Fannie Mae Quarterly Financial Supplement
Q1 2018

May 3, 2018

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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 March 31, 2018 ("Q1 2018 10-Q") and Form 10-K for the year ended December 31, 2017 ("2017 Form 10-K"). This presentation should be reviewed together with the Q1 2018 10-Q and the 2017 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 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%).

- Unless otherwise indicated, data labeled as "YTD 2018" is as of March 31, 2018 or for the first three months of 2018. Data for prior years is as of December 31 or for the full year indicated.

- Note references are to endnotes, appearing on pages 22 to 24.

- Terms used in presentation
  CAS: Connecticut Avenue Securities™
  CIRT™: Credit Insurance Risk Transfer™
  CRT: credit risk transfer
  DTI ratio: Debt-to-income ratio
  DUS®: Fannie Mae's Delegated Underwriting and Servicing program
  GDP: U.S. gross domestic product
  HARP®: Home Affordable Refinance Program, which allows 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
  OLTV ratio: origination loan-to-value ratio
  Refi Plus™: our Refi Plus initiative, which offers refinancing flexibility to eligible Fannie Mae borrowers
  REO: real estate owned
  TCCA: Temporary Payroll Tax Cut Continuation Act of 2011
  UPB: unpaid principal balance

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Financial Overview

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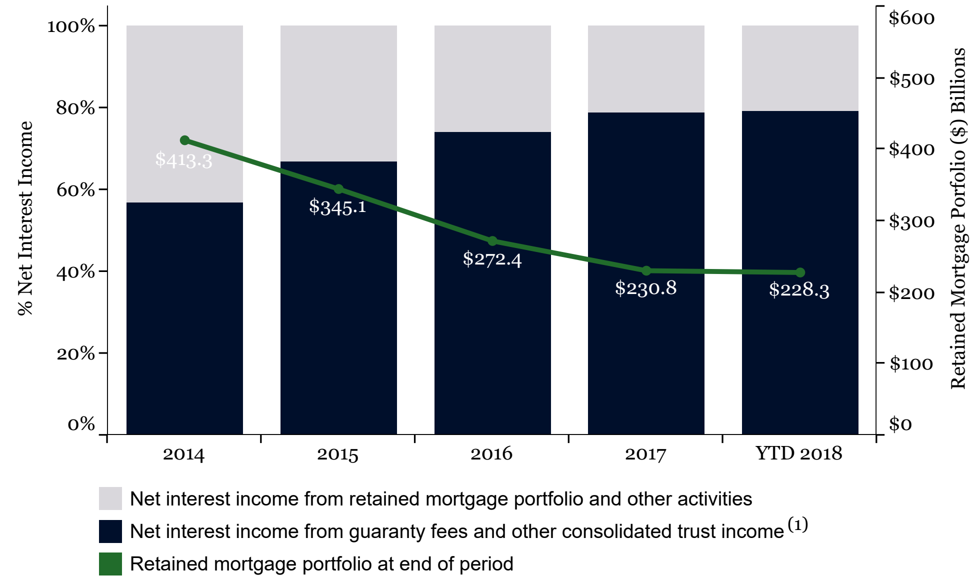
Corporate Financial Highlights

Summary of Q1 2018 Financial Results

	1Q18	4Q17	Variance
Net interest income	$5,232	$5,111	$121
Fee and other income	320	431	(111)
Net revenues	5,552	5,542	10
Investment gains, net	250	833	(583)
Fair value gains (losses), net	1,045	(191)	1,236
Administrative expenses	(750)	(703)	(47)
Credit-related income			
Benefit for credit losses	217	560	(343)
Foreclosed property expense	(162)	(130)	(32)
Total credit-related income	55	430	(375)
Temporary Payroll Tax Cut Continuation Act of 2011 (TCCA) fees	(557)	(544)	(13)
Other expenses, net	(203)	(411)	208
Income before federal income taxes	5,392	4,956	436
Provision for federal income taxes	(1,131)	(11,489)	10,358
Net income (loss)	$4,261	($6,533)	$10,794
Other comprehensive income (loss)	(323)	(154)	(169)
Total comprehensive income (loss)	$3,938	($6,687)	$10,625

Sources of Net Interest Income and Retained Mortgage Portfolio Balance



Key Highlights

- Fannie Mae reported first quarter 2018 net income of $4.3 billion and comprehensive income of $3.9 billion. This compares to a net loss of $6.5 billion in the fourth quarter of 2017, which was due to remeasurement of the company's deferred tax assets resulting from enactment of tax legislation during the quarter. Fannie Mae's pre-tax income was $5.4 billion for the first quarter of 2018 and $5.0 billion for the fourth quarter of 2017, reflecting the strength of the company's underlying business fundamentals.

- Two primary factors drove the difference between net income in the first quarter of 2018 compared to the net loss in the fourth quarter of 2017: a $9.9 billion provision for federal income taxes in the fourth quarter of 2017 that resulted from the enactment of the Tax Cuts and Jobs Act of 2017; and net fair value gains of $1.0 billion in the first quarter of 2018, primarily driven by gains on the company's mortgage commitment and risk management derivatives.

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Market Liquidity

Key Highlights: Liquidity Provided

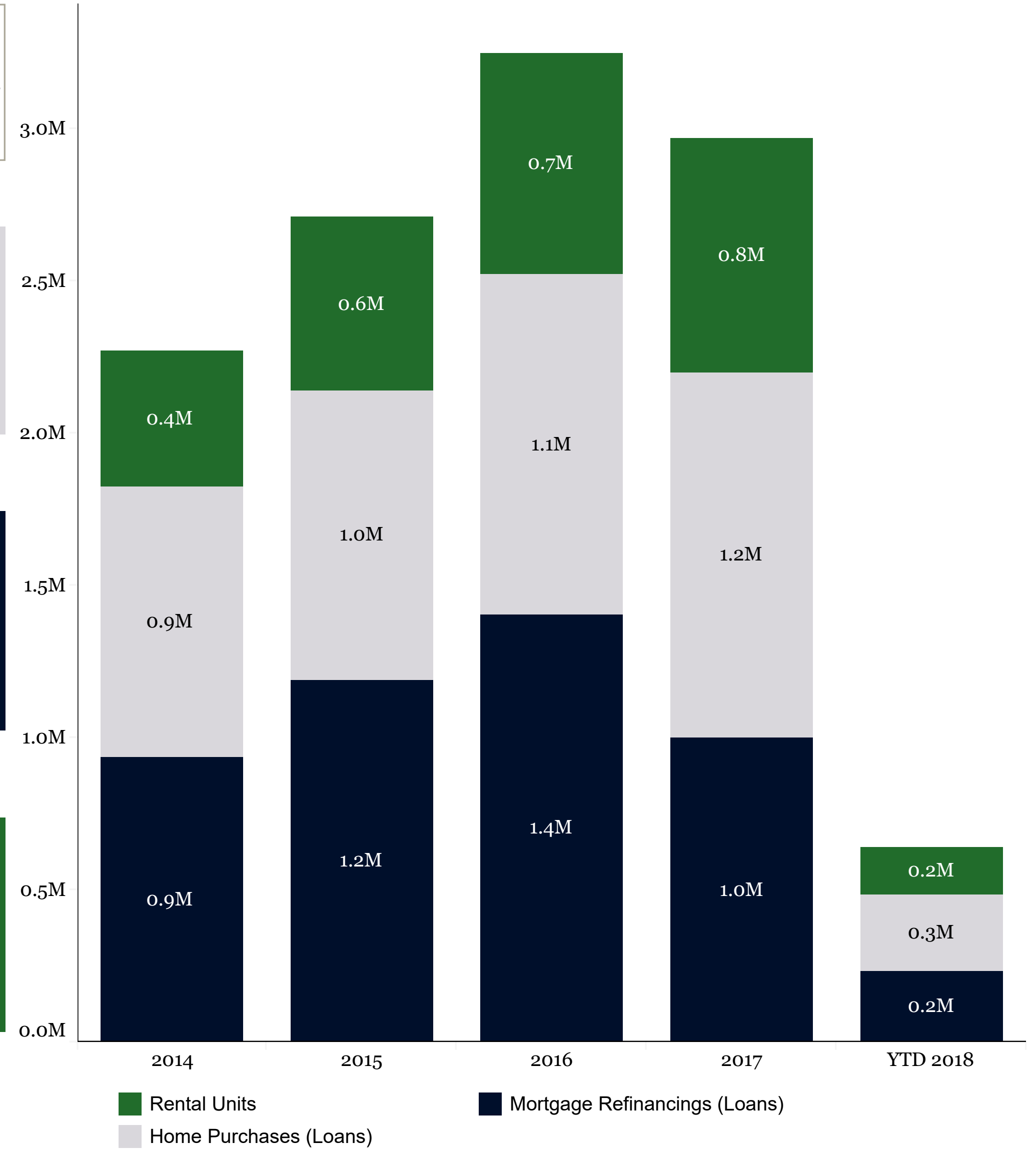
Fannie Mae provided $124 billion in liquidity to the mortgage market in the first quarter of 2018, through its purchases of loans and guarantees of loans and securities, which enabled the financing of:

252K
Home Purchases

232K
Refinancings

154K
Rental Units

Providing Liquidity to the Mortgage Market



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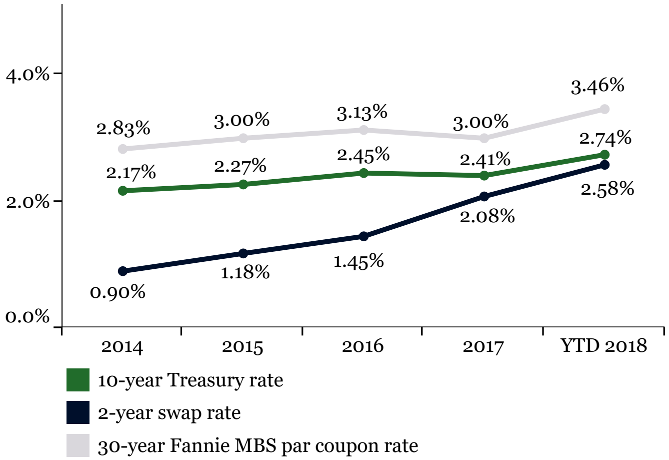
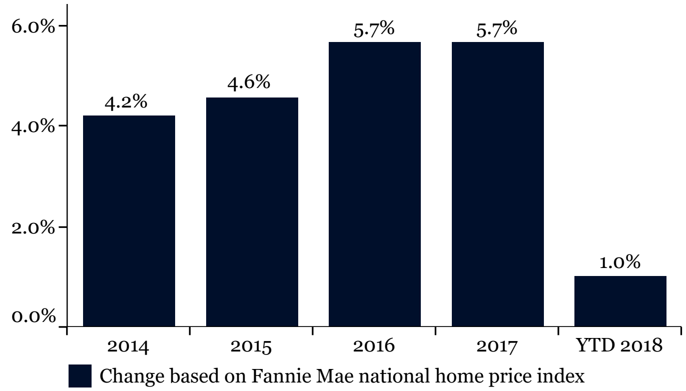
Key Market Economic Indicators

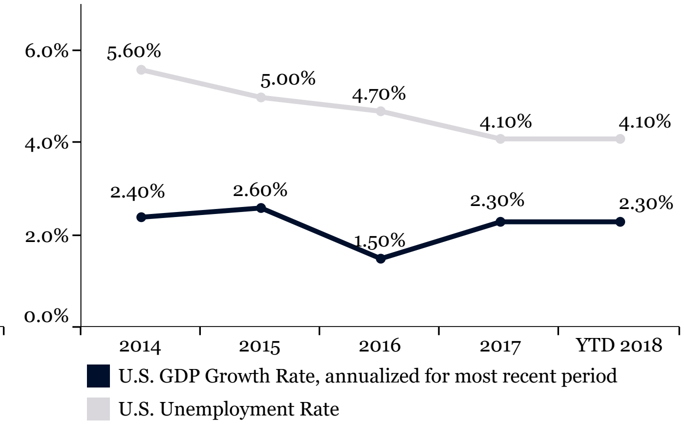
Benchmark Interest Rates



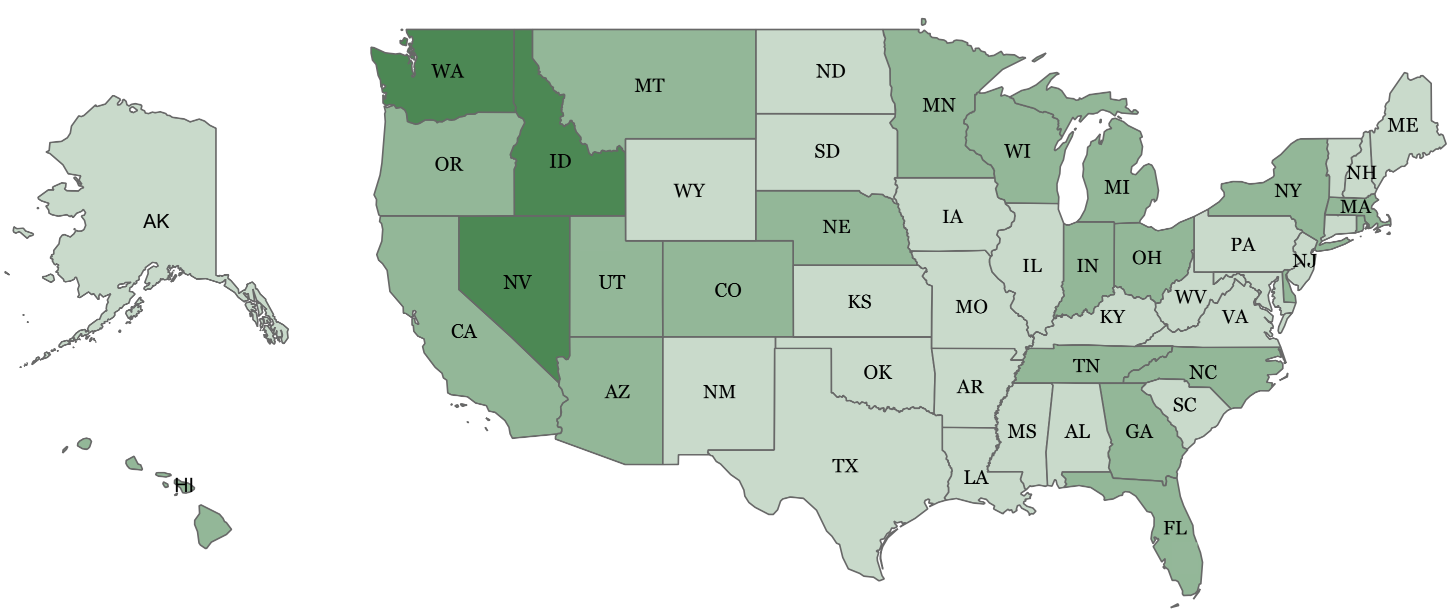
Single-Family Home Price Growth Rate(2)



U.S. GDP Growth Rate and Unemployment Rate(3)



One Year Home Price Change as of Q1 2018(2)
United States 5.5%



Top 10 States by UPB(2)

	State Home Price Growth Rate	Share of Fannie Mae Single-Family Guaranty Book
CA	8.7%	19.5%
TX	3.8%	6.3%
FL	7.0%	5.7%
NY	5.6%	5.1%
IL	2.8%	3.7%
NJ	3.8%	3.7%
WA	12.0%	3.6%
VA	3.6%	3.4%
CO	7.9%	3.0%

State Growth Rate
- 0 to 4.9%
- 5 to 9.9%
- 10% and above

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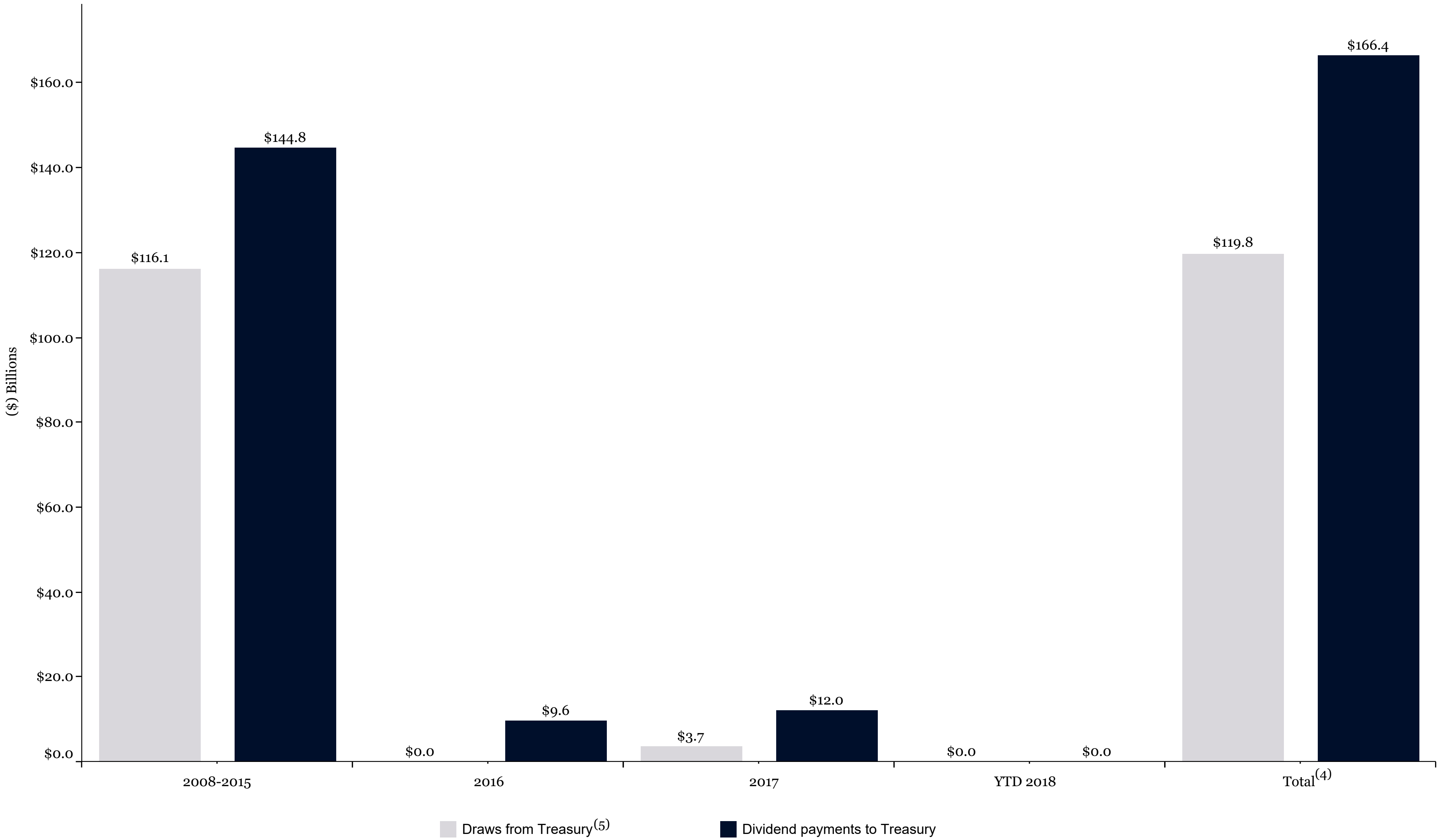
Treasury Draws and Dividend Payments

Treasury Draws and Dividend Payments: 2008 - YTD 2018



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Single-Family Business

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Single-Family Highlights

Q1 2018

$4,561M
Net interest income

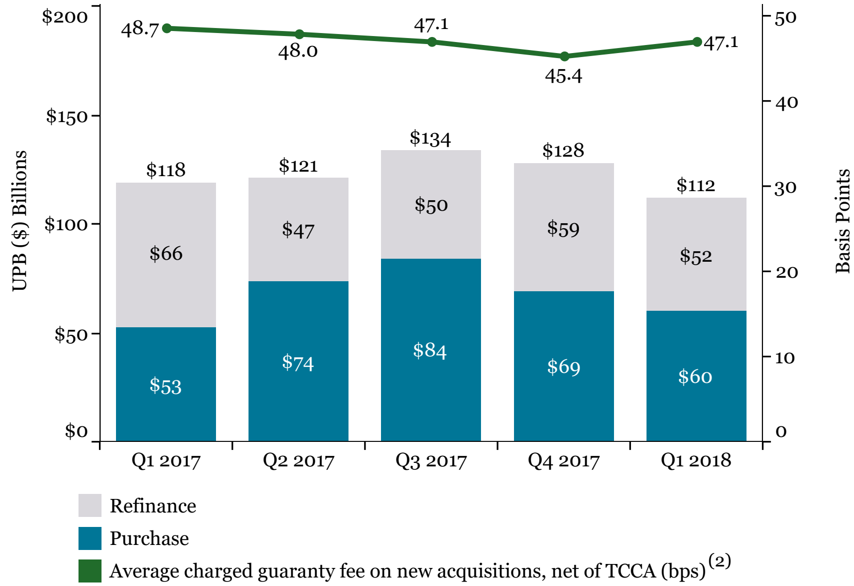
$1,034M
Fair value gains, net

$242M
Investment gains, net

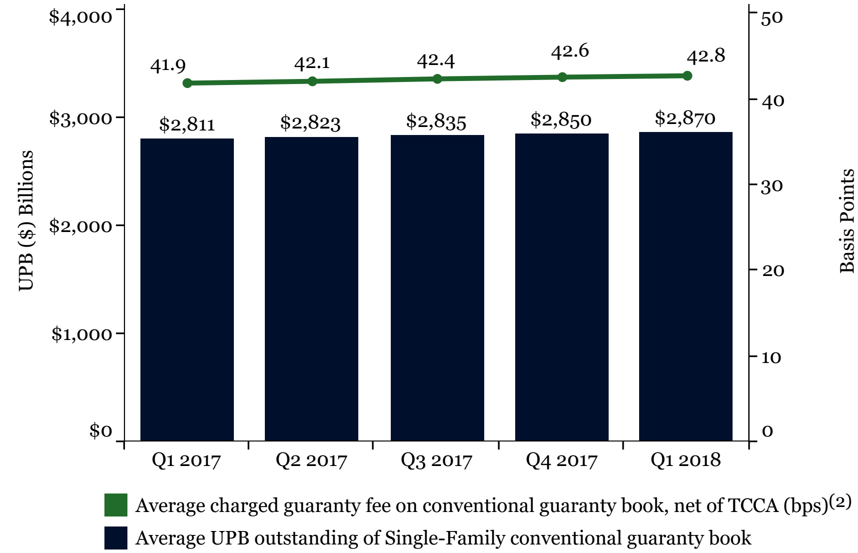
$34M
Credit-related income

$3,681M
Net income

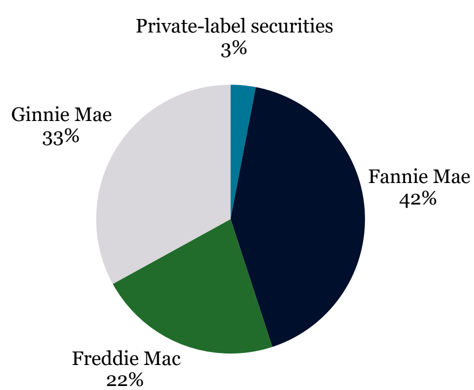
Single-Family Conventional Loan Acquisitions (1)



Conventional Guaranty Book of Business (1)



Q1 2018 Market Share: New Single-Family Mortgage-Related Securities Issuances



Key Highlights

- Fannie Mae provided approximately $113 billion in liquidity to the single-family mortgage market in the first quarter 2018 while serving as the largest issuer of single-family mortgage-related securities in the secondary market. The company's estimated market share of new single-family mortgage-related securities issuances was 42 percent for the first quarter of 2018.
- The single-family guaranty book of business continued to grow in the first quarter of 2018, while the average charged guaranty fee (net of TCCA fees) on the single-family guaranty book as of March 31, 2018 remained relatively flat compared to year end at 42.8 basis points.

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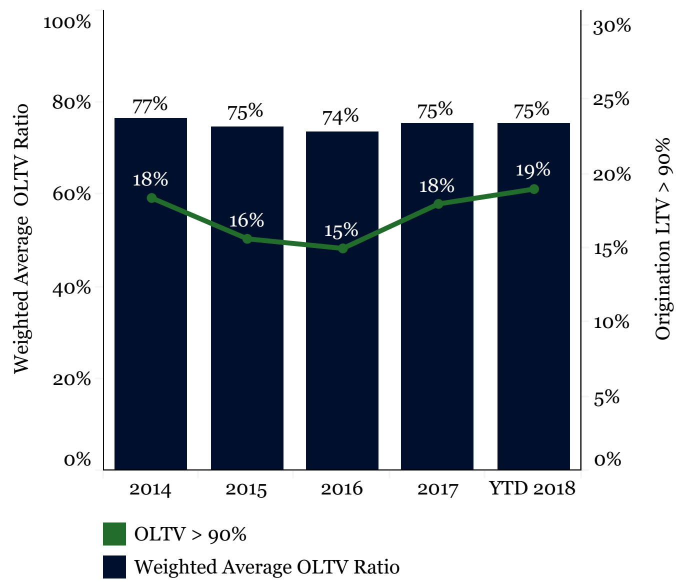
Certain Credit Characteristics of Single-Family Loan Acquisitions

Certain Credit Characteristics of Single-Family Conventional Loans by Acquisition Period[1]

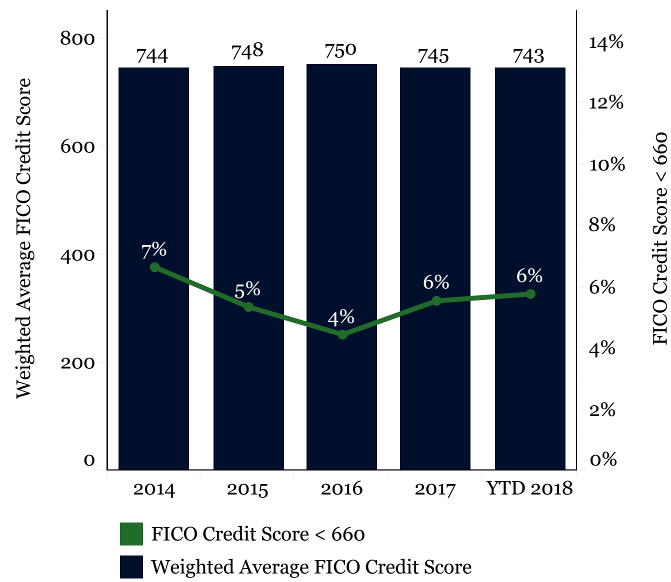
YTD 2018 Acquisition Credit Profile by Certain Product Features

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Full Year 2017	Q1 2018	Loans with OLTV Ratio > 90%	Loans with FICO Credit Score < 660[3]	Loans with DTI Ratio > 45%[4]
Total Unpaid Principal Balance (UPB) ($B)	$118.5	$121.2	$134.2	$127.9	$501.8	$112.2	$20.7	$6.5	$25.9
Total UPB excluding Refi Plus ($B)	$113.4	$117.6	$131.5	$125.2	$487.7	$110.3	$20.5	$6.0	$25.9
Weighted Average Origination LTV (OLTV) Ratio	73%	76%	76%	76%	75%	75%	95%	73%	76%
Origination LTV Ratio > 90%	15%	19%	20%	18%	18%	19%	100%	15%	20%
Weighted Average FICO® Credit Score[3]	746	745	745	743	745	743	738	640	734
FICO Credit Score < 660[3]	5%	6%	5%	6%	6%	6%	5%	100%	7%
DTI Ratio > 45%[4]	7%	7%	8%	19%	10%	23%	25%	29%	100%
Fixed-rate	98%	97%	97%	98%	97%	98%	100%	100%	98%
Condo/Co-op	10%	10%	10%	10%	10%	9%	9%	6%	10%

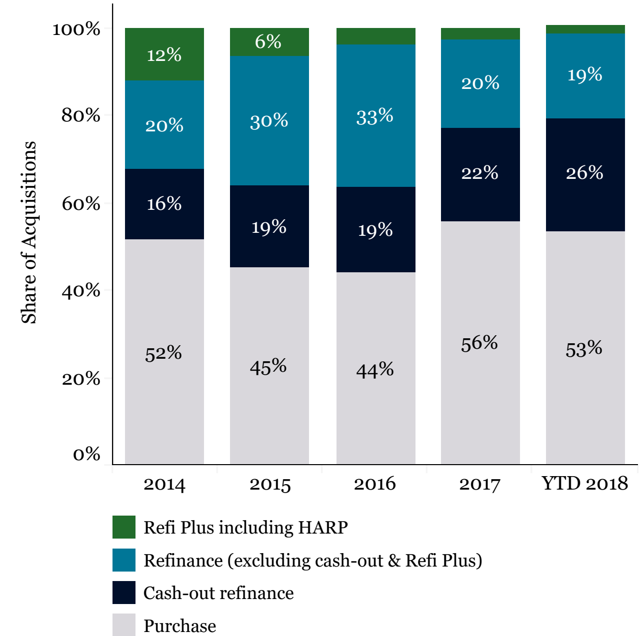
Origination Loan-to-Value Ratio



FICO Credit Score[3]



Acquisitions by Loan Purpose



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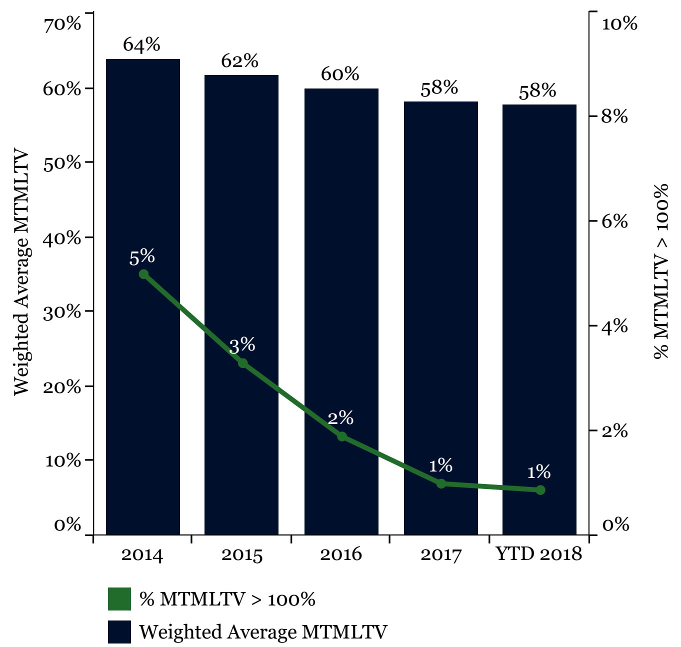
Certain Credit Characteristics of Single-Family Conventional Guaranty Book of Business

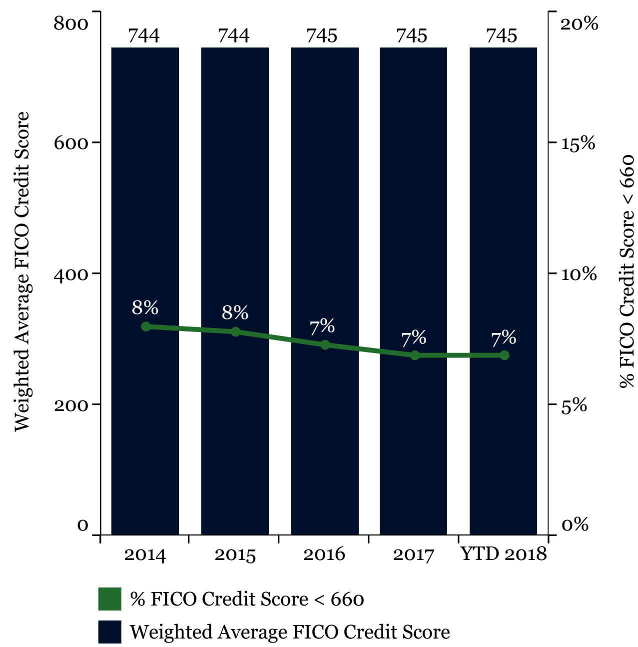
Certain Credit Characteristics of Single-Family Conventional Guaranty Book of Business by Origination Year and Product Features[8]

As of March 31, 2018[1]	Overall Book	Origination Year: 2004 & Earlier	2005-2008	2009-2015	2016	2017	2018	Certain Product Features: Refi Plus Including HARP	Alt-A[9]	Loans with[3] FICO Credit Score < 660	Origination LTV Ratio > 90%
Total Unpaid Principal Balance (UPB) ($B)	$2,876.7	$94.3	$171.2	$1,579.3	$505.0	$463.6	$63.3	$367.1	$68.9	$198.6	$485.4
Average Unpaid Principal Balance	$167,594	$68,737	$131,412	$161,002	$218,450	$221,340	$230,300	$138,300	$139,999	$133,034	$175,547
Share of Single-Family Conventional Guaranty Book	100%	3%	6%	55%	18%	16%	2%	13%	2%	7%	17%
Serious Delinquency Rate[10]	1.16%	3.24%	6.22%	0.61%	0.41%	0.22%	0.00%	0.98%	4.76%	4.91%	1.82%
Weighted Average Origination LTV Ratio	75%	74%	76%	75%	74%	76%	75%	86%	79%	79%	101%
Origination LTV Ratio > 90%	17%	13%	15%	17%	16%	19%	18%	38%	18%	24%	100%
Weighted Average Mark-to-Market LTV Ratio[11]	58%	40%	66%	51%	64%	72%	75%	57%	63%	63%	79%
Weighted Average FICO Credit Score[3]	745	701	696	752	751	744	742	730	709	628	732
Share of Loans with Credit Enhancement[12]	43%	7%	19%	37%	64%	55%	33%	11%	9%	32%	73%
Fixed-rate	95%	79%	67%	98%	99%	98%	99%	99%	70%	90%	98%

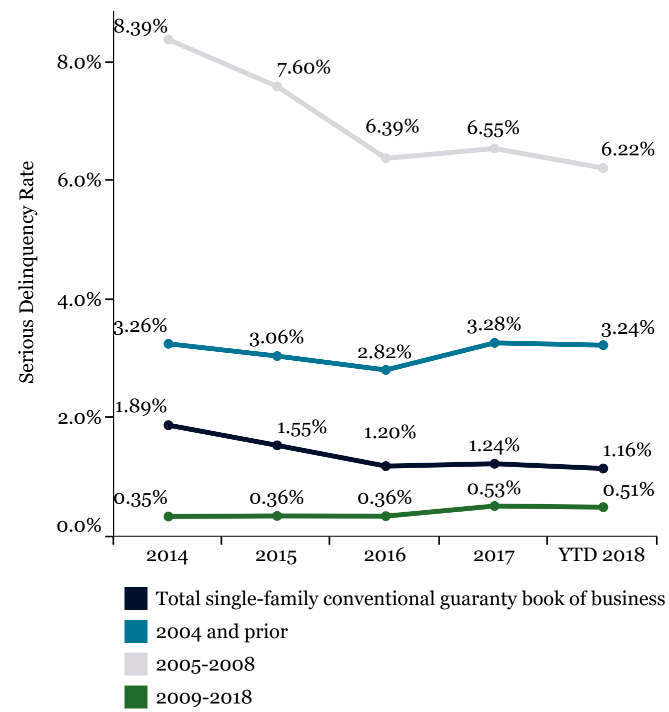
Weighted Average Mark-To-Market Loan-to-Value (MTMLTV) Ratio[13]



FICO Credit Score[3]



Serious Delinquency Rate by Vintage[10]



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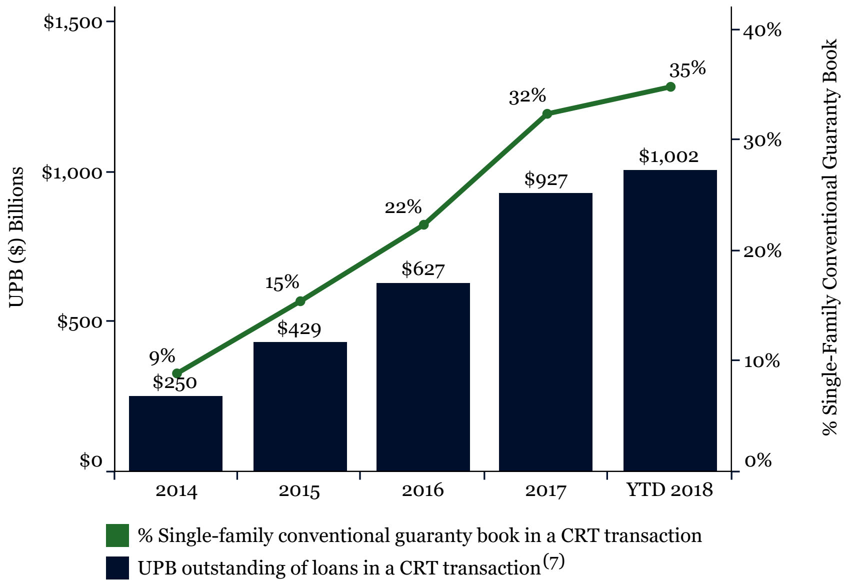
Single-Family Credit Risk Transfer

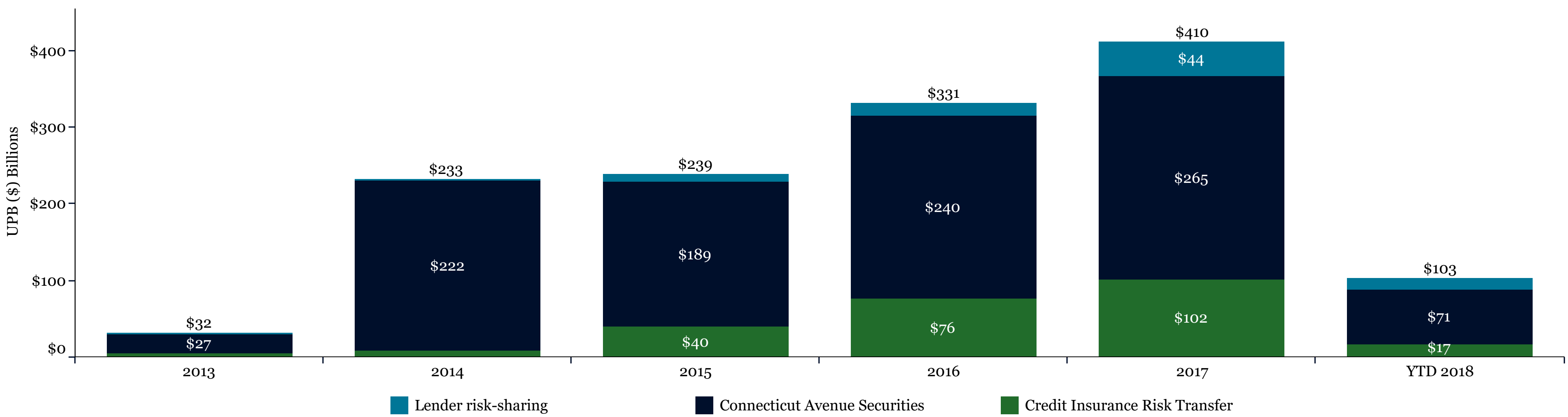
Single-Family Loans Included in Credit Risk Transfer Transactions, Balance of Covered Loans



Single-Family Loans with Credit Enhancement

Credit Enhancement	2016 Outstanding UPB	2016 Percent of Book Outstanding	2017 Outstanding UPB	2017 Percent of Book Outstanding	YTD 2018 Outstanding UPB	YTD 2018 Percent of Book Outstanding
Primary mortgage insurance & other[5]	$509B	18%	$566B	20%	$583B	20%
Connecticut Avenue Securities™ (CAS)[6]	$503B	18%	$681B	24%	$731B	25%
Credit Insurance Risk Transfer™ (CIRT™)[7]	$101B	4%	$181B	6%	$193B	7%
Lender risk-sharing[6]	$23B	1%	$65B	2%	$78B	3%
(Less: loans covered by multiple credit enhancements)	($211B)	(8%)	($335B)	(12%)	($362B)	(12%)
Total UPB of single-family loans with credit enhancement	$925B	33%	$1,158B	40%	$1,223B	43%

Single-Family Credit Risk Transfer Issuance



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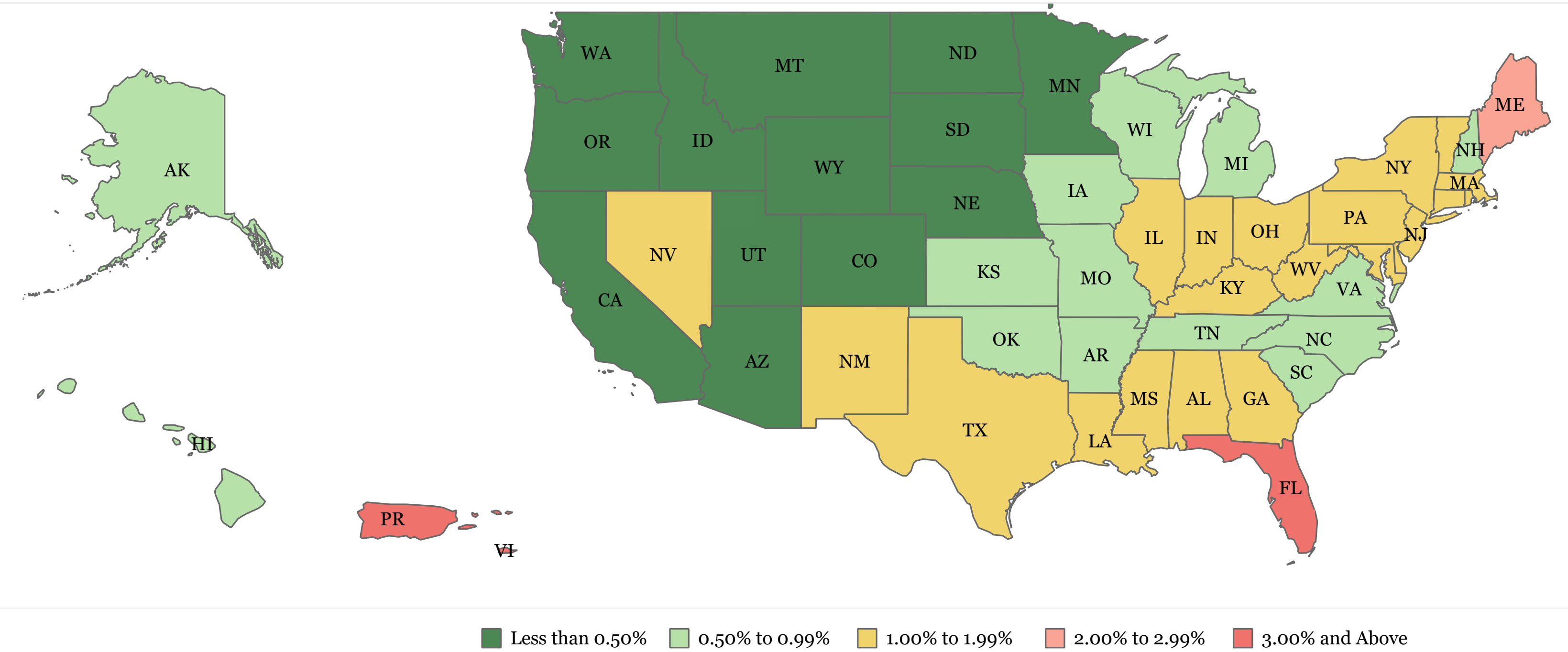
Single-Family Problem Loan Statistics

Single-Family Serious Delinquency Rate by State as of March 31, 2018[10]

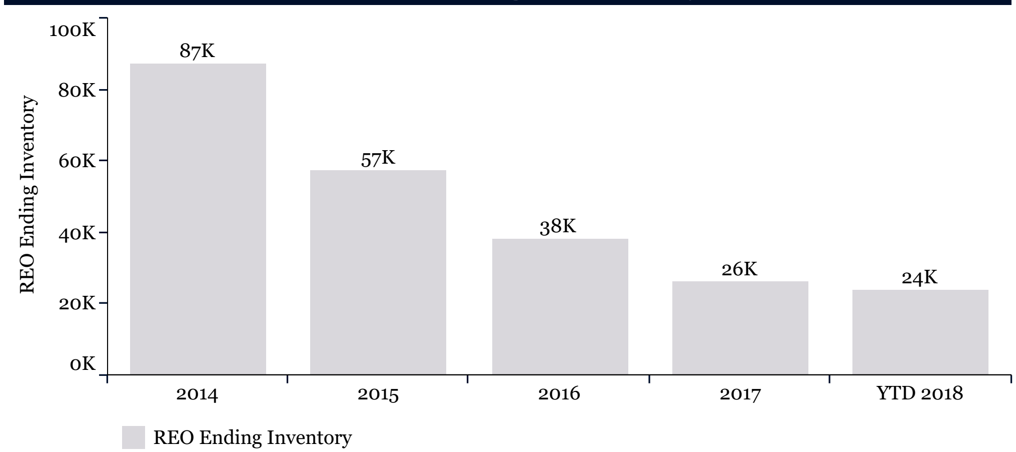


Top 10 States by UPB

State	Serious Delinquency Rate	Average Months to Foreclosure[14]
CA	0.39%	21
TX	1.34%	24
FL	3.56%	51
NY	1.87%	68
IL	1.15%	24
NJ	1.91%	60
WA	0.46%	36
VA	0.62%	16
CO	0.25%	22
PA	1.30%	25

Single-Family Loan Workouts

REO Ending Inventory



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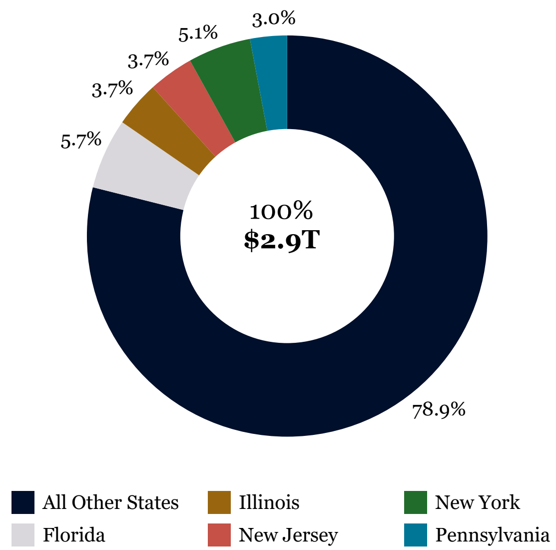
Credit Loss Concentration of Single-Family Conventional Guaranty Book of Business

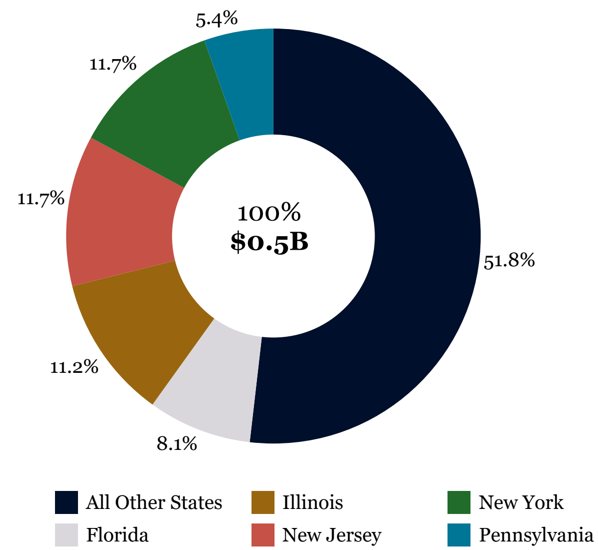
Certain Product Features	% of Single-Family Conventional Guaranty Book of Business[17]					% of Single-Family Credit Losses[18]				
	2014	2015	2016	2017	YTD 2018	2014	2015	2016	2017	YTD 2018
Alt-A[9]	4.2%	3.7%	3.1%	2.5%	2.4%	17.4%	29.3%	24.9%	21.9%	21.6%
Interest Only	2.5%	2.1%	1.7%	1.2%	1.1%	10.2%	18.0%	12.2%	15.7%	11.9%
Origination LTV Ratio > 90%	15.9%	16.3%	16.4%	16.7%	16.9%	15.3%	16.4%	21.9%	23.9%	23.3%
FICO Credit Score < 660 and Origination LTV Ratio > 90%[3]	2.0%	2.0%	1.8%	1.7%	1.6%	6.6%	6.5%	8.8%	9.0%	9.9%
FICO Credit Score < 660[3]	8.0%	7.8%	7.3%	7.0%	6.9%	29.7%	29.7%	35.8%	33.0%	37.2%
Refi Plus including HARP	19.1%	17.6%	15.4%	13.2%	12.8%	10.4%	7.8%	14.0%	15.9%	16.3%

Vintage	2014	2015	2016	2017	YTD 2018	2014	2015	2016	2017	YTD 2018
2009 - YTD 2018	80.5%	84.1%	87.4%	90.3%	90.8%	13.3%	10.3%	19.0%	23.1%	23.6%
2005 – 2008	12.2%	10.1%	8.1%	6.2%	6.0%	74.7%	77.6%	64.7%	64.8%	59.7%
2004 & Prior	7.3%	5.8%	4.5%	3.5%	3.3%	12.0%	12.1%	16.4%	12.2%	16.7%

% of Single-Family Conventional Guaranty Book of Business by State as of March 31, 2018



% of Q1 2018 Single-Family Credit Losses by State



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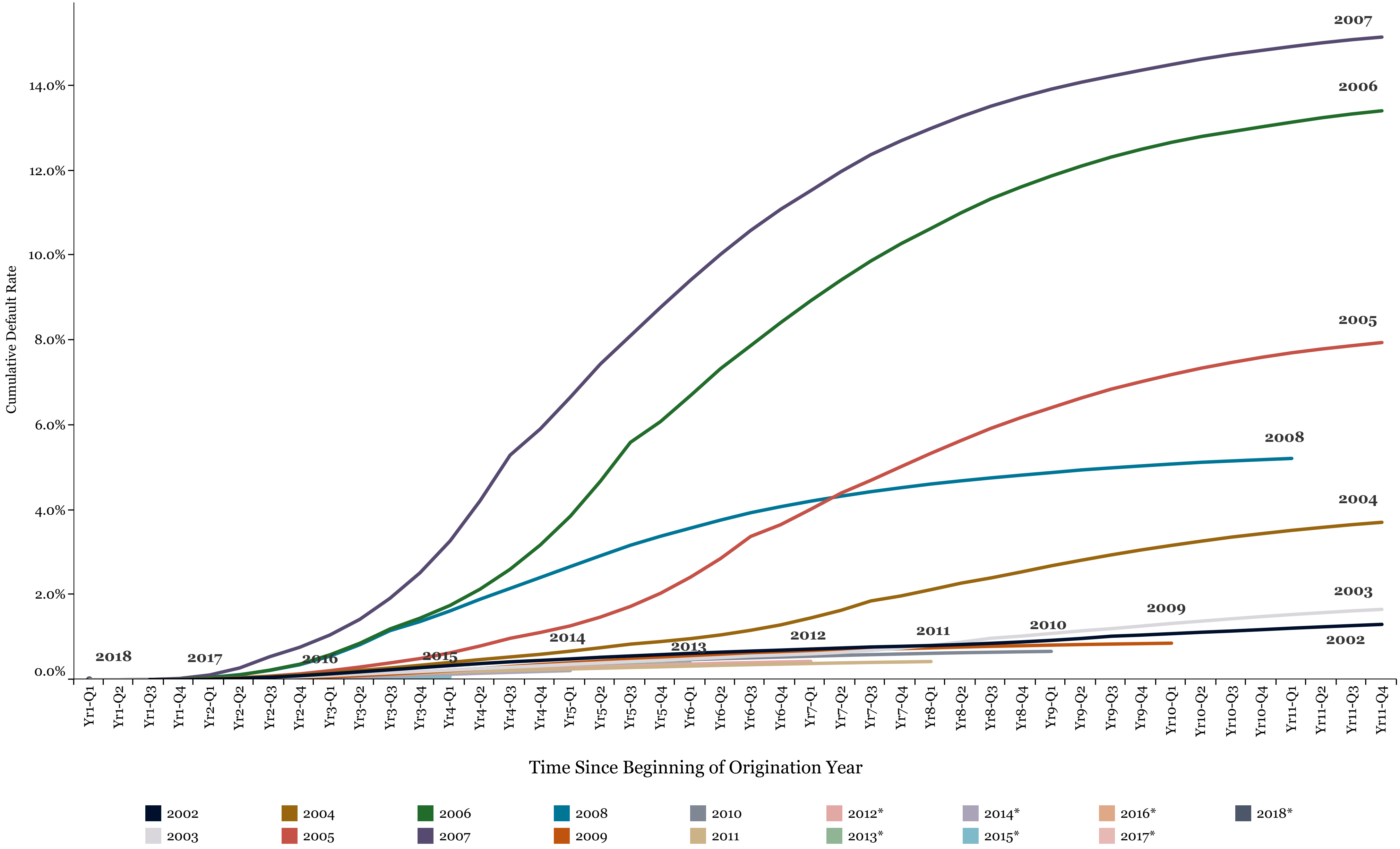
Single-Family Cumulative Default Rates

Cumulative Default Rates of Single-Family Conventional Guaranty Book of Business by Origination Year[19]



* As of March 31, 2018, cumulative default rates on the loans originated from 2012-2018 was less than 1.0%

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Multifamily Business

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Multifamily Highlights

Q1 2018

$671M
Net interest income

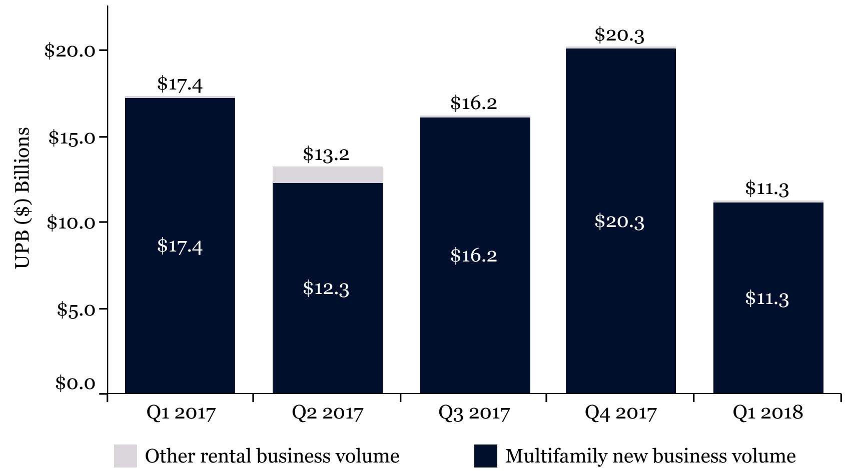
$162M
Fee and other income

$21M
Credit-related income

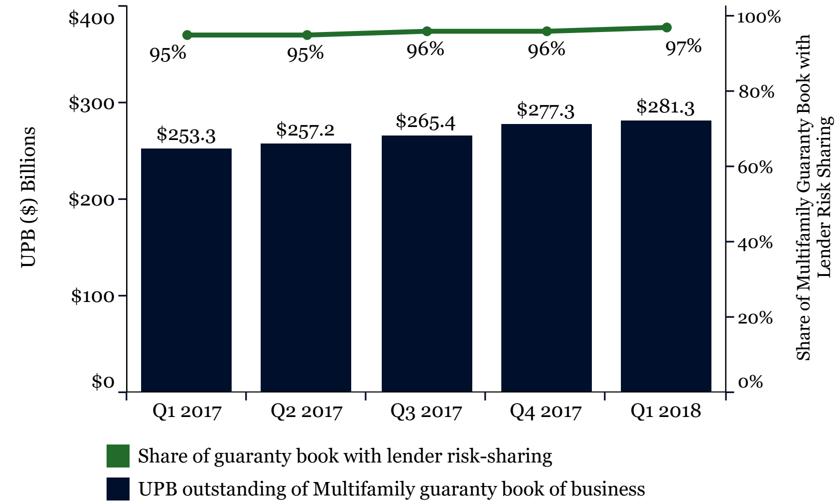
$11M
Fair value gains

$580M
Net income

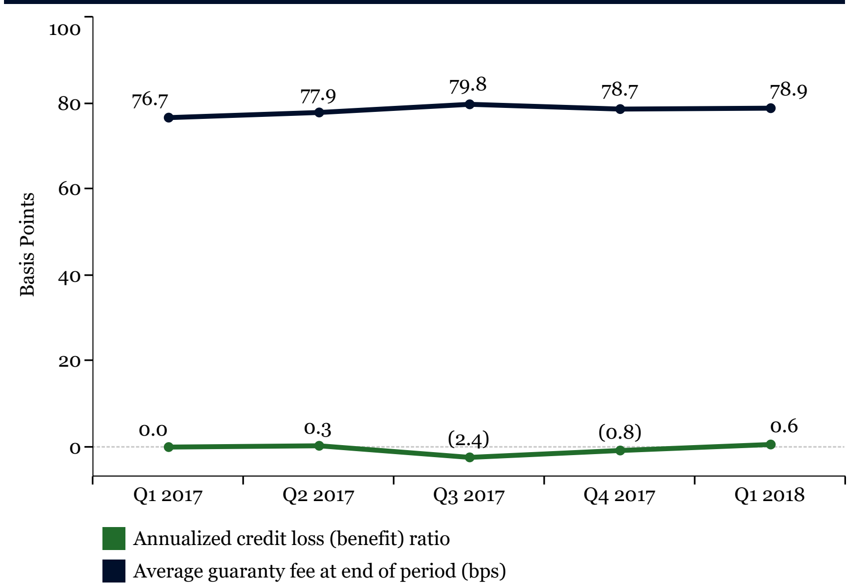
Acquisitions



Guaranty Book of Business[1]



Multifamily Guaranty Fee and Credit Loss (Benefit) Ratio [2]



Key Highlights

- New multifamily business volume was $11.3 billion in the first quarter of 2018, a decrease from $20.3 billion in the fourth quarter of 2017. Approximately 38 percent of Fannie Mae's first quarter 2018 multifamily new business volume counted toward FHFA's 2018 multifamily volume cap.
- Fannie Mae supported 154,000 units of multifamily housing in the first quarter of 2018. More than 90 percent of the units the company financed were affordable to families earning at or below 120 percent of the area median income, providing support for both affordable and workforce housing.
- The multifamily guaranty book of business continued to grow in the first quarter of 2018, while the average charged guaranty fee on the multifamily guaranty book remained relatively flat compared to year end at 78.9 basis points as of March 31, 2018.

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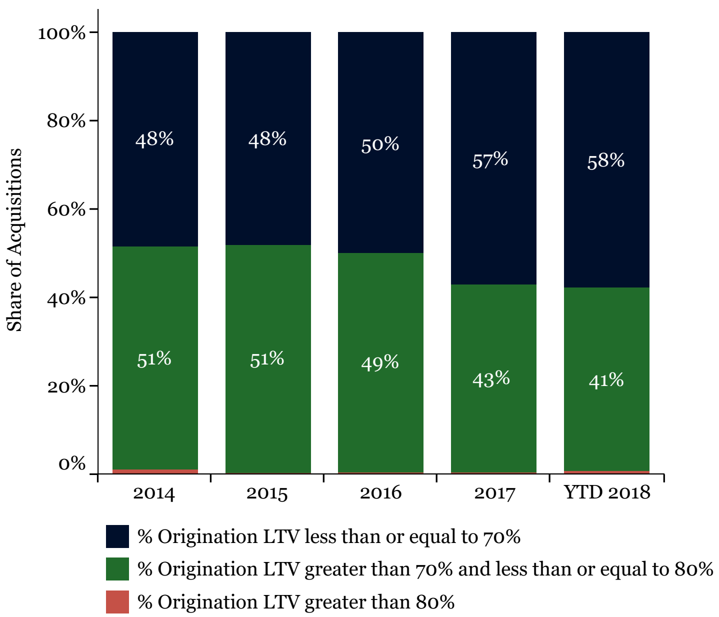
Certain Credit Characteristics of Multifamily Acquisitions

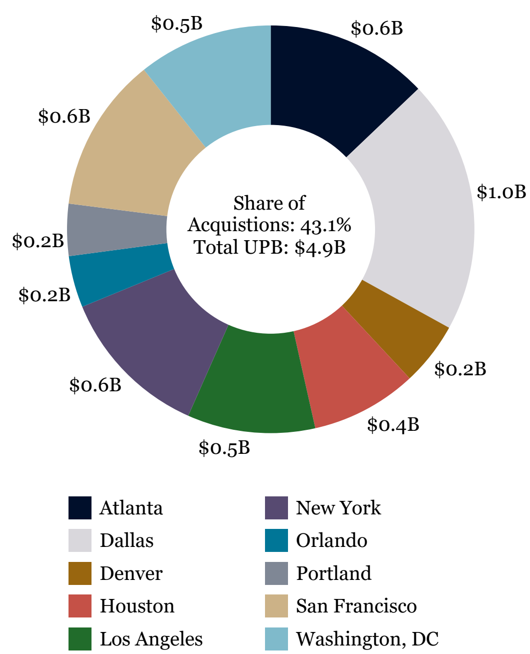
Certain Credit Chacteristics of Multifamily Loans by Acquisition Period

	2014	2015	2016	2017	YTD 2018
Total Unpaid Principal Balance (UPB) ($B)	$28.9	$42.4	$55.3	$67.1	$11.3
Weighted Average Origination LTV Ratio	68%	68%	68%	67%	66%
Loan Count	2,361	2,869	3,335	3,861	811
% Lender Recourse[(3)]	99%	99%	99%	100%	100%
% DUS™[(4)]	99%	99%	99%	98%	100%

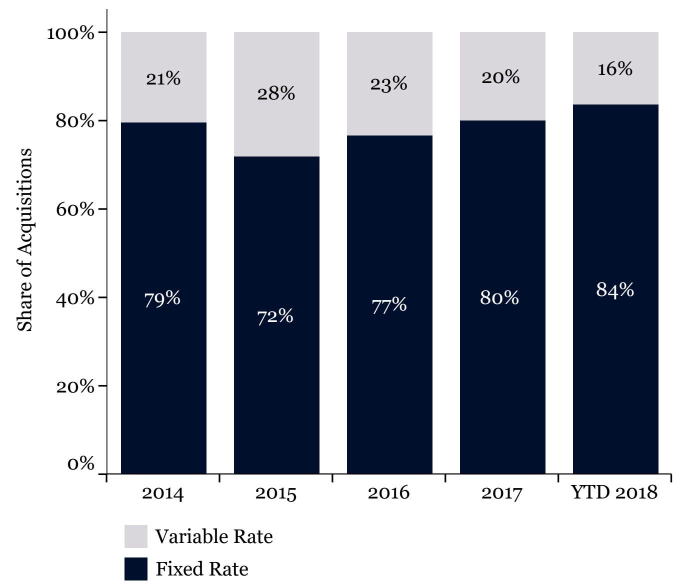
Origination Loan-to-Value Ratio



Top 10 MSAs by YTD 2018 Acquisition UPB



Acquisitions by Note Type



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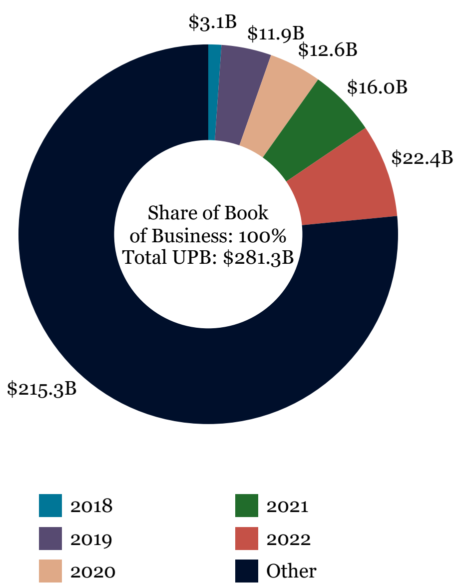
Certain Credit Characteristics of Multifamily Guaranty Book of Business

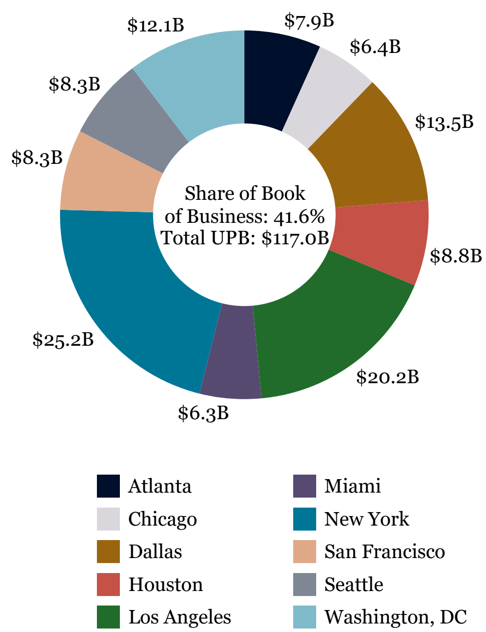
Certain Credit Characteristics of Multifamily Book of Business by Acquisition Year, Asset Class, or Targeted Affordable Segment

As of March 31, 2018[1]		Acquisition Year						Asset Class or Targeted Affordable Segment				
	Overall Book	2004 & Eariler	2005 - 2008	2009 - 2015	2016	2017	2018	Conventional / Co-op[5]	Senior[5]	Student[5]	Manufactured[5]	Privately Owned with Subsidy[6]
Total Unpaid Principal Balance (UPB) ($B)	$281.3	$6.5	$11.8	$132.3	$52.7	$66.6	$11.3	$246.1	$15.1	$10.3	$9.9	$33.5
Average Unpaid Principal Balance ($M)	$10.0	$4.4	$2.5	$9.5	$16.6	$17.4	$13.9	$9.5	$21.4	$18.2	$10.7	$8.7
Weighted Average Origination LTV Ratio	67%	71%	64%	66%	68%	67%	66%	67%	67%	67%	67%	70%
% Fixed-rate	82%	21%	54%	90%	79%	80%	84%	84%	62%	79%	87%	66%
Loan Count	28,038	1,490	4,725	13,998	3,175	3,837	813	25,844	705	563	926	3,842
% of Book	100%	2%	4%	47%	19%	24%	4%	87%	5%	4%	4%	12%
% of Small Balance Loans[7]	42%	69%	85%	38%	18%	18%	22%	44%	2%	15%	28%	41%
% Lender Recourse[3]	97%	95%	76%	96%	100%	100%	100%	96%	100%	99%	99%	95%
% DUS[4]	97%	96%	87%	98%	99%	97%	100%	97%	98%	100%	100%	95%
Serious Delinquency Rate[8]	0.13%	0.01%	0.36%	0.16%	0.17%	0.04%		0.14%	0.10%	0.11%		0.23%

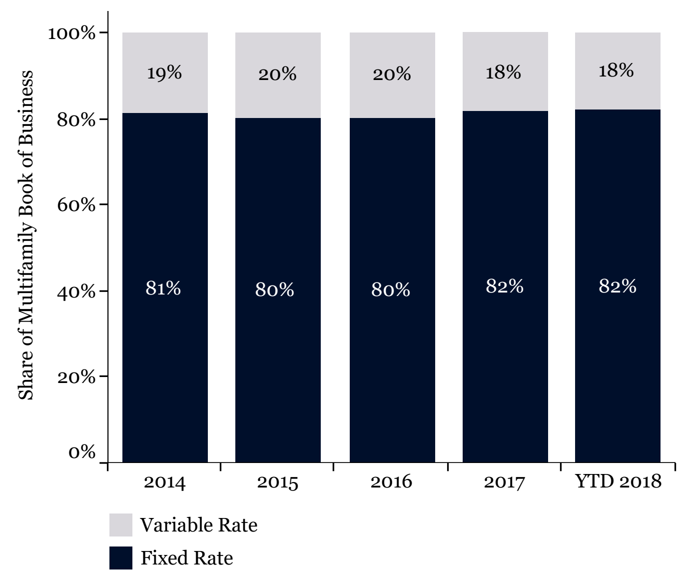
UPB by Maturity Year



Top 10 MSAs by UPB



Multifamily Book of Business by Note Type



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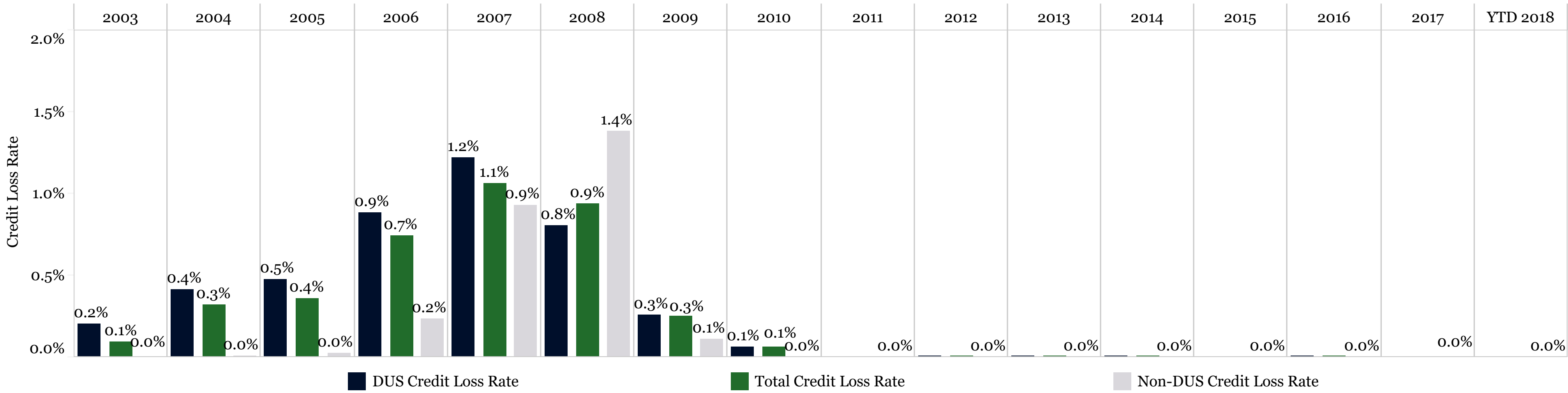
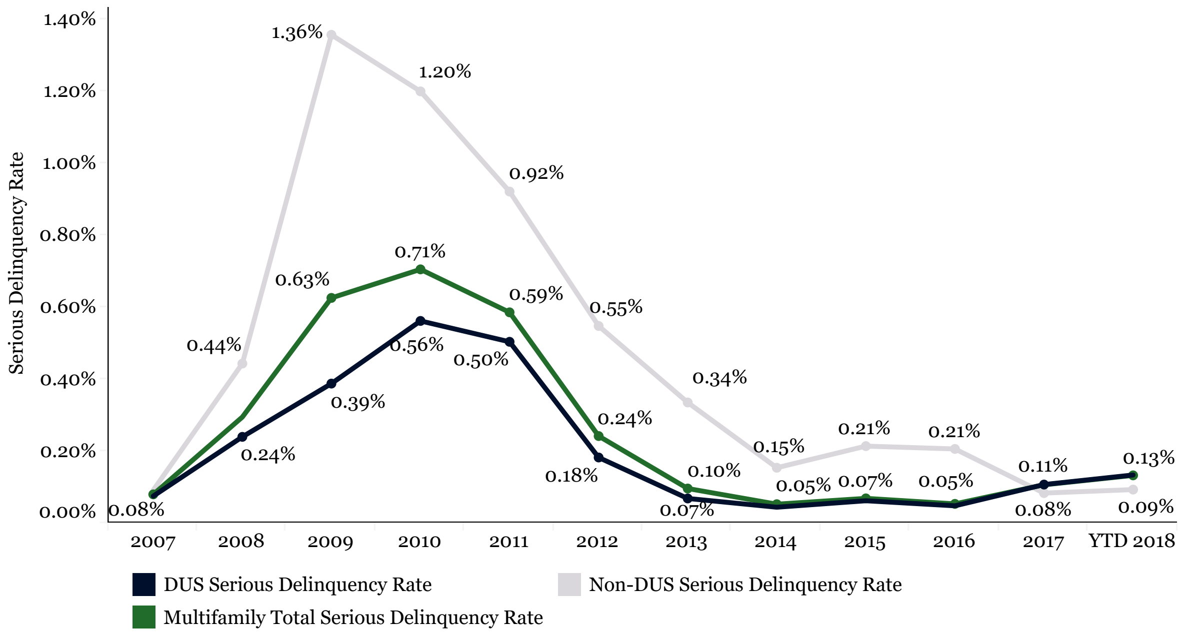
Multifamily Serious Delinquency Rates and Credit Losses

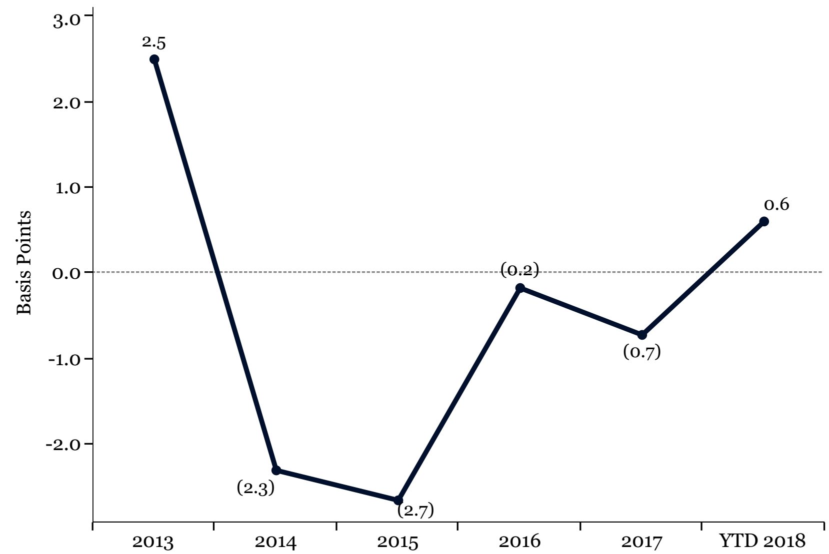
DUS/Non-DUS Cumulative Credit Loss Rates by Acquisition Year Through YTD 2018[(4) (9)]



Serious Delinquency Rates[(4) (8)]



Credit Loss (Benefit) Ratio[(2) (10)]



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Endnotes

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Financial Overview Endnotes

(1) 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.
(2) Home price estimates are based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of March 2018. UPB estimates are based on data available through the end of March 2018. Including subsequent data may lead to materially different results. Home price change is not seasonally adjusted.
(3) Source: Bureau of Economic Analysis. GDP growth rate is calculated using the quarterly annualized growth rate for the most recent period and the annual growth rate for prior periods.
(4) Under the terms of the senior preferred stock purchase agreement, dividend payments we make to Treasury do not offset our prior draws of funds from Treasury, and we are not permitted to pay down draws we have made under the agreement except in limited circumstances.
(5) Treasury draws are shown in the period for which requested, not when the funds were received by us. Draw requests have been funded in the quarter following a net worth deficit.

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Single-Family Business Endnotes

(1) Single-family conventional population consists of: (a) single-family mortgage loans of Fannie Mae; (b) single-family mortgage loans underlying Fannie Mae MBS; and (c) other credit enhancements that we provide on single-family mortgage assets, such as long-term standby commitments. It excludes non-Fannie Mae single-family mortgage-related securities held in our retained mortgage portfolio for which we do not provide a guaranty. 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.

(2) Calculated based on the average guaranty fee rate for our single-family guaranty arrangements during the period plus the recognition of any upfront cash payments over an estimated average life. Excludes the impact of a 10 basis point guaranty fee increase implemented in 2012 pursuant to the TCCA, the incremental revenue from which is remitted to Treasury and not retained by us.

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

(4) Population excludes HARP and other Refi Plus loans acquired under our Refi Plus™ initiative.

(5) 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.

(6) 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.

(7) Includes mortgage pool insurance transactions covering loans with an unpaid principal balance of approximately $7 billion at issuance and approximately $4 billion outstanding as of March 31, 2018.

(8) 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 our single-family conventional guaranty book of business. Loans with multiple product features are included in all applicable categories.

(9) For a description of our Alt-A loan classification criteria, refer to Fannie Mae's 2017 Form 10-K. We discontinued the purchase of newly originated Alt-A loans in 2009, except for those that represent the refinancing of a loan we acquired prior to 2009, which has resulted in our 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.

(10) "Serious delinquency rate" refers to single-family conventional loans that are 90 days or more past due or in the foreclosure process in the applicable origination year, product feature, or state, divided by the number of loans in our single-family conventional guaranty book of business in that origination year, product feature, or state.

(11) 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, which we calculate using an internal valuation model that estimates periodic changes in home value. Excludes loans for which this information is not readily available.

(12) Percentage of loans in our 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 our compensation to some degree in the event of a financial loss relating to the loan. Because we include loans in reference pools for our Connecticut Avenue Securities™ and Credit Insurance Risk Transfer™ credit risk transfer transactions on a lagged basis (typically about six months to one year after we initially acquire the loans), we expect the percentage of our 2017 and 2018 single-family loan acquisitions with credit enhancement will increase in the future.

(13) The aggregate estimated mark-to-market LTV ratio is based on the unpaid principal balance of the loan as of the end of each period divided by the estimated value of the property as of the end of the period.

(14) 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 three months of 2018. Home Equity Conversion Mortgages insured by the Department of Housing and Urban Development are excluded from this calculation.

(15) 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.

(16) Consists of (a) modifications, which do not include trial modifications, loans to certain borrowers who have received bankruptcy relief that are accounted for as troubled debt restructurings, or repayment plans or forbearances that have been initiated but not completed; (b) repayment plans, reflects only those plans associated with loans that were 60 days or more delinquent; and (c) forbearances, not including forbearances associated with loans that were less than 90 days delinquent when entered.

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

(18) Credit losses consist of (a) charge-offs net of recoveries and (b) foreclosed property expense (income). Percentages exclude the impact of recoveries that have not been allocated to specific loans.

(19) 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 March 31, 2018 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 Business Endnotes

(1) Our 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 we provide on multifamily mortgage assets. It excludes non-Fannie Mae multifamily mortgage-related securities held in our retained mortgage portfolio for which we do not provide a guaranty. The information presented excludes loans for which our loan level information is incomplete, which comprised less than 1% of our multifamily guaranty book of business as of March 31, 2018.

(2) Credit loss (benefit) ratio represents the credit loss or benefit for the period divided by the average unpaid principal balance of the multifamily guaranty book of business for the period. Credit benefits are the result of recoveries on previously charged-off amounts.

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

(4) Under the Delegated Underwriting and Servicing, or 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 our pre-review.

(5) See https://www.fanniemae.com/multifamily/products for definitions. Loans with multiple product features are included in all applicable categories.

(6) 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.

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

(8) Multifamily loans are classified as seriously delinquent when payment is 60 days or more past due.

(9) Cumulative credit loss rate is the cumulative credit losses (gains) through March 31, 2018 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.

(10) Credit loss (benefit) ratio is annualized for the most recent period.

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