FannieMae

Fannie Mae Progress Report

THIRD QUARTER 2013

As of September 30, 2013

OUR PURPOSE

- We are focused on supporting the housing market recovery and building a sustainable housing finance system for the future.
- Our priorities are aligned with the public interest.
- We are committed to providing liquidity to the mortgage market; assisting troubled borrowers; enabling families to buy, refinance, or rent a home; and building a book of business that will help return taxpayers' investment in the company.

OUR RESULTS

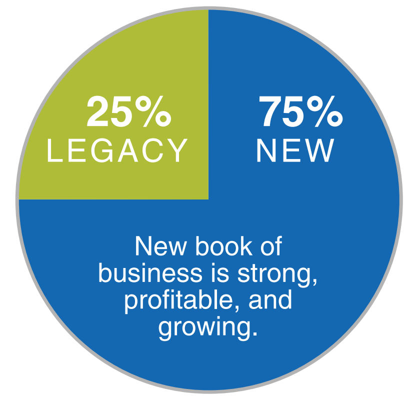
THIRD QUARTER 2013

- Our strong third quarter results were driven primarily by continued stable revenues and credit-related income, resulting in net income of $8.7 billion for the third quarter, the company's seventh consecutive quarterly profit.
- Credit-related income was positively affected by:
  - an increase in home prices in the quarter, which resulted in a reduction in our loss reserves
  - recognition of compensatory fees received in connection with the Bank of America compensatory fee agreement
  - a decline in the number of delinquent loans in our single-family guaranty book of business

Net income for Q3 2013	Comprehensive income for Q3 2013
$8.7 BILLION	**$8.6 BILLION**

SINGLE-FAMILY BOOK OF BUSINESS

AS OF SEPTEMBER 30, 2013



- Single-Family Loans prior to 2009
- Single-Family Loans 2009 through September 30, 2013

- We have established responsible credit standards to protect homeowners and taxpayers while making it possible for families to purchase, refinance, or rent a home.
- We expect that the loans in our new single-family book of business will be profitable over their lifetime.
- We significantly strengthened our underwriting and eligibility standards and changed our pricing to promote sustainable homeownership and stability in the housing market.
- As a result, loans in our new single-family book of business have strong credit risk profiles.

FANNIE MAE PERFORMANCE SNAPSHOT*

- High-quality new book of business accounted for 75 percent of single-family conventional guaranty book of business as of September 30, 2013.
- Remained the largest single issuer of single-family mortgage-related securities in the secondary market in the third quarter of 2013 and remained a constant source of liquidity in the multifamily market.
- Funded the mortgage market with approximately $3.9 trillion in liquidity, which enabled borrowers to complete 12.0 million mortgage refinancings and 3.4 million home purchases, and provided financing for 2.0 million units of multifamily housing.
- Refinanced approximately 3.7 million mortgages through the company's Refi Plus™ initiative, including loans refinanced under the Administration's Home Affordable Refinance Program (HARP). As a result of Refi Plus, borrowers' monthly payments were reduced by an average of $210 in the third quarter of 2013.
- Helped distressed families retain their homes or avoid foreclosure through approximately 1.5 million workout solutions, including nearly 1 million loan modifications.

* Fannie Mae data for the period January 1, 2009 through September 30, 2013, unless otherwise noted.

FannieMae

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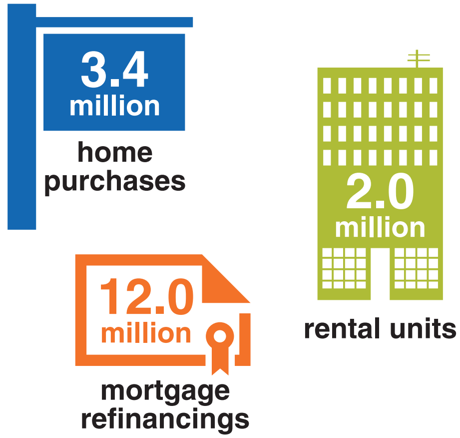
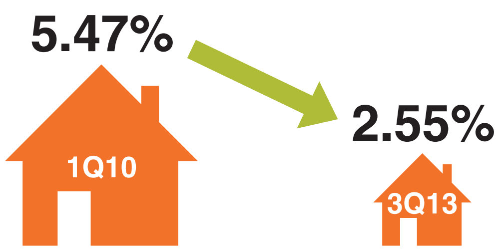
LIQUIDITY AND SUPPORT TO THE MARKET

- We funded the mortgage market with approximately $3.9 trillion in liquidity since 2009, enabling families to buy, refinance, or rent a home:



DRIVING DOWN THE SERIOUS DELINQUENCY (SDQ) RATE

- Our single-family SDQ rate has declined 14 consecutive quarters.

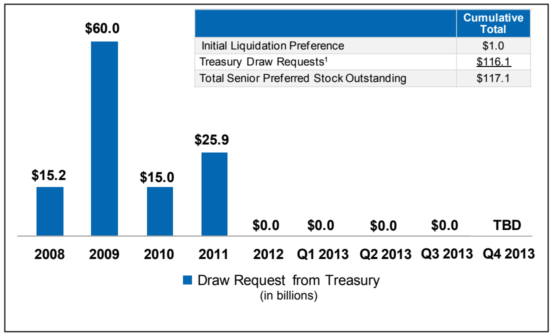


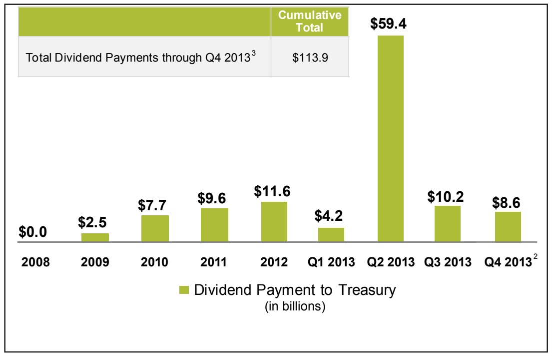
- Fannie Mae's single-family SDQ rate was 2.55 percent.
- Our single-family SDQ rate is substantially lower than private market levels.
- 95 percent of Fannie Mae's 17.5 million single-family conventional loans are current.

Data as of Sept. 30, 2013

TREASURY DRAWS AND DIVIDEND PAYMENTS

- As of December 31, 2013, Fannie Mae will have paid taxpayers approximately $114 billion in dividends. We expect to remain profitable for the foreseeable future.





(1) Treasury draw requests are shown in the period for which requested and do not include the initial $1.0 billion liquidation preference of Fannie Mae's senior preferred stock, for which Fannie Mae did not receive any cash proceeds. The payment of dividends cannot be used to offset prior Treasury draws.

(2) Our dividend for the fourth quarter of 2013 is calculated based on our net worth of $11.6 billion as of Sept. 30, 2013 less the applicable capital reserve amount of $3.0 billion.

(3) Amounts may not sum due to rounding.

This report includes our expectations regarding our future financial results, profitability, our ability to pay taxpayers, our future dividend payments to Treasury, and the growth, profitability, and caliber of the loans in our new single-family book of business. These expectations are forward-looking statements based on our current assumptions regarding numerous factors, including future home prices. Our actual results and future expectations may differ materially from our current expectations as a result of home price changes, unemployment rates, other macroeconomic and housing market variables, future legislative or regulatory requirements, borrower behavior, and many other factors, including those discussed in the "Risk Factors" section of and elsewhere in our annual report on Form 10-K for the year ended Dec. 31, 2012 and our quarterly report on Form 10-Q for the quarter ended Sept. 30, 2013. These forward-looking statements are representative only as of the date they are made, and we undertake no obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under the federal securities laws.