

**TABLE 1. TOTAL BOOK OF BUSINESS COMPONENTS (\$ in Millions) <sup>1</sup>**

	Gross Mortgage Portfolio [Table 3]	+	Total Fannie Mae MBS and Other Guarantees [Table 4]	-	Fannie Mae MBS in Portfolio [Table 5]	=	Total Book of Business <sup>4</sup>	Compounded Growth Rate <sup>4</sup>	New Business Acquisitions <sup>4</sup>
June 2010	\$ 817,800		\$ 2,683,988		\$ 282,186		\$ 3,219,602	(10.9%)	\$ 59,772
July 2010	811,988		2,670,491		276,727		3,205,752	(5.0%)	53,318
August 2010	809,125		2,667,294		274,159		3,202,260	(1.3%)	57,781
September 2010	802,851		2,673,208		268,208		3,207,851	2.1%	79,505
October 2010	798,273		2,678,216		264,321		3,212,168	1.6%	76,775
November 2010	792,982		2,683,705		261,420		3,215,267	1.2%	77,658
December 2010	788,771		2,695,706		260,429		3,224,048	3.3%	87,632
<b>Full Year 2010</b>	<b>\$ 788,771</b>		<b>\$ 2,695,706</b>		<b>\$ 260,429</b>		<b>\$ 3,224,048</b>	<b>(0.5%)</b>	<b>\$ 855,548</b>
January 2011	\$ 777,059		\$ 2,695,789		\$ 251,639		\$ 3,221,209	(1.1%)	\$ 73,841
February 2011	766,426		2,694,807		241,949		3,219,284	(0.7%)	57,812
March 2011	757,618		2,706,799		238,330		3,226,087	2.6%	57,840
April 2011	746,814		2,698,607		231,116		3,214,305	(4.3%)	39,278
May 2011	737,850		2,700,939		234,674		3,204,115	(3.7%)	36,136
June 2011	731,801		2,701,116		231,541		3,201,376	(1.0%)	41,431
<b>YTD 2011</b>	<b>\$ 731,801</b>		<b>\$ 2,701,116</b>		<b>\$ 231,541</b>		<b>\$ 3,201,376</b>	<b>(1.4%)</b>	<b>\$ 306,338</b>

**TABLE 2. PORTFOLIO COMMITMENTS (\$ in Millions) <sup>1,2,3,4</sup>**

	Commitments to Purchase, Net	Commitments to Sell	Net Retained Commitments
June 2010	\$ 64,250	\$ (44,900)	\$ 19,350
July 2010	41,036	(32,298)	8,738
August 2010	54,841	(46,646)	8,195
September 2010	61,167	(55,667)	5,500
October 2010	70,178	(63,973)	6,205
November 2010	53,031	(44,942)	8,089
December 2010	61,963	(53,339)	8,624
<b>Full Year 2010</b>	<b>\$ 751,117</b>	<b>\$ (540,620)</b>	<b>\$ 210,497</b>
January 2011	\$ 51,666	\$ (46,794)	\$ 4,872
February 2011	46,918	(41,183)	5,735
March 2011	44,387	(39,939)	4,448
April 2011	34,709	(31,369)	3,340
May 2011	35,996	(31,544)	4,452
June 2011	37,421	(31,627)	5,794
<b>YTD 2011</b>	<b>\$ 251,097</b>	<b>\$ (222,456)</b>	<b>\$ 28,641</b>

**TABLE 3. GROSS MORTGAGE PORTFOLIO (\$ in Millions) <sup>1,2</sup>**

	Purchases <sup>3,4</sup>	Sales <sup>3</sup>	Liquidations <sup>4</sup>	End Balance <sup>3,4</sup>	Compounded Growth Rate <sup>3,4</sup>	Annualized Liquidation Rate <sup>4</sup>
June 2010	\$ 27,607	\$ (6,239)	\$ (17,229)	\$ 817,800	6.3%	(25.41%)
July 2010	17,686	(7,898)	(15,600)	811,988	(8.2%)	(22.89%)
August 2010	18,681	(6,399)	(15,145)	809,125	(4.1%)	(22.38%)
September 2010	21,447	(11,302)	(16,419)	802,851	(8.9%)	(24.35%)
October 2010	21,263	(11,625)	(14,216)	798,273	(6.6%)	(21.25%)
November 2010	22,172	(14,648)	(12,815)	792,982	(7.7%)	(19.26%)
December 2010	21,870	(12,355)	(13,726)	788,771	(6.2%)	(20.77%)
<b>Full Year 2010</b>	<b>\$ 357,573</b>	<b>\$ (179,289)</b>	<b>\$ (162,017)</b>	<b>\$ 788,771</b>	<b>2.1%</b>	<b>(20.97%)</b>
January 2011	\$ 16,823	\$ (14,629)	\$ (13,906)	\$ 777,059	(16.4%)	(21.16%)
February 2011	13,486	(12,285)	(11,834)	766,426	(15.2%)	(18.28%)
March 2011	12,855	(8,512)	(13,151)	757,618	(13.0%)	(20.59%)
April 2011	10,633	(8,626)	(12,811)	746,814	(15.8%)	(20.29%)
May 2011	9,909	(6,942)	(11,931)	737,850	(13.5%)	(19.17%)
June 2011	12,281	(6,067)	(12,263)	731,801	(9.4%)	(19.94%)
<b>YTD 2011</b>	<b>\$ 75,987</b>	<b>\$ (57,061)</b>	<b>\$ (75,896)</b>	<b>\$ 731,801</b>	<b>(13.9%)</b>	<b>(19.24%)</b>

**TABLE 4. FANNIE MAE GUARANTEED SECURITIES AND MORTGAGE LOANS (\$ in Millions) <sup>1</sup>**

	Total Fannie Mae MBS Issuances <sup>5</sup>			Fannie Mae MBS Annualized Liquidation Rate <sup>4</sup>	Other Fannie Mae Guarantees	Total Fannie Mae MBS and Other Guarantees <sup>4</sup>	Compounded Growth Rate <sup>4</sup>	Mortgage Loans <sup>4</sup>	Fannie Mae Guaranteed Securities and Mortgage Loans <sup>4</sup>
June 2010	\$ 40,174	\$ (80,912)	\$ 2,653,403	(36.04%)	\$ 30,585	\$ 2,683,988	(16.5%)	\$ 426,185	\$ 3,110,173
July 2010	42,748	(56,446)	2,639,705	(25.53%)	30,786	2,670,491	(5.9%)	428,237	3,098,728
August 2010	47,999	(51,295)	2,636,409	(23.32%)	30,885	2,667,294	(1.4%)	429,032	3,096,326
September 2010	69,630	(63,219)	2,642,820	(28.78%)	30,388	2,673,208	2.7%	429,833	3,103,041
October 2010	69,670	(66,710)	2,645,780	(30.29%)	32,436	2,678,216	2.3%	430,265	3,108,481
November 2010	73,350	(69,899)	2,649,231	(31.70%)	34,474	2,683,705	2.5%	429,162	3,112,867
December 2010	83,735	(72,924)	2,660,042	(33.03%)	35,664	2,695,706	5.5%	427,074	3,122,780
<b>Full Year 2010</b>	<b>\$ 629,747</b>	<b>\$ (770,594)</b>	<b>\$ 2,660,042</b>	<b>(27.51%)</b>	<b>\$ 35,664</b>	<b>\$ 2,695,706</b>	<b>(4.6%)</b>	<b>\$ 427,074</b>	<b>\$ 3,122,780</b>
January 2011	\$ 68,942	\$ (69,560)	\$ 2,659,424	(31.38%)	\$ 36,365	\$ 2,695,789	0.0%	\$ 425,773	\$ 3,121,562
February 2011	52,060	(52,918)	2,658,566	(23.88%)	36,241	2,694,807	(0.4%)	425,949	3,120,756
March 2011	54,252	(42,121)	2,670,697	(19.01%)	36,102	2,706,799	5.5%	421,856	3,128,655
April 2011	34,516	(42,458)	2,662,755	(19.08%)	35,852	2,698,607	(3.6%)	419,334	3,117,941
May 2011	40,535	(38,146)	2,665,144	(17.19%)	35,795	2,700,939	1.0%	407,758	3,108,697
June 2011	35,732	(36,682)	2,664,194	(16.52%)	36,922	2,701,116	0.1%	405,417	3,106,533
<b>YTD 2011</b>	<b>\$ 286,037</b>	<b>\$ (281,885)</b>	<b>\$ 2,664,194</b>	<b>(21.19%)</b>	<b>\$ 36,922</b>	<b>\$ 2,701,116</b>	<b>0.4%</b>	<b>\$ 405,417</b>	<b>\$ 3,106,533</b>

**MONTHLY SUMMARY HIGHLIGHTS**
**JUNE 2011**

- Fannie Mae's *Book of Business* decreased at a compound annualized rate of 1.0 percent in June.
- Fannie Mae's *Gross Mortgage Portfolio* declined at a compound annualized rate of 9.4 percent in June.
- The *Conventional Single-Family Serious Delinquency Rate* fell 6 basis points to 4.08 percent in June; the *Multifamily Serious Delinquency Rate* fell 6 basis points to 0.46 percent in June.
- The *Effective Duration Gap* on Fannie Mae's portfolio averaged zero months in June.
- Fannie Mae completed 17,246 loan modifications in June, for a total of 101,379 loan modifications in the six months ended June 30, 2011.

**IMPORTANT NOTE:**

We have been under conservatorship, with the Federal Housing Finance Agency (FHFA) acting as conservator, since September 6, 2008.

**TABLE 5. MORTGAGE PORTFOLIO COMPOSITION (\$ in Millions) <sup>1</sup>**

	Fannie Mae MBS in Portfolio					Mortgage Loans <sup>4</sup>	Non-Fannie Mae Mortgage Securities		Mortgage Portfolio End Balance <sup>4</sup>
	Purchases	Sales	Liquidations	Securitizations <sup>6</sup>	End Balance		Agency	Non-Agency	
June 2010	\$ 1,608	\$ (5,806)	\$ (7,487)	\$ 6,401	\$ 282,186	\$ 426,185	\$ 22,850	\$ 86,579	\$ 817,800
July 2010	1,149	(6,566)	(6,009)	5,967	276,727	428,237	21,132	85,892	811,988
August 2010	769	(6,238)	(5,229)	8,130	274,159	429,032	20,660	85,274	809,125
September 2010	1,617	(11,264)	(6,259)	9,955	268,208	429,833	20,181	84,629	802,851
October 2010	1,424	(11,625)	(6,420)	12,734	264,321	430,265	19,782	83,905	798,273
November 2010	2,743	(14,224)	(6,541)	15,121	261,420	429,162	19,267	83,133	792,982
December 2010	2,263	(12,316)	(6,648)	15,710	260,429	427,074	18,757	82,511	788,771
<b>Full Year 2010</b>	<b>\$ 35,989</b>	<b>\$ (153,721)</b>	<b>\$ (75,816)</b>	<b>\$ 95,783</b>	<b>\$ 260,429</b>	<b>\$ 427,074</b>	<b>\$ 18,757</b>	<b>\$ 82,511</b>	<b>\$ 788,771</b>
January 2011	\$ 1,858	\$ (14,185)	\$ (6,529)	\$ 10,066	\$ 251,639	\$ 425,773	\$ 17,845	\$ 81,802	\$ 777,059
February 2011	2,030	(12,171)	(5,253)	5,704	241,949	425,949	17,273	81,255	766,426
March 2011	1,054	(8,474)	(4,412)	8,213	238,330	421,856	16,829	80,603	757,618
April 2011	1,167	(8,540)	(4,545)	4,704	231,116	419,334	16,433	79,931	746,814
May 2011	739	(6,895)	(3,855)	13,569	234,674	407,758	16,117	79,301	737,850
June 2011	2,296	(6,001)	(3,714)	4,286	231,541	405,417	16,078	78,765	731,801
<b>YTD 2011</b>	<b>\$ 9,144</b>	<b>\$ (56,266)</b>	<b>\$ (28,308)</b>	<b>\$ 46,542</b>	<b>\$ 231,541</b>	<b>\$ 405,417</b>	<b>\$ 16,078</b>	<b>\$ 78,765</b>	<b>\$ 731,801</b>

**TABLE 6. OTHER INVESTMENTS (\$ in Millions) <sup>1</sup>**

	Other Investments End Balance	Original Maturity	
		≤ 1 Year	> 1 Year
June 2010	\$ 116,782	\$ 256,346	
July 2010	99,407	260,988	
August 2010	88,467	240,595	
September 2010	78,025	219,397	
October 2010	73,357	209,366	
November 2010	67,724	174,859	
December 2010	59,383	152,013	
<b>Full Year 2010</b>	<b>\$ 59,383</b>	<b>\$ 152,013</b>	
January 2011	\$ 68,677	\$ 144,019	
February 2011	72,487	134,686	
March 2011	76,707	147,159	
April 2011	98,193	175,061	
May 2011	68,815	158,118	
June 2011	68,809	162,072	
<b>YTD 2011</b>	<b>\$ 68,809</b>	<b>\$ 162,072</b>	

**TABLE 7. DEBT ACTIVITY (\$ in Millions) <sup>7</sup>**

	Original Maturity > 1 Year					Total Debt Outstanding
	Maturities and		Foreign Exchange		End Balance	
	Issuances	Redemptions	Repurchases	Adjustments		
June 2010	\$ 38,928	\$ (31,453)	\$ -	\$ 20	\$ 604,446	\$ 860,792
July 2010	40,670	(54,304)	-	60	590,872	851,860
August 2010	51,894	(41,587)	-	(21)	601,158	841,753
September 2010	46,200	(36,600)	-	55	610,813	830,210
October 2010	38,573	(35,255)	-	19	614,150	823,516
November 2010	48,224	(27,022)	(92)	(28)	635,232	810,091
December 2010	34,910	(28,309)	-	32	641,865	793,878
<b>Full Year 2010</b>	<b>\$ 463,383</b>	<b>\$ (405,443)</b>	<b>\$ (1,328)</b>	<b>\$ 45</b>	<b>\$ 641,865</b>	<b>\$ 793,878</b>
January 2011	\$ 19,684	\$ (14,844)	\$ (399)	\$ 6	\$ 646,312	\$ 790,331
February 2011	19,277	(16,312)	(974)	21	648,324	783,010
March 2011	12,894	(33,758)	(628)	-	626,832	773,991
April 2011	6,924	(23,897)	(185)	58	609,732	784,793
May 2011	7,366	(27,766)	(50)	(27)	589,255	747,373
June 2011	15,520	(31,080)	(63)	(13)	573,619	735,691
<b>YTD 2011</b>	<b>\$ 81,665</b>	<b>\$ (147,657)</b>	<b>\$ (2,299)</b>	<b>\$ 45</b>	<b>\$ 573,619</b>	<b>\$ 735,691</b>

**TABLE 8. INTEREST RATE RISK DISCLOSURES (\$ in Billions)**

	Market Value Sensitivity		Effective Duration Gap (in months)
	Rate Level	Rate Slope	
	Shock (50 bp)	Shock (25 bp)	
June 2010	(0.4)	0.0	0
July 2010	(0.2)	0.0	0
August 2010	(0.2)	0.0	0
September 2010	(0.3)	(0.1)	0
October 2010	(0.2)	(0.1)	0
November 2010	(0.3)	(0.1)	0
December 2010	(0.3)	(0.1)	0
<b>Full Year 2010</b>	<b>\$ (0.4)</b>	<b>\$ (0.1)</b>	
January 2011	\$ (0.3)	\$ (0.1)	0
February 2011	(0.2)	0.0	0
March 2011	(0.2)	(0.1)	0
April 2011	(0.1)	0.0	0
May 2011	(0.1)	(0.1)	0
June 2011	(0.2)	(0.1)	0
<b>YTD 2011</b>	<b>\$ (0.2)</b>	<b>\$ (0.1)</b>	

**TABLE 9. SERIOUS DELINQUENCY RATES**

	Conventional Single-Family <sup>8</sup>			Multifamily Total <sup>9</sup>
	Non-Credit	Credit	Total	
	Enhanced	Enhanced	Total	
June 2010	3.74%	11.68%	4.99%	0.80%
July 2010	3.62%	11.27%	4.82%	0.74%
August 2010	3.55%	10.96%	4.70%	0.66%
September 2010	3.45%	10.66%	4.56%	0.65%
October 2010	3.43%	10.58%	4.52%	0.71%
November 2010	3.42%	10.54%	4.50%	0.72%
December 2010	3.40%	10.60%	4.48%	0.71%
January 2011	3.38%	10.55%	4.45%	0.69%
February 2011	3.39%	10.53%	4.44%	0.65%
March 2011	3.26%	10.13%	4.27%	0.64%
April 2011	3.21%	9.95%	4.19%	0.57%
May 2011	3.17%	9.84%	4.14%	0.52%
June 2011	3.14%	9.72%	4.08%	0.46%

Numbers may not sum due to rounding

See Endnotes and Glossary on Page 3 and 4

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## ENDNOTES

1. The end balances and business activity in this report represent unpaid principal balances ("UPB"), which do not reflect market valuation adjustments, allowance for loan losses, impairments, unamortized premiums and discounts, and the impact of consolidation of variable interest entities.
2. As of June 30, 2011, our gross mortgage portfolio end balance, after taking into account net outstanding commitments to buy of \$1.4 billion, was \$733.2 billion.
3. Gross commitments in Table 2 include dollar roll transactions (purchase commitments with concurrent agreements to re-sell later, or sale commitments with concurrent agreements to repurchase later) in the month in which we enter into them. Table 3 reflects activity from settlements of dollar rolls that are accounted for as purchases and sales of securities, but does not include activity from settlements of dollar rolls that are accounted for as secured financings. Dollar roll activity may result in volatility on a month-to-month basis in our reported portfolio commitments, purchases, sales, end balances, and compounded growth rate.
4. Initiatives to repurchase delinquent loans out of MBS trusts may result in additional volatility on a month-to-month basis.
5. Includes Fannie Mae mortgage-backed securities ("Fannie Mae MBS") issued from Fannie Mae's mortgage portfolio. See Table 5 for monthly activity and balances for Fannie Mae MBS held in portfolio.
6. Securitizations in Table 5 represent new Fannie Mae MBS created from mortgage assets held in the mortgage portfolio, including whole loans. These amounts are included in issuances in Table 4 and, if sold during the month, will be included in sales in Table 5. Our securitizations of loans we held in our portfolio the prior month will reduce the mortgage loans reported in Table 5.
7. Reported amounts represent the UPB at each reporting period or, in the case of the long-term zero coupon bonds, at maturity. UPB does not reflect the effect of debt basis adjustments, including discounts, premiums, and issuance costs.
8. Includes seriously delinquent conventional single-family loans as a percent of the total number of conventional single-family loans. These rates are based on conventional single-family mortgage loans and exclude reverse mortgages and non-Fannie Mae mortgage securities held in our portfolio. Credit enhanced refers to loans that have primary mortgage insurance and/or other credit enhancements.
9. Calculated based on the UPB of seriously delinquent multifamily loans owned by Fannie Mae or underlying Fannie Mae guaranteed securities, divided by the UPB of multifamily loans owned by Fannie Mae or underlying Fannie Mae guaranteed securities.

## GLOSSARY & OTHER INFORMATION

### General

**Risk Disclosures.** In addition to the interest rate risk disclosures provided in Table 8, Fannie Mae's most recent available information relating to subordinated debt, liquidity management, corporate risk ratings and credit risks is included in its most recent Form 10-K or Form 10-Q filed with the Securities and Exchange Commission.

**Compounded Growth Rate.** Monthly growth rates are compounded to provide an annualized rate of growth.

### Table 1

**Total Book of Business.** Sum of the Gross Mortgage Portfolio balance and Total Fannie Mae MBS and Other Guarantees balance, less Fannie Mae MBS held in the mortgage portfolio.

**New Business Acquisitions.** Sum of MBS issuances and Mortgage Portfolio purchases less Fannie Mae MBS purchases and securitizations of mortgage loans previously held in portfolio.

### Table 2

**Portfolio Commitments.** Represents mandatory commitments entered into during the month. Fannie Mae enters into forward commitments to purchase mortgage securities and mortgage loans, or to sell mortgage securities, for the mortgage portfolio. Purchase commitments typically require mandatory delivery and are subject to the payment of pair-off fees for non-delivery.

**Commitments to Purchase, Net.** Represents mandatory commitments to purchase mortgage loans and mortgage securities, net of mortgage loans for which a cash pair-off has been paid. Pair-offs occur when loans are not delivered against mandatory commitments.

**Commitments to Sell.** Represents mandatory commitments to sell mortgage securities.

**Net Retained Commitments.** Represents mandatory commitments to purchase, less commitments to sell, net of mortgage loans for which a cash pair-off has been paid.

### Table 3

**Gross Mortgage Portfolio.** End balance represents the unpaid principal balance ("UPB") of the mortgage portfolio that Fannie Mae holds for investment and liquidity purposes.

**Purchases.** Acquisition of mortgage loans and mortgage securities for the mortgage portfolio. Includes capitalized interest.

**Sales.** Sales of mortgage securities from the mortgage portfolio.

**Liquidations.** Represents the total amount of repayments, curtailments, payoffs, and foreclosures on mortgage loans and mortgages underlying securities held in the mortgage portfolio.

**Annualized Liquidation Rate.** The liquidation rate is calculated as liquidations divided by the prior period ending balance of the mortgage portfolio, annualized.

### Table 4

**Fannie Mae Guaranteed Securities and Mortgage Loans.** Consists of securities and mortgage loans for which Fannie Mae manages credit risk. This table excludes non-Fannie Mae securities held in the mortgage portfolio, which are shown in Table 5.

**Total Fannie Mae MBS.** Includes Fannie Mae MBS, private label wraps, whole loan REMICs, and Ginnie Mae wraps. Also includes Multifamily discount MBS (DMBS) that Fannie Mae guarantees, regardless of whether those MBS are held in the mortgage portfolio or held by investors other than Fannie Mae. If an MBS has been resecured into another MBS, the principal amount is only included once in this total.

**Issuances.** Represents the total amount of Fannie Mae MBS created during the month, including lender-originated issues and Fannie Mae MBS created from mortgage loans previously held in Fannie Mae's portfolio. Fannie Mae MBS may be held in portfolio after their creation.

**Liquidations.** Represents the total amount of repayments, curtailments, payoffs, and foreclosures on mortgages underlying Fannie Mae MBS, including Fannie Mae MBS held in the mortgage portfolio.

**Other Fannie Mae Guarantees.** Outstanding balance of Fannie Mae guarantees, other than Fannie Mae MBS. This primarily includes long-term standby commitments we have issued and credit enhancements we have provided.

**Annualized Liquidation Rate.** The liquidation rate is calculated as liquidations divided by the prior period ending balance of total Fannie Mae MBS, annualized.

### Table 5

**Mortgage Portfolio Composition.** Shows the primary components of Fannie Mae's mortgage portfolio and activity relating to Fannie Mae MBS held in the mortgage portfolio.

**Non-Fannie Mae Agency Securities.** Represents mortgage-related securities issued by Freddie Mac and Ginnie Mae.

**Non-Fannie Mae Non-Agency Securities.** These are commonly referred to as "private-label securities."

### Table 6

**Other Investments.** The \$68.8 billion total as of June 30, 2011 includes \$65.6 billion of readily marketable instruments such as certificates of deposit, federal funds sold, securities purchased under agreements to resell and Treasury bills. In addition, the balance includes \$3.2 billion of non-governmental asset-backed securities.

### Table 7

**Debt Activity.** Debt is classified in the table based on its original maturity. For debt with an original term of more than one year, the portion of that long-term debt that is due within one year is not reclassified to "Original Maturity < 1 Year." For more information about Fannie Mae's debt activity, please visit [www.fanniemae.com/markets/debt/debt\\_activity](http://www.fanniemae.com/markets/debt/debt_activity).

### Table 8

Our interest rate risk measures provide useful estimates of key interest-rate risk and include the impact of our purchases and sales of derivative instruments, which we use to limit our exposure to changes in interest rates. While we believe that our market value sensitivity and duration gap metrics are useful risk management tools, they should be understood as estimates rather than precise measurements. Methodologies employed to calculate interest-rate risk sensitivity disclosures are periodically changed on a prospective basis to reflect improvements in the underlying estimation processes.

**Market Value Sensitivity to Rate Level Shock (50bp).** This measurement shows the estimated loss in pre-tax market value of Fannie Mae's assets and liabilities from an immediate adverse 50 basis point shift in the level of LIBOR rates. The amounts shown are estimates, not precise measurements. The measurement excludes any sensitivity of the guaranty business. Fannie Mae tracks the daily average of this measurement for the reported month.

**Market Value Sensitivity to Rate Slope Shock (25bp).** This measurement shows the estimated loss in pre-tax market value of Fannie Mae's assets and liabilities from an immediate adverse 25 basis point change in the slope of the LIBOR yield curve. To calculate the adverse change in the slope of the LIBOR yield curve, the company calculates the effect of a 25 basis point change in slope that results in a steeper LIBOR yield curve and the effect of a 25 basis point change in slope that results in a flatter LIBOR yield curve, and reports the more adverse of the two results. The amounts shown are estimates, not precise measurements. The measurement excludes any sensitivity of the guaranty business. Fannie Mae tracks the daily average of this measurement for the reported month.

**Effective Duration Gap.** The effective duration gap estimates the net sensitivity of the fair value of Fannie Mae's assets and liabilities to movements in interest rates. This statistic is expressed as a number of months, based on the daily average for the reported month. A duration gap of zero implies that the change in the fair value of assets from an interest rate move will be offset by an equal move in the fair value of liabilities, including debt and derivatives, resulting in no change in the fair value of the net assets. The calculation excludes any sensitivity of the guaranty business.

### Table 9

**Serious Delinquency Rates.** A measure of credit performance and indicator of future defaults for the single-family and multifamily mortgage credit books. We include single-family loans that are three months or more past due or in the foreclosure process, and multifamily loans that are 60 days or more past due. We include conventional single-family loans that we own and that back Fannie Mae MBS in our single-family delinquency rate, including those with substantial credit enhancement.