q2 2020	Q3 2020	Q4 2020	Full Year 2020	Q1 2021	Q2 2021	OLTV Ratio >95%	Home-Ready®[32]	FICO Credit Score < 680[7]	DTI Ratio > 43%[31]
Total UPB (Dollars in billions)	$351.3	$391.4	$425.6	$1,358.8	$400.5	$373.3	$17.5	$22.0	$39.8	$163.3
Weighted-Average OLTV Ratio	72%	71%	70%	71%	68%	70%	97%	80%	71%	71%
OLTV Ratio > 95%	3%	3%	2%	2%	2%	2%	100%	21%	0%	2%
Weighted-Average FICO® Credit Score[7]	759	762	762	760	761	757	751	750	658	751
FICO Credit Score < 680[7]	4%	4%	4%	4%	4%	6%	1%	7%	100%	6%
DTI Ratio > 43%[31]	20%	19%	20%	21%	20%	22%	19%	36%	25%	100%
Fixed-rate	100%	100%	100%	100%	100%	99%	100%	100%	100%	100%
Owner Occupied	93%	92%	91%	92%	91%	93%	100%	100%	96%	90%
HomeReady®[32]	2%	2%	3%	2%	3%	3%	27%	100%	4%	5%

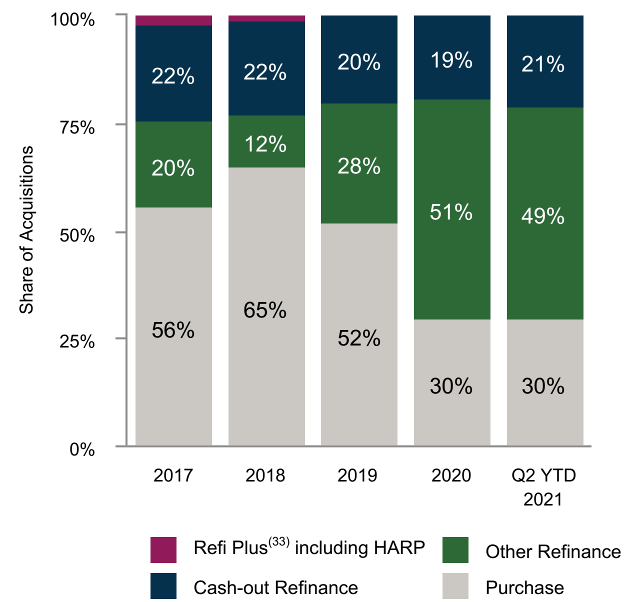
Origination Loan-to-Value Ratio



FICO Credit Score[7]



Acquisitions by Loan Purpose



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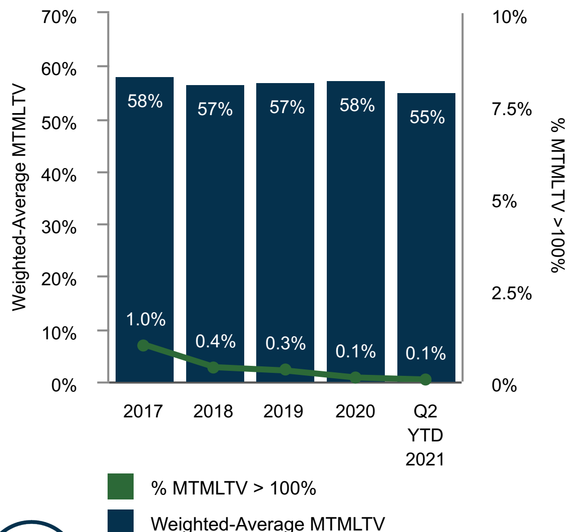
Credit Characteristics of Single-Family Conventional Guaranty Book of Business

Certain Credit Characteristics of Single-Family Conventional Guaranty Book of Business by Origination Year and Loan Features[3][34]

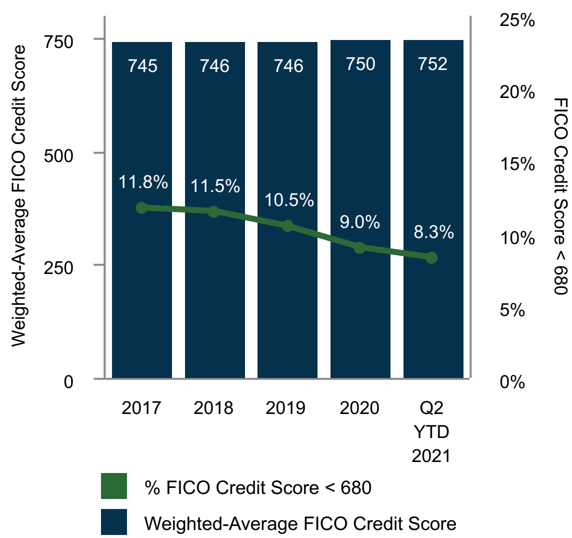
As of June 30, 2021

Categories are not mutually exclusive	Overall Book	Origination Year: 2008 & Earlier	2009-2017	2018	2019	2020	2021	Certain Loan Features: OLTV Ratio > 95%	Home-Ready®[32]	FICO Credit Score < 680[7]	Refi Plus Including HARP[33]	DTI Ratio > 43%[31]
Total UPB (Dollars in billions)	$3,377.2	$114.2	$1,045.0	$127.4	$262.0	$1,183.5	$645.1	$165.6	$97.9	$281.0	$180.2	$754.0
Average UPB	$192,919	$85,708	$139,749	$176,168	$214,932	$265,993	$279,951	$159,830	$178,062	$146,534	$112,965	$204,668
Share of Single-Family Conventional Guaranty Book	100%	3%	31%	4%	8%	35%	19%	5%	3%	8%	5%	22%
Loans in Forbearance by UPB[35]	1.9%	6.9%	2.9%	6.2%	4.1%	0.7%	0.1%	4.0%	3.3%	6.1%	3.4%	3.6%
Share of Loans with Credit Enhancement[36]	35%	11%	48%	75%	58%	25%	20%	79%	79%	37%	42%	39%
Serious Delinquency Rate[9]	2.08%	6.80%	2.33%	5.14%	3.22%	0.49%	0.03%	4.36%	3.01%	6.44%	2.89%	3.59%
Weighted-Average OLTV Ratio	73%	75%	75%	77%	76%	71%	69%	105%	87%	76%	85%	74%
OLTV Ratio > 95%	5%	9%	7%	10%	8%	3%	2%	100%	34%	9%	29%	6%
Amortized OLTV Ratio[37]	68%	65%	64%	72%	73%	69%	69%	93%	84%	74%	70%	71%
Weighted-Average Mark-to-Market LTV Ratio[6]	55%	40%	40%	57%	60%	62%	66%	69%	72%	53%	40%	57%
Weighted-Average FICO Credit Score[7]	752	696	749	733	746	761	759	729	741	649	727	740
FICO Credit Score < 680[7]	8%	38%	10%	16%	9%	4%	5%	15%	10%	100%	22%	12%

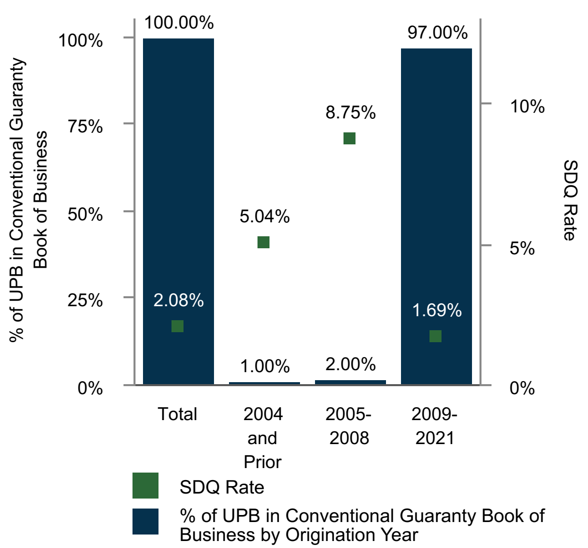
Mark-to-Market Loan-to-Value (MTMLTV) Ratio[6]



FICO Credit Score[7]



SDQ Rate by Vintage[9] as of June 30, 2021



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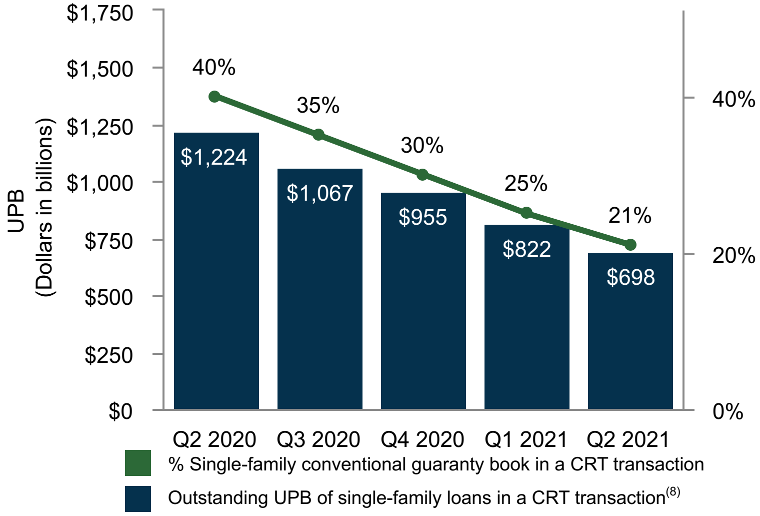
Single-Family Credit Risk Transfer

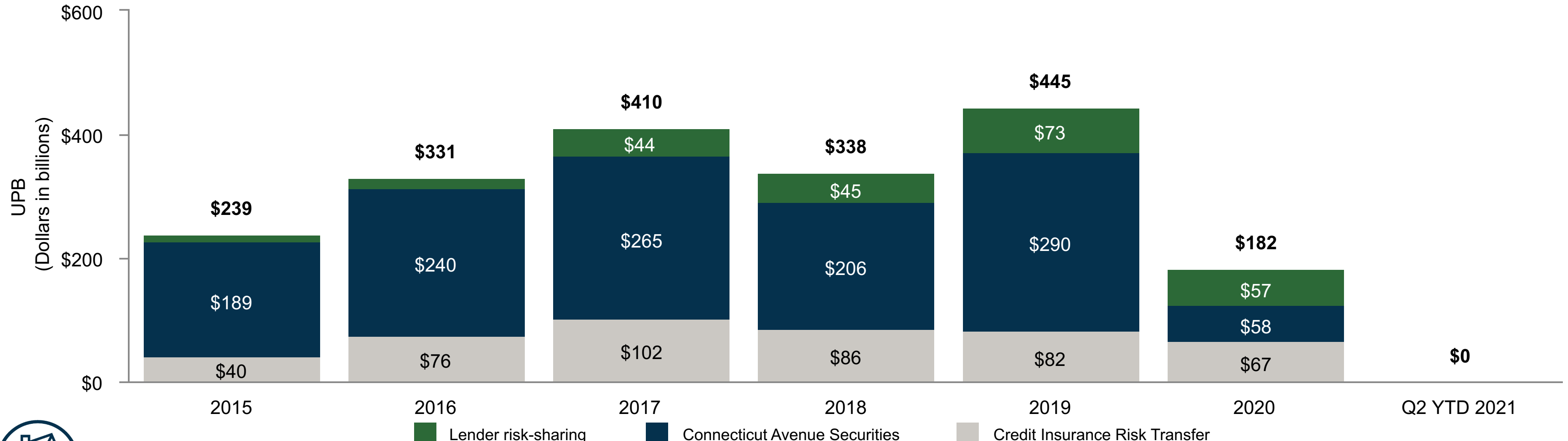
Single-Family Credit Risk Transfer



Single-Family Loans with Credit Enhancement

Credit Enhancement Outstanding UPB (dollars in billions)	2019 Outstanding UPB	2019 % of Book[38] Outstanding	2020 Outstanding UPB	2020 % of Book[38] Outstanding	Q2 YTD 2021 Outstanding UPB	Q2 YTD 2021 % of Book[38] Outstanding
Primary mortgage insurance & other[39]	$653	22%	$681	21%	**$692**	**20%**
Connecticut Avenue Securities[40]	$919	31%	$608	19%	**$461**	**14%**
Credit Insurance Risk Transfer[8]	$275	10%	$216	7%	**$144**	**4%**
Lender risk-sharing[40]	$147	5%	$131	4%	**$93**	**3%**
(Less: loans covered by multiple credit enhancements)	($438)	(15)%	($304)	(9)%	**($216)**	**(6)%**
Total single-family loans with credit enhancement	$1,556	53%	$1,332	42%	**$1,174**	**35%**

Single-Family Credit Risk Transfer Issuance



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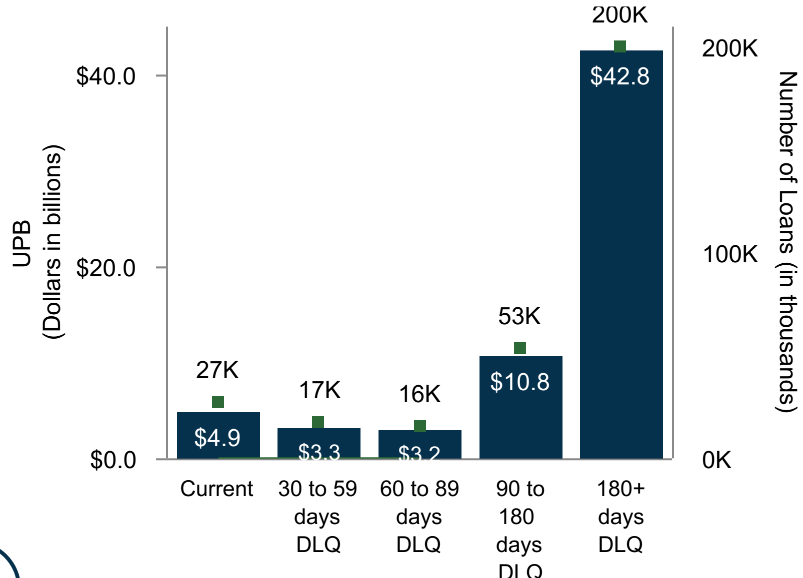
Single-Family Conventional Guaranty Book of Business in Forbearance

Certain Credit Characteristics of Single-Family Loans in Forbearance[41]

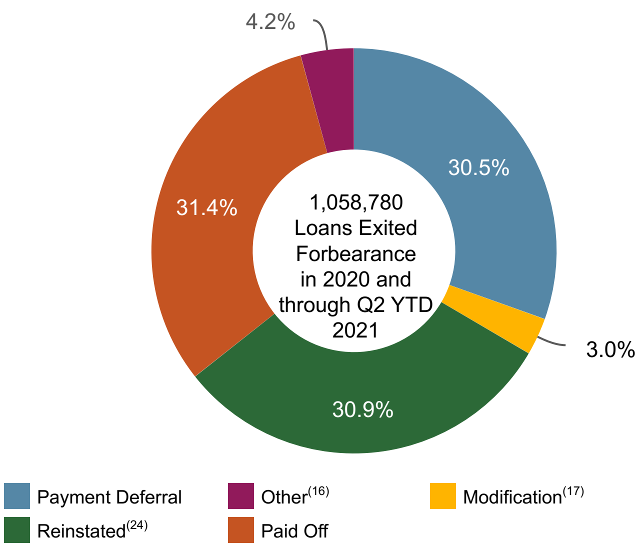
As of June 30, 2021

		Origination Year					
Categories are not mutually exclusive	**Total**	2008 & Earlier	2009-2017	2018	2019	2020	2021
Total UPB (Dollars in billions)	**$65.0**	$7.9	$30.0	$7.9	$10.6	$8.1	$0.5
Average UPB	**$207,293**	$137,461	$193,494	$229,809	$271,802	$307,755	$353,018
Share of Single-Family Conventional Guaranty Book based on Loan Count	**1.8%**	0.3%	0.9%	0.2%	0.2%	0.2%	0.0%
Share of Single-Family Conventional Guaranty Book based on UPB[42]	**1.9%**	0.2%	0.9%	0.2%	0.3%	0.3%	0.0%
MTMLTV Ratio > 80% without Mortgage Insurance	**0.9%**	0.6%	0.2%	0.0%	0.1%	0.0%	0.0%
DTI Ratio > 43%[31]	**41.4%**	5.0%	17.0%	6.6%	7.5%	5.0%	0.3%
FICO Credit Score < 680[7]	**26.5%**	5.9%	11.8%	3.6%	3.3%	1.8%	0.1%
OLTV Ratio > 95%	**10.3%**	1.2%	4.7%	1.7%	2.0%	0.7%	0.0%

Delinquency Status of Loans in Forbearance as of June 30, 2021[14]



Single-Family Loan Forbearance Exits



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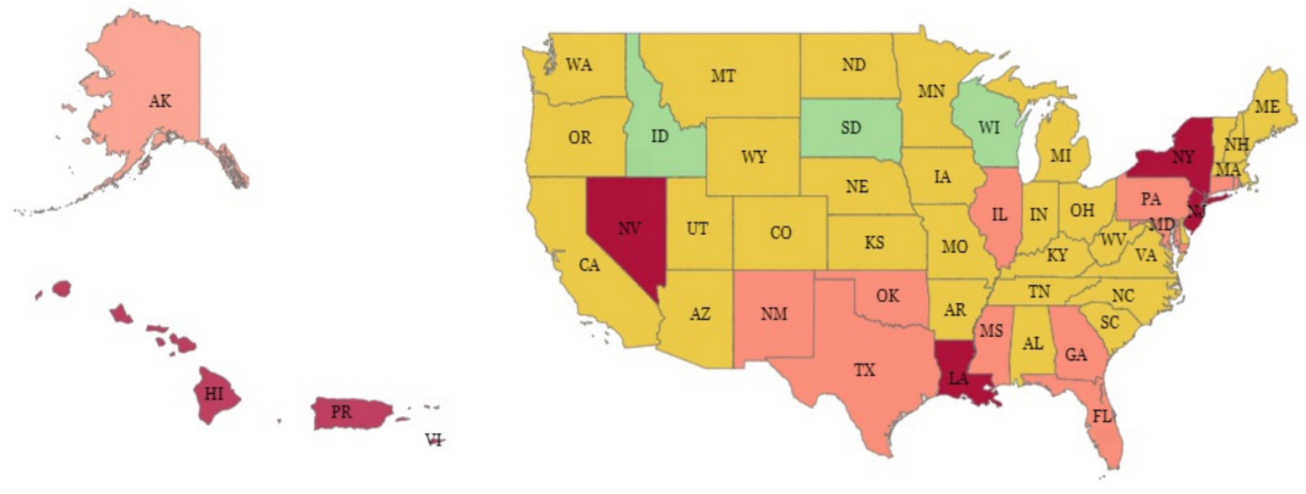
Single-Family Problem Loan Statistics

Single-Family Serious Delinquency Rate by State as of June 30, 2021[9]



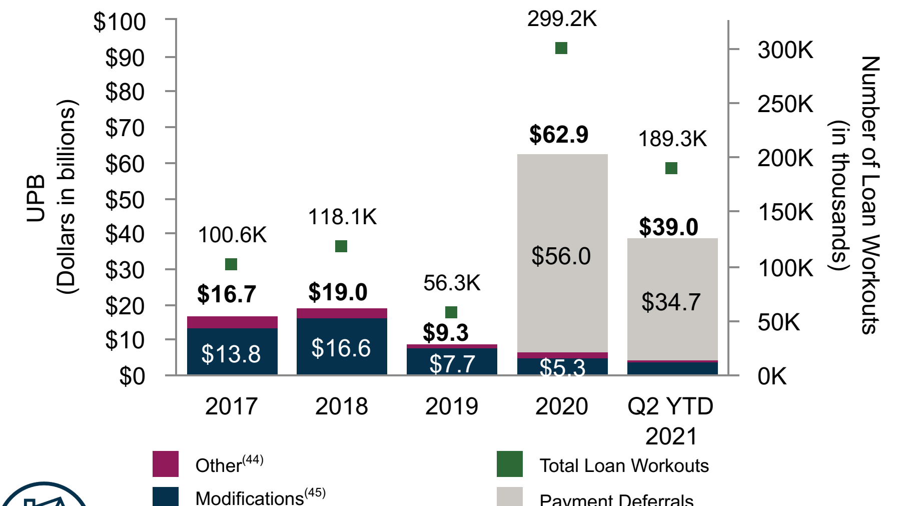
Top 10 States by UPB

State	Serious Delinquency Rate[9]	Average Months to Foreclosure[43]
CA	1.84%	29
TX	2.47%	22
FL	2.81%	36
NY	3.71%	60
WA	1.48%	18
NJ	3.33%	38
CO	1.40%	27
IL	2.51%	23
VA	1.91%	16
NC	1.69%	19

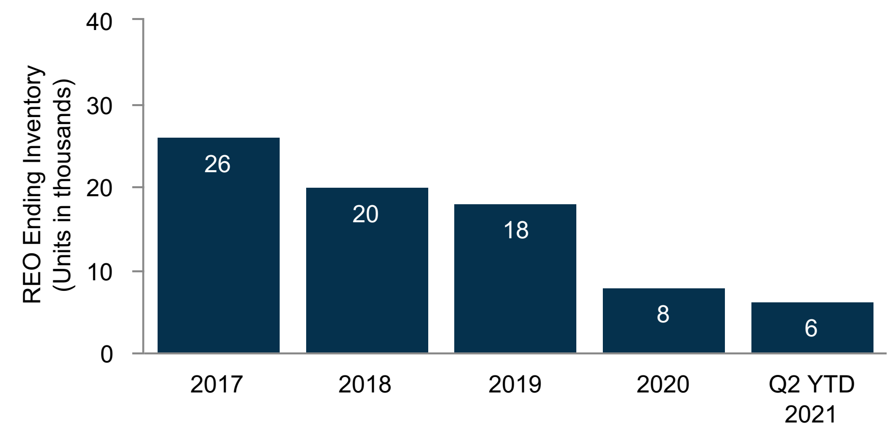
State SDQ Rate:

- 0.51% to 0.99%
- 1.00% to 1.99%
- 2.00% to 2.99%
- 3.00% and above

Single-Family Loan Workouts



Single-Family REO Ending Inventory



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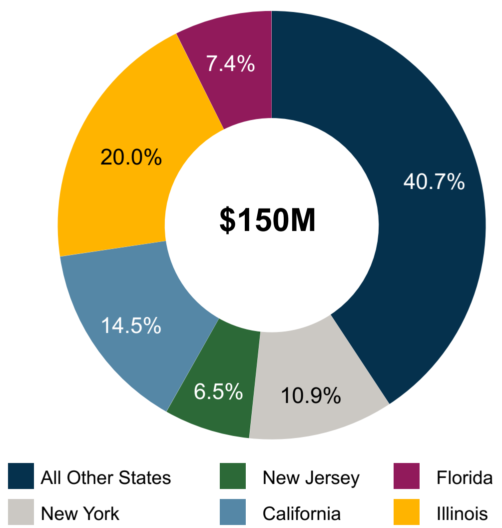
Credit Loss Concentration of Single-Family Conventional Guaranty Book of Business

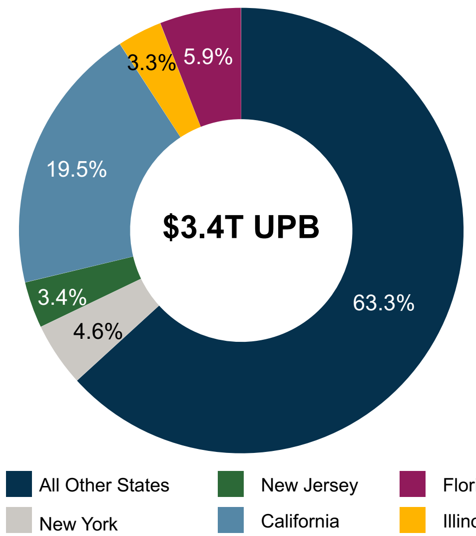
Certain Product Features Categories are not mutually exclusive	% of Single-Family Conventional Guaranty Book of Business[38][46] 2017	2018	2019	2020	Q2 YTD 2021	% of Single-Family Credit Losses and Redesignation Write-Offs[46] 2017	2018	2019	2020	Q2 YTD 2021
Credit losses and redesignation write-offs by period (Dollars in millions)	$2,963	$2,457	$1,719	$514	**$150**	100.0%	100.0%	100.0%	100.0%	**100.0%**
Alt-A[47]	2.5%	1.9%	1.5%	1.1%	**0.9%**	21.9%	22.4%	16.6%	14.0%	**18.4%**
Interest-only	1.2%	0.8%	0.5%	0.3%	**0.2%**	15.7%	15.4%	11.5%	9.1%	**11.9%**
Origination LTV Ratio > 95%	6.6%	6.8%	6.9%	5.7%	**4.9%**	16.9%	14.9%	16.0%	14.4%	**9.4%**
FICO Credit Score < 680 and OLTV Ratio > 95%[7]	1.6%	1.4%	1.3%	0.9%	**0.8%**	8.7%	8.7%	9.4%	8.8%	**6.1%**
FICO Credit Score < 680[7]	11.8%	11.4%	10.5%	9.0%	**8.3%**	45.4%	46.3%	43.1%	41.4%	**53.2%**
Refi Plus including HARP	13.2%	11.4%	9.5%	6.7%	**5.3%**	15.9%	13.2%	15.8%	16.6%	**17.7%**

Vintage	2017	2018	2019	2020	Q2 YTD 2021	2017	2018	2019	2020	Q2 YTD 2021
2009 - 2021	90%	92%	94%	96%	**97%**	23%	20%	27%	33%	**54%**
2005 - 2008	6%	5%	4%	2%	**2%**	65%	66%	61%	54%	**34%**
2004 & Prior	4%	3%	2%	2%	**1%**	12%	14%	12%	13%	**12%**

% of Q2 YTD 2021 Single-Family Credit Losses and Redesignation Write-Offs by State[46][48]



% of Single-Family Conventional Guaranty Book of Business by State as of June 30, 2021



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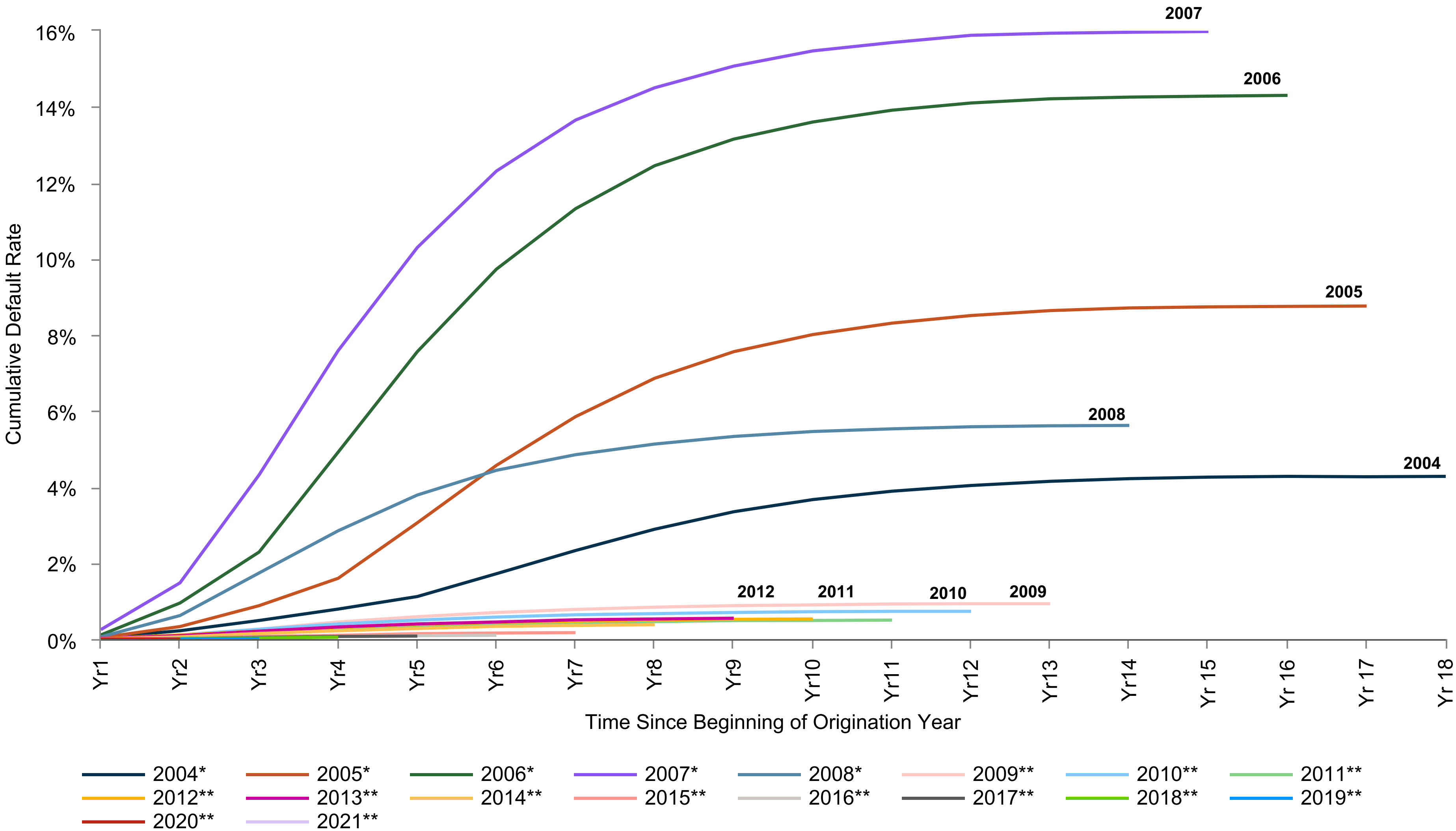
Single-Family Cumulative Default Rates

Cumulative Default Rates of Single-Family Conventional Guaranty Book of Business by Origination Year[49]



* Loans originated prior to 2009 represent only 3% of the single-family conventional guaranty book of business as of June 30, 2021.

**As of June 30, 2021, cumulative default rates on the loans originated in each individual year from 2009-2021 were less than 1%.

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Multifamily Business

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Multifamily Highlights

Q2 2021

$963M
Net interest income

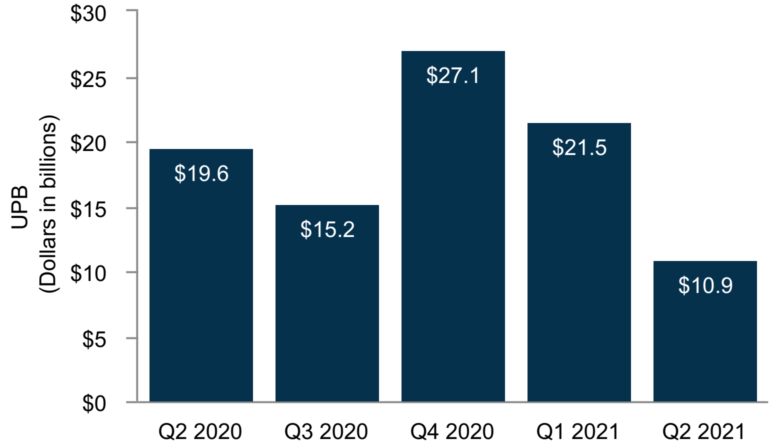
$23M
Fee and other income

$(60)M
Fair value losses, net

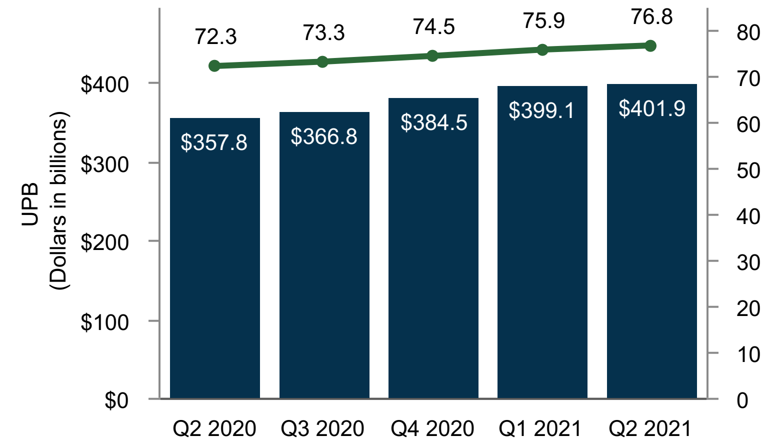
$22M
Credit-related income

$645M
Net income

Multifamily New Business Volume



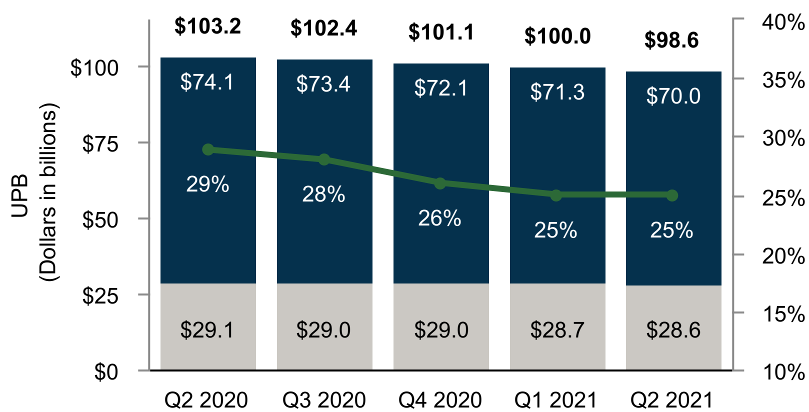
Multifamily Guaranty Book of Business(4)



Average charged guaranty fee on multifamily guaranty book of business, at end of period (bps)

UPB outstanding of multifamily guaranty book of business

Multifamily Credit Risk Transfer



% Multifamily guaranty book in a Multifamily CRT transaction

UPB outstanding of multifamily loans in a Multifamily CIRT transaction

UPB outstanding of multifamily loans in a Multifamily Connecticut Avenue Securities™ transaction

Highlights

- New Multifamily business volume was $10.9 billion in Q2 2021.
- FHFA established a 2021 multifamily volume cap of $70 billion of which 50% must be mission-driven, focused on certain affordable and underserved market segments, and 20% must be affordable to residents earning 60% or less of area median income.
- The multifamily guaranty book of business increased by $2.8 billion in Q2 2021 to $401.9 billion.
- The average charged guaranty fee on the multifamily book increased from 75.9 basis points for the first quarter of 2021 to 76.8 basis points for the second quarter of 2021 as a result of increased pricing on acquisitions.

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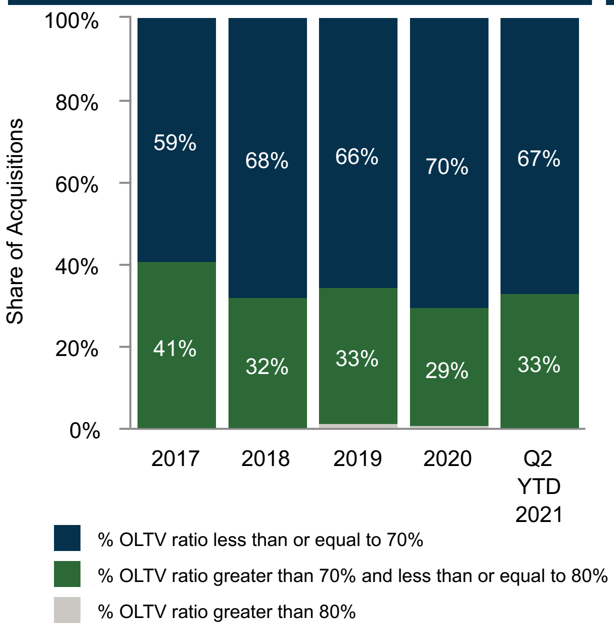
Credit Characteristics of Multifamily Loan Acquisitions

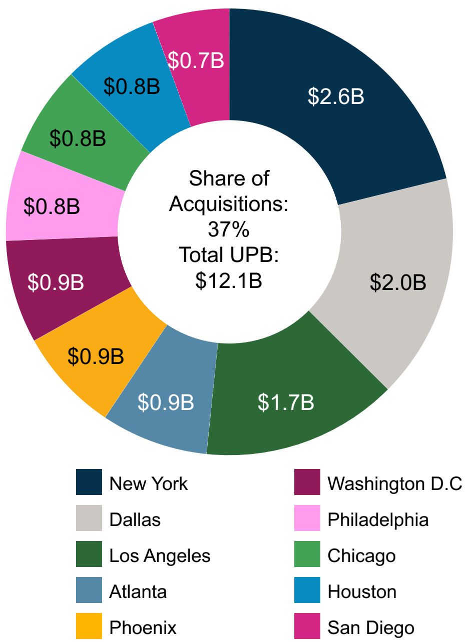
Certain Credit Characteristics of Multifamily Loans by Acquisition Period[4]

Categories are not mutually exclusive	2017	2018	2019	2020	Q2 YTD 2021
Total UPB (Dollars in billions)	$67.1	$65.4	$70.2	$76.0	**$32.4**
Weighted-Average OLTV Ratio	67%	65%	66%	64%	**65%**
Loan Count	3,861	3,723	4,113	5,051	**2,317**
% Lender Recourse[50]	100%	100%	100%	99%	**100%**
% DUS[51]	98%	99%	100%	99%	**99%**
% Full Interest-Only	26%	33%	33%	38%	**31%**
Weighted-Average OLTV Ratio on Full Interest-Only Acquisitions	58%	58%	59%	58%	**58%**
Weighted-Average OLTV Ratio on Non-Full Interest-Only Acquisitions	70%	68%	69%	68%	**68%**
% Partial Interest-Only[52]	57%	53%	56%	50%	**58%**

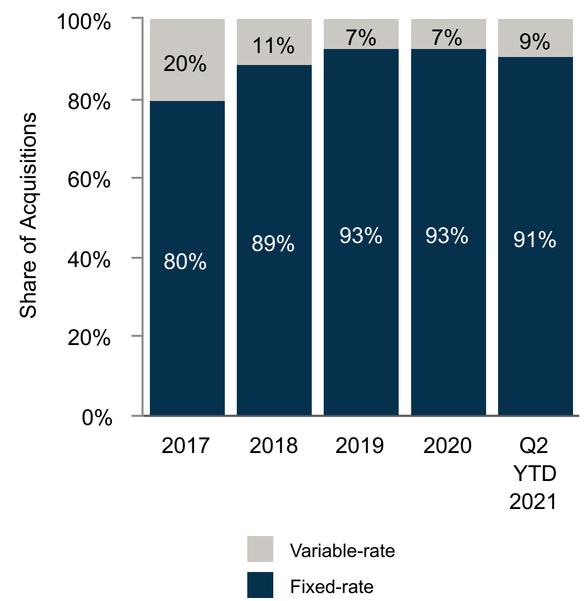
Origination Loan-to-Value Ratio[4]



Top 10 MSAs by Q2 YTD 2021 Acquisition UPB[4]



Acquisitions by Note Type[4]



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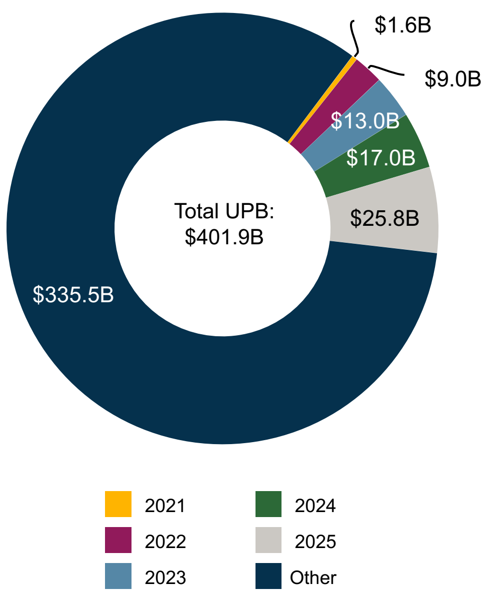
Credit Characteristics of Multifamily Guaranty Book of Business

Certain Credit Characteristics of Multifamily Guaranty Book of Business by Acquisition Year, Asset Class, or Targeted Affordable Segment[4]

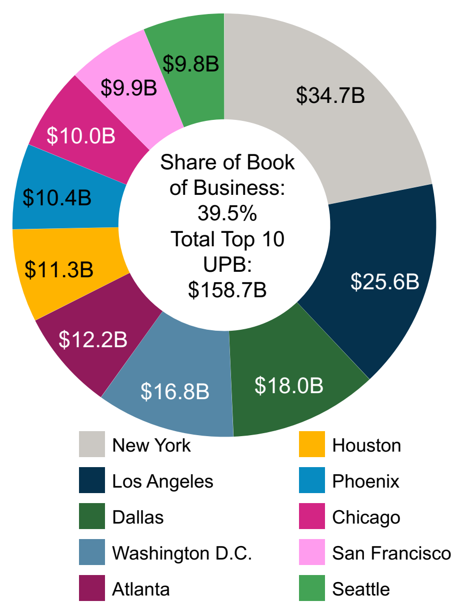
As of June 30, 2021

		Acquisition Year							Asset Class or Targeted Affordable Segment				
Categories are not mutually exclusive	Overall Book	2008 & Earlier	2009-2016	2017	2018	2019	2020	2021	Conventional /Co-op[53]	Seniors Housing[53]	Student Housing[53]	Manufactured Housing[53]	Privately Owned with Subsidy[54]
Total UPB (Dollars in billions)	$401.9	$7.9	$100.5	$55.8	$60.8	$69.0	$75.5	$32.4	$353.1	$17.0	$14.6	$17.2	$41.3
% of Multifamily Guaranty Book	100%	2%	25%	14%	15%	17%	19%	8%	88%	4%	4%	4%	10%
Loan Count	29,378	3,151	8,455	3,048	3,379	3,991	5,038	2,316	26,490	651	664	1,573	3,745
Average UPB (Dollars in millions)	$13.7	$2.5	$11.9	$18.3	$18.0	$17.3	$15.0	$14.0	$13.3	$26.1	$22.0	$10.9	$11.0
Loans in Forbearance by UPB[35]	0.2%	0.0%	0.4%	0.6%	0.1%	0.3%	0.0%	0.0%	0.1%	0.3%	2.9%	0.0%	0.1%
Weighted-Average OLTV Ratio	66%	68%	67%	67%	65%	66%	64%	65%	66%	66%	66%	65%	69%
Weighted-Average DSCR[11]	2.1	3.2	1.9	2.0	1.9	2.0	2.4	2.2	2.1	1.7	1.7	2.2	2.3
% Fixed rate	91%	28%	92%	88%	92%	94%	93%	91%	92%	63%	84%	94%	82%
% Full Interest-Only	31%	28%	22%	30%	35%	33%	38%	31%	32%	13%	27%	24%	22%
% Partial Interest-Only[52]	52%	17%	49%	55%	53%	56%	50%	58%	51%	58%	65%	57%	43%
% Small Balance Loans[55]	44%	90%	50%	31%	27%	34%	36%	32%	44%	14%	25%	51%	51%
% DUS[51]	99%	91%	99%	98%	100%	100%	99%	99%	99%	98%	100%	100%	98%
Serious Delinquency Rate[12]	0.53%	0.53%	0.91%	0.83%	0.58%	0.41%	0.09%	0.00%	0.32%	2.35%	3.99%	0.02%	0.24%

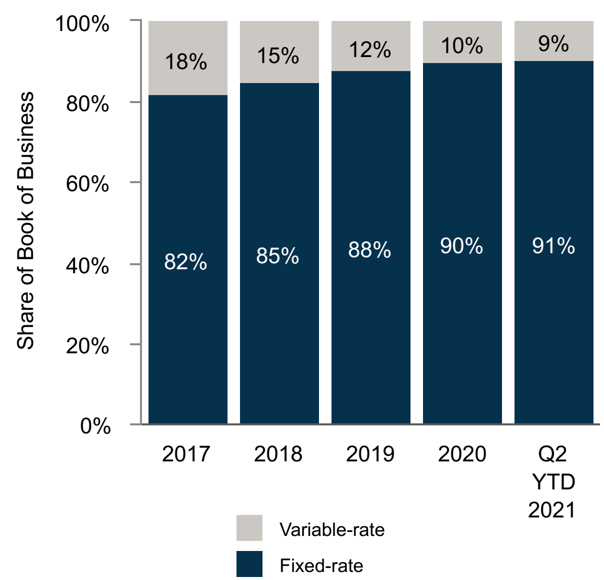
UPB by Maturity Year as of June 30, 2021[4]



Top 10 MSAs by UPB as of June 30, 2021[4]



Multifamily Guaranty Book of Business by Note Type[4]



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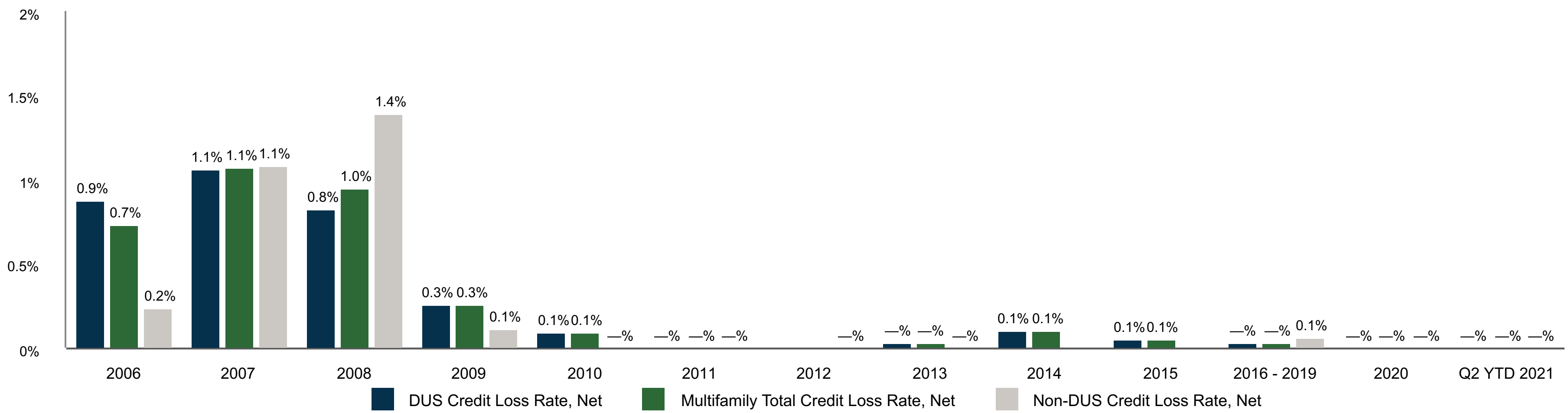
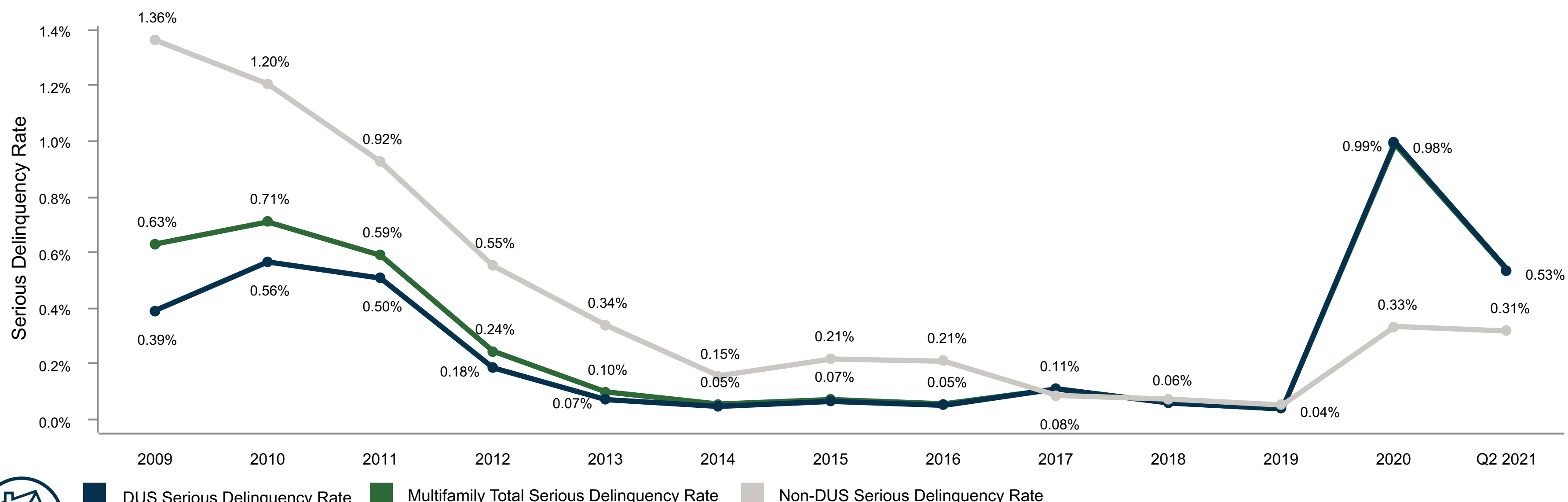
Multifamily Serious Delinquency Rates and Credit Losses

DUS/Non-DUS Cumulative Credit Loss Rates by Acquisition Year Through Q2 YTD 2021(51)(56)



Serious Delinquency Rates(12)(51)



Endnotes

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Endnotes

(1) Other expenses, net are comprised of credit enhancement expense, change in expected credit enhancement recoveries, debt extinguishment gains and losses, housing trust fund expenses, loan subservicing costs, servicer fees paid in connection with certain loss mitigation activities, and gains and losses from partnership investments.

(2) Calculated based upon net worth divided by total assets outstanding at the end of the period.

(3) Single-family conventional loan population consists of: (a) single-family conventional mortgage loans of Fannie Mae; (b) single-family conventional mortgage loans underlying Fannie Mae MBS other than loans underlying Freddie Mac securities that Fannie Mae has resecuritized; and (c) other credit enhancements that Fannie Mae provided on single-family mortgage assets, such as long-term standby commitments. It excludes non-Fannie Mae single-family mortgage-related securities held in the retained mortgage portfolio for which Fannie Mae does not provide a guaranty. Conventional refers to mortgage loans and mortgage-related securities that are not guaranteed or insured, in whole or in part, by the U.S. government or one of its agencies.

(4) The multifamily guaranty book of business consists of: (a) multifamily mortgage loans of Fannie Mae; (b) multifamily mortgage loans underlying Fannie Mae MBS; and (c) other credit enhancements that the company provided on multifamily mortgage assets. It excludes non-Fannie Mae multifamily mortgage-related securities held in the retained mortgage portfolio for which Fannie Mae does not provide a guaranty. Data reflects the latest available information as of June 30, 2021.

(5) Represents, on an annualized basis, the sum of the base guaranty fees charged during the period for the company's new single-family conventional guaranty arrangements plus the recognition of any upfront cash payments relating to these guaranty arrangements based on an estimated average life at the time of acquisition. Excludes the impact of a 10 basis point guaranty fee increase implemented pursuant to the TCCA, the incremental revenue from which is remitted to Treasury and not retained by the company.

(6) The average estimated mark-to-market LTV ratio is based on the unpaid principal balance of the loan divided by the estimated current value of the property at period end, which the company calculates using an internal valuation model that estimates periodic changes in home value. Excludes loans for which this information is not readily available.

(7) FICO credit score is as of loan origination, as reported by the seller of the mortgage loan.

(8) Includes mortgage pool insurance transactions covering loans with an unpaid principal balance of approximately $1.8 billion outstanding as of June 30, 2021.

(9) Single-family serious delinquency rate (or “SDQ rate”) refers to single-family loans that are 90 days or more past due or in the foreclosure process, expressed as a percentage of the company’s single-family conventional guaranty book of business, based on loan count. Single-family SDQ rate for loans in a particular category (such as origination year, loan feature or state), refers to SDQ loans in the applicable category, divided by the number of loans in the single-family conventional guaranty book of business in that category.

(10) Calculated based on the amount of write-offs, recoveries and foreclosed property income or expenses annualized divided by the average single-family conventional guaranty book of business during the period.

(11) Weighted-average debt service coverage ratio, or "DSCR", is calculated using the most recent property financial operating statements. When operating statement information is not available, the DSCR at the time of acquisition is used. If both are unavailable, the underwritten DSCR is used. Although the company uses the most recently available results from their multifamily borrowers, there is a lag in reporting, which typically can range from three to six months, but in some cases may be longer. Accordingly, the financial information Fannie Mae has received from borrowers may not reflect the most recent impacts of the COVID-19 pandemic. Co-op loans are excluded from this metric.

(12) Multifamily serious delinquency rate (or “SDQ rate”) refers to multifamily loans that are 60 days or more past due, expressed as a percentage of the company’s multifamily guaranty book of business, based on unpaid principal balance. Multifamily SDQ rate for loans in a particular category (such as acquisition year, asset class or targeted affordable segment), refers to SDQ loans in the applicable category, divided by the unpaid principal balance of the loans in the multifamily guaranty book of business in that category.

(13) Credit loss (benefit) ratio, net represents the annualized net credit loss or benefit for the period divided by the average unpaid principal balance of the multifamily guaranty book of business for the period. Net credit benefits are the result of recoveries on previously written-off amounts. Net credit losses include expected benefit of freestanding loss-sharing benefit, primarily multifamily DUS lender-risk sharing transactions.

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(14) Pursuant to the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), for purposes of reporting to the credit bureaus, servicers must report a borrower receiving a COVID-19-related payment accommodation, such as a forbearance plan or loan modification, as current if the borrower was current prior to receiving the accommodation and the borrower makes all required payments in accordance with the accommodation. For purposes of the company's disclosures regarding delinquency status, loans receiving COVID-19-related payment forbearance are reported as delinquent according to the contractual terms of the loan.

(15) As a part of the company's relief programs, the company has authorized servicers to permit payment forbearance to borrowers experiencing a COVID-19-related financial hardship for up to 12 months without regard to the delinquency status of the loan, and for borrowers already in forbearance as of February 28, 2021, for a total of up to 18 months, provided that the forbearance does not result in the loan becoming greater than 18 months delinquent. The company estimates that, through June 30, 2021, approximately 8% of the single-family loans, based on loan count, in the single-family conventional guaranty book of business as of March 31, 2020 have been in a COVID-19-related forbearance at some point between then and June 30, 2021.

(16) Consists of 42,948 loans that were delinquent upon the expiration of the forbearance arrangement and 1,958 loans that exited forbearance through a repayment plan.

(17) Includes loans that are in trial modifications.

(18) Displays the status and percentage of UPB as of current period end of the multifamily loans in the guaranty book of business as well as loans that had liquidated prior to period end that have received a forbearance. Since the COVID-19 pandemic was declared a national emergency in March 2020, Fannie Mae has broadly offered forbearance to affected multifamily borrowers. Nearly all of the multifamily loans in forbearance were associated with a COVID-19-related financial hardship.

(19) Includes loans that are in the process of extending their forbearance.

(20) Includes loans that are no longer in forbearance and are not on a repayment plan. Loans in this population may proceed to other loss mitigation activities, such as foreclosure or modification.

(21) Represents multifamily loans that are no longer in forbearance but are current according to the original terms of the loan, or have been modified and are performing under the modification.

(22) Guaranty fee income includes the impact of a 10 basis point guaranty fee increase implemented in 2012 pursuant to the Temporary Payroll Tax Cut Continuation Act of 2011, the incremental revenue from which is remitted to Treasury and not retained by the company.

(23) Includes interest income from assets held in the company’s retained mortgage portfolio and other investments portfolio, as well as other assets used to generate lender liquidity. Also includes interest expense on the company’s outstanding corporate debt and Connecticut Avenue Securities® debt.

(24) Represents single-family loans that are no longer in forbearance but are current according to the original terms of the loan. Also includes loans that remained current throughout the forbearance arrangement and continue to perform.

(25) Includes $511 million as of June 30, 2021 in multifamily loans that received a forbearance, but liquidated prior to period end. Multifamily loans that received a forbearance, but went to foreclosure prior to period end accounted for $156 million of these liquidations as of June 30, 2021.

(26) Reflects the company's aggregate indebtedness at the end of each period presented measured in unpaid principal balance and excludes effects of debt basis adjustments and debt of consolidated trusts.

(27) Cash equivalents are comprised of overnight repurchase agreements and U.S. Treasuries that have a maturity at the date of acquisition of three months or less.

(28) Refers to the U.S. weekly average fixed-rate mortgage rate according to Freddie Mac's Primary Mortgage Market Survey®. These rates are reported using the latest available data for a given period.

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Endnotes

(29) U.S. Gross Domestic Product ("GDP") annual growth (decline) rate for periods prior to 2021 are based on the quarterly series calculated by the Bureau of Economic Analysis and are subject to revision. GDP growth rate for Q2 YTD 2021 is the Advance Estimate published on July 29, 2021.

(30) Home price estimates are based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of June 2021. Including subsequent data may lead to materially different results. Home price growth rate is not seasonally adjusted. UPB estimates are based on data available through the end of June 2021, and the top 10 states are reported by UPB in descending order. One-year home price growth rate is for the 12-month period ending June 30, 2021.

(31) Excludes loans for which this information is not readily available. From time to time, the company revises its guidelines for determining a borrower's DTI ratio. The amount of income reported by a borrower and used to qualify for a mortgage may not represent the borrower's total income; therefore, the DTI ratios reported may be higher than borrowers' actual DTI ratios.

(32) Refers to HomeReady® mortgage loans, a low down payment mortgage product offered by the company that is designed for creditworthy low-income borrowers. HomeReady allows up to 97% loan-to-value ratio financing for home purchases. The company offers additional low down payment mortgage products that are not HomeReady loans; therefore, this category is not representative of all high LTV ratio single-family loans acquired or in the single-family conventional guaranty book of business for the periods shown. See the "OLTV Ratio > 95%" category for information on the single-family loans acquired or in the single-family conventional guaranty book of business with origination LTV ratios greater than 95%.

(33) "Refi Plus" refers to loans acquired under Fannie Mae's Refi Plus initiative, which offered refinancing flexibility to eligible Fannie Mae borrowers who were current on their loans and who applied prior to the initiative's December 31, 2018 sunset date. Refi Plus had no limits on maximum LTV ratio and provided mortgage insurance flexibilities for loans with LTV ratios greater than 80%.

(34) Calculated based on the aggregate unpaid principal balance of single-family loans for each category divided by the aggregate unpaid principal balance of loans in the single-family conventional guaranty book of business. Loans with multiple product features are included in all applicable categories.

(35) Consists of loans that are in an active forbearance as of June 30, 2021.

(36) Percentage of loans in the single-family conventional guaranty book of business, measured by unpaid principal balance, included in an agreement used to reduce credit risk by requiring collateral, letters of credit, mortgage insurance, corporate guarantees, inclusion in a credit risk transfer transaction reference pool, or other agreement that provides for Fannie Mae's compensation to some degree in the event of a financial loss relating to the loan.

(37) Amortized origination loan-to-value ratio is calculated based on the current UPB of a loan at period end, divided by the home price at origination of the loan.

(38) Based on the unpaid principal balance of the single-family conventional guaranty book of business as of period end.

(39) Refers to loans included in an agreement used to reduce credit risk by requiring primary mortgage insurance, collateral, letters of credit, corporate guarantees, or other agreements to provide an entity with some assurance that it will be compensated to some degree in the event of a financial loss. Excludes loans covered by credit risk transfer transactions unless such loans are also covered by primary mortgage insurance.

(40) Outstanding unpaid principal balance represents the underlying loan balance, which is different from the reference pool balance for CAS and some lender risk-sharing transactions.

(41) Calculated based on the unpaid principal balance of loans in forbearance with the specific credit characteristic and vintage divided by the total unpaid principal balance of loans in forbearance in that origination year at period end.

(42) Share of single-family conventional guaranty book based on UPB was calculated based upon the unpaid principal balance of loans in forbearance by vintage divided by the total unpaid principal balance of the single-family conventional guaranty book of business at period end.

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Endnotes

(43) Measured from the borrowers' last paid installment on their mortgages to when the related properties were added to the company's REO inventory for foreclosures completed during the six months ended June 30, 2021. Home Equity Conversion Mortgages insured by the Department of Housing and Urban Development are excluded from this calculation.

(44) Includes repayment plans and foreclosure alternatives. Repayment plans reflect only those plans associated with loans that were 60 days or more delinquent. Beginning with the year ended December 31, 2020, completed forbearance arrangements are excluded.

(45) There were approximately 17,300 loans in a trial modification period that was not complete as of June 30, 2021.

(46) Credit losses and redesignation write-offs do not include gains (losses) on sales and other valuation adjustments. Percentages exclude the impact of recoveries that have not been allocated to specific loans.

(47) For a description of Alt-A loan classification criteria, refer to the glossary in Fannie Mae's 2020 Form 10-K. The company discontinued the purchase of newly originated Alt-A loans in 2009, except for those that represent the refinancing of a loan acquired prior to 2009, which has resulted in the acquisitions of Alt-A mortgage loans remaining low and the percentage of the book of business attributable to Alt-A to continue to decrease over time.

(48) Total amount of single-family credit losses includes those not directly associated with specific loans. Single-family credit losses by state exclude the impact of recoveries that have not been allocated to specific loans. Presents the five states with the highest credit losses for the applicable period among the company's top ten states by percentage of outstanding single-family conventional guaranty book of business.

(49) Defaults include loan foreclosures, short sales, sales to third parties at the time of foreclosure and deeds-in-lieu of foreclosure. Cumulative Default Rate is the total number of single-family conventional loans in the guaranty book of business originated in the identified year that have defaulted, divided by the total number of single-family conventional loans in the guaranty book of business originated in the identified year. Data as of June 30, 2021 is not necessarily indicative of the ultimate performance of the loans and performance may change, perhaps materially, in future periods.

(50) Represents the percentage of loans with lender risk-sharing agreements in place, measured by unpaid principal balance.

(51) Under the Delegated Underwriting and Servicing ("DUS") program, Fannie Mae acquires individual, newly originated mortgages from specially approved DUS lenders using DUS underwriting standards and/or DUS loan documents. Because DUS lenders generally share the risk of loss with Fannie Mae, they are able to originate, underwrite, close and service most loans without a pre-review by the company.

(52) Includes any loan that was underwritten with an interest-only term less than the term of the loan, regardless of whether it is currently in its interest-only period.

(53) See https://multifamily.fanniemae.com/financing-options for definitions. Loans with multiple product features are included in all applicable categories.

(54) The Multifamily Affordable Business Channel focuses on financing properties that are under an agreement that provides long-term affordability, such as properties with rent subsidies or income restrictions.

(55) Small balance loans refers to multifamily loans with an original unpaid balance of up to $6 million nationwide.

(56) Cumulative net credit loss rate is the cumulative net credit losses (gains) through June 30, 2021 on the multifamily loans that were acquired in the applicable period, as a percentage of the total acquired unpaid principal balance of multifamily loans in the applicable period. Net credit losses include expected benefit of freestanding loss-sharing benefit, primarily multifamily DUS lender-risk sharing transactions.

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