Fannie Mae
2014 Third Quarter Credit Supplement

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November 6, 2014

- This presentation includes information about Fannie Mae, including information contained in Fannie Mae's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, the "2014 Q3 Form 10-Q." Some of the terms used in these materials are defined and discussed more fully in the 2014 Q3 Form 10-Q and in Fannie Mae's Form 10-K for the year ended December 31, 2013, the "2013 Form 10-K." These materials should be reviewed together with the 2014 Q3 Form 10-Q and the 2013 Form 10-K, copies of which are available on the "SEC Filings" page in the "Investor Relations" section of Fannie Mae's web site at www.fanniemae.com.

- Some of the information in this presentation is based upon information that we received from third-party sources such as sellers and servicers of mortgage loans. Although we generally consider this information reliable, we do not independently verify all reported information.

- Due to rounding, amounts reported in this presentation may not add to totals indicated (or 100%). A dash indicates less than 0.05% or a null value.

- Unless otherwise indicated data labeled as "YTD 2014" is as of September 30, 2014 or for the first nine months of 2014.

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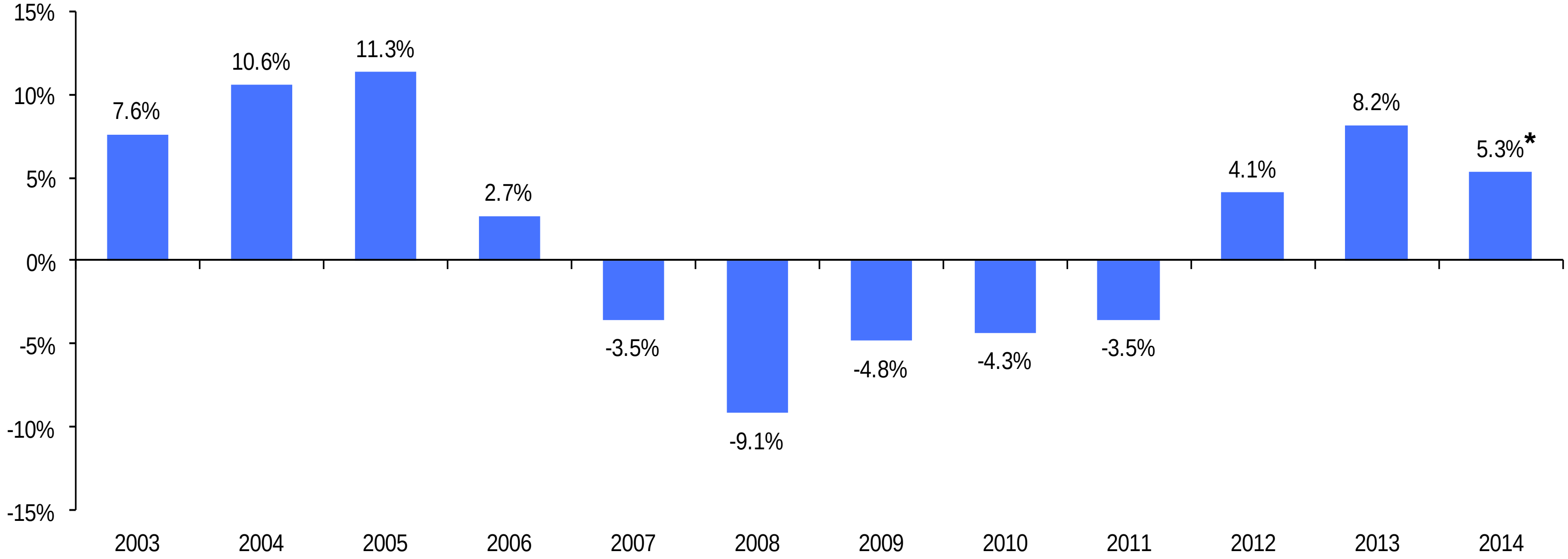
Table of Contents

Home Price Growth/Decline Rates in the U.S.

Fannie Mae Home Price Index



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
S&P/Case-Shiller Index (1)	9.8%	13.6%	13.5%	1.7%	-5.4%	-12.0%	-3.8%	-4.1%	-3.9%	6.5%	10.8%	4.4%**

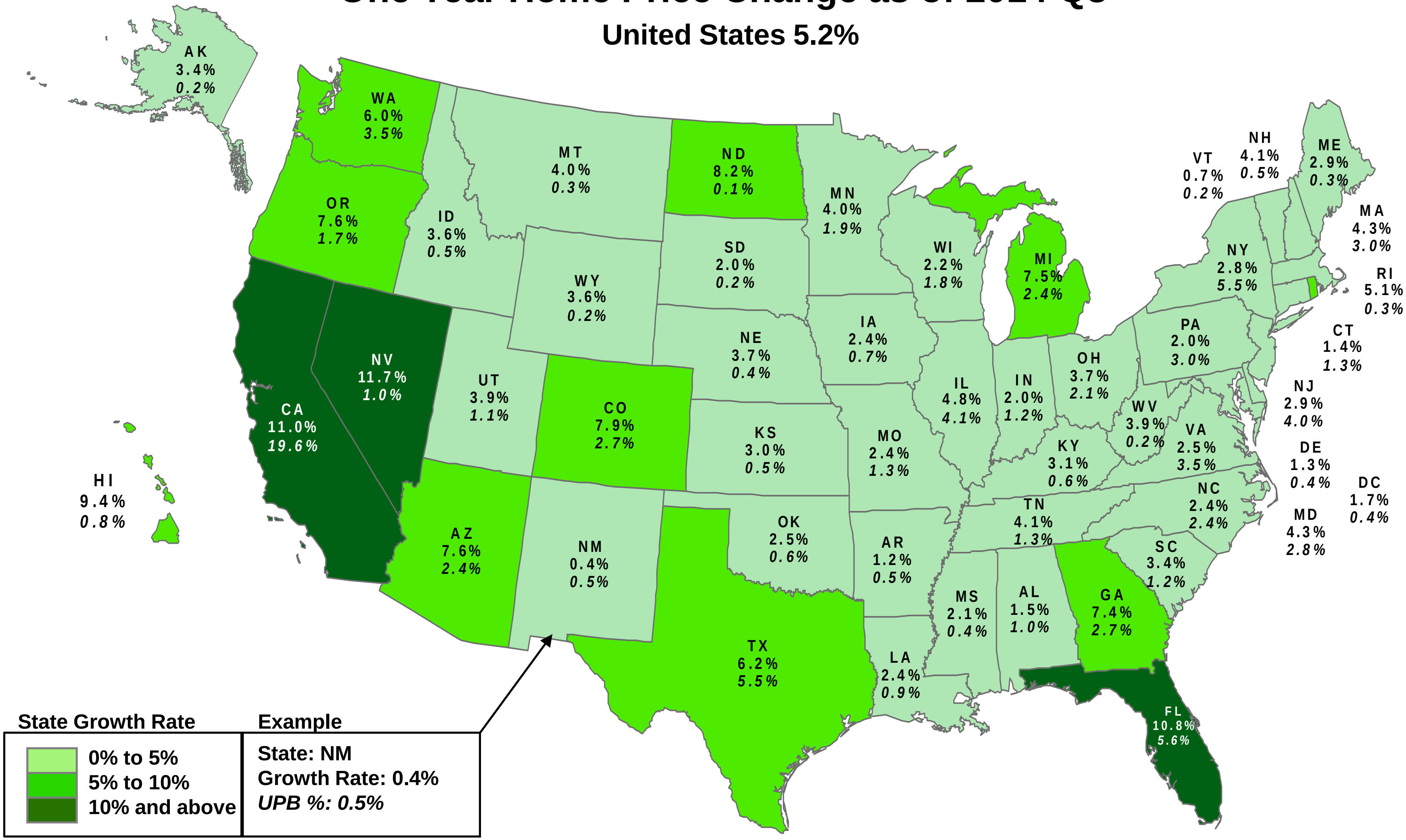
*Year-to-date as of Q3 2014. Estimate based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of September 2014. Including subsequent data may lead to materially different results.
**Year-to-date as of June 2014. As comparison, Fannie Mae's index for the same period is 4.1%.

Based on our home price index, we estimate that home prices on a national basis increased by 1.2% in the third quarter of 2014 and by 5.3% in the first nine months of 2014, following increases of 8.2% in 2013 and 4.1% in 2012. Despite the recent increases in home prices, we estimate that, through September 30, 2014, home prices on a national basis remained 9.5% below their peak in the third quarter of 2006. Our home price estimates are based on preliminary data and are subject to change as additional data become available.

(1) In August 2014, the quarterly S&P/Case-Shiller US National Home Price Index was discontinued and replaced with a monthly index, which resulted in revisions in the yearly growth rates listed in this slide. The historical S&P/Case-Shiller Index growth rates provided in this slide have been updated to reflect these revisions.

One Year Home Price Change as of 2014 Q3*

United States 5.2%



*Source: Fannie Mae. Home price estimates are based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of September 2014. UPB estimates are based on data available through the end of September 2014. Including subsequent data may lead to materially different results.

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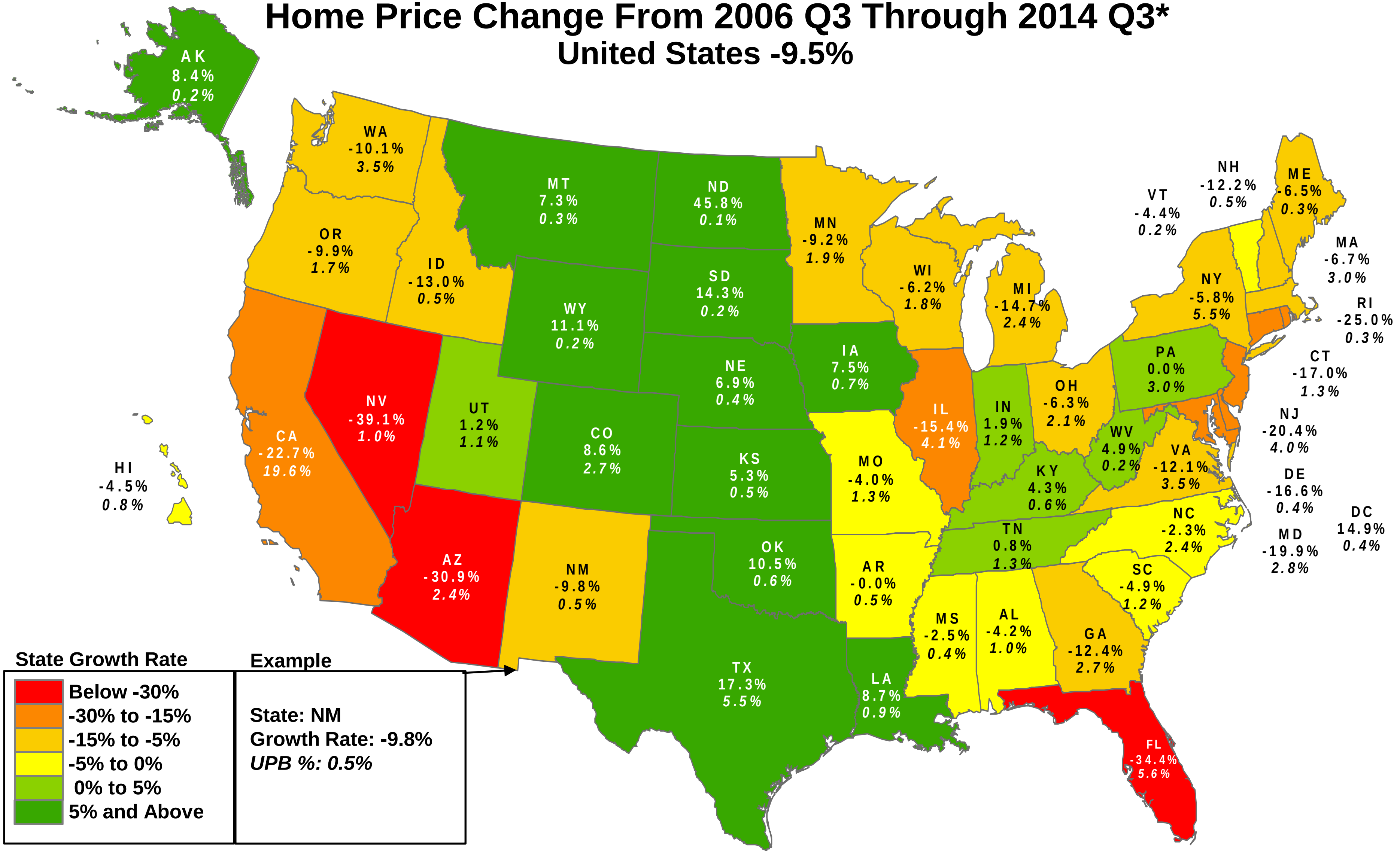
Home Price Change From 2006 Q3 Through 2014 Q3*

United States -9.5%



*Source: Fannie Mae. Home price estimates are based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of September 2014. UPB estimates are based on data available through the end of September 2014. Including subsequent data may lead to materially different results.

Note: Home prices on a national basis reached a peak in the third quarter of 2006.

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Credit Characteristics of Single-Family Business Acquisitions (1)

Acquisition Period	Q3 2014		Q2 2014		Q1 2014		Full Year 2013		Q4 2013		Q3 2013	
	Single-Family Acquisitions	Excl. Refi Plus (2)	Single-Family Acquisitions	Excl. Refi Plus (2)	Single-Family Acquisitions	Excl. Refi Plus (2)	Single-Family Acquisitions	Excl. Refi Plus (2)	Single-Family Acquisitions	Excl. Refi Plus (2)	Single-Family Acquisitions	Excl. Refi Plus (2)
Unpaid Principal Balance (billions)	$102.3	$92.2	$85.2	$73.9	$76.4	$61.8	$728.4	$564.5	$115.7	$94.8	$183.0	$145.6
Weighted Average Origination Note Rate	4.28%	4.26%	4.37%	4.35%	4.41%	4.37%	3.78%	3.73%	4.40%	4.37%	3.91%	3.88%
Origination Loan-to-Value (LTV) Ratio												
<= 60%	14.7%	13.9%	15.8%	14.8%	16.9%	16.5%	22.0%	23.5%	17.0%	16.8%	19.8%	20.5%
60.01% to 70%	11.7%	11.5%	11.7%	11.6%	12.5%	12.8%	13.9%	15.3%	12.0%	12.3%	13.0%	13.9%
70.01% to 80%	41.0%	43.5%	40.6%	44.1%	38.8%	44.0%	34.9%	41.2%	38.5%	43.7%	36.0%	41.8%
80.01% to 90%	13.8%	13.6%	13.0%	12.4%	12.3%	11.3%	10.5%	9.2%	12.1%	11.0%	11.4%	10.2%
90.01% to 100%	17.1%	17.5%	16.6%	17.1%	15.3%	15.4%	11.5%	10.8%	15.9%	16.2%	13.9%	13.6%
> 100%	1.7%	—	2.3%	—	4.2%	—	7.1%	—	4.5%	—	6.0%	—
Weighted Average Origination LTV Ratio	77.1%	76.8%	76.8%	76.3%	76.8%	75.2%	75.7%	71.4%	77.2%	75.3%	76.4%	73.2%
FICO Credit Scores (3)												
< 620	1.1%	—	1.3%	—	1.8%	—	1.4%	—	1.6%	—	1.4%	—
620 to < 660	5.4%	4.6%	5.3%	4.1%	5.7%	4.1%	3.4%	1.9%	4.8%	3.3%	3.7%	2.2%
660 to < 700	13.4%	12.7%	13.3%	12.3%	13.9%	12.6%	9.7%	7.8%	12.4%	11.1%	10.5%	8.8%
700 to < 740	21.1%	21.3%	20.8%	21.1%	21.3%	21.5%	18.2%	17.7%	20.8%	20.9%	19.2%	18.9%
>=740	59.0%	61.4%	59.3%	62.5%	57.3%	61.7%	67.3%	72.5%	60.3%	64.7%	65.2%	70.1%
Weighted Average FICO Credit Score	744	748	744	749	741	748	753	760	745	751	750	757
Product Distribution												
Fixed-rate	95.2%	94.9%	95.1%	94.6%	94.6%	93.8%	97.6%	97.0%	96.7%	96.2%	96.9%	96.2%
Adjustable-rate	4.8%	5.1%	4.9%	5.4%	5.4%	6.2%	2.4%	3.0%	3.3%	3.8%	3.1%	3.8%
Alt-A (4)	0.8%	—	0.8%	—	1.3%	—	1.3%	—	1.3%	—	1.3%	—
Subprime (5)	—	—	—	—	—	—	—	—	—	—	—	—
Interest Only	—	—	—	—	0.1%	0.1%	0.2%	0.3%	0.1%	0.1%	0.2%	0.3%
Negative Amortizing	—	—	—	—	—	—	—	—	—	—	—	—
Investor	8.1%	7.1%	9.0%	7.7%	11.2%	9.1%	9.3%	7.0%	10.1%	8.0%	9.5%	7.1%
Condo/Co-op	10.1%	10.1%	10.6%	10.7%	10.7%	10.8%	10.4%	10.1%	10.8%	10.7%	10.4%	10.0%
Refinance	43.4%	37.2%	45.6%	37.3%	54.9%	44.3%	70.2%	61.5%	51.5%	40.8%	61.7%	51.8%
Loan Purpose												
Purchase	56.6%	62.8%	54.4%	62.7%	45.1%	55.7%	29.8%	38.5%	48.5%	59.2%	38.3%	48.2%
Cash-out refinance	14.9%	16.5%	14.9%	17.2%	16.0%	19.8%	14.6%	18.8%	14.8%	18.0%	14.3%	17.9%
Other refinance	28.5%	20.6%	30.7%	20.2%	38.9%	24.5%	55.6%	42.7%	36.7%	22.7%	47.4%	33.9%
Top 3 Geographic Concentration	Single-Family Acquisitions		Single-Family Acquisitions		Single-Family Acquisitions		Single-Family Acquisitions		Single-Family Acquisitions		Single-Family Acquisitions	
	California	20.5%	California	20.9%	California	21.2%	California	23.7%	California	21.2%	California	21.9%
	Texas	8.0%	Texas	8.2%	Texas	7.4%	Texas	5.8%	Texas	7.0%	Texas	6.5%
	Florida	5.2%	Florida	5.4%	Florida	5.6%	Florida	4.7%	Florida	5.2%	Florida	4.9%

(1) Percentage calculated based on unpaid principal balance of loans at time of acquisition. Single-family business acquisitions refer to single-family mortgage loans we acquire through purchase or securitization transactions.

(2) Single-family business acquisitions for the applicable period excluding loans acquired under our Refi Plus initiative, which includes the Home Affordable Refinance Program ("HARP"). Our Refi Plus initiative provides expanded refinance opportunities for eligible Fannie Mae borrowers, and may involve the refinance of existing Fannie Mae loans with high loan-to-value ratios, including loans with loan-to-value ratios in excess of 100%.

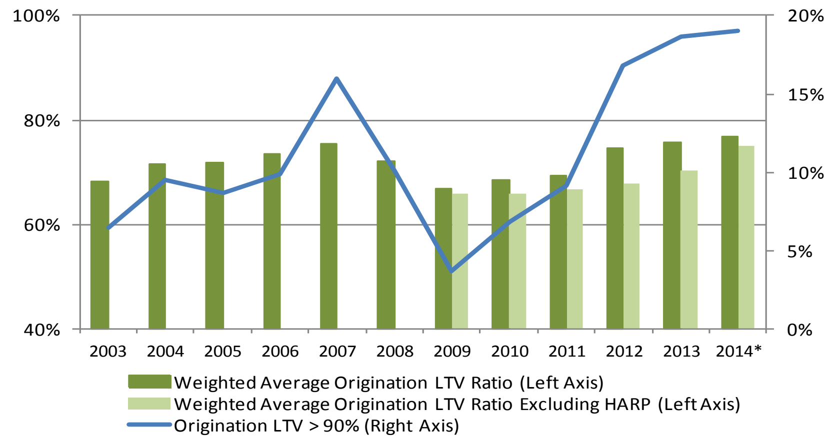
(3) FICO credit score is as of loan origination, as reported by the seller of the mortgage loan.

(4) Newly originated Alt-A loans acquired after 2008 consist of the refinance of existing loans under our Refi Plus initiative. For a description of our Alt-A loan classification criteria, refer to Fannie Mae's 2014 Q3 Form 10-Q.

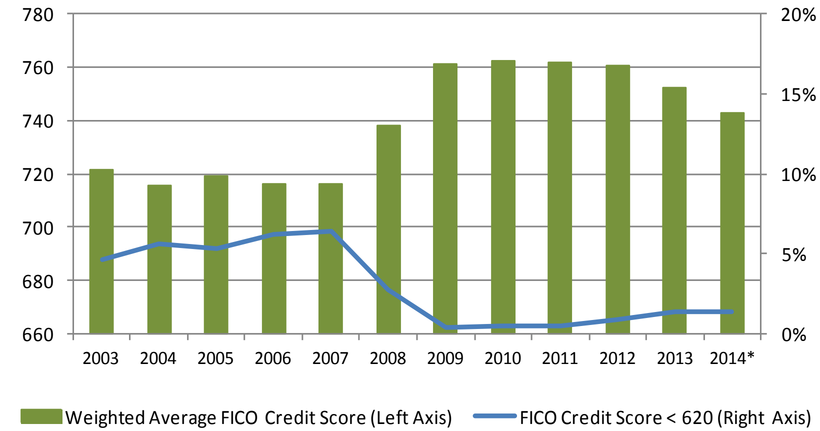
(5) For a description of our subprime loan classification criteria, refer to Fannie Mae's 2014 Q3 Form 10-Q.

Certain Credit Characteristics of Single-Family Business Acquisitions: 2003 – 2014*[1]

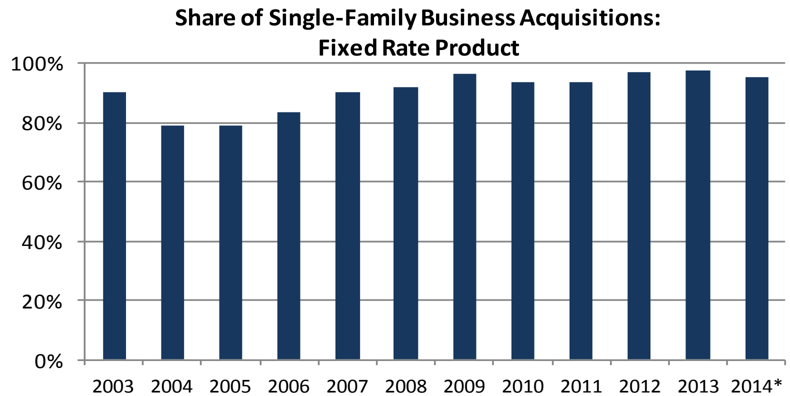
Origination Loan-to-Value Ratio [2]

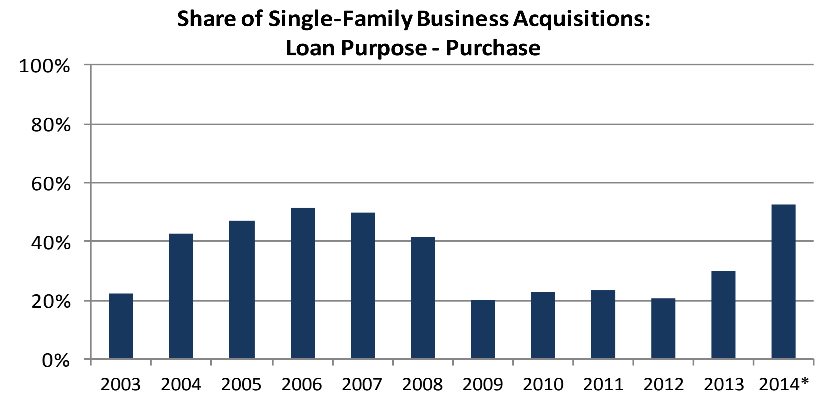


FICO Credit Score [3]



Product Feature





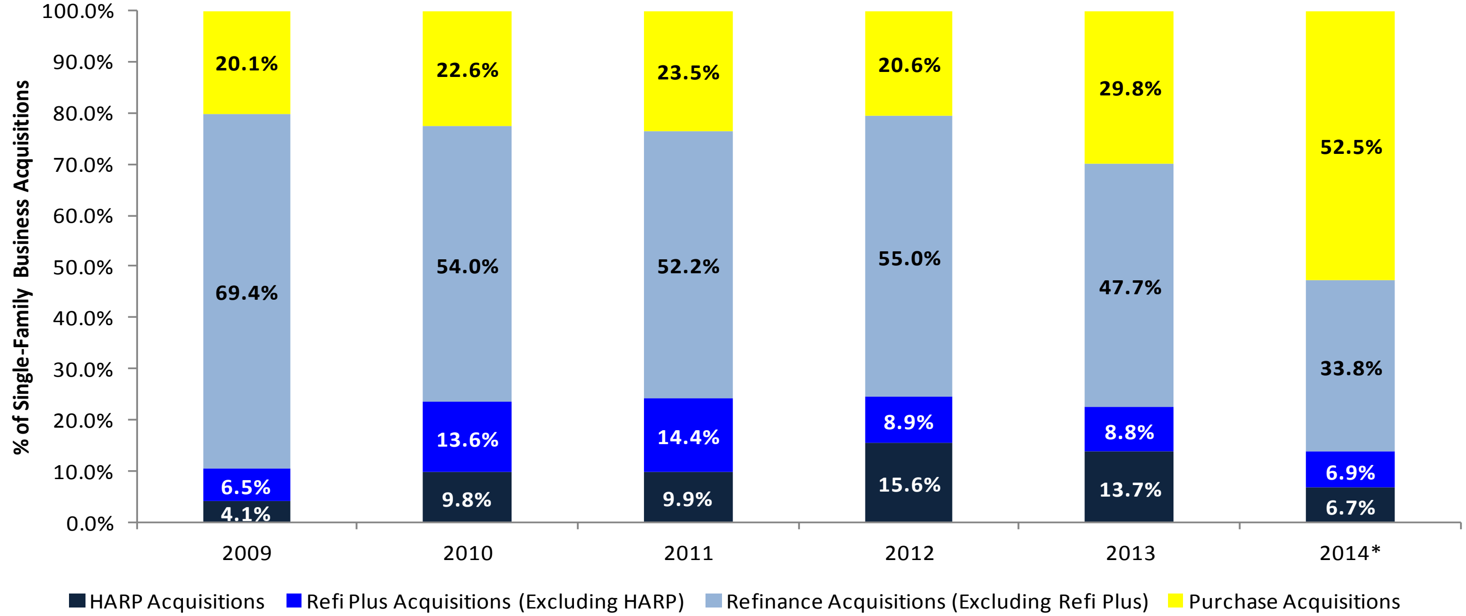
* Year-to-date through September 30, 2014.

(1) Percentage calculated based on unpaid principal balance of loans at time of acquisition. Single-family business acquisitions refer to single-family mortgage loans we acquire through purchase or securitization transactions.

(2) The refinance of loans under the Home Affordable Refinance Program ("HARP"), which started in April 2009, contributed to an increase in our acquisition of loans with high loan-to-value ratios.

(3) FICO credit score is as of loan origination, as reported by the seller of the mortgage loan. Loans acquired after 2009 with FICO credit scores below 620 primarily consist of the refinance of existing loans under our Refi Plus initiative.

Single-Family Business Acquisitions by Loan Purpose



Acquisition Year	2009		2010		2011		2012		2013		2014*	
	HARP (1)	Refi Plus (Excluding HARP) (1)	HARP (1)	Refi Plus (Excluding HARP) (1)	HARP (1)	Refi Plus (Excluding HARP) (1)	HARP (1)	Refi Plus (Excluding HARP) (1)	HARP (1)	Refi Plus (Excluding HARP) (1)	HARP (1)	Refi Plus (Excluding HARP) (1)
Unpaid Principal Balance (billions)	$27.9	$44.7	$59.0	$80.5	$55.6	$81.2	$129.9	$73.8	$99.5	$64.4	$17.8	$18.2
Weighted Average Origination Note Rate	5.05%	4.85%	5.00%	4.68%	4.78%	4.44%	4.14%	3.89%	4.04%	3.80%	4.65%	4.42%
Origination Loan-to-Value Ratio:												
<=80%	—	100%	—	100%	—	100%	—	100%	—	100%	—	100%
80.01% to 105%	99.1%	—	94.4%	—	88.1%	—	57.2%	—	58.4%	—	72.6%	—
105.01% to 125%	0.9%	—	5.6%	—	11.9%	—	22.1%	—	21.5%	—	17.1%	—
>125%	—	—	—	—	—	—	20.7%	—	20.1%	—	10.3%	—
Weighted Average Origination Loan-to-Value Ratio	90.7%	63.3%	92.2%	62.3%	94.3%	60.2%	111.0%	61.1%	109.8%	60.2%	101.9%	61.3%
FICO Credit Scores (2)												
< 660	3.7%	2.5%	5.7%	3.8%	5.8%	4.5%	9.6%	7.1%	16.2%	12.2%	24.9%	20.4%
660 to < 740	31.9%	23.0%	33.1%	23.9%	32.6%	25.6%	33.8%	26.0%	38.7%	31.9%	41.2%	37.0%
>=740	64.4%	74.5%	61.2%	72.3%	61.5%	70.0%	56.6%	66.9%	45.1%	55.8%	33.9%	42.7%
Weighted Average FICO Credit Score	749	762	746	760	746	758	738	753	722	737	704	717

* Year-to-date through September 30, 2014.

(1) Our Refi Plus initiative, which started in April 2009, includes the Home Affordable Refinance Program ("HARP"). Our Refi Plus initiative provides expanded refinance opportunities for eligible Fannie Mae borrowers, and may involve the refinance of existing Fannie Mae loans with high loan-to-value ratios, including loans with loan-to-value ratios in excess of 100%.

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

Credit Characteristics of Single-Family Conventional Guaranty Book of Business by Origination Year

		Origination Year									
As of September 30, 2014	Overall Book	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005 and Earlier
Unpaid Principal Balance (billions) (1)	$2,789.8	$222.9	$603.0	$676.6	$286.9	$247.1	$180.8	$67.6	$118.1	$84.9	$301.9
Share of Single-Family Conventional Guaranty Book	100.0%	8.0%	21.6%	24.3%	10.3%	8.9%	6.5%	2.4%	4.2%	3.0%	10.8%
Average Unpaid Principal Balance (1)	$160,070	$198,753	$193,399	$193,940	$165,498	$164,268	$158,885	$148,768	$162,447	$146,486	$84,716
Serious Delinquency Rate	1.96%	0.02%	0.16%	0.24%	0.39%	0.56%	0.98%	6.22%	10.91%	9.81%	3.83%
Weighted Average Origination Loan-to-Value Ratio	74.6%	77.0%	76.4%	76.1%	71.4%	71.2%	69.8%	74.7%	78.3%	75.3%	72.5%
Origination Loan-to-Value Ratio > 90% (2)	15.8%	19.2%	19.8%	18.8%	12.7%	10.4%	6.6%	12.5%	20.8%	12.5%	10.6%
Weighted Average Mark-to-Market Loan-to-Value Ratio	63.4%	74.4%	66.3%	59.9%	55.2%	56.6%	58.6%	72.7%	88.9%	86.6%	55.1%
Mark-to-Market Loan-to-Value Ratio > 100% and <= 125%	3.7%	1.4%	2.9%	2.8%	0.4%	0.6%	0.7%	8.3%	20.9%	19.6%	3.9%
Mark-to-Market Loan-to-Value Ratio > 125%	1.3%	0.5%	1.1%	0.9%	—	—	—	1.6%	9.2%	8.9%	1.1%
Weighted Average FICO (3)	744	743	751	759	758	757	754	716	693	697	708
FICO < 620 (3)	2.5%	1.3%	1.5%	1.0%	0.7%	0.7%	0.8%	5.7%	11.1%	8.9%	7.3%
Interest Only	2.6%	—	0.2%	0.3%	0.6%	0.9%	1.0%	7.9%	18.7%	20.8%	6.0%
Negative Amortizing	0.2%	—	—	—	—	—	—	—	—	1.5%	1.2%
Fixed-rate	91.9%	95.3%	97.5%	97.5%	94.8%	95.8%	97.4%	75.6%	65.2%	64.3%	77.9%
Primary Residence	88.1%	86.7%	86.4%	88.7%	87.3%	89.4%	90.8%	87.3%	89.6%	87.4%	89.1%
Condo/Co-op	9.4%	10.3%	10.4%	9.1%	8.7%	8.4%	8.8%	11.0%	9.8%	10.7%	8.8%
Credit Enhanced (4)	15.7%	27.6%	20.0%	14.5%	9.6%	6.9%	6.2%	25.4%	30.4%	19.4%	11.1%
Cumulative Default Rate (5)	—	—	—	0.1%	0.2%	0.4%	0.6%	4.4%	13.5%	12.3%	—

(1) Excludes non-Fannie Mae securities held in portfolio and those Alt-A and subprime wraps for which Fannie Mae does not have loan-level information. Fannie Mae had access to detailed loan-level information for approximately 99% of its single-family conventional guaranty book of business as of September 30, 2014.

(2) The increase after 2009 is primarily the result of the Home Affordable Refinance Program ("HARP"), which involves the refinance of existing Fannie Mae loans with high loan-to-value ratios, including loans with loan-to-value ratios in excess of 100%.

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

(4) Unpaid principal balance of all loans with credit enhancement as a percentage of unpaid principal balance of single-family conventional guaranty book of business for which Fannie Mae has access to loan-level information.

(5) Defaults include loan liquidations other than through voluntary pay-off or repurchase by lenders and include loan foreclosures, short sales, sales to third parties 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. For 2004 and 2005 cumulative default rates, refer to slide 17.

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Credit Characteristics of Single-Family Conventional Guaranty Book of Business by Certain Product Features

	Categories Not Mutually Exclusive [1]								
As of September 30, 2014	**Interest Only Loans**	**Loans with FICO < 620 [2]**	**Loans with FICO ≥ 620 and < 660 [2]**	**Loans with Origination LTV Ratio > 90%**	**Loans with FICO < 620 and Origination LTV Ratio > 90%**	**Alt-A Loans**	**Refi Plus Including HARP [3]**	**Subtotal of Certain Product Features [1]**	**Overall Book**
Unpaid Principal Balance (billions) [4]	$71.7	$70.5	$152.5	$439.5	$20.7	$119.6	$540.9	$1,011.7	$2,789.8
Share of Single-Family Conventional Guaranty Book	2.6%	2.5%	5.5%	15.8%	0.7%	4.3%	19.4%	36.3%	100.0%
Average Unpaid Principal Balance [4]	$233,146	$118,995	$131,807	$171,720	$132,280	$150,502	$162,858	$154,621	$160,070
Serious Delinquency Rate	9.80%	8.68%	6.10%	2.79%	9.34%	8.03%	0.65%	3.43%	1.96%
Acquisition Years 2005 - 2008	81.1%	44.3%	36.7%	12.2%	33.9%	62.1%	—	20.4%	13.2%
Weighted Average Origination Loan-to-Value Ratio	74.0%	81.3%	79.4%	104.8%	107.5%	77.7%	86.8%	85.0%	74.6%
Origination Loan-to-Value Ratio > 90%	7.9%	29.3%	23.5%	100.0%	100.0%	14.2%	39.9%	43.4%	15.8%
Weighted Average Mark-to-Market Loan-to-Value Ratio	86.1%	75.7%	73.0%	89.8%	97.7%	78.3%	70.8%	74.6%	63.4%
Mark-to-Market Loan-to-Value Ratio > 100% and <= 125%	20.5%	12.0%	9.8%	13.8%	25.4%	15.1%	7.9%	8.6%	3.7%
Mark-to-Market Loan-to-Value Ratio > 125%	8.9%	5.2%	4.1%	5.4%	12.5%	6.6%	2.6%	3.3%	1.3%
Weighted Average FICO [2]	723	584	642	728	584	713	738	719	744
FICO < 620 [2]	1.5%	100.0%	—	4.7%	100.0%	2.3%	4.3%	7.0%	2.5%
Fixed-rate	23.9%	82.4%	84.5%	94.9%	86.9%	64.9%	98.7%	88.3%	91.9%
Primary Residence	85.3%	94.8%	93.0%	91.2%	94.7%	76.9%	85.0%	88.8%	88.1%
Condo/Co-op	15.0%	4.8%	6.1%	10.2%	5.9%	9.9%	9.5%	9.1%	9.4%
Credit Enhanced [5]	13.7%	23.9%	21.2%	58.8%	57.9%	11.6%	12.5%	28.6%	15.7%

(1) Loans with multiple product features are included in all applicable categories. The subtotal is calculated by counting a loan only once even if it is included in multiple categories.

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

(3) Our Refi Plus initiative, which started in April 2009, includes the Home Affordable Refinance Program ("HARP"). Our Refi Plus initiative provides expanded refinance opportunities for eligible Fannie Mae borrowers, and may involve the refinance of existing Fannie Mae loans with high loan-to-value ratios, including loans with loan-to-value ratios in excess of 100%.

(4) Excludes non-Fannie Mae securities held in portfolio and those Alt-A and subprime wraps for which Fannie Mae does not have loan-level information. Fannie Mae had access to detailed loan-level information for approximately 99% of its single-family conventional guaranty book of business as of September 30, 2014.

(5) Unpaid principal balance of all loans with credit enhancement as a percentage of unpaid principal balance of single-family conventional guaranty book of business for which Fannie Mae had access to loan-level information.

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Credit Characteristics of Single-Family Conventional Guaranty Book of Business and Single-Family Real Estate Owned (REO) in Select States

	SF Conventional Guaranty Book of Business as of September 30, 2014 [1]				Seriously Delinquent Loans as of September 30, 2014 [2]		Real Estate Owned (REO)				% of YTD 2014 Credit Losses [4]
	UPB ($ in Billions)	% of Total	Weighted Average Mark-to-Market LTV	Mark-to-Market LTV > 100%	Seriously Delinquent Loan Share [2]	SDQ Rate [2]	Q3 2014 Acquisitions (# of Properties)	Q3 2014 Dispositions (# of Properties)	REO Ending Inventory as of September 30, 2014	Average Days to Foreclosure [3]	
Select States [5]											
California	$548.1	19.6%	54.1%	3.6%	5.1%	0.73%	1,156	1,565	3,881	761	-1.3%
Florida	$156.1	5.6%	73.7%	18.3%	16.1%	4.87%	6,778	7,551	20,616	1,366	33.7%
Texas	$154.8	5.5%	60.3%	0.2%	2.9%	0.87%	694	936	1,915	648	—
New York	$154.3	5.5%	58.4%	3.5%	10.0%	4.20%	650	377	1,830	1,381	4.6%
Illinois	$113.8	4.1%	70.7%	10.1%	5.6%	2.46%	2,024	2,341	9,947	899	10.9%
New Jersey	$111.3	4.0%	67.4%	8.1%	9.7%	5.83%	893	506	2,745	1,346	6.7%
Washington	$98.8	3.5%	63.7%	3.7%	2.2%	1.43%	935	976	2,646	1,045	3.6%
Virginia	$98.7	3.5%	63.5%	3.4%	1.5%	1.00%	487	583	1,473	622	1.7%
Pennsylvania	$84.9	3.0%	65.4%	2.9%	4.5%	2.46%	1,153	1,108	3,151	958	4.1%
Massachusetts	$84.7	3.0%	59.8%	1.9%	2.9%	2.29%	339	220	1,202	1,050	0.9%
Region [6]											
Midwest	$415.6	14.9%	68.1%	5.2%	15.7%	1.63%	6,125	7,917	25,478	709	21.1%
Northeast	$529.9	19.0%	63.1%	4.4%	32.0%	3.58%	4,070	3,241	12,643	1,138	22.2%
Southeast	$616.5	22.1%	68.2%	8.0%	31.2%	2.55%	11,553	13,225	36,121	1,102	47.5%
Southwest	$449.1	16.1%	63.7%	2.6%	9.6%	1.02%	2,911	4,140	8,264	637	4.1%
West	$778.7	27.9%	57.2%	4.2%	11.5%	1.05%	3,139	3,685	9,880	944	5.1%
Total	$2,789.8	100.0%	63.4%	5.0%	100.0%	1.96%	27,798	32,208	92,386	955	100.0%

(1) Based on the unpaid principal balance (UPB) of the single-family conventional guaranty book of business as of September 30, 2014. Excludes non-Fannie Mae securities held in portfolio and those Alt-A and subprime wraps for which Fannie Mae does not have loan-level information. Fannie Mae had access to detailed loan-level information for approximately 99% of its single-family conventional guaranty book of business as of September 30, 2014.

(2) "Seriously delinquent loans" refers to single-family conventional loans that are 90 days or more past due or in the foreclosure process. "Seriously delinquent loan share" refers to the percentage of our single-family seriously delinquent loan population in the applicable state or region. "SDQ rate" refers to the number of single-family conventional loans that were seriously delinquent in the applicable state or region, divided by the number of loans in our single-family conventional guaranty book of business in that state or region.

(3) Measured from the borrowers' last paid installment on their mortgages to when the related properties were added to our REO inventory for foreclosures completed during the first nine months of 2014. Fannie Mae incurs additional costs associated with property taxes, hazard insurance, and legal fees while a delinquent loan remains in the foreclosure process. Additionally, the longer a loan remains in the foreclosure process, the longer it remains in our guaranty book of business as a seriously delinquent loan. Home Equity Conversion Mortgages (HECMs) insured by HUD are excluded from this calculation.

(4) Expressed as a percentage of credit losses for the single-family guaranty book of business. Credit losses consist of (a) charge-offs, net of recoveries and (b) foreclosed property income, adjusted to exclude the impact of fair value losses resulting from credit-impaired loans acquired from MBS trusts. Negative values are the result of recoveries on previously recognized credit losses. For information on total credit losses, refer to Fannie Mae's 2014 Q3 Form 10-Q.

(5) Select states represent the top ten states in UPB of the single-family conventional guaranty book of business as of September 30, 2014.

(6) For information on which states are included in each region, refer to Fannie Mae's 2014 Q3 Form 10-Q.

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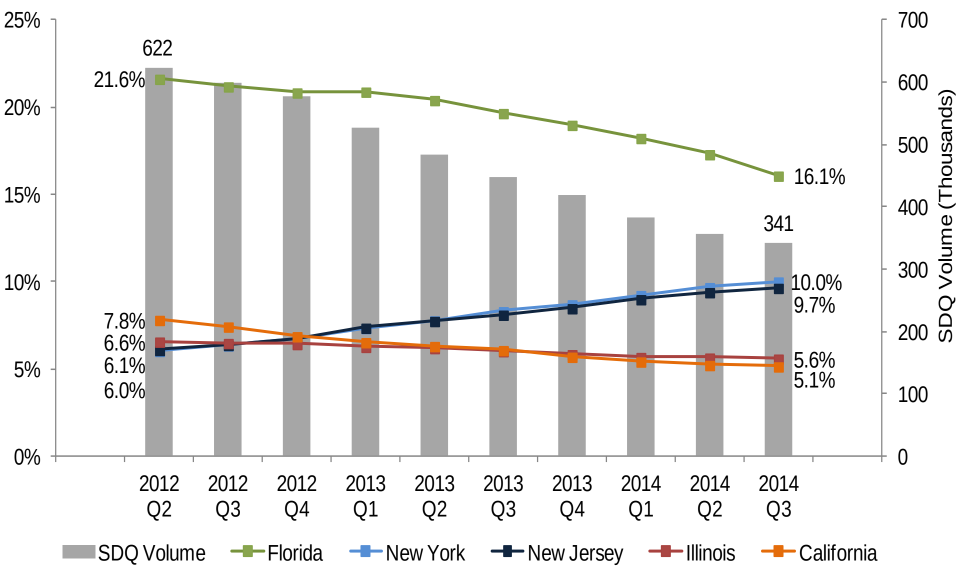
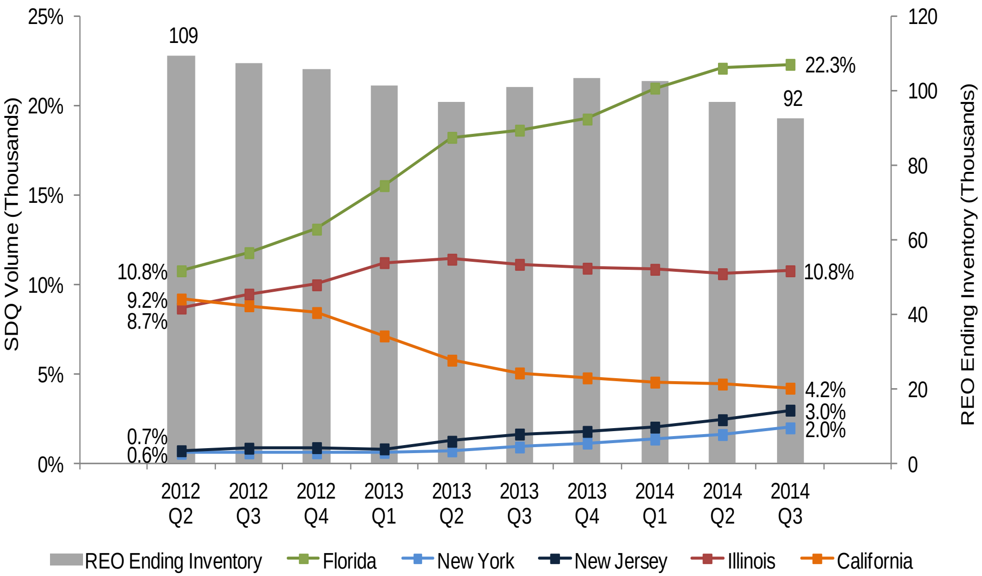
Seriously Delinquent Loan and REO Ending Inventory Share by Select States (1)

Seriously Delinquent Loan Share by Select States (2)



REO Ending Inventory Share by Select States (3)



Our single-family serious delinquency rate and the period of time that loans remain seriously delinquent continue to be negatively impacted by the length of time required to complete a foreclosure. High levels of foreclosures, changes in state foreclosure laws, new federal and state servicing requirements imposed by regulatory actions and legal settlements, and the need for servicers to adapt to these changes have lengthened the time it takes to foreclose on a mortgage loan in many states. Longer foreclosure timelines result in these loans remaining in our book of business for a longer time, which has caused our serious delinquency rate to decrease more slowly in the last few years than it would have if the pace of foreclosures had been faster.

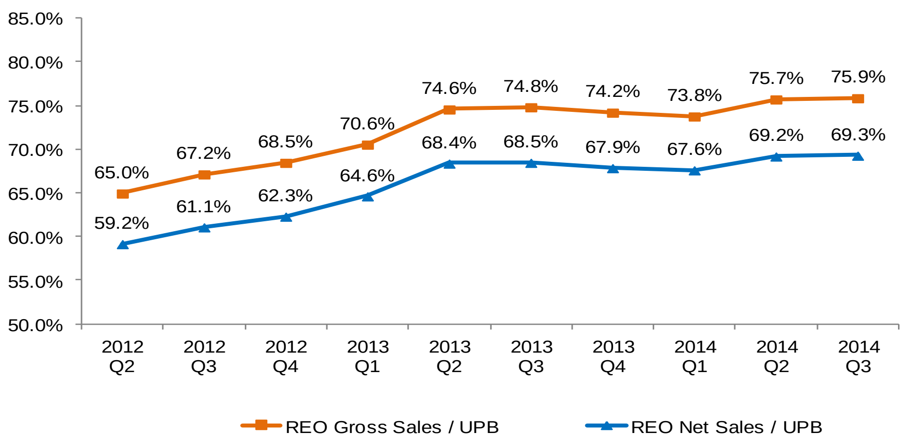
(1) Based on states with the largest volume of seriously delinquent loans in our single-family conventional guaranty book of business as of September 30, 2014.

(2) "Seriously delinquent loan share" refers to the percentage of our single-family seriously delinquent loan population in the applicable state.

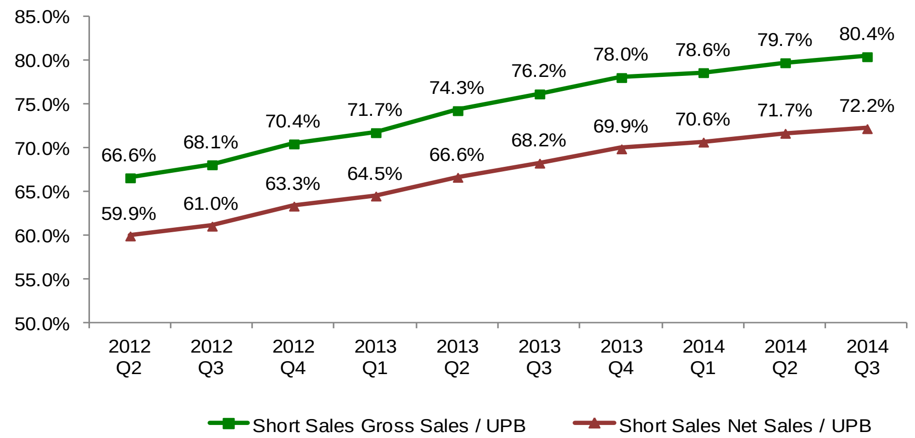
(3) Share of REO ending inventory calculated as the number of properties in the single-family REO ending inventory for the state divided by the total number of single-family properties in the REO ending inventory for the specified time period.

Single-Family Short Sales and REO Sales Price / UPB of Mortgage Loans

REO (1) Direct Sale Dispositions: Sales Price / UPB (2)



Short Sales: Sales Price / UPB (2)



Gross Sales Price/UPB Trends for Top 10 States (3)

REO Gross Sales Price / UPB	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
Florida	70.7%	72.0%	70.1%	72.5%	74.2%
Illinois	63.2%	64.5%	64.8%	67.1%	67.6%
Michigan	67.8%	66.7%	66.1%	69.2%	66.2%
Ohio	64.6%	61.9%	59.4%	61.2%	63.5%
California	86.7%	86.8%	86.3%	88.2%	87.7%
Georgia	77.3%	75.3%	76.1%	80.6%	82.2%
Pennsylvania	70.1%	67.8%	65.9%	66.3%	66.3%
Washington	83.5%	79.7%	83.5%	84.6%	86.3%
North Carolina	80.6%	79.2%	79.2%	82.3%	81.7%
Arizona	80.0%	79.7%	79.8%	79.6%	80.4%

Short Sales Gross Sales Price / UPB	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
Florida	71.3%	73.6%	75.6%	76.3%	77.1%
California	78.7%	81.4%	82.4%	83.8%	84.3%
Illinois	70.5%	72.7%	71.7%	74.2%	75.6%
New Jersey	72.2%	73.0%	70.6%	74.8%	73.9%
Nevada	70.1%	73.6%	72.1%	75.7%	76.4%
Washington	81.4%	82.9%	84.4%	85.0%	86.7%
New York	78.6%	76.0%	77.1%	77.4%	79.1%
Maryland	73.3%	74.7%	74.0%	76.8%	77.9%
Arizona	78.2%	79.2%	80.6%	80.3%	82.1%
Georgia	76.6%	79.5%	80.4%	78.7%	81.2%

(1) Includes REO properties that have been sold to a third party (excluding properties that have been repurchased by the seller/servicer, acquired by a mortgage insurance company, redeemed by a borrower, or sold through the FHFA Rental Pilot).

(2) Sales Price / UPB is calculated as the sum of sales proceeds received divided by the aggregate unpaid principal balance (UPB) of the related loans. Gross sales price represents the contract sale price. Net sales price represents the contract sale price less charges/credits paid by or due to the seller or other parties at closing.

(3) The states shown had the greatest volume of properties sold in the first nine months of 2014 in each respective category.

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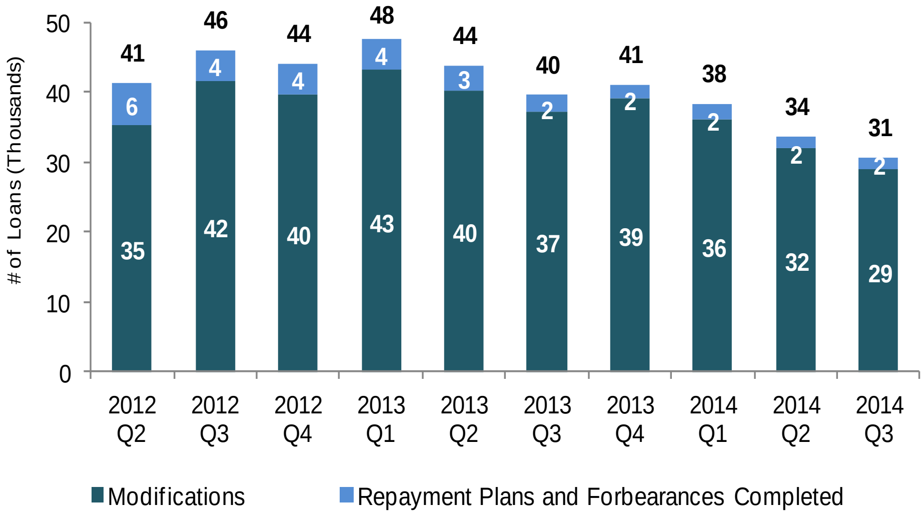
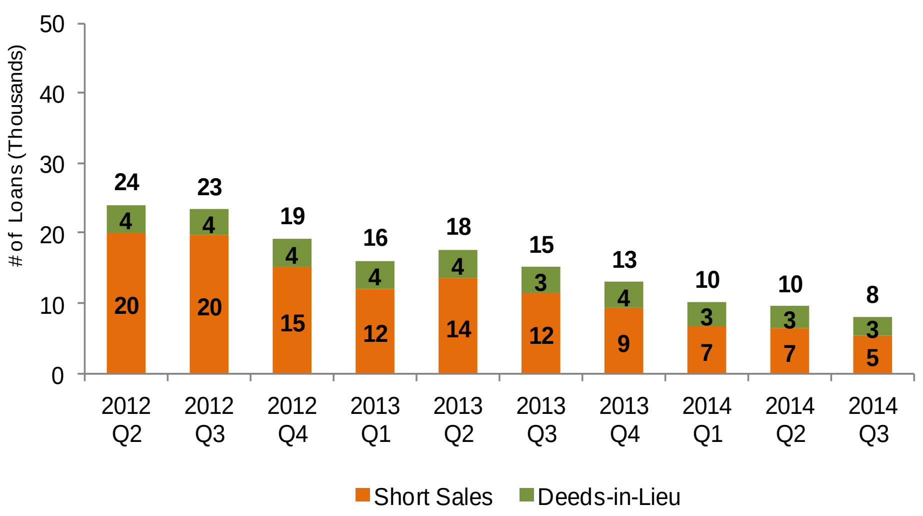
Single-Family Loan Workouts

Home Retention Strategies [(1)]



Foreclosure Alternatives [(2)]



(1) Consists of (a) modifications, which do not include trial modifications, loans to certain borrowers who have received bankruptcy relief that are classified as TDRs, or repayment plans or forbearances that have been initiated but not completed and (b) repayment plans and forbearances completed.

(2) Consists of (a) short sales, in which the borrower, working with the servicer and Fannie Mae, sells the home prior to foreclosure for less than the amount owed to pay off the loan, accrued interest and other expenses from the sale proceeds and (b) deeds-in-lieu of foreclosure, which involve the borrower's voluntarily signing over title to the property.

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Re-performance Rates of Modified Single-Family Loans [1]

	2011 Q3	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2
Modifications [2]	60,025	51,936	46,671	35,332	41,697	39,712	43,153	40,358	37,337	39,159	36,044	32,010
% Current or Paid Off												
3 months post modification	83%	84%	85%	84%	84%	85%	86%	83%	83%	84%	83%	79%
6 months post modification	79%	79%	78%	77%	80%	82%	79%	77%	79%	79%	76%	n/a
9 months post modification	76%	74%	73%	76%	78%	78%	76%	75%	76%	74%	n/a	n/a
12 months post modification	72%	71%	73%	75%	76%	76%	75%	74%	73%	n/a	n/a	n/a
15 months post modification	70%	71%	73%	74%	74%	75%	74%	71%	n/a	n/a	n/a	n/a
18 months post modification	70%	71%	72%	73%	75%	75%	72%	n/a	n/a	n/a	n/a	n/a
21 months post modification	71%	71%	72%	74%	75%	74%	n/a	n/a	n/a	n/a	n/a	n/a
24 months post modification	71%	71%	73%	75%	74%	n/a	n/a	n/a	n/a	n/a	n/a	n/a

(1) Excludes loans that were classified as subprime adjustable rate mortgages that were modified into fixed rate mortgages. Modifications include permanent modifications, but do not reflect loans currently in trial modifications.

(2) Defined as total number of completed modifications for the time periods noted.

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

	% of Single-Family Conventional Guaranty Book of Business [1]						% of Single-Family Credit Losses [2]					
	2014	2013	2012	2011	2010	2009	2014	2013	2012	2011	2010	2009
Certain Product Features [3]												
Negative Amortizing Loans	0.2%	0.2%	0.3%	0.3%	0.4%	0.5%	0.8%	0.8%	0.5%	1.2%	1.9%	2.0%
Interest Only Loans	2.6%	2.9%	3.7%	4.7%	5.6%	6.6%	7.7%	18.7%	21.8%	25.8%	28.6%	32.6%
Loans with FICO < 620 [4]	2.5%	2.6%	2.9%	3.2%	3.5%	3.9%	11.9%	7.0%	7.8%	7.9%	8.0%	8.8%
Loans with FICO ≥ 620 and < 660 [4]	5.5%	5.5%	6.0%	6.7%	7.4%	8.2%	17.2%	15.7%	14.2%	14.7%	15.1%	15.5%
Loans with Origination LTV Ratio > 90%	15.8%	15.1%	12.8%	10.0%	9.4%	9.4%	13.1%	20.8%	16.8%	14.0%	15.9%	19.2%
Loans with FICO < 620 and Origination LTV Ratio > 90% [4]	0.7%	0.7%	0.7%	0.7%	0.8%	0.9%	2.7%	2.0%	2.3%	2.2%	2.7%	3.4%
Alt-A Loans [5]	4.3%	4.7%	5.6%	6.6%	7.6%	8.9%	14.5%	26.0%	23.7%	27.3%	33.2%	39.6%
Subprime Loans	0.1%	0.1%	0.2%	0.2%	0.2%	0.3%	1.4%	-0.2%	1.1%	0.6%	1.1%	1.5%
Refi Plus Including HARP	19.4%	19.5%	16.5%	11.2%	7.1%	2.5%	10.2%	7.4%	3.5%	1.4%	0.1%	—
Vintages												
2009 - 2014	79.5%	76.2%	65.3%	51.6%	39.0%	22.0%	13.4%	10.0%	5.1%	2.4%	0.4%	—
2005 - 2008	12.8%	14.7%	21.7%	30.4%	38.0%	48.7%	75.1%	77.6%	81.8%	82.9%	87.9%	88.1%
2004 & Prior	7.8%	9.1%	13.1%	18.0%	23.0%	29.2%	11.5%	12.4%	13.1%	14.8%	11.7%	11.9%
Select States [6]												
Florida	5.6%	5.7%	6.0%	6.3%	6.6%	7.0%	33.7%	28.9%	21.4%	11.0%	17.5%	15.5%
Illinois	4.1%	4.1%	4.2%	4.3%	4.3%	4.3%	10.9%	12.9%	9.6%	3.5%	4.3%	4.2%
New Jersey	4.0%	4.0%	4.0%	4.0%	4.0%	3.9%	6.7%	3.7%	2.0%	0.8%	1.2%	1.2%
Maryland	2.8%	2.8%	2.8%	2.9%	2.8%	2.8%	5.5%	3.1%	1.8%	0.6%	1.9%	2.0%
New York	5.5%	5.6%	5.6%	5.6%	5.5%	5.3%	4.6%	1.9%	0.9%	0.6%	0.8%	0.8%
Ohio	2.1%	2.1%	2.2%	2.3%	2.4%	2.6%	4.3%	4.1%	3.3%	2.1%	2.2%	2.2%
Pennsylvania	3.0%	3.1%	3.1%	3.0%	3.0%	3.0%	4.1%	3.0%	1.6%	0.8%	0.8%	0.8%
Washington	3.5%	3.5%	3.5%	3.5%	3.5%	3.4%	3.6%	3.7%	2.5%	3.2%	1.5%	1.1%
Connecticut	1.3%	1.4%	1.4%	1.4%	1.4%	1.4%	2.8%	1.4%	0.9%	0.3%	0.4%	0.4%
Michigan	2.4%	2.4%	2.5%	2.5%	2.6%	2.7%	1.7%	3.2%	4.5%	5.8%	6.3%	7.4%
All Other States	65.6%	65.4%	64.7%	64.2%	63.9%	63.6%	22.1%	34.2%	51.7%	71.2%	63.1%	64.4%

(1) Based on the unpaid principal balance (UPB) of the single-family conventional guaranty book of business as of December 31 for the time periods noted, with the exception of 2014 which is as of September 30, 2014.

(2) Based on the single-family credit losses for the year ended December 31 for the time periods noted, with the exception of 2014 which is through September 30, 2014. Credit losses consist of (a) charge-offs, net of recoveries and (b) foreclosed property income, adjusted to exclude the impact of fair value losses resulting from credit-impaired loans acquired from MBS trusts. Does not reflect the impact of recoveries that have not been allocated to specific loans. Negative values are the result of recoveries on previously recognized credit losses. The percent of Single-Family Credit Losses in 2014 for Interest Only loans has been corrected from the amount previously reported.

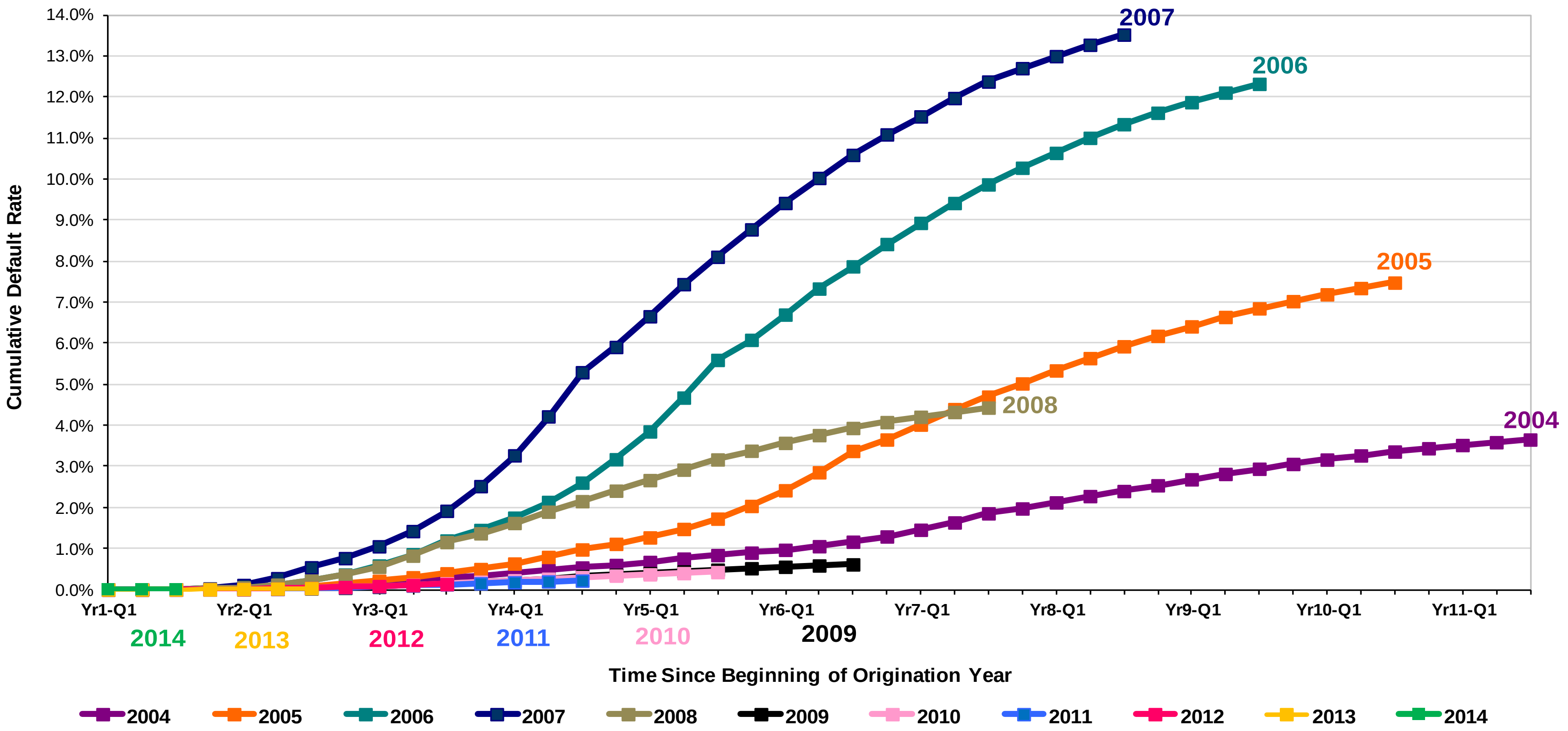
(3) Loans with multiple product features are included in all applicable categories. Categories are not mutually exclusive.

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

(5) Newly originated Alt-A loans acquired after 2008 consist of the refinance of existing loans under our Refi Plus Initiative.

(6) Select states represent the top ten states with the highest percentage of single-family credit losses for the nine months ended September 30, 2014.

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



Note: Defaults consist of loan liquidations other than through voluntary pay-off or repurchase by lenders and include loan foreclosures, short sales, sales to third parties 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 September 30, 2014 is not necessarily indicative of the ultimate performance of the loans and performance is likely to change, perhaps materially, in future periods.

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Multifamily Credit Profile by Loan Attributes

As of September 30, 2014	Loan Counts	Unpaid Principal Balance ($ in Billions)	% of Multifamily Guaranty Book of Business (UPB)	% Seriously Delinquent [(1)]	YTD 2014 Multifamily Credit Losses ($ in Millions) [(2)(3)]	2013 Multifamily Credit Losses ($ in Millions) [(2)(3)]	2012 Multifamily Credit Losses ($ in Millions) [(3)]	2011 Multifamily Credit Losses ($ in Millions) [(3)]
Total Multifamily Guaranty Book of Business	33,223	$198.4	100%	0.09%	$(41)	$52	$257	$409
Credit Enhanced Loans:								
Credit Enhanced	30,402	$182.8	92%	0.09%	$(37)	$0	$189	$340
Non-Credit Enhanced	2,821	$15.6	8%	0.09%	$(4)	$52	$68	$69
Origination loan-to-value ratio: [(4)]								
Less than or equal to 70%	21,291	$110.8	56%	0.04%	$(10)	$24	$37	$74
Greater than 70% and less than or equal to 80%	9,864	$81.4	41%	0.16%	$(33)	$18	$182	$287
Greater than 80%	2,068	$6.3	3%	0.05%	$3	$10	$38	$49
Delegated Underwriting and Servicing (DUS ®) Loans: [(5)]								
DUS ® - Small Balance Loans [(6)]	8,555	$16.1	8%	0.14%	$11	$3	$19	$37
DUS ® - Non Small Balance Loans	12,641	$165.4	83%	0.07%	$(59)	$(14)	$182	$295
DUS ® - Total	**21,196**	**$181.5**	**91%**	**0.07%**	**$(48)**	**$(11)**	**$201**	**$333**
Non-DUS - Small Balance Loans [(6)]	11,442	$8.2	4%	0.43%	$8	$23	$41	$49
Non-DUS - Non Small Balance Loans	585	$8.7	5%	0.06%	$(1)	$41	$15	$27
Non-DUS - Total	**12,027**	**$17.0**	**9%**	**0.24%**	**$7**	**$63**	**$56**	**$76**
Maturity Dates:								
Loans maturing in 2014	156	$1.5	1%	0.67%	$(1)	$(9)	$31	$19
Loans maturing in 2015	2,096	$9.4	5%	0.03%	$(3)	$(1)	$20	$23
Loans maturing in 2016	2,346	$12.3	6%	0.21%	$5	$17	$30	$32
Loans maturing in 2017	3,428	$16.8	8%	0.34%	$(9)	$42	$84	$87
Loans maturing in 2018	2,976	$16.9	9%	0.13%	$(4)	$0	$35	$86
Other maturities	22,221	$141.5	71%	0.04%	$(29)	$2	$57	$162
Loan Size Distribution:								
Less than or equal to $750K	7,807	$2.2	1%	0.41%	$4	$7	$13	$19
Greater than $750K and less than or equal to $3M	11,175	$16.9	9%	0.25%	$18	$33	$45	$66
Greater than $3M and less than or equal to $5M	4,374	$16.0	8%	0.18%	$(11)	$2	$31	$44
Greater than $5M and less than or equal to $25M	8,438	$87.6	44%	0.11%	$(43)	$(18)	$141	$205
Greater than $25M	1,429	$75.7	38%	—	$(9)	$29	$28	$75

(1) We classify multifamily loans as seriously delinquent when payment is 60 days or more past due.

(2) Negative values are the result of recoveries on previously recognized credit losses.

(3) Dollar amount of multifamily credit-related losses/(income) for the applicable period and category. Total credit losses for each period will not tie to sum of all categories due to rounding. Multifamily credit losses for 2011 exclude $19 million of credit-related income from other multifamily mortgage business investments.

(4) Weighted average origination loan-to-value ratio is 66% as of September 30, 2014.

(5) Under the Delegated Underwriting and Servicing, or DUS ®, product line, 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 our pre-review.

(6) Multifamily loans with an original unpaid balance of up to $3 million nationwide or up to $5 million in high cost markets.

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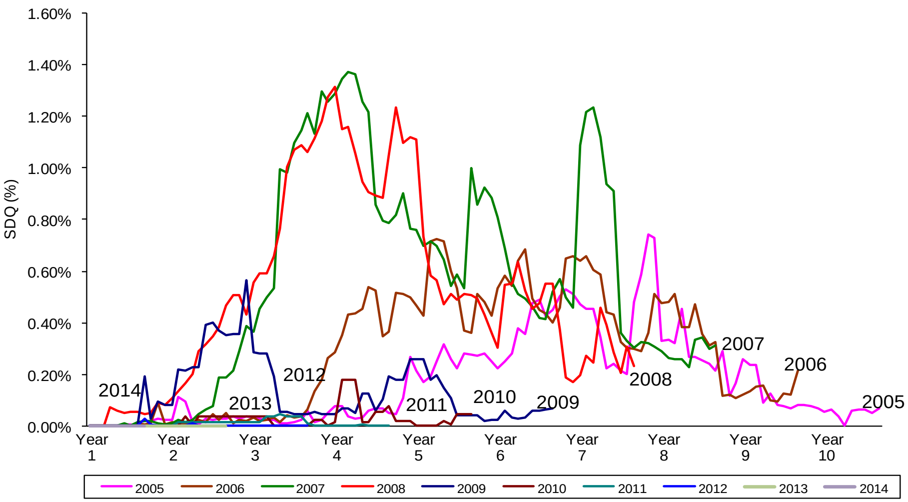
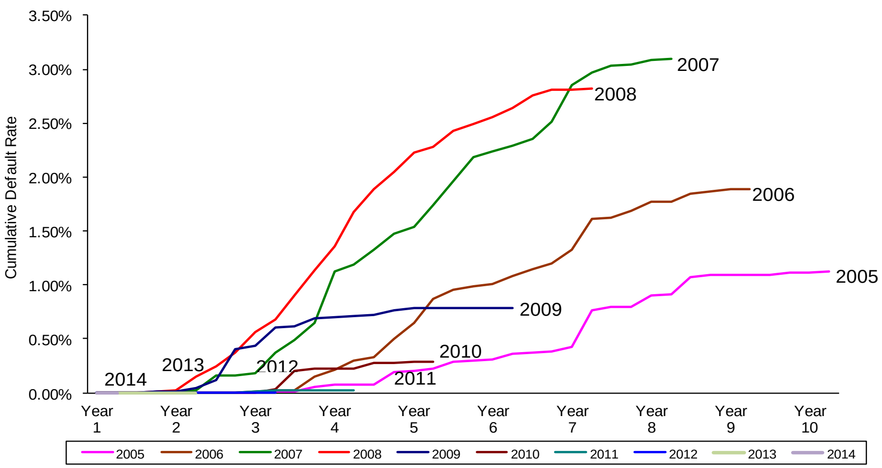
Multifamily Credit Profile by Acquisition Year

Multifamily SDQ Rate by Acquisition Year



Cumulative Defaults by Acquisition Year



As of September 30, 2014	Unpaid Principal Balance ($ in Billions)	% of Multifamily Guaranty Book of Business (UPB)	% Seriously Delinquent (1)	# of Seriously Delinquent loans (1)	YTD 2014 Multifamily Credit Losses ($ in Millions) (2)(3)	2013 Multifamily Credit Losses ($ in Millions) (2)(3)	2012 Multifamily Credit Losses ($ in Millions) (3)	2011 Multifamily Credit Losses ($ in Millions) (3)
Total Multifamily Guaranty Book of Business	$198.4	100%	0.09%	79	$(41)	$52	$257	$409
By Acquisition Year:								
2014	$17.2	9%	—	—	—	—	—	—
2013	$28.6	14%	—	—	—	—	—	—
2012	$31.9	16%	—	—	$0	$0	—	—
2011	$21.5	11%	—	—	$0	$(1)	$0	—
2010	$15.1	8%	0.04%	2	$0	$7	$1	—
2009	$14.7	7%	0.07%	4	$(4)	$(14)	$17	$26
2008	$16.2	8%	0.23%	22	$(3)	$(6)	$60	$126
2007	$21.0	11%	0.31%	24	$(9)	$50	$123	$135
2006	$12.4	6%	0.21%	9	$11	$23	$25	$27
Prior to 2006	$19.7	10%	0.14%	18	$(36)	$(7)	$32	$95

(1) We classify multifamily loans as seriously delinquent when payment is 60 days or more past due.

(2) Negative values are the result of recoveries on previously recognized credit losses.

(3) Dollar amount of multifamily credit-related losses/(income) for the applicable period and category. Total credit losses for each period will not tie to sum of all categories due to rounding. Multifamily credit losses for 2011 exclude $19 million of credit-related income from other multifamily mortgage business investments.

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Multifamily Credit Profile

As of September 30, 2014	Unpaid Principal Balance ($ in Billions)	% of Multifamily Guaranty Book of Business (UPB)	% Seriously Delinquent (1)	YTD 2014 Multifamily Credit Losses ($ in Millions) (2)(3)	2013 Multifamily Credit Losses ($ in Millions) (2)(3)	2012 Multifamily Credit Losses ($ in Millions) (3)	2011 Multifamily Credit Losses ($ in Millions) (2)(3)
Total Multifamily Guaranty Book of Business	$198.4	100%	0.09%	$(41)	$52	$257	$409
Region: (4)							
Midwest	$17.2	9%	0.25%	$(2)	$(20)	$40	$93
Northeast	$37.6	19%	0.08%	$3	$(4)	$25	$11
Southeast	$43.6	22%	0.09%	$(18)	$6	$138	$173
Southwest	$38.9	20%	0.10%	$(22)	$(16)	$19	$105
West	$61.1	31%	0.03%	$(3)	$87	$35	$26
Top Five States by UPB:							
California	$47.1	24%	0.02%	$(2)	$4	$4	$5
New York	$22.4	11%	0.06%	$1	$1	$7	$(1)
Texas	$20.4	10%	0.20%	$(34)	$(8)	$6	$77
Florida	$10.8	5%	0.09%	$(3)	$11	$92	$40
Washington	$7.3	4%	0.01%	$0	$1	$0	$0
Asset Class: (5)							
Conventional/Co-op	$176.8	89%	0.10%	$(35)	$52	$242	$393
Seniors Housing	$12.7	6%	—	—	—	—	—
Manufactured Housing	$5.4	3%	—	$(2)	$0	$7	$1
Student Housing	$3.5	2%	—	$(4)	$1	$7	$16
Targeted Affordable Segment:							
Privately Owned with Subsidy (6)	$29.4	15%	0.06%	$(3)	$(8)	$9	$55
DUS & Non-DUS Lenders/Servicers:							
DUS: Bank (Direct, Owned Entity, or Subsidiary)	$77.1	39%	0.06%	$(21)	$6	$55	$129
DUS: Non-Bank Financial Institution	$113.0	57%	0.09%	$(24)	$39	$180	$271
Non-DUS: Bank (Direct, Owned Entity, or Subsidiary)	$7.2	4%	0.25%	$1	$2	$17	$6
Non-DUS: Non-Bank Financial Institution	$1.0	0%	—	$4	$5	$6	$4
Non-DUS: Public Agency/Non Profit	$0.2	0%	—	—	$0	$0	$(1)

(1) We classify multifamily loans as seriously delinquent when payment is 60 days or more past due.

(2) Negative values are the result of recoveries on previously recognized credit losses.

(3) Dollar amount of multifamily credit-related losses/(income) for the applicable period and category. Total credit losses for each period will not tie to sum of all categories due to rounding. Multifamily credit losses for 2011 exclude $19 million of credit-related income from other multifamily mortgage business investments.

(4) For information on which states are included in each region, refer to Fannie Mae's 2014 Q3 Form 10-Q.

(5) Conventional Multifamily/Cooperative Housing/Affordable Housing: Conventional Multifamily is a loan secured by a residential property comprised of five or more dwellings which offers market rental rates (i.e., not subsidized or subject to rent restrictions). Cooperative Housing is a multifamily loan made to a cooperative housing corporation and secured by a first or subordinated lien on a cooperative multifamily housing project that contains five or more units. Affordable Housing is a multifamily loan on a mortgaged property encumbered by a regulatory agreement or recorded restriction that limits rents, imposes income restrictions on tenants or places other restrictions on the use of the property. Manufactured Housing Communities: A multifamily loan secured by a residential development that consists of sites for manufactured homes and includes utilities, roads and other infrastructure. In some cases, landscaping and various other amenities such as a clubhouse, swimming pool, and tennis and/or sports courts are also included. Seniors Housing: A multifamily loan secured by a mortgaged property that is intended to be used for residents for whom the owner or operator provides special services that are typically associated with either "independent living" or "assisted living." Some Alzheimer's and skilled nursing capabilities are permitted. Dedicated Student Housing: Multifamily loans secured by residential properties in which college or graduate students make up at least 80% of the tenants. Dormitories are not included.

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

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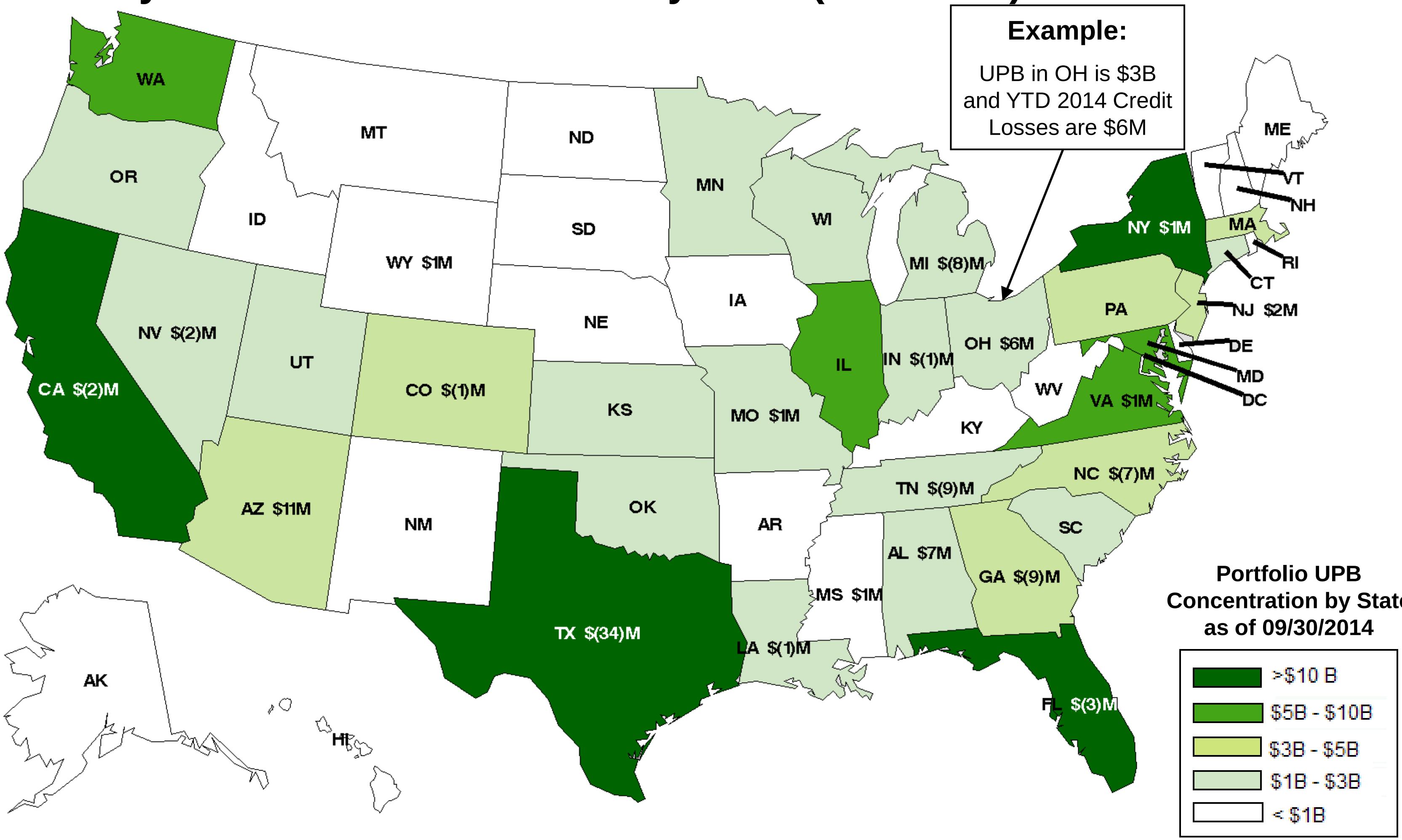
Multifamily YTD 2014 Credit Losses by State ($ Millions) (1)



Numbers: Represent YTD 2014 credit-related losses/(income) for each state which totaled $41M in income as of September 30, 2014. States with no numbers had less than $500K in credit losses or less than $500K in credit-related income YTD 2014.
Shading: Represent Unpaid Principal Balance (UPB) for each state which totaled $198.4B as of September 30, 2014.

(1) Total state credit losses will not tie to total YTD 2014 credit losses due to rounding. Negative values are the result of recoveries on previously recognized credit losses.