Fannie Mae®

Corporate Responsibility & Impact Report 2023

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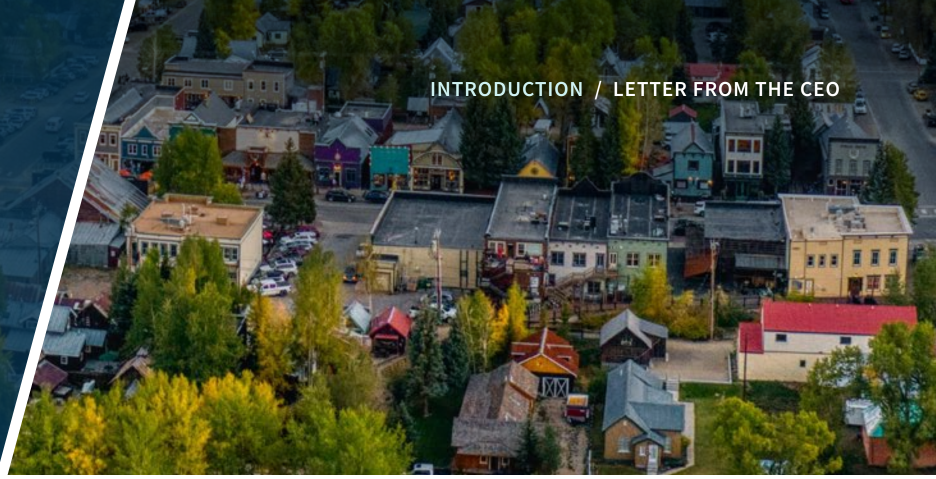


2023 CRI Report

Introduction

Letter from Our President & CEO

Everyone needs a place to call home. Stable housing fosters well-being — today and for future generations. This is why Fannie Mae exists.

Our purpose is to provide liquidity and stability to the U.S. housing market and to promote access to mortgage credit. In 2023, low- and moderate-income families faced challenging housing conditions, including ongoing high interest rates, elevated housing prices, and a continuing shortage of affordable homes for purchase or rent. Against this backdrop, Fannie Mae provided $369 billion in liquidity to the housing market, helping 1.5 million households buy, refinance, or rent a home.

Each day, we work to maintain the safe and sound functioning of the market, balancing the needs of renters, homeowners, lenders, and investors. We listen — and we act — in concert with trusted housing partners across the nation, because the needs of U.S. housing are too great to solve alone.

Our 2023 Corporate Responsibility & Impact Report highlights many of the actions we're taking to support U.S. housing while mitigating risks for us and the housing finance system.

I am proud of the innovations we have introduced to support equitable access to affordable housing. Through our efforts, we are safely reducing the obstacles that limited credit history and high up-front costs present to many renters and homebuyers.

I am also inspired by our efforts to support housing stability. This includes our multiple workout options for homeowners facing hardship and free counseling support for homeowners and renters in crisis.

And, we continue to use our role in the capital markets to connect global capital to U.S. housing, including being responsive to the desires of socially focused investors. By enhancing disclosures — like our Single-Family Mission Index™ — we help interested mortgage-backed security investors allocate their capital in support of affordable housing and underserved borrowers and markets. By offering green bonds, we help to finance energy and water efficiency improvements in homes and apartment buildings across the nation.

In all this work, we are guided by our mission and strengthened by our strong risk management focus. Beyond the credit, market, and other risks we monitor and manage in our business operations, we are continuing our work to understand and quantify our climate risk exposure and helping to mitigate climate-related impacts on our business and communities.

Importantly, we are producing strong financial results. In 2023, we reported $17.4 billion in net income and increased our net worth to nearly $78 billion. This increase bolsters our financial stability and enables us to continue being a reliable source of affordable mortgage credit for America's homeowners and renters.

As of the end of 2023, Fannie Mae owned or guaranteed approximately one-fourth of single-family and one-fifth of multifamily mortgage debt outstanding in the United States. We take our responsibility and impact seriously. While there is still much work to do, we are proud to share the progress we have made this past year to create housing opportunities for communities across the nation.

Priscilla Almodovar, President and Chief Executive Officer

At a Glance

Fannie Mae facilitates equitable and sustainable access to homeownership and quality, affordable rental housing across the United States.

In 2023, Fannie Mae acquired mortgages supporting:

805K

single-family home purchases

Over a third were to low- to moderate-income households, and nearly half were to first-time homebuyers.

179K

single-family refinancings

Over half were to low- to moderate-income households.

482K

multifamily units

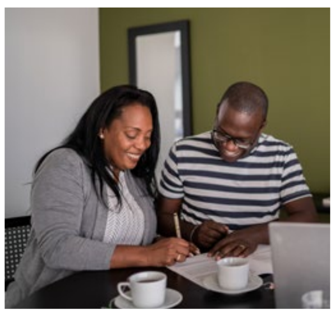
A significant majority reported rents affordable to low- to moderate-income households.

We are addressing key obstacles to equitable and sustainable access to affordable housing.

Some of the ways we address these obstacles include[1]:

Offering options to reduce closing costs, such as alternatives to title insurance and traditional appraisals

Learn more ›



Bringing visibility to on-time rent payments for renters and prospective homebuyers

Learn more ›

Providing pricing incentives to preserve and increase the supply of affordable rental housing

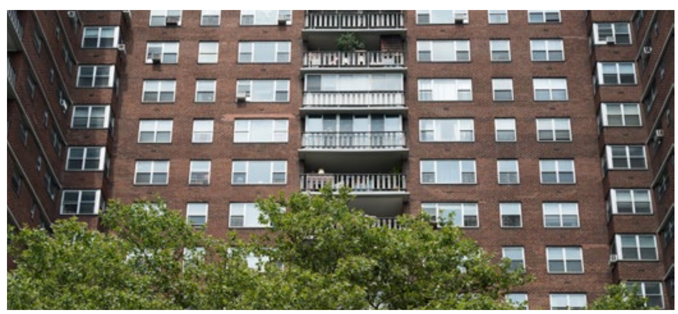
Learn more ›

Repairing our real estate owned properties and providing closing cost credits for qualified owner-occupant homebuyers

Learn more ›

Enabling lower down payments, by accepting loans with low down payments and standardizing processes around down payment assistance

Learn more ›



Offering no-cost financial education and hardship counseling

Learn more ›

Prioritizing options that keep borrowers in their homes when they face hardships

Learn more ›

Grounding our approach in research to understand market needs and dynamics

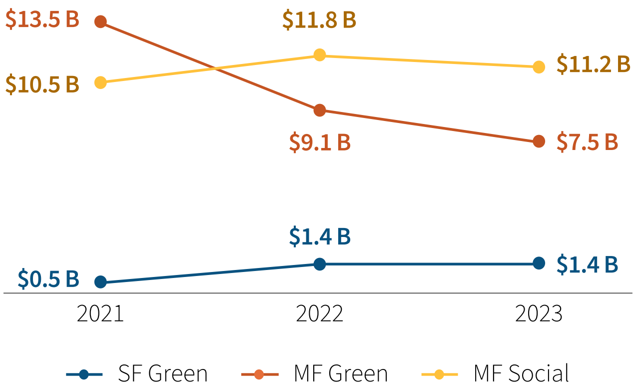
Learn more ›

1 For borrowers and renters that meet the eligibility requirements.

We connect investors to impactful mortgage financing.

We regularly issue MBS with green and social labels, including some that meet the criteria for both labels.

GREEN AND SOCIAL MBS ISSUANCE PER YEAR[2]



Learn more ›

Our **Single-Family Green Bonds** finance new single-family homes with green building certifications.

Learn more ›

Our **Multifamily Green Bonds** finance buildings with green building certifications or verified improvements to energy efficiency.

Learn more ›

Our **Single-Family Social Bonds** finance single-family mortgage pools with high concentrations of targeted populations served.[3]

Learn more ›

Our **Multifamily Social Bonds** finance properties with restricted and market-rate affordable rents and manufactured housing communities.

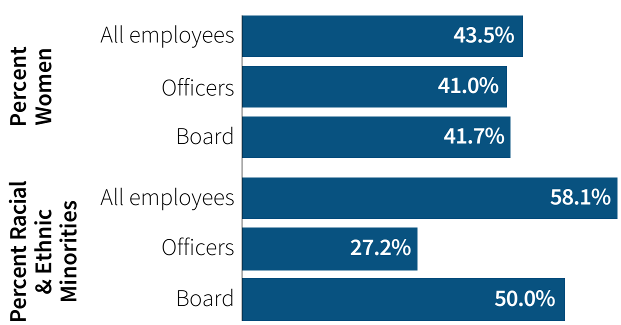
Learn more ›

Our Green MBS financed **51K more-efficient housing units** in 2023, backed by loans that were estimated[4] to achieve **699M kBtu** of projected source energy savings, **126M gallons** of projected water savings,[5] and **34K mtCO$_2$e** of projected greenhouse gas emissions prevented.

Learn more ›

Our people make our mission happen.

Our employees[6] and Board contribute a diversity of perspectives.



Our engaged workforce is a critical driver of our ability to achieve our mission.

Learn more ›

2 Social and Green designations are not mutually exclusive; an MBS may meet the criteria for both labels, in which case it is included in both the Green and Social MBS data in this chart. There were $479 million, $587 million, and $612 million in Multifamily MBS that were labeled both Green and Social in 2023, 2022, and 2021, respectively.

3 Single-Family Social Bonds were first issued in 2024.

4 Sum of single-year projected savings for each loan. Savings are likely to continue beyond one year. KBtu is one thousand British thermal units, a unit of energy measurement. MtCO$_2$e is metric tons of carbon dioxide equivalent.

5 Multifamily Green Bonds only.

6 Employee data reflect or are derived from demographic information reported in our 2023 EEO-1 report. Officers are employees with job titles that include Fellow, Vice President, Senior Vice President, Executive Vice President, President, and CEO.

7 Percentage is based on employee responses to our last survey of 2023.

About Fannie Mae

Who we are

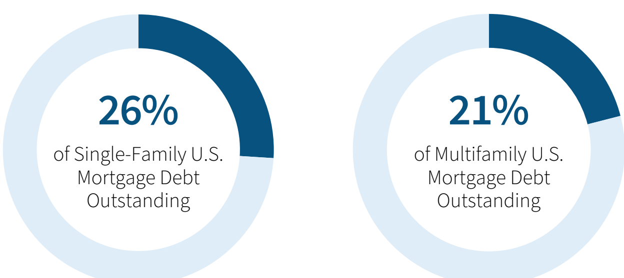
The Federal National Mortgage Association, better known as Fannie Mae, is a leading source of financing for residential mortgages in the United States.

We are a government-sponsored, stockholder-owned corporation, chartered by Congress to provide liquidity and stability to the U.S. housing market and to promote access to mortgage credit. We primarily do this by buying residential mortgage loans that are originated by lenders. We place these loans into trusts and issue guaranteed mortgage-backed securities (MBS) that global investors buy from us. We do not originate mortgage loans or lend money directly to borrowers. In short, our business supports homebuyers and renters by providing a stable source of liquidity to mortgage lenders.

We provide a guaranty on the MBS that we issue. If a borrower fails to make a payment on a mortgage loan that is included in a Fannie Mae MBS, we pay the shortfall amount to the MBS investor. In exchange for providing this guaranty, we receive a guaranty fee. Guaranty fees are the primary source of our revenues.

Since 2008, we have operated under the conservatorship of the U.S. Federal Housing Finance Agency (FHFA).[8]

AS OF DEC. 31, 2023, FANNIE MAE OWNED OR GUARANTEED[9]



Our business segments

We conduct business in the U.S. residential mortgage market and the global securities market. We have two reportable business segments: Single-Family and Multifamily.

Single-Family

Our Single-Family business acquires and securitizes mortgage loans secured by properties that have four or fewer residential units, delivered by approximately 1,200 lenders across the United States. These activities support the availability of 30-year fixed-rate mortgages, which enable predictable mortgage payments over the life of the loan.

Fannie Mae's position in the housing finance value chain means that we help set standards that apply broadly to conventional mortgage financing.[10] Those standards include lender business requirements, credit and underwriting guidelines for loans we acquire, eligibility requirements for properties underlying the loans, servicer requirements for ongoing administration of the loans, and standards for borrower assistance and loss mitigation.

Of the single-family mortgages we acquired in 2023, over a third were to low- to moderate-income households.[11] First-time homebuyers accounted for approximately 382,000 of the 805,000 home-purchase mortgages we acquired in 2023.

Multifamily

Our Multifamily business acquires and securitizes mortgage loans for properties with five or more residential units, which may be apartment communities, cooperative properties, seniors housing, dedicated student housing, military housing, or manufactured housing communities. A significant majority of the 482,000 units we financed in 2023 are affordable to low- to moderate-income households.[12]

8 For more information on our conservatorship, please see "Conservatorship and Treasury Agreements" in our 2023 Form 10-K, p. 7.

9 Based on internal estimates using data from the Federal Reserve Board of Governors' "Financial Accounts of the United States" (Z.1) release, Q4 2023.

10 Our acquisitions of single-family conventional mortgage loans are subject to maximum original principal balance limits, known as "conforming loan limits," which are adjusted each year based on FHFA's housing price index. In most of the U.S., the conforming loan limit for mortgages secured by one-family residences was set at $726,200 for 2023.

11 Proportion is based on number of loans, not unpaid principal balance. Low- to moderate-income borrowers are those with household incomes at or below 100% of Area Median Income (AMI).

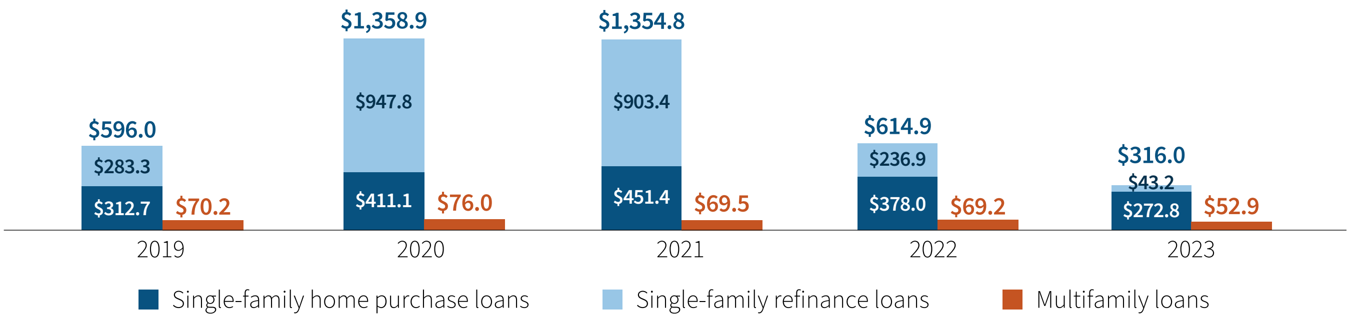
12 Based on rents reported at loan origination. Rents may change following loan origination. For additional information on multifamily affordable housing acquisitions, see Table 3. Multifamily Housing Mortgage Acquisitions by Year, by Select Characteristics in the Data Tables section of the Appendix.

Our Multifamily MBS are generally backed by one loan and one property; multiple MBS may be pooled in structured transactions. Fannie Mae Guaranteed Mortgage Structures (GeMS™) are pools of Multifamily MBS that are resecuritized in a real estate mortgage investment conduit (REMIC). GeMS offer investors geographic or property-type diversity, larger-size investments, and customized cash flows to fit investor preferences, backed by the same Fannie Mae guaranty of timely payment of principal and interest as the underlying MBS pools.

Most of our multifamily loan acquisitions come through our Delegated Underwriting and Servicing (DUS®) platform, which features a unique risk-sharing structure in which lenders typically retain approximately one-third of the risk of losses on loans they sell to Fannie Mae, aligning the interests of the lender with those of Fannie Mae. The 24 DUS lenders are pre-approved and delegated the authority to underwrite, originate, and service multifamily loans on behalf of Fannie Mae in accordance with our standards and requirements.

Our Multifamily business also provides credit enhancement for bonds issued by state and local housing finance authorities to finance multifamily housing and invests in multifamily Low-Income Housing Tax Credit (LIHTC) projects to help support and preserve the supply of affordable rental housing.

MORTGAGE LOANS ACQUIRED DURING THE YEAR BY UNPAID PRINCIPAL BALANCE AT ACQUISITION
(Dollars in billions)



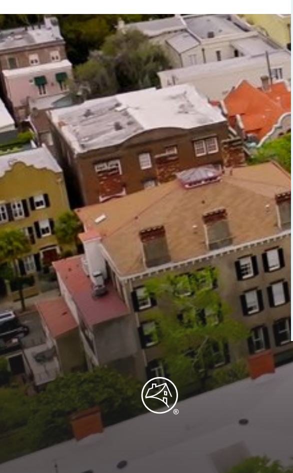
Our mission and strategy

Our mission is to facilitate equitable and sustainable access to homeownership and quality, affordable rental housing across the United States. We pursue this mission while managing risks to our company and the U.S. housing finance system.

Our corporate strategy centers on two core objectives — improving access to equitable and sustainable housing and enhancing our financial and risk positions. Our strategy integrates our environmental, social, and governance priorities, which are informed by market analysis, internal and external stakeholder engagement, and our capacity to deliver impact at scale.

Periodic assessments deepen our understanding of the evolving housing finance landscape and stakeholder concerns and expectations.

We use our pricing, loan programs, standards and policies, and technological tools to enable and incentivize lenders to originate and deliver mortgage loans to us in an efficient, responsible way that aligns with both our mission and our corporate strategy. We also leverage partnerships, our convening power within the housing finance industry, and our public research to draw attention to shared issues, amplify impactful work, and inform discussions and decision-making across the industry.

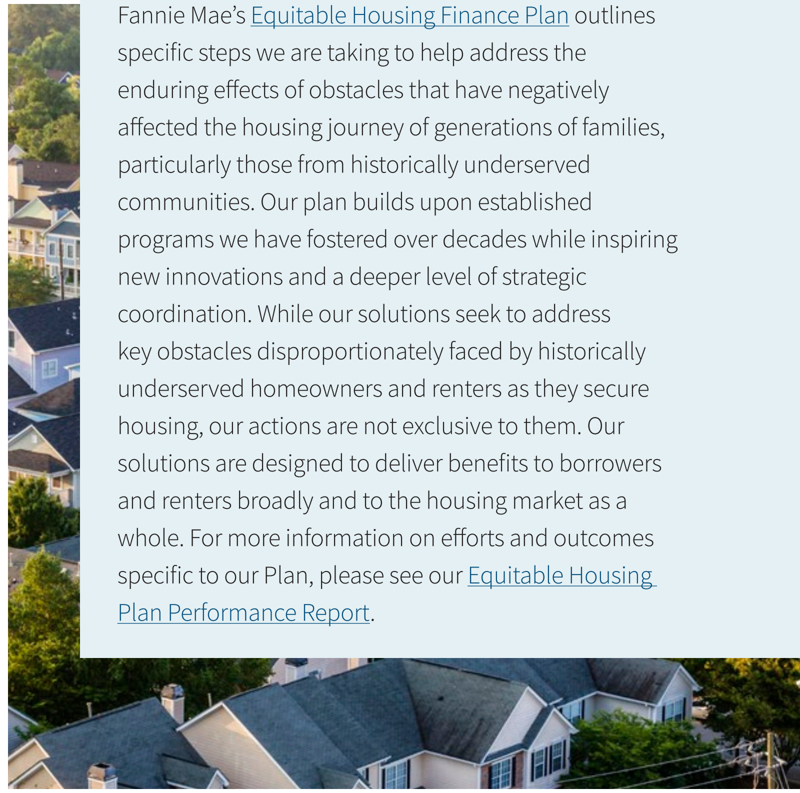


Fannie Mae's priority environmental, social, and governance topics (in alphabetical order):

- Business ethics
- Climate resilience
- Climate risk
- Community engagement
- Data privacy & cybersecurity
- Diversity & inclusion
- Enterprise risk management
- Equitable housing
- Green homes
- Housing affordability
- Housing stability
- Human capital management
- Industry collaboration
- Regulatory landscape & engagement
- Technology & innovation

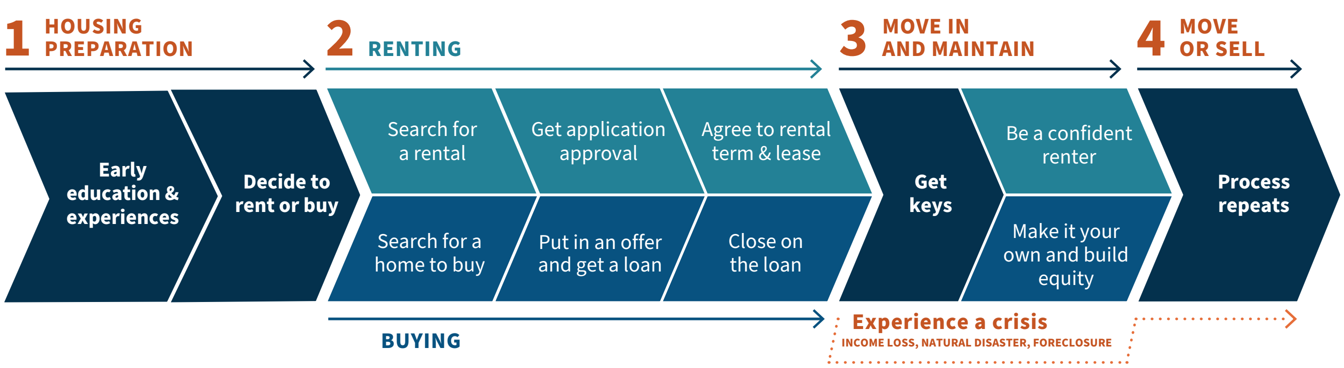
We ground our approach to act on the priorities above in a deep understanding of the obstacles to affordable and stable housing that consumers face, including those that disproportionately affect people from historically underserved groups. We invest in research into the experience of renters, homebuyers, and homeowners, capture those insights in our Consumer Housing Journey framework, and leverage that understanding to identify opportunities to help more consumers become successful renters and homeowners.

Drawing on the Housing Journey, we have identified four key obstacles to equitable and sustainable access to affordable housing that we are focused on addressing: limited credit history, burdensome up-front costs, lack of financial resilience, and lack of property resilience. These obstacles inform our corporate strategy and our Equitable Housing Finance Plan.



Fannie Mae's Equitable Housing Finance Plan outlines specific steps we are taking to help address the enduring effects of obstacles that have negatively affected the housing journey of generations of families, particularly those from historically underserved communities. Our plan builds upon established programs we have fostered over decades while inspiring new innovations and a deeper level of strategic coordination. While our solutions seek to address key obstacles disproportionately faced by historically underserved homeowners and renters as they secure housing, our actions are not exclusive to them. Our solutions are designed to deliver benefits to borrowers and renters broadly and to the housing market as a whole. For more information on efforts and outcomes specific to our Plan, please see our Equitable Housing Plan Performance Report.

THE HOUSING JOURNEY



About This Report

This annual Corporate Responsibility & Impact Report provides information on Fannie Mae's business and operations through the lens of our environmental, social, and governance priorities (described in "Our mission and strategy") and additional topics relevant to investors, independent reporting standards, and ratings organizations. This report represents a continuation and evolution of our previous annual "ESG Reports."

The information included in this report is as of and for the year ended December 31, 2023, unless otherwise noted.

Some of the information included in this report has been previously disclosed in other voluntary and mandated reporting, including in our annual reports on Form 10-K filed with the Securities and Exchange Commission (SEC), on our website, and in other documents listed in Additional Resources in the Appendix to this report. Additional details may be available in those and other complementary disclosures.

Alignment to independent reporting standards

The report includes specified information prepared in accordance with the SASB Standards (version 2023-06) for Mortgage Finance (our primary SASB industry), Commercial Banks, and Investment Banking and Brokerage as set forth in Note 1: Basis of Presentation in the SASB Index of this report.[13] In addition, we refer to the Task Force on Climate-related Financial Disclosures (TCFD) framework to inform this report's preparation. Please see the SASB and TCFD indexes in the Appendix for more information.

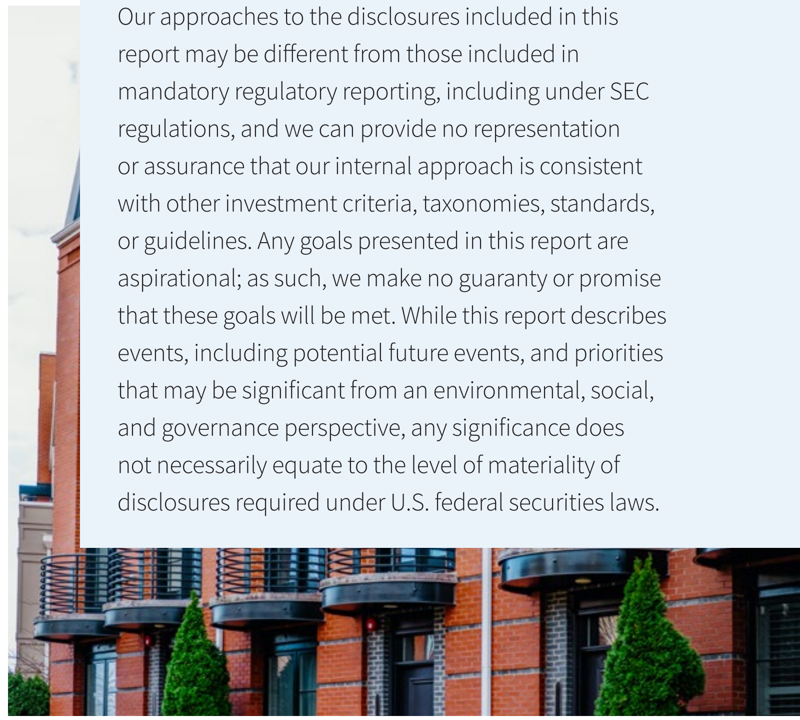
SASB Example

Portions of this report that are aligned to the SASB Standards are denoted by banners indicating the associated metric. These tags identify narrative and quantitative content responsive to SASB Standards. Within tagged text and tables, we use footnotes to identify any additional information outside the scope of the SASB metrics and not subject to Deloitte & Touche's review.

SASB Example

Limited assurance

Fannie Mae engaged Deloitte & Touche LLP (Deloitte) to perform a review engagement on management's assertion related to the specified information referenced in the SASB Index as of and for the years ended December 31, 2023, 2022, and 2021. Deloitte's report can be found on p. 66 of this Report.



Our approaches to the disclosures included in this report may be different from those included in mandatory regulatory reporting, including under SEC regulations, and we can provide no representation or assurance that our internal approach is consistent with other investment criteria, taxonomies, standards, or guidelines. Any goals presented in this report are aspirational; as such, we make no guaranty or promise that these goals will be met. While this report describes events, including potential future events, and priorities that may be significant from an environmental, social, and governance perspective, any significance does not necessarily equate to the level of materiality of disclosures required under U.S. federal securities laws.

13 We have modified certain metrics to reflect Fannie Mae's position in the secondary mortgage market. The SASB Index in the Appendix of this report explains these modifications.

SPOTLIGHT

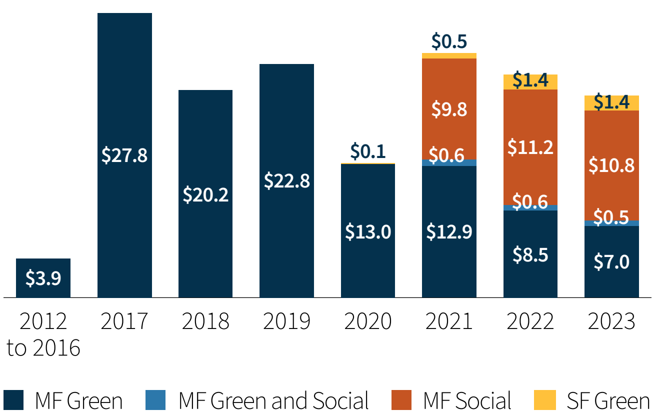
Connecting Investors to Our Mission

Fannie Mae's mission is to facilitate equitable and sustainable access to homeownership and quality, affordable rental housing across the U.S. We use our role in the capital markets to connect global capital to U.S. housing by issuing mortgage-backed securities.

Green and Social Bonds

Fannie Mae issues labeled Green and Social Bonds backed by either single-family or multifamily loans. These securities must conform with our Green and Social Bond Frameworks, which are aligned to global standards set forth in the International Capital Markets Association (ICMA) Green Bond Principles and Social Bond Principles, respectively.

ANNUAL GREEN AND SOCIAL MBS ISSUANCE[14]
(UPB at issuance, dollars in billions)



Green Bonds

Fannie Mae began issuing Green Bonds in 2012, and through 2023 we cumulatively issued $121.1 billion in Green MBS. The balance of Fannie Mae Green MBS outstanding as of December 31, 2023 was $99.3 billion.

Multifamily Green Bonds

We issue Multifamily Green Bonds through two types of securities: Multifamily Green MBS and Green GeMS™. As outlined in our Multifamily Green Bond Framework, securities eligible for our Multifamily Green MBS designation include those composed of Green Rewards Mortgage Loans or Green Building Certification Mortgage Loans. See the Green Homes chapter for more information on these loans.

As Fannie Mae Multifamily MBS, our Multifamily Green MBS are generally backed by one loan and one property and include certain prepayment protections, credit policies, and Fannie Mae's guaranty of timely principal and interest payments to the MBS trust for the benefit of investors. In 2023, Fannie Mae issued $7.5 billion in Multifamily Green MBS.

14 Social and Green designations are not mutually exclusive; an MBS may meet the criteria for both labels. In this chart, the "MF Green" category represents MBS that only met the criteria for Multifamily Green Bonds; the "MF Social" category represents MBS that only met the criteria for Multifamily Social Bonds; and the "MF Green and Social" category represents MBS that met the criteria for both Multifamily Green Bonds and Multifamily Social Bonds.

Single-Family Green Bonds

Our Single-Family Green MBS are backed by pools of mortgage loans secured exclusively by newly constructed single-family homes with green building certifications.[15] To be eligible, these homes must meet or exceed the national program requirements for ENERGY STAR® Certified Homes, Version 3.1.[16] Our Single-Family Green Bond program relies on green building certifications that have stringent requirements as to what constitutes an energy-efficient residence and requires independent validation of the certifications. In 2023, Fannie Mae issued $1.4 billion in Single-Family Green MBS.

Our Single-Family Green Bond Framework received a Light Green and Good Governance Second Opinion from S&P Global Shades of Green™.

For more information on our financing energy- and water-efficiency improvements in multifamily and single-family housing, see the Green Homes chapter and Table 11. Green Bond Issuance and Table 12. Projected Green Bond Impacts in the Data Tables section of the Appendix.

Social Bonds

Our Social Bonds allow investors to direct their capital to securities backed by mortgages to underserved borrowers and areas, potentially increasing affordable housing opportunities in the U.S.

Our Social Bonds must conform with our Social Bond Framework.[17] These securities finance assets that we believe align to the United Nations Sustainable Development Goals 10 (Reduced Inequalities) and 11 (Sustainable Cities and Communities), as well as the Socioeconomic Advancement and Empowerment and Affordable Housing project categories in the ICMA Social Bond Principles. Our Social Bond Framework received a second-party opinion from Sustainalytics stating that it is credible and impactful and aligns with the Social Bond Principles 2023.

Multifamily Social Bonds

We issued our first Multifamily Social Bonds in 2021 to better connect interested investors to our loans financing the creation and preservation of affordable multifamily housing. Securities eligible for our Multifamily Social MBS designation include those composed of loans financing affordable housing units with and without rent and/or income restrictions, manufactured housing communities, and Healthy Housing Rewards™ properties.

Our Multifamily Social MBS are generally backed by one loan and one property and benefit from the same features as our other Multifamily MBS. We also resecuritize Multifamily Social MBS into Multifamily Social GeMS.

From 2021 through 2023, we cumulatively issued $33.5 billion in Multifamily Social MBS. The balance of Fannie Mae Multifamily Social MBS outstanding as of December 31, 2023 was $32.9 billion.

In 2023, $479 million of the Multifamily MBS we issued met our criteria for both Social and Green labels. The property owners' commitment to install energy-efficient improvements with Green Rewards or secure a Green Building Certification with energy-efficiency prerequisites resulted in the creation of sustainable housing alternatives for low- and very low-income households.

See Table 4. Multifamily Social Bond Issuance in the Data Tables section of the Appendix.

Single-Family Social Bonds

Introduced in January 2024 and with labeled pools first issued in March 2024, our Single-Family Social Bonds offer investors the ability to invest in Single-Family MBS featuring high concentrations of loans that are consistent with our mission objectives, as evaluated through the Single-Family Mission Index described below. Our Single-Family Social Bonds include only single-family MBS where 100% of the loans in the MBS were made to borrowers in populations referenced in the Mission Index and the average loan in the MBS meets criteria for at least two of the three high-level attributes of income, borrower, or property in the Mission Index.

15 More information can be found on our website's Single-Family Green MBS page.

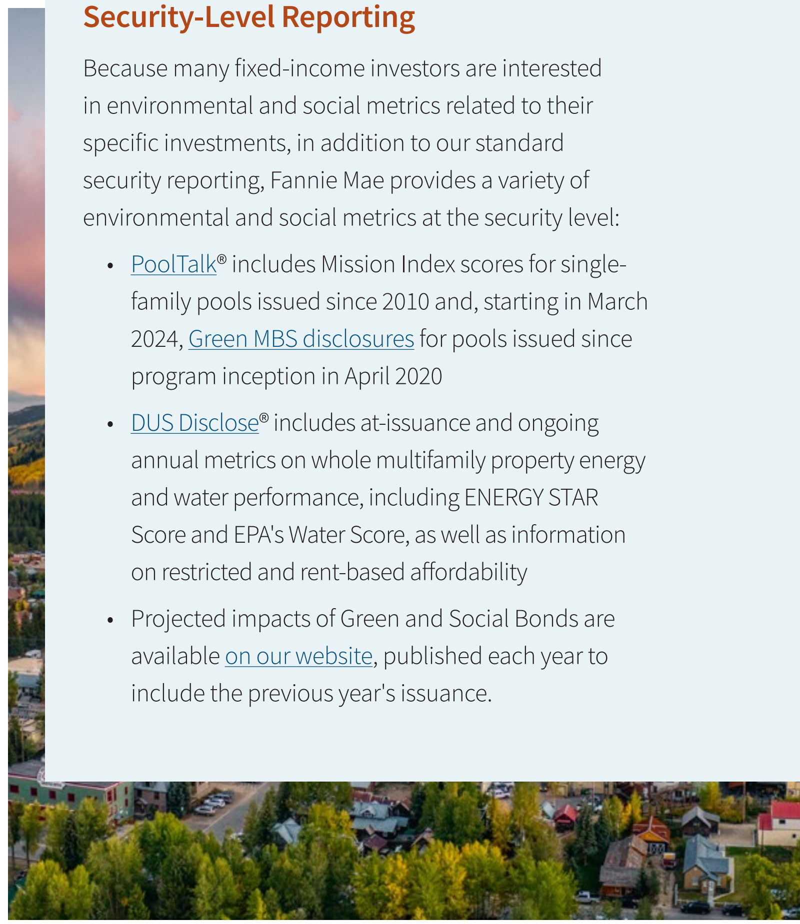
16 As of January 2023, we accept newly constructed homes (constructed in 2023 and forward) with an ENERGY STAR Version 3.1 or higher certification. However, properties certified within the previous five years are eligible for our program, which currently includes homes certified to ENERGY STAR Version 3.0. For more information on ENERGY STAR, see Energystar.gov.

17 Previously our "Sustainable Bond Framework." We updated the framework in January 2024.

Mission Index

The Single-Family Mission Index is a framework for disclosing the concentration of loans underlying an MBS that align with the company's mission objectives, while mitigating potential harm to borrower privacy and preserving the liquidity and efficiency of the single-family Uniform Mortgage-Backed Securities (UMBS®) to-be-announced (TBA) market for Fannie Mae and Freddie Mac issued securities. The Index provides an innovative and enduring solution for lenders and investors to support affordable homeownership opportunities and promote mission-based financing to reach qualified borrowers. The flexible framework allows for the underlying criteria to evolve over time and adapt to meet market dynamics. During 2023, we regularly engaged with market participants to solicit feedback on and raise awareness of the now-Mission Index. We announced updated criteria in January 2024 and began applying the updated scoring to pools issued in March 2024.[18]

The Mission Index contains 10 criteria, organized under three dimensions — income, borrower, and property. Our single-family pool disclosures provide the Mission Criteria Share™ (the percentage of the loan pool that meets at least one of the 10 criteria) and the Mission Density Score™ (the average number of dimensions each loan meets) to inform investors of alignment with the Mission Index criteria. For more information on the criteria definitions and how the scores are calculated, please visit our website.



Security-Level Reporting

Because many fixed-income investors are interested in environmental and social metrics related to their specific investments, in addition to our standard security reporting, Fannie Mae provides a variety of environmental and social metrics at the security level:

- PoolTalk® includes Mission Index scores for single-family pools issued since 2010 and, starting in March 2024, Green MBS disclosures for pools issued since program inception in April 2020
- DUS Disclose® includes at-issuance and ongoing annual metrics on whole multifamily property energy and water performance, including ENERGY STAR Score and EPA's Water Score, as well as information on restricted and rent-based affordability
- Projected impacts of Green and Social Bonds are available on our website, published each year to include the previous year's issuance.

MISSION INDEX FRAMEWORK

Dimensions	Criteria
Income	Low-income borrower
	Affordable rental
Borrower	First-time homebuyer
	Borrowers residing in underserved markets
	Special Purpose Credit Program borrower
Property	Low-income census tracts
	Minority tract
	High-needs rural areas
	Manufactured housing
	Designated disaster area

"Fannie Mae's Mission Index and single-family social bond framework have significantly increased market transparency by providing pool-level insights into the underlying loans in collateral pools. Fannie Mae's thoughtful approach gives us confidence that proceeds are being efficiently allocated to target populations, generating improved outcomes for both target populations and investors, as well as enabling us to share tangible metrics of social impact in U.S. housing with clients."

Dennis Lee
Securitized Credit Analyst Team Leader
T. Rowe Price Associates, Inc.

Ramon de Castro
Portfolio Manager, MBS and RMBS Strategies
T. Rowe Price Associates, Inc.

18 Pools issued prior to March 2024 were scored using the previous "Social Index" criteria; they will not be re-scored with the re-formulation and will retain their original scores.

Case Studies

Multifamily Social

Through Fannie Mae financing, a D.C. property increased its units with workforce-level affordability restrictions from 48 units to 350 units.

LENDER
JLL Real Estate Capital

BORROWER
A New York-based developer, owner, and operator

LOAN AMOUNT
$102 million

FINANCING
Sponsor-Initiated Affordability

A 603-unit workforce housing community in Washington, D.C., previously restricted 48 units (8% of total units) to be affordable to households earning 80% of the Area Median Income (AMI) or less. The borrower acquired the property in 2023 with financing provided through Fannie Mae's Sponsor-Initiated Affordability (SIA) — which provides incentives for the voluntary creation or preservation of affordable workforce units — as well as a subordinate loan from Amazon's Housing Equity Fund. The borrower agreed to lower the affordability threshold of the 48 units with existing restrictions to households earning 60% of AMI or less and restricted an additional 302 units (50% of total units) for households earning 80% of AMI or less. In total, 58% of the property's units now have rent and income affordability restrictions for the life of the Fannie Mae loan.

Multifamily Green

Fannie Mae's Green Building Certification loans reward properties with an eligible green building certification at mortgage loan origination.

LENDER
CBRE

BORROWER
A North Carolina-based multifamily owner and operator

LOAN AMOUNT
$54.5 million

FINANCING
Green Building Certification

A five-story, 300-unit multifamily property in North Carolina achieved the National Green Building Standard (NGBS) Multifamily for New Construction certification at the Silver level. The property was constructed using resource-efficient materials, including engineered wood, trusses, and cored brick. Recycled and regional materials were also used for several components of the building. The building has an improved thermal envelope (windows and insulation), and units include ENERGY STAR or equivalent lighting and appliances. The building also has low-flow water fixtures in all units and an efficient drip irrigation and sensor system for the outdoor landscape. The property focused on indoor air quality, specifically pollutant source control, by installing materials like hard surface flooring, California Air Resources Board (CARB) compliant coatings and sealants, and low-emission insulation.

Single-Family Green

Our financing supports an ecosystem of green investment

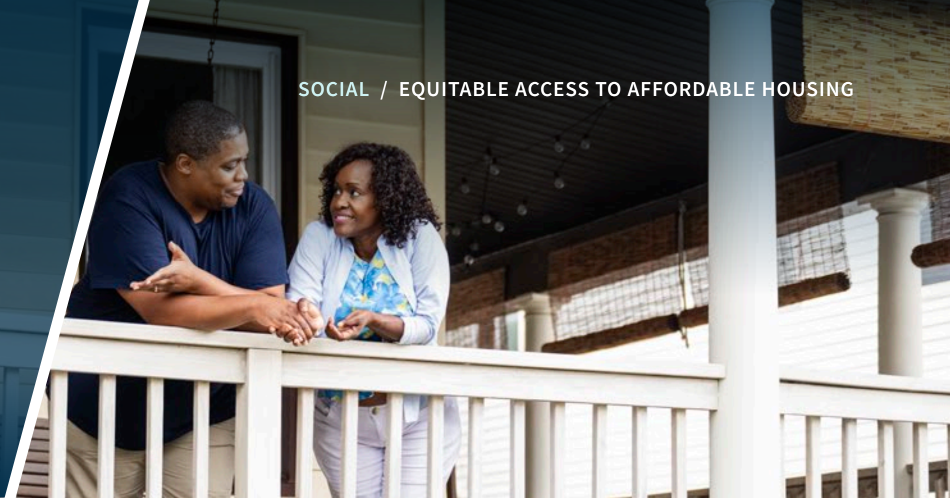
LENDER
Guaranteed Rate

Guaranteed Rate, Fannie Mae's largest Single-Family Green Bond program participant in 2023, is an innovative mortgage lender whose Energy Efficient Mortgage (EEM) program can help borrowers lower the costs of buying an energy-efficient home and reduce their residential carbon footprint. An EEM can be used to purchase or refinance a home that is ENERGY STAR certified or finance upgrades to make the home more energy efficient. Loans for newly constructed homes that are secured by the ENERGY STAR certified properties are eligible to be acquired by Fannie Mae and securitized in our Single-Family Green MBS.

Guaranteed Rate seeks to work with home builders that use eco-friendly design features and materials and strive to build the most energy-efficient, sustainable homes in their market. Jeremy Collett, Executive Director of Capital Markets for Guaranteed Rate, says, "Emphasizing green building and sustainability supports one of our core values, 'We grow for good,'" and he expects the secondary market for green MBS, as supported by Fannie Mae, to continue to grow as more investors look to meet their own green goals.

2023 CRI Report

Social



Equitable Access to Affordable Housing

Supporting and expanding equitable access to affordable housing is central to our mission. We do this by providing a reliable source of liquidity for mortgage lending and by focusing efforts to help consumers overcome the obstacles they face in accessing affordable housing. Our understanding of these obstacles and our approach to addressing them are grounded in our commitment to a more equitable housing finance system that serves borrowers and renters from all corners of the United States, including those who have historically been underserved, ignored, or excluded by our country's housing and mortgage finance systems.

Single-family housing affordability

Fannie Mae acquires single-family mortgage loans from lenders who originate those loans to borrowers. We are working to enable aspiring homeowners to overcome barriers to affordable homeownership, including burdensome up-front costs, credit invisibility, and limited supply of affordable housing.

Easing the burden of up-front costs

For first-time and low-income homebuyers, covering the up-front costs for down payment and closing can be a major barrier.[19] Fannie Mae helps serve eligible borrowers in a safe and sound manner by offering options that reduce closing costs, allowing lower down payments, and simplifying the use of down payment assistance programs.

We have made several enhancements to help reduce closing costs, including:

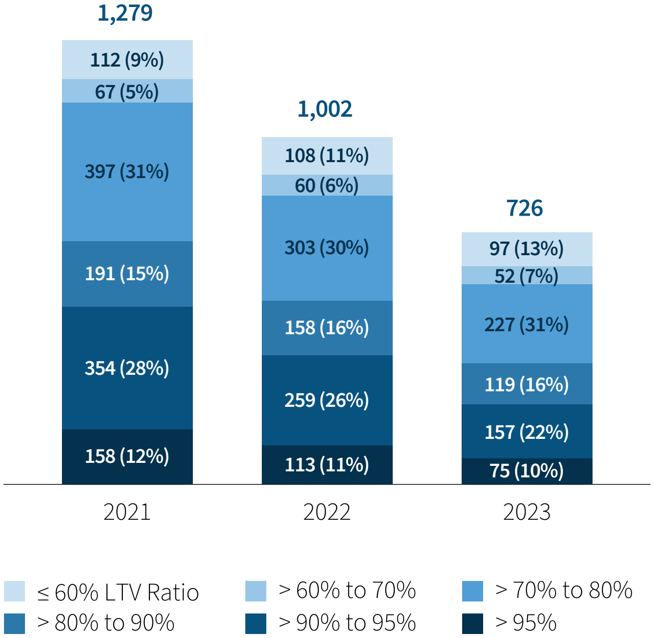
- Fannie Mae historically required a lender's title insurance policy insuring the priority of the mortgage we acquired. **Attorney opinion letters** (AOLs) — legal opinions prepared by an attorney who provides their professional determination of the status of title to a property — may offer a lower-cost alternative to lender's title insurance. We updated our ***Selling Guide*** in 2022 to permit lenders to obtain either a lender's title insurance policy or, in some circumstances, an AOL, as a potential way to reduce closing costs. In 2023, we updated our ***Selling Guide*** to expand eligibility to condos and properties with restrictive covenants (e.g., homeowners associations and planned unit developments). Fewer than 300 loans using AOLs were delivered in 2023, from a small number of lenders, and we continue to closely monitor the cost savings data. Based on our review of loans sold to Fannie Mae with AOLs since the 2022 ***Selling Guide*** change, average borrower savings on refinance loans have been in excess of $1,000.
- When certain conditions are met, Fannie Mae offers lenders the option to waive ordering a residential appraisal. In 2023, we launched **Value Acceptance + Property Data** (VA+PD) to expand the population of homebuyers who can benefit from appraisal cost savings. VA+PD modeling establishes a property's market value and requires the lender to obtain and review a Property Data Collection (PDC) to warrant property characteristics and eligibility. In 2023, we acquired 8,100 VA+PD loans from 360 lenders, saving consumers using VA+PD an estimated $375 per loan.

19 For more information on closing costs as an obstacle to homeownership, see Nuno Mota and Mark Palim, "Barriers to Entry: Closing Costs for First-Time and Low-Income Homebuyers," Fannie Mae Working Paper, 2021.

- To support opportunities for affordable homeownership, in 2022 we began offering a **closing cost credit** of 3% on sales of our single-family real estate owned (REO) properties to owner-occupant buyers with a household income at or below the Area Median Income. In 2023, more than 500 households benefited from these credits, with an average of nearly $6,200 per property.

NUMBER AND SHARE OF PRIMARY-RESIDENCE HOME-PURCHASE MORTGAGES ACQUIRED, BY LOAN-TO-VALUE RATIO AT ORIGINATION[24]

(in thousands)



Loans with as little as 3% down may be eligible for financing under Fannie Mae's guidelines, including HomeReady® loans, if they meet certain criteria. HomeReady loans are available nationwide and are designed to help our lender partners serve creditworthy low-income borrowers.[20] HomeReady loans have flexible funding for down payment and closing costs and feature reduced mortgage insurance premiums. In 2024, we announced a temporary enhancement to our HomeReady product — a $2,500 credit for creditworthy very low-income borrowers to help cover down payment and closing costs.[21] We acquired approximately 65,000 HomeReady loans in 2023.

In 2023, we increased — to 95% — the allowable loan-to-value (LTV) ratios for loans on owner-occupied **properties with two to four units**. By reducing the down payment burden, Fannie Mae helps to create and preserve affordable housing while also empowering more borrowers to own income-producing properties. Living in and managing a multi-unit property has been a traditional wealth-building strategy for many minority and immigrant households.[22] Our analysis of 2021 housing data shows that one out of six rental units is in a two- to four-unit building, and the median rent in these units is $900 per month, making them among the most affordable rental housing available.[23]

20 The income limit for HomeReady eligibility is 80% of AMI. Both first-time and repeat homebuyers are eligible. Eligibility requirements for HomeReady also apply to our related HFA PreferredTM. AMI is calculated and provided by FHFA annually. See 12 USC § 4502(15).

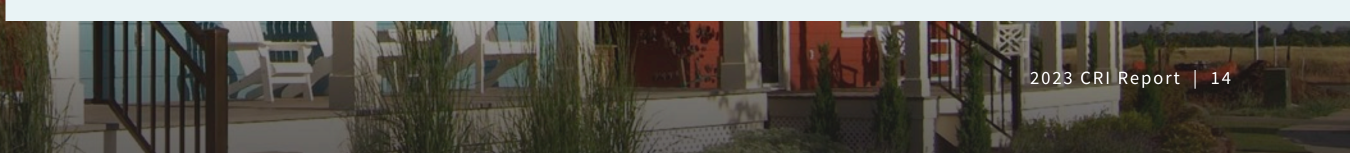
21 Very low-income borrowers are those with household income at or below 50% of AMI.

22 Mallach, Alan (2009), "Challenges of the Small Rental Property Sector." Federal Reserve Bank of Boston.

23 U.S. Census Bureau, 2021 American Housing Survey.

24 Based on single-family loans acquired during the year and consolidated on Fannie Mae's balance sheet at year-end.

We launched HomeReady® First, a special purpose credit program (SPCP) pilot, in late 2022. HomeReady First serves first-time homebuyers and promotes equitable access to homeownership by focusing our efforts on reducing or eliminating the most common and acute obstacles that prevent people from historically underserved communities from accessing affordable, sustainable housing. To address these obstacles, HomeReady First offers flexibilities such as $5,000 in down payment and closing cost assistance, a $500 appraisal reimbursement, and flexible income limits. In 2023, we expanded availability of HomeReady First both within the original six markets and to 15 additional Metropolitan Statistical Areas (MSAs) with high concentrations of Black and Latino households. HomeReady First is available to all first-time homebuyers residing in designated census tracts within the MSAs at the time of their loan application who meet our underwriting criteria, regardless of their race or ethnicity. Their loan may be used to purchase a home outside of these areas. In 2023, we provided more than $5 million to help HomeReady First borrowers fund down payment and closing costs.



Beyond our efforts to reduce closing costs and down payments, we also seek to simplify and standardize the process to use down payment assistance (DPA). For certain loans, we allow funds for part or all of the down payment and closing costs to come from a variety of sources, including gifts, grants, Community Seconds®, or sweat equity. Our Community Seconds program makes it possible for borrowers to get conventional mortgage financing while receiving home purchase assistance through certain secondary mortgage financing programs that meet Fannie Mae's requirements. In 2023, we acquired approximately 26,000 loans that had received Community Seconds assistance.

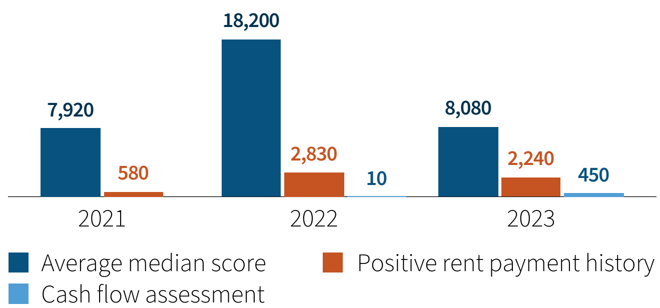
We are also working to help increase awareness of and access to DPA programs for lenders and borrowers. We have partnered with Freddie Mac to create and rollout standardized subordinate legal documents to introduce efficiencies in the DPA origination process. Additionally, in late 2022, we added a down payment assistance search tool to our website to help consumers more easily find programs for which they may qualify. In 2023, we launched a national marketing campaign to promote the down payment assistance tool. Since its launch in 2022 through year-end 2023, the search tool has had approximately 88,000 page views.

Shared equity programs preserve affordable homeownership opportunities by allowing borrowers to purchase homes at below-market prices. In exchange, borrowers agree to sell the property only to other income-qualified buyers and at a restricted sales price. In 2023, we introduced the Certified Shared Equity Program List, which eases the lender burden of reviewing legal documents for shared equity programs.

Refining how creditworthiness is assessed

The vast majority of Fannie Mae's single-family loan acquisitions are mortgages for which borrower credit score information is available. However, historically underserved consumers are underrepresented by traditional methods of credit scoring, which can reinforce racial disparities in access to credit. Fannie Mae is focused on enabling the assessment of borrower creditworthiness in an inclusive, equitable, and responsible manner.

APPLICATIONS BENEFITING FROM SELECT DU ENHANCEMENTS, BY YEAR[25]



Between 2021 and 2023, Fannie Mae introduced several enhancements into our proprietary automated underwriting system, Desktop Underwriter® (DU®) to refine how it assesses a borrower's credit:

- For mortgage applicants with credit scores, the **positive rent payment history** enhancement within DU enables the consideration of an applicant's rent payment history, even when the information is not reflected on the credit report. This innovative feature automates the assessment of bank account data (obtained with the applicant's permission) to identify 12 months of on-time monthly rent payments to enhance the assessment of prospective, first-time homebuyers. This assessment of rent payments is positive-only; missed or inconsistent rent payments are not counted against the borrower. In 2023, approximately 2,240 applications benefited from the positive rent payment history feature — these borrowers were deemed eligible for Fannie Mae financing when they otherwise might not have been.

25 We measure applications that benefited from positive rent payment history and average median score as those which were assessed to be "approve/eligible" by DU and would not have otherwise been in the absence of the enhancements. Some applications may have benefited from more than one enhancement and are counted in each category. We measure applications that benefited from cash flow assessment as "approve/eligible" applications that used cash flow assessment to satisfy nontraditional credit history requirements as outlined in B3-5.4-03, Documentation and Assessment of a Nontraditional Credit History. Applications that used DU's cash flow assessment may have been "approve/eligible" without use of this enhancement.

- When none of the mortgage applicants has a credit score, DU's **cash flow assessment** uses bank account data to assess the applicant's monthly cash flow, including transaction patterns, balance trends over time, and other observations to potentially enhance DU's credit assessment. In 2023, approximately 450 applications used this feature.
- For loans with multiple applicants, we use the **average of all borrowers' median credit scores**, instead of the historical practice of using the lowest median credit score, when assessing whether a loan with multiple applicants meets our minimum 620 credit score requirement. In 2023, approximately 8,080 applications benefited from this difference.[26]
- In 2023, we removed consideration of the **number of borrowers** on the loan as a risk factor considered by DU. Historically, having one borrower on a loan was an important predictor of higher risk. Now, DU's advanced ability to assess default risk by evaluating a wider range of factors and data, including a broader view of an applicant's credit profile, loan application information, and property value attributes, has made the number of borrowers on a loan no longer a meaningful factor in our risk evaluation. With this change to our risk assessment, the fact that these consumers are borrowing on their own will not be a detrimental factor in loans underwritten through DU.

By updating our eligibility criteria and delivering innovative underwriting solutions, we are enabling lenders to provide access to mortgage financing for more creditworthy borrowers in a safe and sound manner.

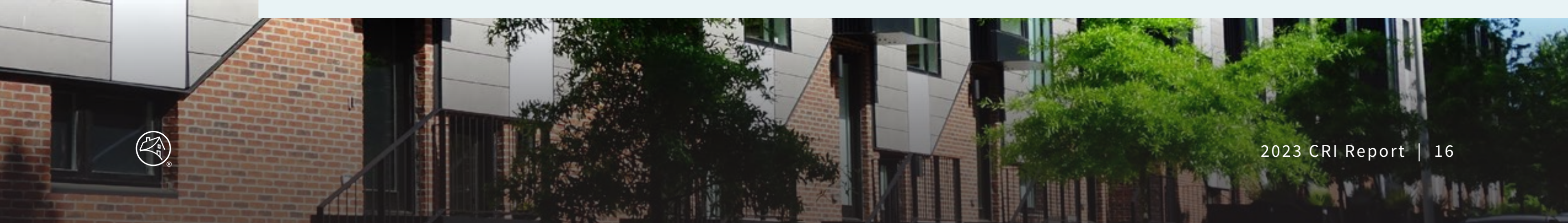
26 Applications benefiting from using average median credit score may also have benefited from positive rent payment history.

Making rent payments count

Rental payments can be one of the largest recurring monthly expenses for most households, but they are not currently widely reported to credit bureaus. We are helping more renters demonstrate their creditworthiness by making rental payments count toward their credit scores. Individuals with stronger credit scores may have an easier time qualifying for rental housing or mortgage financing, have lower security deposit requirements, and be offered lower costs for auto, small business, or education financing.

Our **Multifamily Positive Rent Payment** pilot program, launched in 2022 and extended through 2024, connects participating multifamily property owners with three fintech vendors that report rent payments to credit bureaus. Fannie Mae covers the first 12 months of vendor fees. By facilitating this connection, we aim to accelerate the adoption of rent payment reporting throughout the multifamily industry. The program is designed to impact participants' credit profiles in a positive direction only: participants may opt out of the program if they prefer, and those who miss a payment are automatically unenrolled to preserve their credit standing. According to our vendors, as of year-end 2023, rent payments were being reported for approximately 387,000 renters, of which 28,000 established credit histories since joining the program and 117,000 renters with existing credit scores saw their scores improve.[27]

27 Rent reporting is one component that can contribute to a consumer's credit score. Positive Rent Payment reporting does not guarantee an increase in credit score. Our data cannot differentiate between the impact of our program versus other factors that may drive changes to credit scores. Newly established credit histories include renters who previously had no credit score and have had rent reported to credit bureaus; there can be a delay of several months after rent is first reported before the renters' scores are established.



Putting quality housing within reach

The supply of housing influences home prices and affordability. Fannie Mae is committed to unlocking the potential of properties in need of repair and enabling financing for affordable options like manufactured housing.

The cost of renovation and repair may limit the attractiveness of otherwise affordable properties. Fannie Mae's HomeStyle® Renovation loans improve affordability and flexibility by allowing financing based on the value of the home after improvements are made, enabling homeowners to access additional up-front funds to finance improvements as part of a home purchase or refinancing. We acquired 2,300 HomeStyle Renovation loans in 2023.

To help preserve housing supply, Fannie Mae also invests directly in **improvements to our single-family real estate owned (REO) properties**, conducting repairs on a majority of the properties we acquire.[28] We invested approximately $173.9 million in the repair and rehabilitation of the REO properties we sold in 2023. Improvements, which may include installation of energy- and water-efficient products and remediation to address environmental or health issues, help make the homes more sustainable and support REO sales to owner-occupant buyers. Our **First Look™** program provides homebuyers and nonprofit organizations access to properties on HomePath®, our online platform for REO sales, without competition from investors for the first 30 days a property is listed for sale. In 2023, 77% of our retail single-family REO property sales were to owner-occupant homebuyers. See "Easing the burden of up-front costs" above for information on closing cost credits for eligible homebuyers.

We also partner with other organizations who are investing in their communities. Community First by Fannie Mae™ provides approved public entities and community-minded organizations that use REO properties to support their housing-related missions exclusive purchase access for a limited time prior to Fannie Mae pursuing repairs or listing the property for sale. Public entities and nonprofits engaged in housing-related missions can register and apply on the HomePath website. As of 2023, we had relationships with 307 Community First organizations in 48 states and Puerto Rico. Community First organizations purchased 127 single-family REO properties in 2023.

Manufactured homes (MH) also serve as a significant source of affordable housing available for low- to moderate-income borrowers. The cost to purchase or rent MH tends to be lower than for site-built homes. However, certain factors can make purchasing MH more difficult, including difficulty obtaining financing.[29] Fannie Mae markets MH loan financing as a suite of options for MH titled as real property (MH Advantage®, standard MH, and single-wide MH). In 2023, Fannie Mae provided $2.4 billion in liquidity to the single-family manufactured housing market.[30]

28 REO refers to residential properties owned by Fannie Mae as a result of servicer-completed foreclosures or deeds-in-lieu of foreclosure.

29 For more information on the manufactured housing market in the U.S., see Fannie Mae's Duty to Serve Underserved Markets Plan, 2022 – 2024.

30 This figure includes loans eligible under Fannie Mae's Duty to Serve program and those financed outside of Duty to Serve eligibility.

Combating appraisal bias

Fannie Mae believes that home value appraisals should be based solely on the characteristics of the home and not the characteristics of the occupants of the property or neighborhood.[31] Our goal is for the appraisal process and outcomes to be fair, reliable, and efficient. Our strategy includes researching the origins and impacts of appraisal inequities, using our quality control and monitoring functions detailed below to detect potential bias within our loan pipeline, developing technology solutions that reduce discretion and the risk of bias, and working with the appraisal profession directly to accelerate improvements.

Beginning in 2021, we have scanned appraisal reports we have received for a limited set of terms explicitly called out under the Unacceptable Appraisal Practices section of the ***Selling Guide***. This includes language specific to protected class, as well as subjective terminology such as "desirable neighborhood" or "pride of ownership." In 2021, we sent letters to 1,500 appraisers, alerting them to violations. Of those appraisers who received a letter in 2021, about 79% had no new findings in 2022 and 93% had no new findings in 2023. We sent letters to 400 appraisers in 2022, and 91% of those had no new findings in 2023. Overall, the occurrence rate has shown marked improvement, declining from 0.15% of appraisal reports we scanned in 2021 to 0.11% in 2022 to just 0.03% in 2023. These statistics highlight the progress appraisers have made in eliminating subjective narratives in their appraisal reports.

In 2023, we expanded our scanning to include language that may imply consideration of protected class along with additional cases of subjectivity or unsupported assumptions. We sent approximately 1,900 letters as a result. These letters educate the appraisers, encourage the adoption of new ways of thinking, and eliminate the writing of unsupported assumptions and consideration of protected class.

To learn more about our work to make the appraisal profession more accessible to a diverse pool of aspiring professionals, see the Appraisers section of the Engaging Industry and Communities chapter.

31 See Fannie Mae research publication: "Appraising the Appraisal."

Understanding affordability

We use the term "affordable" in multiple contexts in this report. In general, it describes housing costs at a level that typically should not strain the budget of a given household.

For single-family mortgages, we use the mortgage borrower's reported household income as an indicator of affordability. For renters, we consider either rental cost or rent restrictions reported at mortgage origination. To account for variations in regional costs of living and incomes, we categorize household incomes relative to AMI reported by FHFA.

Some of the multifamily properties we finance have restrictions that limit the rents that can be charged to renters and/or impose income limits on the individuals or households who reside in the units. These restrictions may be part of a federal, state, or local policy or program — or Fannie Mae pricing incentive — that encourages the production or preservation of affordable housing. In some cases, preferential financing terms or availability of financing are contingent on an owner maintaining a certain number of rental units at a certain rent or income-eligibility level.

Affordable housing is not limited to rent- or income-restricted units or properties; units that are within budget of low- or moderate-income residents even without rent or income limits or subsidy-related restrictions are sometimes referred to as "naturally occurring affordable," "unrestricted affordable," or "market-rate affordable."[32] Properties without rent or income restrictions that are affordable at the prevailing market rate are a vital component of the overall supply of affordable housing.

We measure unit affordability based on restrictions and rent rolls reported at loan origination. Rents may change subsequent to origination, and restrictions may expire.

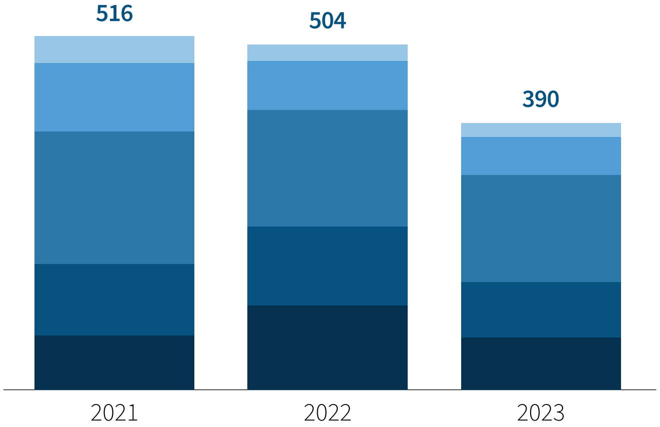
32 We evaluate affordability of reported rents according to FHFA guidance (12 CFR part 1282).

Multifamily housing affordability

Limited supply of affordable rental units is one of the primary barriers to sustainable housing for renters. To increase and preserve the availability of units for households living at or below 60% AMI, Fannie Mae provides specialized financing, investment in creation of new units, and incentives to increase the supply of units available for Housing Choice Voucher (HCV) holders.

A growing need has developed for housing affordable to renters with incomes between 80% AMI and 120% AMI. Rent growth has outpaced AMI growth over the last decade, resulting in a reduction of the supply of units that remain affordable year-over-year in this workforce housing category. Fannie Mae is addressing this segment of renters by providing pricing incentives for life-of-loan affordability with frameworks that restrict rents on a portion of units for the term of the loan.

NUMBER OF MULTIFAMILY UNITS FINANCED WITH REPORTED RENTS AFFORDABLE AT OR BELOW 120% AMI
(in thousands)



NUMBER OF MULTIFAMILY UNITS FINANCED WITH RENT OR INCOME RESTRICTIONS AT OR BELOW 120% AMI
(in thousands)

■ ≤ 50% AMI ■ > 50 to 60% AMI ■ > 60 to 80% AMI ■ > 80 to 100% AMI ■ > 100 to 120% AMI

Support for publicly subsidized housing

Housing with rent- or income-based restrictions from public entities is an essential source of affordable housing for many. Fannie Mae's financing for **Multifamily Affordable Housing** (MAH) provides affordable and flexible financing to serve this market primarily where rents are affordable long-term to households living at or below 60% AMI.[33] The long-term affordability restrictions in place at the property are typically tied to public and/or third-party financing that is deeply subsidized. Property operations with rents at these levels are not sustainable without subsidized financing. Fannie Mae offers a variety of MAH financing solutions that align with the goal of long-term affordability, including options for Preservation, Unfunded Forward Commitments, Moderate-Rehabilitation, Tax-Exempt Bond Credit Enhancements, and MBS as Tax-Exempt Bond Collateral (MTEB). Our MAH financing flexibility reflects the mission value of these loans and their comparatively strong loan performance. Our financing for MAH loans totaled $6.6 billion in 2023.

Investments in affordable housing supply

Beyond providing liquidity to the mortgage market, Fannie Mae also supports affordable housing through equity investments in Low-Income Housing Tax Credit (LIHTC) projects. LIHTC is a federal program that incentivizes the creation and preservation of affordable rental housing for low- and very low-income households by awarding tax credits that affordable housing developers can exchange for equity contributions from investors. From 2018 through 2023, Fannie Mae has committed approximately $4.0 billion in net equity to LIHTC investments, supporting the creation or preservation of affordable rental units in 49 states, Guam, Puerto Rico, the U.S. Virgin Islands, and Washington, D.C. We specifically target our investment activities toward underserved markets and underserved tenant populations. Tenants served through our investments include Native American tribal members, people who have experienced homelessness, youth aging out of foster care, LGBTQ seniors, and people who have experienced domestic violence. Properties focusing on these tenants may include supportive services such as counseling, after-school programs, and job training in addition to providing high-quality, affordable housing.

Expanding choices for voucher recipients

The Housing Choice Voucher (HCV) Program, run by the U.S. Department of Housing and Urban Development (HUD), is a key resource for providing direct affordable housing subsidies to women-led households, very low-income households, seniors, historically underserved populations, and people with disabilities. Accessing quality rental housing can be challenging for households that use HCVs. While some jurisdictions prohibit landlords from denying applicants based on the source of income, this is not universally the case.

In 2022, Fannie Mae launched the Expanded Housing Choice Initiative, a pilot program aiming to enlarge the pool of multifamily units that accept HCVs. The pilot allows multifamily property owners in two states, North Carolina and Texas, to access lower-priced financing terms as an incentive for their commitment to accept HCVs. We believe the program can be mutually beneficial for property owners, who unlock a new market of potential renters, and for low-income renters, who gain more choice in where they can use their voucher.

Incentives for sponsor-elected restrictions affordable at workforce housing levels

Affordable workforce housing supply has been constrained by several factors, including traditional workforce housing being taken offline and upgraded to fill a gap in supply at higher income levels, virtually no new workforce supply being built due to high costs and a difficult construction financing environment, and a lack of public subsidies for owners to compete to fill the financing gap that may result from maintaining affordable rents.

Fannie Mae's Sponsor-Initiated Affordability (SIA) and Sponsor-Dedicated Workforce (SDW) pricing incentives provide better pricing and underwriting flexibility to incentivize the creation or preservation of affordable units. Borrowers who elect to restrict at least 20% of units for the life of the loan are incentivized with lower-cost financing and flexible terms.

In 2021, Fannie Mae introduced SIA to address the need for sustainable affordability where government subsidy, assistance, or financing programs are not available to the property or are expiring. SIA was designed to restrict rents and incomes for a minimum of 20% of units at or below 80% AMI. SIA provides a regulatory agreement and compliance framework to create new, or more effective, restrictions to preserve or create affordable units. Property owners with a social mission or in-place expiring

33 MAH includes properties with a minimum level of rent and income restricted units, properties receiving federal and state subsidies, properties with rent and/or income restrictions that meet a special public purpose, and properties eligible for SIA (described below).

government restrictions often have experience with rent and income compliance and have therefore proven themselves to be comfortable utilizing SIA creatively. In 2023, SIA created or preserved restrictions on the rents and incomes of 2,110 rental units.

We designed SDW to reach borrowers who may have never considered preserving or creating affordability. SDW requires that borrowers elect rent restrictions on a minimum of 20% of units affordable at or below 80% AMI in standard markets or up to 120% AMI in cost-burdened markets identified by FHFA. Fannie Mae is using our pricing and underwriting levers to create affordability restrictions without the need for scarce public resources.[34] In 2023, SDW created or preserved restrictions on the rents of 2,357 rental units.

34 SDW allows restrictions up to 120% AMI in very cost-burdened areas.

Fair lending and fair housing

SASB FN-MF-270b.3

Fannie Mae is committed to complying with both the letter and spirit of applicable laws and regulations related to fair housing and lending ("Fair Lending Laws"). The Fair Lending Laws include the Equal Credit Opportunity Act, the Fair Housing Act, and the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended, and their implementing regulations, as well as similar state and local laws. These laws prohibit discrimination in housing and lending on the basis of certain characteristics.[35]

Fannie Mae operates in the secondary mortgage market and does not originate mortgage loans or lend money directly to borrowers. However, we require our lender partners, who lend money directly to single-family or multifamily borrowers, to comply with:

- Our *Selling Guides*, which prescribe the requirements lenders must follow in order to sell loans to us.
- All federal, state, and local laws and regulations that apply to their origination practices, including the Fair Housing Act and the anti-discrimination provisions of the Equal Credit Opportunity Act.
- All other related state and federal regulations.

When delivering loans to Fannie Mae, lenders provide representations and warranties that assert their compliance with our *Selling Guide* and all applicable laws, including anti-discrimination laws and regulations. Thereafter, lenders must attest to us on an annual basis that they have policies and procedures in place, including regular training for employees and contractors, to facilitate and monitor compliance with these laws. Those who service loans for Fannie Mae are also required to abide by applicable laws and regulations dealing with loan servicing, as well as the provisions of our *Servicing Guides*.

In addition to the lender and servicer requirements related to compliance with Fair Lending Laws, Fannie Mae has developed a Fair Lending Program designed to prevent, identify, measure, mitigate, and manage enterprise-wide fair lending risks. The program promotes fair and responsible housing practices on an enterprise-wide level covering both Fannie Mae's Single-Family and Multifamily businesses, including underwriting standards, business practices, pricing policies, fee structures, and procedures. The Fair Lending Program is administered by Fannie Mae's Fair Lending Group under the direction of the Fair Lending Officer. The Fair Lending Group reviews new and ongoing policies and initiatives, such as policies that impact the eligibility of loans sold to Fannie Mae, mortgage servicing policies, appraisal guidelines, and marketing materials, not only for compliance with the Fair Lending Laws, but also with a view toward increasing equity in the home lending and rental markets. The group also conducts enterprise monitoring of fair lending risk as well as periodic testing and targeted reviews to evaluate fair lending compliance. The Fair Lending Group develops and delivers fair lending training to employees, taking into consideration their job responsibilities and Fannie Mae's fair lending risks. Fair lending is also covered as part of our enterprise-wide training provided to all employees.

SASB FN-MF-270b.3

35 Characteristics include, but are not limited to, race, color, national origin, sex, religion, marital status, age (provided the applicant has the capacity to contract), receipt of public assistance, familial status (children under the age of 18 living with parents or legal custodians, pregnant women, people securing custody of children under the age of 18), disability, sexual orientation/gender identity, or military status.

Housing Stability

Our work does not end when homeowners and renters get the keys to their home. Our efforts — both before and after loan closing — provide support to homeowners and renters to stay in their homes, building resilience to withstand crises.

Promoting sustainable homeownership

Our funding helps preserve the 30-year, fixed-rate mortgage, an industry standard for many homebuyers in the U.S. This popular mortgage loan offers stable, predictable mortgage payments over the life of the loan.

In addition, we create underwriting, eligibility, and risk management standards to help protect borrowers and maintain our safety and soundness, and we invest in homeownership education so that homebuyers are prepared for challenges that may arise.

Responsible underwriting

We believe that Fannie Mae's rigorous underwriting standards help ensure that borrowers are prepared to meet the obligations of homeownership. Fannie Mae's Single-Family ***Selling*** and ***Servicing Guides*** set out the current eligibility and ongoing administration requirements for loans we can acquire. We built and support a proprietary automated underwriting system, DU, that lenders can use to determine whether a specific loan is eligible for sale to Fannie Mae. DU performs a comprehensive evaluation of the primary and contributory risk factors of a mortgage. The substantial majority of single-family loans we acquire are assessed by DU.

Our work to support housing stability takes into account the needs for both financial resilience — the ability of borrowers and renters to withstand financial shocks — and property resilience — the ability of homeowners and communities to maintain, repair, and prepare properties to avoid and better recover from shocks. In addition to our support for financial resilience covered in this chapter, our efforts to support property resilience, such as by promoting improvements in housing stock and partnering with communities on disaster preparedness, are covered in our Equitable Access to Affordable Housing and Climate Risk and Resilience chapters.

Homeownership education

SASB FN-CB-240a.4

Fannie Mae aims to offer educational and counseling resources to support consumers throughout their renting or homeownership journey.

Our HomeView® education platform offers consumers a free online homeownership education course that aligns with National Industry Standards for Homeownership Education and Counseling.[36] We designed the course to address misperceptions or a lack of knowledge about homebuying and the mortgage qualification process that discourages some renters from pursuing homeownership. HomeView has also been available in Spanish translation since launch in 2022. In 2023, we introduced "Strategies for Healthy Credit," a comprehensive course created for and written by Spanish speakers, with content tailored to help Latino consumers effectively build and manage their credit — a critical component to access the traditional homebuying process. The course is designed to be used individually or working with trusted advisors. In total, 226,000 people completed the HomeView course (in any language) in 2023. In 2023, 4% of users accessed HomeView primarily in Spanish, up from 2% in 2022.[37]

36 For more information on National Industry Standards for Homeownership Education and Counseling, see www.homeownershipstandards.org/Home/Home.aspx.

37 The number of HomeView completions and percentage of users accessing HomeView in Spanish were not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.

To ensure households taking steps toward purchasing a home are equipped with the right information when it is most relevant, Fannie Mae requires certain borrowers to complete homeownership education, such as HomeView, prior to loan closing.[38]

For more information, see Table 7. Education & Counseling in the Data Tables section of the Appendix.

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Helping borrowers and renters in hardship

When borrowers and renters experience hardships, we provide resources and options to prevent displacement and insecurity.

Post-purchase counseling

For borrowers and renters who experience a financial hardship or find their lives upended by a natural disaster, Fannie Mae partners with housing counseling agencies to offer services to help them understand their options and pursue a path that reduces disruption to their housing and finances. In 2023, Fannie Mae supported over 9,400 housing counseling sessions for borrowers and renters.

Our **Here2Help** network, accessible at 1-855-HERE2HELP, provides support for any borrower or renter experiencing hardship, financial distress, or the effects of a natural disaster, whether or not their loan or property is backed by Fannie Mae.[39] Homeowners whose loans are owned by Fannie Mae and who are experiencing financial distress may access free foreclosure prevention assistance, whereby borrowers work directly with a HUD-approved counselor who reviews their situation and explains their options in one-on-one sessions.

For renters and homeowners confronting a disaster, a dedicated counselor can help them complete a needs assessment, create a personalized recovery plan, and request financial relief from the Federal Emergency Management Agency (FEMA), the Small Business Administration, insurance providers, and other sources. Counselors continue to check in with clients for up to 18 months. Anyone experiencing the impacts of a disaster can receive support; Fannie Mae facilitates services for renters and borrowers whether or not we own their mortgages.

We also offer **post-modification counseling**, whereby single-family borrowers receiving a Fannie Mae loan modification are referred to counseling. The housing counseling agency offers comprehensive financial coaching to aid them in sustaining the loan modification. In 2023, servicers participating in this program referred more than 12,000 borrowers to counseling. Borrowers who opted in to counseling participated in nearly 3,000 comprehensive sessions and more than 24,000 financial check-ins. For more information on loan workout options, including loan modifications, see below.

38 For certain Fannie Mae loans, at least one borrower on a loan must complete homeownership education prior to loan closing: if all borrowers on the loan are relying solely on nontraditional credit to qualify, regardless of loan type or first-time homebuyer status; with HomeReady and HFA Preferred purchase transactions when all occupying borrowers are first-time homebuyers; or for purchase transactions with LTV, combined LTV, or home equity combined LTV ratios greater than 95% when all borrowers are first-time homebuyers. Qualified providers must be independent of the lender, with homeownership education content that is aligned with National Industry Standards for Homeownership Education and Counseling or offered by a housing counseling agency approved by HUD. HomeView can be used to satisfy these homeownership education requirements.

39 Here2Help consolidates the services of what were formerly known as the Mortgage Help Network and the Disaster Response Network™.

Support for renters in REO properties

When we acquire single-family REO properties that are occupied by renters, we seek to maximize opportunities for the renters to transition gracefully to new housing, sustainable rental agreements, or homeownership to minimize and avoid eviction where possible. We offer occupants of our REO properties three options: receive monetary relocation assistance to vacate the property, purchase the property, or sign a new Fannie Mae lease. When leasing properties to renters, we strive to offer terms that are affordable. If the renter is interested in purchasing the property, we make available credit counseling and provide an exclusive opportunity to purchase the property. Our REO closing cost credits (discussed in Equitable Access to Affordable Housing) would be available if the tenant meets the relevant qualifications, including household income, and purchases the property.

Single-family loss mitigation and loan workouts

Fannie Mae's single-family loss mitigation strategy sets standards for timely resolution when borrowers experience financial distress. Servicers are responsible for following our delinquency management and loss mitigation protocols throughout the loan life cycle, in accordance with our *Servicing Guide* requirements and applicable law. Our standards are designed to help promote housing stability and create consistent and equitable standards for servicers to follow.

We maintain and enforce specific standards and requirements that servicers must follow regarding outreach timelines when a mortgage becomes delinquent. Our policies require the servicer to intervene early to address mortgage loan delinquency and provide alternatives to foreclosure. First, the servicer is required to attempt to establish contact with the borrower to discuss workout options that may be available to bring the mortgage loan current and allow the borrower to avoid foreclosure.

The servicer is required to determine whether a borrower qualifies for a home retention workout option before considering liquidation alternatives (unless the borrower requests otherwise). If the borrower needs time to resolve their hardship, they may be eligible for a forbearance plan, which allows them to make a reduced mortgage payment or no mortgage payment during the forbearance plan term. Once the borrower's hardship is resolved, if the servicer has determined that the borrower does not have the ability to bring the mortgage loan current through a reinstatement (that is, bring the loan current with a single catch-up payment), then the servicer must evaluate the borrower for a workout option in accordance with Fannie Mae's *Servicing Guide*'s workout option evaluation hierarchy.

A borrower may be eligible for a repayment plan if their hardship has been resolved but they are unable to bring the mortgage loan current through a reinstatement. A repayment plan is an agreement that provides the borrower an opportunity to repay past due amounts on the mortgage loan by making additional monthly payments along with the regular monthly mortgage payments.

Alternatively, if the borrower does not have the ability to afford a repayment plan, and if certain eligibility parameters are met, a payment deferral allows a borrower who can afford to resume their monthly mortgage payment to bring the mortgage loan current by deferring two to six months of past-due payments into a non-interest-bearing balance due at loan maturity or payoff, whichever is earlier. In 2023, based on lessons learned from our response to COVID-19, we revised our payment deferral policy to expand eligibility to borrowers experiencing hardships other than natural disasters.

Borrowers in need of payment relief may be eligible for a Fannie Mae Flex Modification, which is an agreement to permanently change terms of the loan to create a more affordable payment. These changes could include an extended loan maturity date, a reduced interest rate, or principal forbearance.

Upon the borrower's request or when the borrower is not eligible for a retention workout option, the servicer must evaluate the borrower for a liquidation workout option. These liquidation workout options include a Fannie Mae Short Sale (pre-foreclosure sale) or a Fannie Mae Mortgage Release™ (Deed-in-Lieu of Foreclosure), each of which allows the borrower to leave the home while avoiding foreclosure. We offer relocation assistance for eligible borrowers taking these options. In 2023, we increased the available relocation assistance to $7,500.

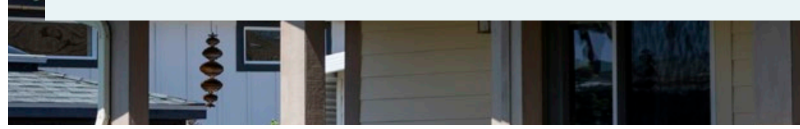
To promote consistency across servicers and improved outcomes for borrowers, Fannie Mae offers Servicing Management Default Underwriter™ (SMDU™), an application that incorporates the requirements within Fannie Mae's workout option hierarchy and automates loss mitigation workout option evaluations.

See Table 6. Single-Family Loan Modifications, Foreclosure Alternatives, and Foreclosures in the Data Tables section of the Appendix.

Protecting manufactured housing community tenants

Residents in MH communities often own their homes but rent the land (known as the pad or site) on which their homes sit. For properties with Fannie Mae multifamily financing, Tenant Site Lease Protections (TSLPs) contribute to more stable housing, whether MH community residents own or rent their dwelling. TSLPs address site lease terms, minimum grace periods for rent payments, unit sale and associated site lease assignment rights, advance notice of rent increases, and advance notice of a planned sale or closure of the MH community. For MH community loans committed in and after 2022, we require that TSLPs be implemented on 100% of site leases[40] — both owner-occupied and renter-occupied.

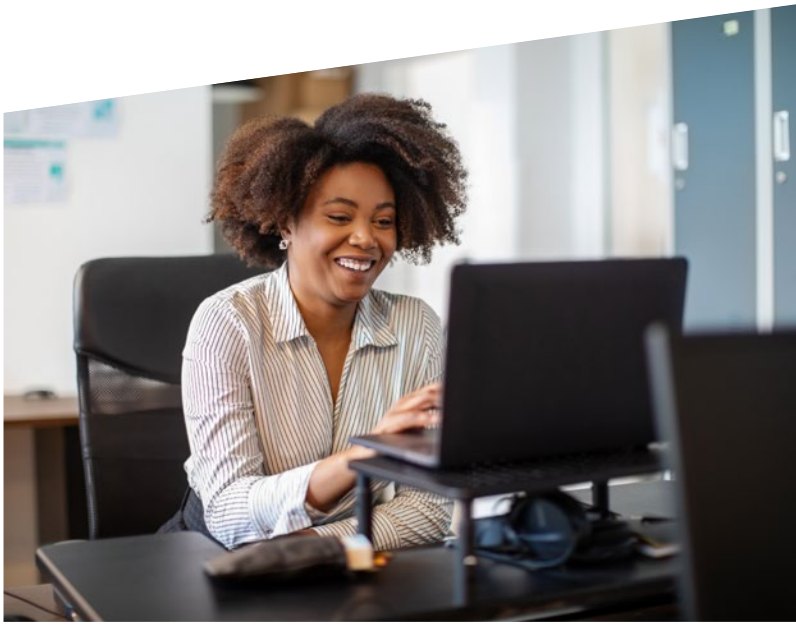
40 Within 12 months of the mortgage loan origination date



Engaging Industry and Communities

Fannie Mae operates at a crucial position within the broader housing finance system. We value our connections to stakeholders across the industry and seek partnerships that align with our mission and can further our priorities to create positive change in the housing finance industry and in the communities we serve. We engage stakeholders via multiple channels and venues to learn from them, share relevant information, and advance shared interests.

For additional examples of our industry collaboration, please see our 2023 Annual Housing Activities Report.



Evolving and diversifying the industry

We seek to leverage Fannie Mae's position as an industry leader to drive positive change throughout the housing finance industry. Our engagement supports industry best practices in ethics, sustainability, inclusion, and equity — including fostering diversity within the housing industry broadly.

Lenders

Fannie Mae acquires loans from approximately 1,200 single-family primary market lenders. We created the Lender Diversity Council to support diversity and inclusion within the single-family lender network, consistent with the principles of equal opportunity in contracting. Our hope is that our engagement with these lenders better equips them to scale their businesses and expand access to financing within their communities. In 2023, Fannie Mae acquired $14.3 billion in single-family mortgage volume from minority- and/or women-owned firms, or approximately 5% of single-family mortgage acquisitions during the year.

We also maintain a robust network of multifamily lender partners. This includes DUS lenders who underwrite, close, and deliver loans on our behalf, and other specialty multifamily lenders. In 2023, we remained actively involved with the DUS Diversity, Equity and Inclusion Subcommittee formed in conjunction with multifamily lenders. We continue to encourage our DUS partners to support business from diverse sponsors and provide greater access to credit for underserved borrowers. While the value proposition remains, current market conditions have presented a challenging environment for new partnerships among existing DUS lenders and diverse correspondents.

Capital markets

Fannie Mae's ACCESS® program provides eligible broker-dealer members with opportunities to participate in Fannie Mae debt issuance, single-family and multifamily MBS trading, and credit risk transfer activities. As of year-end 2023, the ACCESS program included 21 firms classified as women-, minority-, or service-disabled veteran-owned, or a combination of those classifications. In 2023, ACCESS firms participated in each Fannie Mae new deal syndicate including our Single-family CAS, Multifamily CAS, and GeMS issuances.[41] Additionally, ACCESS dealers participated in our CAS Tender Offerings and secondary MBS trading transactions.

41 "Connecticut Avenue Securities®" or "CAS" refers to a type of security that allows Fannie Mae to transfer a portion of the credit risk from loan reference pools, consisting of certain mortgage loans in our guaranty book of business, to third-party investors. "Fannie Mae Guaranteed Multifamily Structures" or "Fannie Mae GeMS™" are structured MBS backed by Multifamily Fannie Mae MBS.

Appraisers

We created the Appraiser Diversity Initiative® (ADI) in 2018 to attract new entrants to the real estate appraisal field. We partnered with the National Urban League, the Appraisal Institute, and Freddie Mac on this initiative to foster diversity through outreach, scholarships, and mentoring. In 2023, Fannie Mae engaged with approximately 900 aspiring appraisers through 11 workshops and higher education outreach events, typically co-hosted by ADI industry sponsors. ADI awarded 231 scholarships[42] and ended the year with 34 industry sponsors. This initiative complements our work to address and mitigate appraisal bias. (See "Combating Appraisal Bias" in Equitable Access to Affordable Housing.)

Housing finance

In 2018, we created Future Housing Leaders® (FHL), a free, Fannie Mae-led service that helps companies encourage wider representation within the housing industry workforce. Through casting a wide recruiting net, building relationships with colleges and universities with diverse student bodies, and offering learning and development opportunities, FHL builds awareness of and interest in careers in the housing and real estate finance industry. Fannie Mae and 64 participating employers enrolled 770 Future Housing Leaders in 2023.

Business partners and suppliers

We are committed to the principles of equal opportunity in contracting and the inclusion of diverse suppliers, vendors, and business partners in Fannie Mae's procurement of goods and services, as outlined in our Equal Opportunity in Employment and Contracting statement. In 2023, we continued various outreach activities to inform diverse suppliers of our contracting process and to solicit or advertise for proposals or bids to enter into business with Fannie Mae. For a discussion of our expectations of our business partners set forth in our Business Partner Code of Conduct, see "Business Partner Code of Conduct" in the Business Ethics chapter.

Building connections and advancing shared understanding

Fannie Mae benefits from engagement with our stakeholders, just as borrowers, renters, and industry participants can benefit from the collaboration and innovation that such engagement can generate. These connections help inform our actions and amplify our impact.

Incubating solutions for community impact

Our position as an industry leader enables us to bring together innovative, community-based organizations to identify ways to knock down the barriers to affordable and stable housing that many renters and homebuyers experience. Through our Community Impact work, Fannie Mae seeks to incubate innovative ideas, develop processes to utilize them, and amplify the lessons learned.

Our **Sustainable Communities Initiative** forges partnerships in housing and adjacent sectors, such as employment, education, and health, to explore innovative ways to support affordable housing for households with low to moderate incomes. Through this initiative, we contract with partners to undertake work that tests strategies, establishes best practices, and provides opportunities for scaling programs that promote equitable and sustainable housing. One way we have done this is through our Innovation Challenge. First in 2018 and most recently in 2022, we used a nationwide competition to identify projects pursuing innovative solutions to housing-related challenges. In addition to funding, awardees receive expert mentorship and technical assistance to increase capacity to scale their projects and participate in virtual learning sessions to support implementation and ongoing project management. Our Innovation Challenge 2022 winners are creating affordable housing, preparing families for stable rentership and homeownership, improving personal financial profiles, reclaiming dilapidated or vacant homes, and using innovative methods to create new housing supply in historically underserved communities. The Innovation Challenge 2022 projects continued during 2023 and are integrated into our Equitable Housing Finance Plan. We also maintain a searchable database of project proposals received as part of the Innovation Challenge to promote learning, sharing, and advancement of the Initiative's goals.

42 Scholarships are administered and partially funded by the Appraisal Institute with additional funding from industry donors. Fannie Mae does not provide funding for ADI scholarships.

Creative thinking and deep engagement are often required after communities experience a disaster. Through our **Disaster Recovery & Resilience** efforts, our Community Impact team seeks to understand the challenges communities face as they recover and explore solutions that can have lasting benefits. As an example, after Hurricane Michael in 2018, our team helped a nonprofit and lender pilot the use of an existing provision of HomeReady that allows nonprofit housing providers to credit homebuyer and volunteer labor as "sweat equity" toward a home purchase. Through this two-year engagement, we developed a methodology that other nonprofits and lenders can use to leverage sweat equity for a conventional mortgage. Similarly, after the 2018 Camp Fire, our team worked with a local nonprofit and lender to pilot a process to finance nonprofit purchases of single-family REO properties for use as affordable rentals. Throughout our disaster response efforts, we seek to leverage partnerships to help us identify solutions that meet the immediate and unique needs of the affected communities, and we then work to integrate and share our lessons learned more broadly.

Public research

Fannie Mae conducts, commissions, and shares a range of research and insights to support a deeper understanding of the mortgage and housing markets and inform decision-making for lenders, servicers, investors, homebuyers, and renters. Our Economic & Strategic Research (ESR) Group studies current data, analyzes historical and emerging trends, and conducts surveys of consumer and mortgage lender groups to provide insights and forecasts on the economy, housing, and mortgage markets. In addition to research, Fannie Mae regularly shares perspectives on changes to our policies and programs. Our research and perspectives are publicly available on fanniemae.com.

Some of our recent research, perspectives, and commissioned work include:

- A Methodological Approach to Estimate Residential Heirs' Property in the United States
- Challenges Remain in Raising Consumer Awareness of Flood Risk
- Responsibly Increasing Affordable Housing Supply & Access to Credit
- How We Manage Appraisal Quality
- 'Lock-in Effect' Not the Only Reason for Housing Supply Woes
- Low-Balance Lending Economics: The Role of the Spec Pay-up
- Workplace Flexibility May Help Address Affordability Concerns
- Financial Benefits Motivated Homebuying During the Pandemic, More So Than Space or Location Preferences

The first step to addressing obstacles is understanding them. Families that pass properties between generations without clear title face unique challenges as homeowners. Fannie Mae commissioned and published research that, for the first time, provides an estimate of the prevalence and impact of heirs' title issues on a national scale, helping to inform efforts to address challenges for these homeowners.

Connecting across the housing ecosystem

Fannie Mae maintains multiple channels and forums for sharing insights and solving common challenges across the housing industry. These include:

- The **Affordable Housing Advisory Council** (AHAC): Established in Fannie Mae's Charter Act, the AHAC brings together leaders from different segments of the housing industry with Fannie Mae's senior management to collaborate and share ideas on how best to support the creation and sustainability of affordable housing. Council members represent a variety of perspectives, including for-profit and nonprofit organizations, single-family and multifamily lenders, public and private entities, academia, and housing policy organizations. Members serve a two-year term and meet twice per year for a day-long meeting at our headquarters in Washington, D.C. The topics discussed in 2023 included innovations in housing, breaking down barriers to housing inequities, climate challenges, and managing the costs of purchasing a home.
- **Green Rental Housing Task Force**: Our Multifamily Green program has convened this group since 2010, meeting at least once per year to discuss market transformation goals and the strategy of our Green Financing Business. The Task Force's invited members represent key stakeholders in the multifamily and sustainability industries, including U.S. federal agencies, energy-efficiency experts, utilities, nonprofit entities engaged in energy efficiency policy, multifamily lenders, and property owners.
- The **Affordable Housing Collaborative Initiative** (AHCI): In collaboration with the National Council of State Housing Agencies, we launched the AHCI in 2022 to bring together industry experts to formulate potential solutions to confront the ongoing housing supply shortage. In 2023, the AHCI group identified and developed four potential action items to pursue in 2024 across the areas of accessory dwelling units, manufactured housing, builder production, and preservation/energy efficiency that align with existing plans and areas of interest for Fannie Mae's mission.

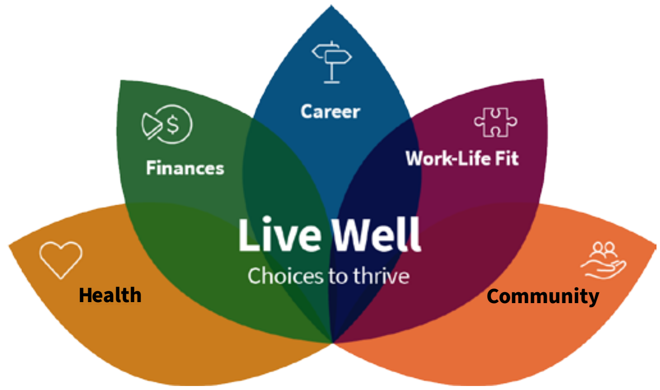
Employee volunteerism and giving

At Fannie Mae, service is a part of our culture. Our policies and programs encourage volunteerism at many levels. We regularly organize a broad range of hands-on community volunteer opportunities for our employees. These experiences enable Fannie Mae to build and strengthen relationships with organizations making an impact at the local level, give employees greater insight into community challenges, and provide tangible benefits to our neighbors.

We also support employees' self-led giving and volunteering. Fannie Mae matches employee donations up to $5,000 per year to eligible U.S.-based nonprofit organizations. Through our matching gifts program, employees, Board members, and the company collectively donated $3.4 million to eligible nonprofits in 2023. We also offer employees up to 10 hours per month of paid volunteer leave to give their time and talents to causes they support individually and up to 37.5 hours annually for disaster-related paid volunteer leave.

Human Capital Management

Our employees are key to ensuring our long-term success and meeting our strategic objectives. We had approximately 8,100 employees as of December 2023. We believe a motivated and inclusive workforce generates more creative ideas, better business decisions, and better programs that serve our mission and the needs of our diverse country. To that end, we are focused on attracting and rewarding a talented workforce, engaging and developing our employees, and fostering an inclusive workplace.



Attracting and rewarding a talented workforce

We believe many employees and potential recruits are attracted by our mission, the compelling nature of our work, and our culture of inclusivity and respect. Additionally, our flexible approach to work location is emerging as a competitive advantage for talent attraction and retention. Most employees choose where they do their day-to-day work, either in the office or remotely. We foster and develop talent and benefit from an employee base that is empowered to speak up, explore new opportunities, and embrace challenges.

Recruiting talent

We have a comprehensive recruiting process that facilitates a diverse and qualified pipeline of talent. We post open roles on traditional and specialized job boards and employ a team of recruiters adept at identifying qualified candidates for our associate through executive level positions. We also participate in both experienced hire and campus specific career fairs and special events, and leverage strategic relationships, such as Future Housing Leaders,[43] to expand opportunities for potential applicants.

We support inclusive hiring practices at all stages of the hiring process by providing hiring managers our Mitigating Potential Bias in the Hiring Process toolkit. This curated training program includes interactive tools, on-demand recordings, and additional resources that can be used throughout the hiring lifecycle.

Compensation and employee benefits

Our total rewards package delivers a variety of cash and non-cash rewards designed to attract talent, motivate employees, and improve company performance. We utilize a "Live Well" framework to provide choices for employees to thrive. These programs are organized into five areas: Health, Finances, Career, Work-Life Fit, and Community. All regular Fannie Mae employees are eligible for benefits.[44]

Health: Fannie Mae provides high-quality physical and mental health benefits and emotional health resources for employees and their eligible dependents. Eligibility for our health insurance plans and certain other benefits includes qualified domestic partners of any gender and their children. Beyond the robust mental health benefits embedded in our medical insurance plans, our Employee Assistance Program provides confidential counseling, relationship support, and other resources.

Finances: We provide opportunities for employees to achieve future financial goals and benefits that allow employees to invest in their financial and personal well-being. Eligible employees are automatically enrolled in a 401(k) plan. Fannie Mae automatically contributes 2% of eligible earnings to employees' 401(k) plan accounts and matches employee contributions up to an additional 6% of eligible earnings, for a total of 8% of eligible earnings, subject to IRS limits.

43 Please see our Engaging Industry and Communities chapter for more information related to Future Housing Leaders.

44 Benefit eligibility requires employees to be scheduled to work at least 20 hours per week. Some benefits, such as housing assistance, are not available for employees above certain levels.

To align with our mission and support employee homeownership, we provide eligible employees with a one-time grant of $10,000 to assist with the purchase of a primary residence. We maintain a scholarship program for eligible employees' dependents and provide tuition assistance for eligible employees furthering their own educational goals. We also provide financial support for adoption and surrogacy of up to $10,000.

Fannie Mae is committed to pay equity. We periodically review our pay practices and compensation structure for any potential pay disparities across gender or race. We analyze whether pay disparities may exist for comparable work (after controlling for objective factors that determine pay, such as job level and function, time in job, location, and performance) and how any such disparities can be addressed.

Career: Employees can advance their career, support Fannie Mae's mission, and be recognized for their work. We offer a dedicated virtual training platform, development programs, and reimbursements for educational expenses. See the Engaging and developing our employees section below for more information.

Work-Life Fit: Fannie Mae provides several options to help employees balance work and life. Most employees are able to decide when they work on-site or remotely. We also offer a variety of leave options, Half-Day Flexible Fridays, and Flex Hours, so employees can adjust their normal work schedule to allow more flexibility for their personal needs outside of work. New parents are able to take up to 12-weeks paid parental leave.[45]

Community: Employees have opportunities to maintain and strengthen connections to people and community causes that matter to them. For more information, see the Engaging Industry and Communities chapter and the Fostering an inclusive workplace section below.

Engaging and developing our employees

We believe that investing in our employees and maintaining an engaged workforce are key to our success as a business and our value proposition as an employer.

Campus hires participate in our First Year Forward program, a 12-month professional development program that builds core business acumen skills, foundational industry knowledge, an understanding of Fannie Mae culture, and cross-department connections and collaborations. As part of their development, interested participants are matched with volunteer mentors.

Fannie Mae University (FMU) is our platform for employee learning and development needs. In addition to our mandatory training, it houses skills-based learning, leadership development tools, and resources to help employees pursue or maintain professional certifications.

For employees seeking higher education, our Assistance for Collegiate Education program may reimburse a maximum of $10,000 per calendar year of an eligible employee's education expenses. Degree programs must relate to either Fannie Mae's business and/or an employee's current position.

Performance reviews are a fundamental part of our employees' development. Employees receive annual performance reviews, and the results are factored into compensation decisions. We also set the expectation for managers to have regular development discussions with their team members to ensure that growth is a continual priority, and we support our employees in advancing their career growth through internal mobility with career navigation training and internal recruitment support.

We regularly seek employee feedback through a variety of channels. Our most formal method of listening comes in the form of surveys of the full workforce. Survey results provide an entry point for managers and leaders of all levels to engage their teams in meaningful discussion about what is working well in their day-to-day experience and how it can be improved. We believe a workforce that feels valued, engaged, respected, and part of a bigger purpose is more likely to stay and invest in our work and shared mission. In 2023, we conducted two employee engagement surveys. In the last survey of 2023, 79% of employees responded, and 92% of the respondents said they would recommend Fannie Mae to friends and family as a great place to work. In addition, 97% of respondents report having a clear understanding of our mission, and 90% see a clear link between their work and our mission and strategic objectives.

45 In addition to paid parental leave, employees may be eligible for fully paid short-term disability leave relating to the birth of a child.

Fostering an inclusive workplace

SASB FN-IB-330a.1

We foster an environment in which employees are treated with dignity and respect and have the opportunity to contribute to meaningful work and grow their careers in an inclusive environment, free from discrimination, harassment, and retaliation. We support these critical concepts by establishing and promoting policies that articulate the importance of and the value we place on the principles of diversity, inclusion, and equal opportunity. We further these principles by establishing a comprehensive diversity and inclusion strategy, providing tools and training to help our employees internalize the concepts in our policies, and facilitating opportunities for engagement and partnership.

Policies, statements, and other governing documents

Fannie Mae's diversity and inclusion (D&I) policies, statements, and other governing documents are accessible to employees on our intranet.

Our Equal Opportunity in Employment and Contracting statement and our Employment Policy outline our prohibition against discrimination, harassment, and retaliation in the workplace and our commitment to the principles of equal opportunity for all employees. They articulate our commitment to providing reasonable accommodations to individuals with disabilities and to those who require workplace accommodations due to their sincerely held religious beliefs, observances, or practices. They prohibit workplace discrimination on any basis protected by federal, state, or local law, including race, color, religion, sex, national origin, disability or disability status, genetic information, age, sexual orientation, gender identity/gender expression, marital or parental status, family responsibilities, political affiliation, personal appearance, matriculation, homeless status, credit information, or veteran status. They also prohibit discrimination on characteristics not covered under the law, such as systems of social stratification (including caste or class-based discrimination). These principles are also embedded in our Employee Code of Conduct, which all employees must commit to upon hire and annually thereafter. (See our chapter on Business Ethics for additional details on the Employee Code of Conduct.)

Structures

Our Chief Diversity & Inclusion Officer reports to the President & CEO and is a member of our Management Committee. The Chief Diversity & Inclusion Officer leads our Office of Minority and Women Inclusion (OMWI) and is responsible for driving the development and implementation of our diversity and inclusion strategy in collaboration with leaders and partners across the company as well as reporting on our progress.

Our Diversity Advisory Council (DAC) is an advisory group of officers whose mission is to aid in the successful delivery of the company's D&I strategy at the divisional and enterprise levels through the identification of opportunities and corresponding actions. The DAC advises on the progress of the company's D&I strategy and associated practices and initiatives, shares learnings among business areas, and works to disseminate D&I information.

Our Employee Inclusive Culture Council (EICC) is comprised of a cross-section of employees who focus on defining behaviors that support our mission and values, reviewing and helping to align corporate initiatives and programs to the desired culture, and developing culture communication and sustainability strategies. EICC members engage in regular discussions and short-term project work and role model and amplify cultural objectives in their respective teams.

Our Employee Resource Groups (ERGs) — grassroots organizations of employees aligned around a dimension of identity — are instrumental in creating a culture of inclusion and supporting the business on key initiatives. These voluntary groups are open to all employees and provide a forum for members to come together for professional growth and development, cultural awareness, education, community service, and networking across the organization. In 2023, we saw an increase in participation in ERG hosted events as well as an increase in membership. A third of our employees were members of at least one ERG as of year-end.[46]

Tools, training, and other programs

We work to cultivate an inclusive environment in which all employees have the opportunity to realize their full potential and receive support for their professional development goals. This is accomplished through inclusive leadership principles, talent development, enterprise-wide accessibility, and a transparent communications strategy that reinforces the practices of driving inclusion to achieve innovative solutions. We emphasize psychological safety and authenticity in the workplace.

Fannie Mae's D&I training program provides comprehensive learning opportunities for employees to build important skills and competencies to promote inclusion. Employees have access to courses, toolkits, and reference material to support their learning journeys. We further supported employees with the launch of Enterprise D&I Learning Journeys. These curated journeys meet the participant where they are in their journey through individual and role-specific options. Virtual and in-person professional development and training opportunities are also available.

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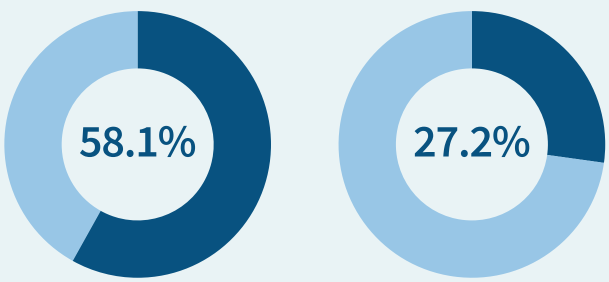
46 The number of employees in ERGs and changes in ERG participation were not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.

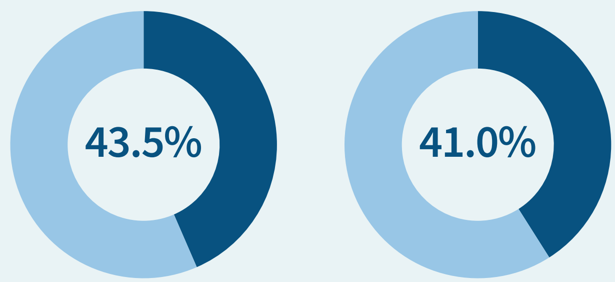
RACIAL/ETHNIC MINORITIES[47]
As of December 31, 2023



of all employees

of officer-level employees

WOMEN[47]
As of December 31, 2023



of all employees

of officer-level employees

47 Employee data reflect or are derived from demographic information reported in Fannie Mae's 2023 EEO-1 report. Officers are employees with job titles that include Fellow, Vice President, Senior Vice President, Executive Vice President, President, and CEO.

Note: See Table 9 in the Data Tables section of the Appendix for more information.

2023 CRI Report

Environment

Climate Risk and Resilience

Climate change presents immediate and long-term risks to Fannie Mae and the housing system. Based on scientific trends and forecasts, we believe the frequency and intensity of major weather-related events in recent years are indicative of climate change, the impacts of which are expected to persist and worsen in the future.[48] Fannie Mae has opportunities to support the market in addressing climate-related risks, including by increasing awareness on this issue, partnering with stakeholders to improve housing standards, and developing policies and programs for the benefit of the broader market. We continue to work to understand and address the physical and transition risks of climate change to our business, and as we do so, we are focused on how climate change and responses to climate change could affect the homeowners and renters we serve.

Climate strategy

Our strategy centers on understanding and addressing our financial, business, and operational exposure to climate-related risks and opportunities as we respond to the impacts of climate change. To meet this need, our climate strategy is built around three pillars:

- Understanding our exposure: identifying, quantifying, and assessing our exposure to climate-related risks.
- Mitigating risk: developing mitigation capabilities to address significant risks to Fannie Mae and leverage opportunities that arise to alleviate those risks.
- Raising awareness: communicate with our employees and stakeholders to enable more informed decision-making.

We continue to build foundational capabilities that enable us to engage in more robust risk monitoring, risk management, and new lending initiatives, and we engage regularly with our Board of Directors on climate-related topics. We are working to expand our progress, such as closing key data gaps, embedding climate considerations in the business, and growing our outreach efforts. See the Corporate Governance and Risk Management chapters for additional information on these efforts and oversight.

Our approach to understanding and mitigating climate-related risks is grounded in our mission. The costs of insurance, resilience and retrofit measures, and rebuilding could put quality housing out of reach for many people; and the risks of climate-related disruptions may disproportionately affect certain groups.[49] We aim to promote and enable responses to climate change that preserve and enhance housing affordability, housing stability, and equitable access to housing finance.

Identifying and assessing climate-related risks

We align our classification of climate risks impacting our business and the broader housing finance system with the framework of the TCFD. Physical risks resulting from climate change are those arising from event-driven (acute) disasters and longer-term (chronic) shifts in climate patterns. Transition risks are those resulting from a potential transition to a lower-carbon economy.

48 The Intergovernmental Panel on Climate Change, the United Nations' climate science research group, states in its "Synthesis Report of the IPCC Sixth Assessment Report (AR6) Summary for Policymakers" that it is unequivocal that human activities have warmed the climate.

49 See, for example, Enterprise Community Partners, Inc., "The Link Between Historic Redlining and Current Climate Risks," 2021, and EPA. 2021. Climate Change and Social Vulnerability in the United States: A Focus on Six Impacts. U.S. Environmental Protection Agency, EPA 430-R-21-003.

CLIMATE-RELATED PHYSICAL AND TRANSITION RISKS

Risk type		Description
Physical risk	Acute	Event-driven risks related to shorter-term extreme weather events, such as from flooding (coastal, fluvial, and pluvial), wildfires, and major storms (e.g., hurricanes, tornadoes).
	Chronic	Risks resulting from longer-term shifts in climate patterns and related effects, such as sea level rise (which may contribute to nuisance flooding), sustained higher temperatures (resulting in more severe and/or extended droughts, heat waves, etc.), as well as related effects such as decreased arability of farmland, decreased habitability of land, and decreased availability of fresh water.
Transition risk	Policy & legal	Risks of new or evolving requirements at the international, national, and/or state level (e.g., changing federal/state regulations, home and flood insurance, litigation).
	Technology	Risks of new technologies and investments related to the transition to a lower-carbon economy (which may include disruption to existing industries, organizations, etc.).
	Market	Risks of policies to encourage a shift to a lower-carbon economy (resulting in, e.g., changes in consumer perceptions of value on home location, price, and other characteristics).
	Reputational	Risks of changing customer or community perceptions of an organization's contribution to or detraction from the transition to a lower-carbon economy.

Our financial exposure from climate-related disasters is mitigated to the extent our book of business is geographically diverse; although, we remain exposed to risk, particularly in connection with the risk of geographically widespread weather events and changes in weather patterns, as well as geographic areas where our book of business is more heavily concentrated. As a result, any continuation or increase in recent weather trends or their unpredictability, or any single natural disaster of significant scope or intensity, could have a material impact on our results of operations and financial condition.

Our historical losses from climate-related events have primarily been due to losses on properties without flood insurance. Adding to this risk is that in select areas, some insurers have ceased writing new coverage or have significantly increased insurance premiums for certain perils. As coverage becomes unavailable or prohibitively expensive in an area, home prices or multifamily property values may experience considerable negative impacts, borrowers may face increasingly significant financial strain, and fewer loans in the area may be eligible for acquisition by Fannie Mae.

Longer-term shifts in climate patterns could result in chronic risks such as sustained higher temperatures, sea level rise, water scarcity, and increased wildfires that negatively affect certain regions, which could negatively affect home prices and multifamily property values in those regions, as well as the ability of borrowers in those regions to pay their mortgage loans. Additionally, while we are currently not witnessing systemic climate migration, there are targeted areas experiencing displacement due to natural disasters. This is a topic that Fannie Mae is researching.

Legal or regulatory responses to concerns about global climate change may impact the housing markets and, as a result, our business. Steps to address the risks of climate change could result in a potentially disruptive transition away from carbon-intense industries. Such a transition could negatively impact certain industries and regional economies, affecting the ability of borrowers in those industries or regions to pay their mortgage loans. Transition risks also could include:

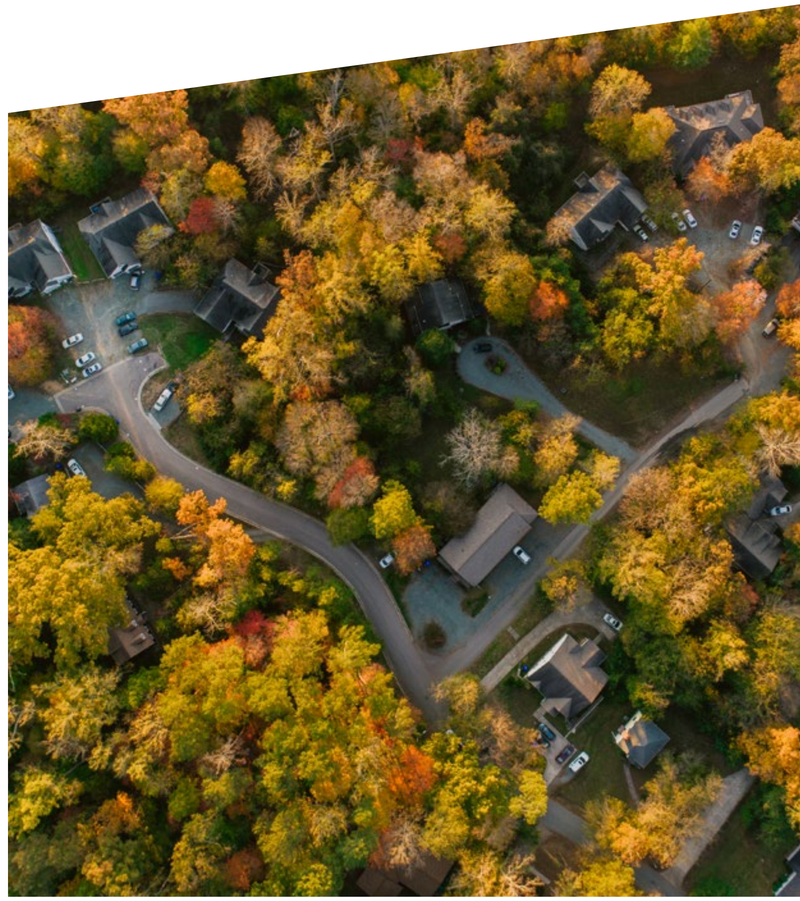
- A change in consumer preferences for certain areas or certain types of housing.
- Migration resulting in changes in home prices and multifamily property values in affected regions or an increase in lower income households living in high-risk areas.
- Increased housing costs driven by regulatory and legislative requirements.
- Increased compliance and construction costs driven by governmental actions and initiatives, such as new building codes, carbon taxes, or energy efficiency requirements.

Physical and transition risk analysis

Given the long-term nature of climate change, it is important that we continually refine our thinking on how the risks discussed in the previous section could impact our business and financial results over short and long terms. The unpredictability of natural disasters and the complexity of forecasting long-term climate change limit our ability to predict the potential impacts from the physical risks described above, particularly over the long term.

We are working to improve our physical and transition risk analysis to better inform business decisions while also reviewing the landscape of modeling approaches and data needs to improve predictive results. Our focus is to develop analyses capable of assessing our exposure, refining the mitigation strategies we employ, and advancing our awareness initiatives. To that end, we continue to develop our climate scenario methodologies and assess the addition of third-party climate models.

In addition to commercial estimates and publicly available information, we employ scenarios from the Network for Greening the Financial System (NGFS) as a framing commonly used by the industry to describe impacts of climate change, climate policy, and technology evolution in potential futures.[50]



Fostering awareness and mitigating risk to households and communities

Fannie Mae is committed to helping homeowners, renters, and their communities prepare for and respond to natural disasters and other climate-related risks. This includes working to increase awareness of climate-related risks, protect current and future housing stock, and support disaster recovery and rebuild efforts.

Increasing awareness of climate-related risks

We aim to raise awareness so that homeowners, renters, and property owners are adequately insured and prepared for climate-related risks, especially for flooding, to reduce the likelihood of significant financial loss or housing instability. In 2023, we continued to prioritize raising awareness on issues related to climate risk, including taking the following actions:

- Assisted select communities with climate analytics, with the goal of providing regional data to support local governments' own climate modeling and analysis capabilities, as well as support future grant-writing efforts.
- Launched an expanded flood risk awareness campaign in select markets, building on our efforts in 2022. We continued our focus on educating consumers both inside and outside FEMA-designated Special Flood Hazard Areas about the risks of flooding, with nearly 60,000 users reaching our landing page in 2023. We aim to increase consumers' understanding of flood risk and hazards, as well as to educate them on the importance of taking flood risk mitigation measures.
- Published refreshed insights, analysis, and results from a nationwide flood risk and flood insurance awareness survey, with around 4,000 respondents.[51] This updated our inaugural survey results published in 2022.
- In 2023 we updated our single-family REO retail sales platform, HomePath, to incorporate consumer education material on flood risks, building on our existing requirements to disclose known past flood events impacting an REO property and to provide buyers a link to FEMA flood zone information within our REO real estate sales contract.

50 For further information, see the NGFS Scenarios Portal.
51 Challenges Remain in Raising Consumer Awareness of Flood Risk

Protecting current and future housing stock

One important way to mitigate climate-related risk is to enhance the resilience of new and existing properties and communities to withstand and recover quickly from extreme weather and other effects of climate change. We are working to support these efforts in several ways, including through specialized loan financing and collaboration to strengthen building standards.

Our **HomeStyle® Energy** loans provide affordable options for homeowners to finance upgrades to the sustainability and resilience of their homes. In addition to energy upgrades such as new insulation or renewable energy systems, the loans can be used to finance resiliency improvements such as storm surge barriers, upgraded roofing, or wildfire home hardening. For additional information on our financing for efficiency improvements, see the Green Homes chapter.

Improving building standards helps to ensure that climate risks are taken into account during construction or renovation and that best practices are shared across communities and the housing industry. We continually monitor and assess nationwide and state-specific policy changes to energy efficiency requirements and building codes to understand how these new laws and regulations could impact the housing market and Fannie Mae. We also engage with industry groups, our regulator, and other stakeholders to share our insights on risks and best practices to protect the housing stock:

- Participating in the Building Code Taskforce (part of the Presidential Mitigation Framework Leadership Group).
- Working with the National Institute of Building Sciences to develop a roadmap on risk mitigation and resilience investments.
- Partnering with the Insurance Institute for Business and Home Safety to highlight existing and emerging building standards and connect builders and consumers to groups who want to support resilient housing.
- When repairing our single-family REO properties, we partner with local contractors and industry groups to advance climate resilience. Examples of this include using energy efficient components and testing retrofits using FORTIFIED Roof™ to protect against severe weather.

Supporting disaster recovery and rebuild efforts

When disasters occur, it is vital for individuals and communities to have the tools they need to recover. In the event of natural or other disasters, our servicers work with affected borrowers to develop a plan that addresses the borrower's specific situation. Servicers coordinate with insurance companies for administration of insurance proceeds and, when appropriate, provide a variety of options to help borrowers return their loans to current status.

In addition, Fannie Mae, through its partners, offers renters and single-family borrowers free financial counseling from HUD-approved housing counselors, including help in developing a recovery assessment and action plan, filing claims, working with mortgage servicers, and identifying and navigating sources of federal, state, and local assistance.

We also have a dedicated team at Fannie Mae focused on coordinating company-wide efforts to support communities affected by natural disasters as they recover, including through on-the-ground sessions to answer residents' questions. These activities are designed to assist renters and borrowers affected by disasters and may also help reduce our losses. We continue to evaluate their impact and seek new options and resources to deploy in response to disasters.

See the Housing Stability chapter for more information on how Fannie Mae supports borrowers and renters when disasters strike and the "Incubating solutions for community impact" section of the Engaging Industry and Communities chapter for more information on our disaster response work.

Mitigating climate-related risk to Fannie Mae

To date, our losses from natural disasters have been limited by geographic diversity in our book of business; the availability of insurance coverage for damages sustained; the availability of federal, state, or local disaster assistance; and borrowers with equity in their homes continuing to pay their mortgages.

With very rare exceptions,[52] Fannie Mae does not currently disqualify single-family or multifamily property on the basis of its geographic location in the U.S. (including Puerto Rico, the U.S. Virgin Islands, and Guam).

Mitigating potential future climate-related financial losses

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For physical hazards, borrowers' insurance coverage (e.g., property, peril) is our most important buffer and mitigation measure.[53]

For single-family loans, Fannie Mae currently requires coverage for the following hazards: flood (in designated areas only), windstorm, hurricane, hail damages, or any other perils that normally are included under an extended coverage policy-endorsement. Protection against flood damage is typically only covered by a separate policy through the National Flood Insurance Program (NFIP), managed by FEMA. This program requires extension and reauthorization by Congress and was most recently extended through September 30, 2024. If Congress fails to extend or re-authorize the program upon future expirations, FEMA may not have sufficient funds to pay claims for flood damage, and borrowers may not be able to renew their flood insurance coverage or obtain new policies through the NFIP. In addition, NFIP insurance does not cover temporary living expenses, and the maximum limit of coverage available under NFIP for a single-family residential property is $250,000, which may not be sufficient to cover all losses.

For single-family loans, we require flood insurance for loans in a FEMA-designated Special Flood Hazard Area, coastal barrier resources system, or otherwise protected area.[54]

Loan originators are responsible for determining whether flood insurance is required and must provide representations and warranties to us that all insurance is in compliance with our guidelines at loan delivery. In addition, loan servicers are required to monitor the FEMA maps for the life of the loans to identify instances where flood insurance was not needed at origination but is later required because of a mapping change. Conversely, in instances where flood insurance is no longer required due to a FEMA map change or amendment, loan servicers are required to release coverage requirements.

Following our acquisition of single-family loans, we check lenders' determinations of flood insurance requirements against FEMA-sourced data. We also perform reviews of servicers to assess compliance on an ongoing basis. However, a significant number of homes outside areas where we require flood insurance are also at risk of flooding. We continue to evaluate the extent and severity of flood risk both inside and outside FEMA flood zones by combining multiple commercial and public data sources and models. For climate and physical risk-related analysis, a multiple model approach is important as different models have their own strengths and weaknesses. By using an ensemble of models developed by flood subject matter experts, we can leverage the relative strengths of each and identify areas of measurement uncertainty.

In our Multifamily business, each property must be generally covered by compliant property insurance and liability insurance for the term of the mortgage loan, including for windstorms and floods (for properties as required by the Multifamily ***Selling and Servicing Guide***, unless an exception is granted)[55] and earthquakes (for properties as required by the Multifamily ***Guide***, unless an exception is granted). If a borrower fails to maintain required insurance on a property, the lender must obtain the required coverage and may do so at the borrower's expense. Should a lender fail to satisfy any servicing requirements, Fannie Mae may take steps allowed in the lender's contract to mitigate the risk of loss from the failure. Fannie Mae typically assesses each lender's insurance compliance on a biennial basis and requires lenders to remedy deficient findings.

52 For example, at-risk properties in communities not participating in the National Flood Insurance Program, and homes in Hawaii in lava zones 3 – 9.

53 Fannie Mae's single-family guidelines for general property insurance coverage and flood insurance can be found in the Single-Family ***Selling and Servicing Guides***. Multifamily insurance requirements and guidance related to individual exposures are outlined in the Multifamily ***Selling and Servicing Guide***. To protect both Fannie Mae and consumers, we permit only insurance companies meeting specified Fannie Mae requirements.

54 As of December 31, 2023, 3.2% of single-family loans we owned or guaranteed were located in a FEMA-designated Special Flood Hazard Area, coastal barrier resources system, or otherwise protected area. See Table 13. Single-Family and Multifamily Loans Requiring Flood Insurance in the Appendix of this report for more information.

55 As of December 31, 2023, 6.9% of multifamily loans we owned or guaranteed were located in a Special Flood Hazard Area. This percentage, based on updated flood maps as disclosed in our 2023 Form 10-K, was not subject to Deloitte & Touche LLP's review, and accordingly Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information. The multifamily data in Table 13. Single-Family and Multifamily Loans Requiring Flood Insurance in the Appendix of this report uses Special Feature Codes as reported by lenders at origination to compute the percentage, to use a consistent methodology over the three years reported in that table.

Although not a climate-related risk, earthquakes are also a known hazard, and we are reevaluating our approach to insurance requirements as we work to mitigate the effects of this risk in housing nationwide.

Risk sharing and credit risk transfers are additional important means of mitigating risk to Fannie Mae. Our multifamily lenders typically retain approximately one-third of the credit risk through our DUS program. For single-family and multifamily loans covered in credit risk transfer transactions executed after we acquire a loan, we retain a portion of the risk of future losses, including all or a portion of the first loss position in most transactions. To the extent weather- and disaster-related losses on loans covered by these transactions exceed the amount of first loss we retain, a portion of those losses would be covered by the transactions.

An additional risk mitigant is Fannie Mae's Incident Management Center, which sits within our Enterprise Resiliency & Security team and assesses Fannie Mae assets for potential impacts from natural disasters. When a disaster occurs, the Incident Management Center works with governmental agencies to map the impacted geographical area and identifies potentially impacted assets in real time to assist servicers with disaster relief and risk-mitigation efforts.

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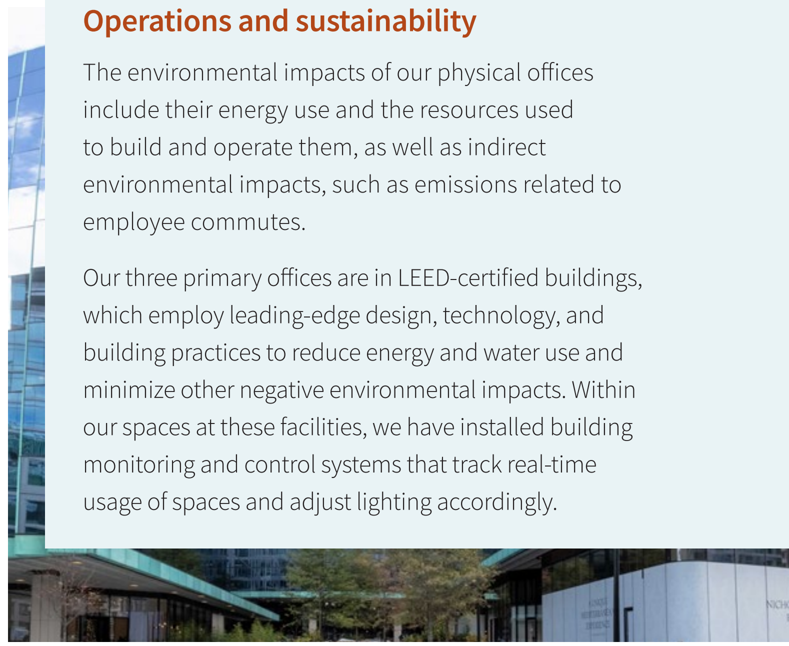
For more information on insurance against natural disasters, including the NFIP, see "Risk Factors — Credit Risk" and "Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") — Risk Management — Climate and Natural Disaster Risk Management — Climate-Related Risk Exposure and Risk Mitigation" in our 2023 Form 10-K. For more information on our single-family credit risk transfer transactions, see "MD&A — Single-Family Business — Single-Family Mortgage Credit Risk Management — Single-Family Credit Enhancement and Transfer of Mortgage Credit Risk — Credit Risk Transfer Transactions" in our 2023 Form 10-K. For more information on our multifamily credit risk transfer transactions and our DUS program, see "MD&A — Multifamily Business — Multifamily Mortgage Credit Risk Management — Transfer of Multifamily Mortgage Credit Risk" in our 2023 Form 10-K.

Operations and sustainability

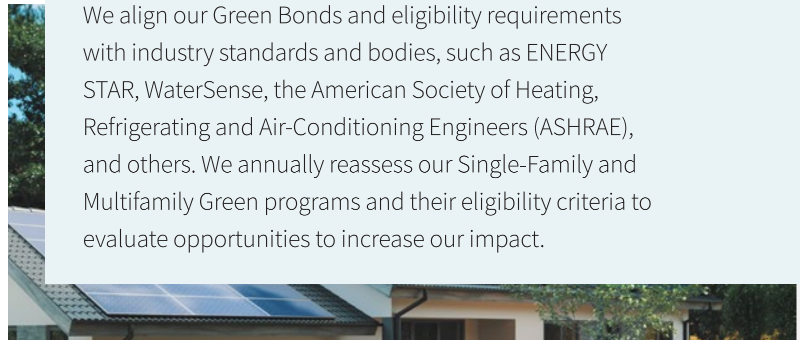
The environmental impacts of our physical offices include their energy use and the resources used to build and operate them, as well as indirect environmental impacts, such as emissions related to employee commutes.

Our three primary offices are in LEED-certified buildings, which employ leading-edge design, technology, and building practices to reduce energy and water use and minimize other negative environmental impacts. Within our spaces at these facilities, we have installed building monitoring and control systems that track real-time usage of spaces and adjust lighting accordingly.



Green Homes

Fannie Mae is leveraging our leading role in the mortgage finance market to encourage property owners and developers to reduce the environmental impact of their properties. At the core of our approach is our support for single-family and multifamily green financing to improve the sustainability of properties by increasing energy and water efficiency and reducing greenhouse gas emissions.



We align our Green Bonds and eligibility requirements with industry standards and bodies, such as ENERGY STAR, WaterSense, the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE), and others. We annually reassess our Single-Family and Multifamily Green programs and their eligibility criteria to evaluate opportunities to increase our impact.

Green mortgage financing

We offer financing to lenders for loans that help property owners and developers invest in greener technologies and building practices. This includes properties where owners are making energy and water efficiency improvements, installing renewable energy generation systems, or obtaining one of the third-party green building certifications recognized by Fannie Mae.

Multifamily green financing

Since 2012, Fannie Mae's Green Financing program has supported multifamily owners as they increase the energy and water efficiency of multifamily housing by integrating green mortgage loan pricing incentives into the standard financing process. We currently offer two Multifamily Green Financing pricing incentives: **Green Rewards Mortgage Loans** and **Green Building Certification Mortgage Loans**. These financing options incentivize owners to improve the environmental performance of their properties. In addition, reduced utility costs improve net cash flow for property owners and/or increase affordability for renters.

Green Rewards Mortgage Loans encourage investments in efficiency improvements or renewable energy generation for existing multifamily properties. Owners commit to installing improvements — within 12 months of loan origination — that are projected to achieve reductions in whole-property energy use and water use that sum to at least 30%, including a minimum of 15% whole-property reduction in energy use. Fannie Mae supports owners in navigating the process of efficiency upgrades by paying for an energy and water audit, as well as a Technical Solar Assessment for owners committing to install a solar photovoltaic system. These reports, prepared by qualified third-party consultants, identify and quantify recommended efficiency and renewable energy improvements owners can make to qualify for a Green Rewards Mortgage Loan. We require that all products, fixtures, and appliances be ENERGY STAR or WaterSense® certified, if available.[56] In 2023, Fannie Mae financed over 9,800 rental units with Green Rewards Mortgage Loans.

Green Building Certification Mortgage Loans are loans on properties that have been built, retrofitted, or operated to high standards of efficiency and received a third-party green building certification recognized by Fannie Mae. We conduct an annual market analysis and a technical evaluation of green building certifications to determine which certifications are eligible for inclusion in the Green Building Certification program. For more information on the certifications we currently recognize and other requirements, see Fannie Mae Form 4250. In 2023, Fannie Mae financed approximately 38,000 rental units with Green Building Certification Mortgage Loans.

Our Multifamily Green Bonds are backed by both Green Rewards Mortgage Loans and Green Building Certification Mortgage Loans. For more information on these, see Connecting Investors to Our Mission.

Single-family green financing

Fannie Mae's Single-Family business offers financing options that support both improvements of existing buildings and development of more efficient new homes.

Recognizing that enhancing environmental performance of existing homes often requires significant investments, Fannie Mae's **HomeStyle Energy** mortgage loan improves affordability and flexibility by allowing financing based on the value of the home after improvements are made, enabling homeowners to access additional up-front funds while potentially decreasing utility and repair costs in the future. In 2023, Fannie Mae acquired $18.3 million in HomeStyle Energy mortgage loans.

Our Single-Family Green Bonds are backed by loans on newly built homes with green building certifications. For more information on these, see Connecting Investors to Our Mission.

56 ENERGY STAR and WaterSense are registered trademarks of the U.S. Environmental Protection Agency.

Projected impacts of our green bonds

Based on third-party projections, we estimate the loans on properties underlying Fannie Mae's 2023 Green Bond issuances will save approximately 699 million kilo British thermal units (kBtu) of energy. As a result, we estimate the loans on properties underlying our 2023 Green Bonds will prevent approximately 34,000 metric tons of carbon dioxide equivalent ($mtCO_2e$) in greenhouse gas emissions. In addition, based on third-party projections, we estimate the loans on properties underlying our 2023 Multifamily Green Bonds will save approximately 126 million gallons of water.

Our estimates of the positive environmental impacts of the loans backing the Green Bonds that we issue are based on a projected one-year impact, even though many of the environmental benefits of these loans may continue to be realized for more than one year.[57]

We believe the loans backing the Green Bonds we issue also generate positive social impact, including by reducing the utility costs faced by households. Based on third-party projections, we estimate that our 2023 Green Bonds could result in average annual utility cost savings of approximately $226 for households in single-family housing and $237 for households in multifamily housing.[58]

See Table 12. Projected Green Bond Impacts in the Data Tables section of the Appendix, Connecting Investors to Our Mission, and our Bond Impact Reporting webpage for more information.

57 For a description of our methodology for estimating the positive environmental impact of the loans backing our Green Bonds, see the impact methodology on our Green Bonds webpage.

58 Multifamily estimates based on Green Rewards loans only. Multifamily projected utility cost savings include energy and water; single-family projected utility cost savings include energy only. See the impact methodology on our Green Bonds webpage for more details.

Evolving the industry's approach

Fannie Mae works to expand knowledge about electrification and decarbonization for the multifamily industry.[59] Electrification is the process of reducing or eliminating the need for fossil fuel-based systems in buildings and can also include on-site renewable energy generation and battery storage. Properties that electrify switch from fossil fuel-based systems to all-electric systems. The electric grid that powers those systems is becoming cleaner as more power is generated from renewable sources.[60]

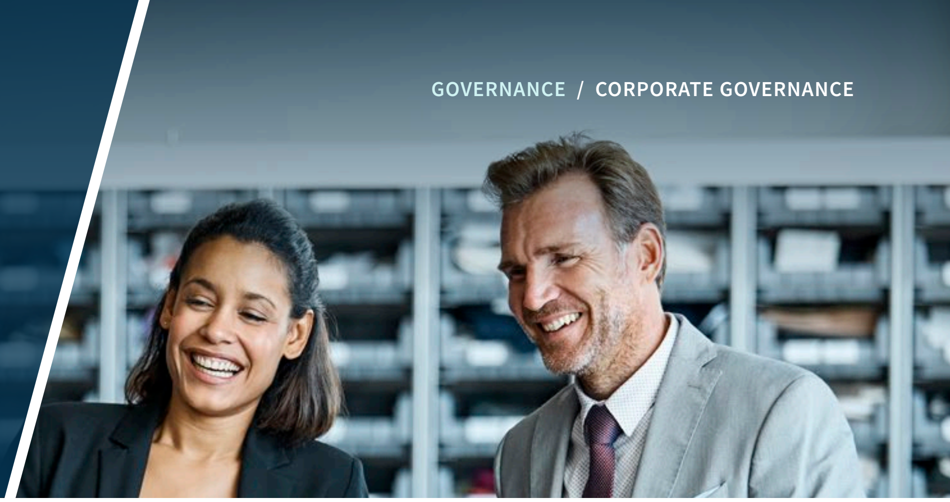
Through published reports as well as active engagement in conferences, trainings, and roundtables, we continue to invest in educating the market about the benefits of efficiency improvements, electrification, and decarbonization. Fannie Mae's Multifamily Green Financing program has created tools to support stakeholders pursuing these opportunities. Some of these resources can be found on the Multifamily Green Financing Research and Insights webpage.

In 2023 Fannie Mae updated the energy metric used to qualify properties for Green Rewards from source energy to site energy to ensure that properties switching from fossil fuel-based heating, water heating, and cooking systems to electric systems would be incentivized to decarbonize. Using site energy rather than source energy removes the distortion that comes from the high transmission losses associated with electricity and focuses eligibility on energy consumed on-site.[61] The programmatic shift to site energy enhances the ability of multifamily owners to qualify for the energy savings requirements of Green Rewards with projects that involve fuel switching, allowing Fannie Mae to continue to stimulate progress toward a lower-carbon future.

59 For more information, see "Developing the Fannie Mae Multifamily Electrification and Decarbonization Roadmap," 2023.

60 U.S. Department of Energy, "Reimagining and rebuilding America's energy grid," 2021.

61 Source energy represents the total amount of energy incorporating all transmission, delivery, and production losses. Site energy represents the amount of energy consumed just at the building site.



2023 CRI Report

Governance

Corporate Governance

Fannie Mae maintains a corporate governance structure focused on upholding high standards of corporate conduct and compliance. Our Corporate Governance Guidelines and bylaws establish the structure, roles, and responsibilities of our Board of Directors and leadership team, along with other key governance policies and practices. Our governance framework also provides for oversight of our corporate responsibility and impact.

Because Fannie Mae is currently in conservatorship, its Board of Directors serves on behalf of Fannie Mae's conservator, FHFA, and exercises its authority as directed by and with the approval of, where required, the conservator. See our 2023 Form 10-K for more information on our Board of Directors and executive officers, including the composition of our Board and specified corporate governance matters, as of the 2023 Form 10-K filing date.

The table below provides more information on oversight and management of environmental, social, and governance matters by our Board of Directors, senior management, selected corporate functions, and specialist teams.

OVERSIGHT OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE ACTIVITIES AT FANNIE MAE

	Board oversight	Management oversight and accountability
Environmental, social, and governance prioritization and integration	The **Community Responsibility and Sustainability Committee** oversees development and implementation of strategy related to access to credit, affordable housing, climate resilience, fair lending, and sustainability, including our green financing activities.	The **Management Committee** oversees the development and implementation of the company's strategy and goals, including those related to achieving our mission. The Management Committee recommends annual management performance goals to the Board, including goals relating to our mission, and oversees management's progress in achieving those goals. Our **SVP of ESG & Mission**, within our Chief Administrative Office, leads our environmental, social, and governance prioritization and integration efforts. Our **Chief Climate Officer**, within the office of the Chief Financial Officer, leads our climate strategy.
Risk management	The **Risk Policy and Capital Committee** oversees the company's risk management framework, which includes climate-related risks. It has primary oversight of climate-related risks to the company.	The **Enterprise Risk Committee** oversees enterprise-wide risk management activities, including for strategic, reputational, compliance, credit (including counterparty), market, funding and liquidity, model and operational risks. Fannie Mae has several other management-level committees that escalate to the Enterprise Risk Committee and cover specific areas of risk applicable to the company. The **Enterprise Risk Management** (ERM) division is responsible for developing and maintaining the company's integrated risk management program, including establishing appropriate policies and frameworks and cultivating a proactive corporate risk culture. ERM and Compliance and Ethics provide independent risk oversight and effective challenge of the first-line business unit and corporate support functions. ERM and Compliance and Ethics are independent and report to the Board of Directors and CEO. Established in 2023, the **Climate Risk Committee**, chaired by our Chief Risk Officer, supports and reports to the Enterprise Risk Committee. The Committee oversees climate risk integration into risk processes and business decisions, as well as risk policy and governance to manage climate-related risk and monitor Fannie Mae's climate risk profile.

	Board oversight	Management oversight and accountability
Corporate responsibility and impact reporting & disclosures	The **Audit Committee** provides oversight of reporting and disclosures, including approval of the company's Corporate Responsibility & Impact Report, as well as any external assurance over that reporting. The **Nominating and Corporate Governance Committee** oversees engagement with external stakeholders regarding environmental, social, and governance matters and related communications.	The **Disclosure Committee** reviews our annual Corporate Responsibility & Impact Report and evaluates the effectiveness of our controls relating to such report.
Human Capital and D&I	The **Compensation and Human Capital Committee** approves our Compensation Policy, oversees our diversity and inclusion program and related policies and practices, oversees other elements of the company's human capital management, and assists the Board in its oversight of executive compensation metrics. The Compensation and Human Capital Committee and the Board of Directors annually assess performance against the Board of Directors' goals. In 2023, the Board of Directors' goals included goals related to equitable and sustainable access to housing, our workforce, and diversity and inclusion. The Board of Directors, upon the recommendation of the Compensation and Human Capital Committee, annually approves the company's diversity & inclusion strategy and the company's Diversity & Inclusion Policy, which together set the framework, goals, and targets for our diversity and inclusion program. The Board and the Compensation and Human Capital Committee also receive regular reporting from Fannie Mae's Office of Minority and Women Inclusion.	The **Management Committee** reviews and recommends to the Board's Compensation and Human Capital Committee the annual Board Goals and periodically monitors status toward achieving the goals. The Management Committee also oversees Fannie Mae's diversity and inclusion program and activities. **Human Resources** manages the development and implementation of policies concerning employee compensation and benefits, recruitment, training, and well-being. Our **Office of Minority and Women Inclusion**, which is led by Fannie Mae's SVP and Chief Diversity & Inclusion Officer, coordinates our D&I strategy in close partnership with key stakeholders across our business.

Risk Management

Effective risk management is essential to Fannie Mae's ability to provide liquidity, stability, and access to credit to the U.S. housing market. To ensure the safety and soundness necessary to advance our mission through all market cycles, we undertake activities that support integrated risk management across our business, promoting risk awareness and ensuring a consistent and disciplined approach to operating within an appropriate risk tolerance.

Risk management is a responsibility shared by every Fannie Mae employee. We build and maintain a proactive risk culture and provide employees with the knowledge and resources they need to recognize and respond to risks that arise in our business. These resources include policies, procedures, tools, training, and our enterprise-wide Governance, Risk, and Compliance platform that enables efficient and effective management of risk and compliance across the company.

For a more comprehensive discussion on Fannie Mae's risk management, including a description of our ERM program and our primary areas of risk exposure, see the "MD&A—Risk Management" section of our 2023 Form 10-K.

Climate risk management

The Climate Impact team, led by the Chief Climate Officer, is responsible for understanding the risks climate change poses for Fannie Mae and coordinating our efforts to mitigate those risks. The Chief Climate Officer drives first-line integration and risk management and develops the people, processes, and technology to identify, assess, manage, and monitor climate risks in alignment with the Enterprise Risk Management Framework. The team works closely with our first-line Single-Family and Multifamily business teams and the second-line Enterprise Risk Management (ERM) function.

The ERM Climate Risk team, led by the Chief Credit Risk Officer, develops and leads the enterprise integration of climate-related risk into our risk management framework and supporting processes. The ERM Credit and Climate Risk teams also provide oversight on and effective challenge to the Climate Impact team and first-line risk owners.

We are focused on developing and implementing a comprehensive, integrated approach to the identification, assessment, and management of climate-related risks and opportunities. The Climate Impact team is actively working to understand and quantify our climate risk exposures and identify best practices and strategies to mitigate the impacts of climate change on our business. We continue to develop and refine our analysis of our physical and transition risks, develop our climate scenario methodologies, and assess the addition of third-party climate models.

We continue as well to integrate climate risk considerations into our Enterprise Risk Management framework. Fannie Mae maintains a corporate risk taxonomy that aligns with our eight primary risk categories.[62] We view climate risk as a cross-cutting risk that can impact a variety of our existing risk categories, particularly credit risk. We continue integrating physical and transition climate risks into our corporate risk taxonomy as we build a foundation to inform more granular risk identification and assessment across the company.

Our strong risk management depends upon employees being well-informed and aware of the risks facing our business and the housing industry. We have launched and continue to plan for several climate management and awareness-building initiatives to help expand and deepen employee understanding of climate-related matters and support integration of climate considerations into the risk framework. These efforts include the development of climate-related risk e-learning material, workshops for our leadership on climate-related risks, and a Climate Action Working Group that regularly shares climate-related efforts and updates across the company.

Addressing climate and natural disaster risks will be critical to Fannie Mae's overall housing mission. We continue to explore the role we, along with FHFA and others, can play in helping to address some of these risks.

While we are taking steps to address climate risks, our risk management strategies may not be effective in mitigating our climate risk exposure, as noted in our 2023 Form 10-K. For additional information on how we measure and respond to climate risks associated with our business, see the Climate Risk & Resilience chapter.

62 For more information on our primary risk categories, see "Risk Management—Risk Categories" in our 2023 Form 10-K.

Business Ethics

SASB FN-IB-510b.4

Earning and maintaining stakeholders' trust is essential to our mission. We maintain high standards for ethical conduct for our employees, our Board, and those with whom we do business.

Employee Code of Conduct

The Fannie Mae Employee Code of Conduct (the "Employee Code") outlines the standards and behaviors we expect of all employees and is firmly rooted in our mission and values. In addition to guiding principles, the Employee Code establishes specific expectations for issues, including legal and regulatory compliance, non-discrimination, non-retaliation, workplace safety, anti-fraud, antitrust, conflicts of interest, and more. The Employee Code is supplemented by related internal policies, standards, and procedures, as well as the Employee Handbook, which together provide detailed guidance for identifying and managing compliance, legal, and ethical issues across our business.

SASB FN-IB-510a.2

Each employee is responsible for understanding and upholding the Employee Code in their day-to-day work, including acting to prevent and immediately reporting inappropriate conduct. The Employee Code outlines several avenues by which employees may report suspicions of misconduct:

- Employees may report questions or concerns to any member of their management team, Human Resources, and/or to our Compliance and Ethics team via the Fannie Mae Ethics hotline or webline.
- Employees may report their concerns anonymously through our internal reporting hotline, webline, email, or regular mail.
- Employees have the option to confidentially report potential wrongdoing directly to the Audit Committee of Fannie Mae's Board of Directors. Employees are also informed that they may raise potential violations or other inappropriate conduct externally to FHFA's Office of Inspector General.

Fannie Mae does not tolerate retaliation against any individual or company that raises a compliance and ethics concern in good faith or participates in an investigation.

SASB FN-IB-510a.2

Employees are required to take an annual Employee Code of Conduct training and, as part of that training, certify that they have read and understand the Employee Code.

Director Code of Conduct

Fannie Mae's Code of Conduct for the Board of Directors (the "Director Code") outlines duties and responsibilities of members of the Board, provides guidance to help them recognize and deal with ethical issues, provides mechanisms to report unethical conduct, and helps foster a culture of honesty and accountability. Each member of the Board must annually certify their compliance with the Director Code. The Nominating and Corporate Governance Committee of the Board of Directors is charged with overseeing the implementation of and compliance with the Director Code.

SASB FN-IB-510b.4

Business Partner Code of Conduct

Our partners — from lenders and servicers who connect our financing with borrowers and renters, to those providing goods and services that support our business — all play a vital role in helping us achieve our mission. For this reason, Fannie Mae has worked to develop a Business Partner Code of Conduct, which formally launched in April 2023. The code outlines Fannie Mae's expectations for our business partners, setting out 23 principles across four pillars: business ethics, diversity and inclusion, environmental sustainability, and equitable housing. It contains both required and aspirational practices and encompasses our partners' interactions with their customers and next-tier suppliers. In early 2024, we published our first set of Partner Spotlights, recognizing partners for their accomplishments in the Equitable and Sustainable Access to Housing principles of the Code.

We also maintain Service Requirements for Contractors and Consultants (SRCC), which require workers employed by our vendor partners to demonstrate ethical behavior in the performance of services for Fannie Mae. The SRCC further outlines expected behaviors and guidance for supplier personnel, such as valuing and respecting others, avoiding conflicts of interest, supporting a productive and safe workplace, and raising compliance and ethics concerns. Supplier personnel are informed of the various channels through which they may contact our Compliance and Ethics team and/or our vendor partners to report any concerns.

Privacy, Cybersecurity, and Emerging Technologies

Fannie Mae is committed to preserving and protecting the confidentiality and integrity of the confidential information we handle, including personal information, nonpublic personal information, consumer data, and third party confidential information in our custody.

Breaches in data and information security can lead to major disruptions that have the potential to cause significant business harm. Information security risks for large institutions like Fannie Mae have continued to significantly increase. We and the third parties with which we do business have been, and we expect will continue to be, the target of cyberattacks and other information security threats. These risks are an unavoidable result of conducting our business, and managing these risks is an inherent part of our business activities.

Cybersecurity risk management

SASB FN-CB-230a.2

We have developed and continue to enhance our cybersecurity risk management program as we seek to protect the security of our computer systems, software, networks, and other technology assets against unauthorized attempts to access confidential information and data or to disrupt or degrade business operations.

We design and assess our cybersecurity risk management program based on the National Institute of Standards and Technology Framework for Improving Critical Infrastructure Cybersecurity (the "NIST Cybersecurity Framework"). We use the framework as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business based on our current understanding of the cybersecurity threat environment; we have not implemented and do not plan to implement all categories and subcategories included in the framework.

We have a multilayered cybersecurity defense strategy. We take a risk-based approach that prioritizes and attempts to plan for the highest-impact events first. Our cybersecurity threat operations operate with the goal of identifying, preventing, and mitigating cybersecurity threats and responding to cybersecurity incidents in accordance with incident response and recovery plans.

As part of our cybersecurity defense strategy, we employ tools and systems safeguards intended to help secure our networks, applications, data, and infrastructure, and to manage cybersecurity vulnerabilities. These safeguards include network and perimeter defense, infrastructure security, endpoint protection, data protection, identity management, and network segmentation. We work to evaluate and improve on these tools and safeguards through periodic cybersecurity assessments and the integration of cybersecurity threat intelligence.

We maintain cybersecurity incident response procedures that identify the activities and escalation processes to be implemented upon detection of a cybersecurity incident, and we routinely practice these activities and processes. We also have business and technology continuity plans and a crisis management plan, which we test on a regular basis. We have both internal and external third-party backup data storage to help protect our data from cybersecurity incidents. We test our backup restoration process on a regular basis. We also maintain insurance coverage relating to cybersecurity risks; however, our insurance may not be sufficient to provide adequate loss coverage in all circumstances.

We provide mandatory cybersecurity training to employees and contractors on an annual basis. Employees also have access to supplemental online cybersecurity training. We test our employees' response to simulated phishing scenarios on a regular basis.

We examine the effectiveness of our cyber defenses through various means, including internal audits, targeted testing, maturity assessments, incident response exercises, and industry benchmarking.

Our cybersecurity risk management program extends to oversight of third parties that pose a cybersecurity risk to us, including lenders that use our systems and third-party service providers. In alignment with the NIST Cybersecurity Framework and FHFA regulatory guidance, we have established a risk-based framework for managing third-party risk that defines specified triggers for assessing and reporting cyber-related third-party risks and events. Pursuant to this framework, we have implemented both preventive and detective controls to help mitigate cybersecurity risks posed by third parties. Our third-party risk management program requires an initial information security review, as well as ongoing monitoring reviews, for certain third parties that pose a higher cybersecurity risk to us because they have significant access to Fannie Mae systems or data.

Our Information Security organization, headed by our Chief Information Security Officer, has primary responsibility for assessing and managing our cybersecurity risks. It works collaboratively across the company to protect the company's information systems from cybersecurity threats and to respond to cybersecurity threats and incidents. The company's Technology Risk Committee and Enterprise Risk Committee provide management-level oversight of cybersecurity risk management. Our Enterprise Risk Management and Internal Audit divisions provide independent oversight of cybersecurity risk management.

Cybersecurity risk management is overseen by the full Board of Directors and by the Risk Policy and Capital Committee of the Board. The Board and the Risk Policy and Capital Committee generally engage in discussions throughout the year with management on cybersecurity risk matters. The company has procedures to escalate information regarding certain cybersecurity incidents to the Board Chair. At least annually, the Board reviews and approves the company's Cybersecurity Risk Policy and Operational Risk Policy.

For more information on Fannie Mae's management of cybersecurity risks and a discussion of the cybersecurity risks we face, see the "Cybersecurity" section of our 2023 Form 10-K (pp. 45-48) and the cybersecurity-related risk factor in "Risk Factors—Operational and Model Risk" in our 2023 Form 10-K (pp. 36-38).

SASB FN-CB-230a.2

Data privacy

Everyone at Fannie Mae shares the responsibility to protect data and information. Our Employee Code and related policies — including our Confidential Information and Privacy Policy, Information Security Policy, Technology Use Standard, and Cyber Risk Policy — establish clear expectations, procedures, and other requirements for how we help protect and manage information.

Our dedicated Privacy Office manages policy development and implementation, develops, and provides training throughout the enterprise, performs privacy risk assessments and tests, and establishes monitoring and incident management triage requirements. Employees recertify their adherence to the data privacy policies and best practices annually. Our data privacy program, including our policies and procedures, is governed by our Compliance Committee, Operational Risk Committee, and Enterprise Risk Committee.

In the case of a privacy threat or incident that could have a significant impact on Fannie Mae, the Privacy Office initiates the Privacy Event Response Team (PERT). PERT is a cross-functional team charged with leading, analyzing, escalating, and communicating to help ensure that clients, regulators, and/or other parties are appropriately notified of privacy-related security incidents, where required by applicable law, contract, or regulation.

Consumer data

Fannie Mae's business inherently relies on confidential information, including data related to individual consumers, collected directly by Fannie Mae or by a third party on our behalf. Our Employee Code is the basis for our employees' understanding of their important responsibility to help safeguard the confidentiality, security, and integrity of all personal information and respect the privacy of others. Our standard requirements include guidance on using nonpublic personal information only for legitimate business purposes, using the minimum amount of data needed, and implementing robust access controls over this data.

As reflected in our Online Privacy Notice, Fannie Mae enables individuals to request information regarding their personal data. Requests may include: to know what information the company possesses; to access that information; to correct or delete it; and to opt out of collection, sale, and sharing of that information.

Borrower privacy

We are dedicated to serving the needs of the investor community and helping protect the privacy of mortgage borrowers. We strive to develop creative solutions to provide the market with relevant, mortgage-related information while managing the delicate balance between privacy and transparency.

Fannie Mae is required by law to disclose to potential investors information related to the mortgage securities that it issues to the public. We periodically review our disclosures holistically, and as we contemplate new disclosures, we evaluate the potential implications for borrower privacy and look for ways to reduce the possibility of borrower identification by modifying, masking, or not disclosing certain data points. For example, when developing our Single-Family Mission Index disclosures, we balanced several factors, including the efficient functioning of the MBS market and protecting borrower privacy.

Emerging technologies

We use artificial intelligence (AI) and machine learning (ML) technology to help manage some of the operational risks we face, as well as AI and ML techniques in our models that support a number of business needs. Generative artificial intelligence, or generative AI, is an evolution of AI that is rapidly developing and may transform the way businesses operate and make decisions, creating both opportunities for and risks to our business. Our use of AI and ML technology presents risks, including the potential for outages, inefficiencies, data loss, and bias or errors in the technology's analysis and conclusions while the technology and our use of the technology matures. We expect to gradually increase our use of AI to support our business needs, including using more advanced generative AI. We are currently working on enhancing our governance and controls to support the further development and implementation of AI in our business processes, including implementing guiding ethical principles on the appropriate use of AI and enhancing our risk management framework. We believe the use of AI tools has significant potential to enhance employee productivity, improve our business processes, and change the way we engage with our stakeholders.

Regulatory Engagement

As a federally chartered corporation and as a financial institution, Fannie Mae is subject to government regulation and oversight. FHFA, our primary regulator, regulates our safety and soundness and our fulfillment of our mission. FHFA also acts as our conservator. See our 2023 Form 10-K for a discussion of matters related to regulation, legislation, and conservatorship.

Fannie Mae is subject to special regulatory requirements to fulfill annual goals for supporting affordable housing and to set and achieve goals related to mortgage financing in underserved markets. The Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended ("the Act"), requires that FHFA establish affordable housing goals for Fannie Mae that a specified amount of mortgage loans we acquire meet standards relating to affordability, primarily measured by household income, or location.[63] The Act also establishes Duty to Serve requirements for Fannie Mae to develop loan products and flexible underwriting guidelines to facilitate a secondary market for mortgages for very low-, low-, and moderate-income households in three underserved markets: manufactured housing, affordable housing preservation, and rural housing.[64] In addition, since 2012, FHFA has released annual corporate performance objectives for us, referred to as the conservatorship scorecard.[65]

Fannie Mae, in conservatorship, does not engage any registered lobbyists. The company also does not make political contributions.

Contributions to government and taxation

Fannie Mae contributes funding to the federal government in a number of ways, including:

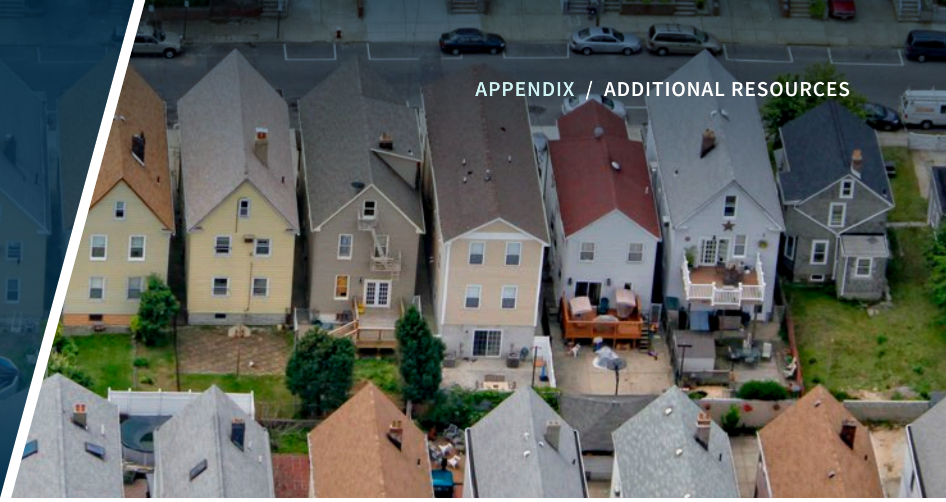
- **Treasury Capital Magnet Fund and HUD Housing Trust Fund**: We are required by federal legislation to set aside in each fiscal year an amount equal to 4.2 basis points for each dollar of the unpaid principal balance of our total new business purchases and to pay this amount to the following funds: the U.S. Department of the Treasury's Capital Magnet Fund, which finances affordable housing, economic development activities, and community service facilities, and HUD's Housing Trust Fund, which finances the production or preservation of affordable housing through the acquisition, new construction, reconstruction, and/or rehabilitation of non-luxury housing. We paid $287.5 million to these funds in 2023, based on our new business purchases in 2022.
- **Federal income taxes**: During 2023, our cash payments for income taxes were $2.75 billion. Fannie Mae's effective tax rate of 20.7% for 2023 is very close to the statutory federal corporate income tax rate of 21%. Fannie Mae is exempt by federal statute from state and local income taxes. For more information about Fannie Mae's federal income taxes, refer to Note 10 — Income Taxes in the notes to consolidated financial statements in our 2023 Form 10-K.
- **Dividend payments to Treasury**: Fannie Mae has made $181.4 billion in cumulative dividend payments to Treasury since entering conservatorship in 2008. This exceeds the $119.8 billion in cumulative amounts Fannie Mae has drawn from Treasury. Under the terms of the senior preferred stock purchase agreement with Treasury, dividend payments we make to Treasury do not offset our draws of funds from Treasury. Under the current dividend provisions of the senior preferred stock, we are not required to pay further dividends on the senior preferred stock until our net worth exceeds the amount of adjusted total capital necessary for us to meet the capital requirements and buffers under the Enterprise Regulatory Capital Framework issued by FHFA.
- **TCCA fees**: Pursuant to the Temporary Payroll Tax Cut Continuation Act of 2011, as amended by the Infrastructure Investment and Jobs Act of 2021 ("TCCA"), since April 2012 we have collected 10 basis points in guaranty fees on the single-family residential mortgages delivered to us and remitted these fees to Treasury. In 2023, our TCCA fees accrued amounted to $3.43 billion.[66]
- **FHFA expenses**: Under federal legislation, FHFA establishes an annual assessment to Fannie Mae for FHFA's costs and expenses. In 2023, Fannie Mae recorded an annual assessment of $158.5 million for FHFA expenses.

63 For more information on housing goals, see "Business—Legislation and Regulation—Housing Goals" in our 2023 Form 10-K.

64 For more information and to read our most recent Underserved Markets Plan document, please visit our website.

65 For information on FHFA's 2023 conservatorship scorecard objectives and our performance against these objectives, see "Executive Compensation—Compensation Discussion and Analysis—Determination of 2023 Compensation—Assessment of Corporate Performance against 2023 Scorecard" in our 2023 Form 10-K.

66 Payments lag accruals by one quarter.



2023 CRI Report

Appendix

Additional Resources

The resources provided below are included for readers seeking to learn more about some of the reports, policies, procedures, and practices referenced throughout this report. For more information on our environmental, social, and governance efforts, please visit Fannie Mae's website.

Reporting and data

Annual Form 10-K Filings

Annual Housing Activities Report (AHAR) and Annual Mortgage Report (AMR)

Equitable Housing Finance Plan Performance Report

Duty to Serve Underserved Markets Reporting

Green and Social Bond CUSIP-level Impact Reporting

Data Dynamics

DUS Disclose

PoolTalk

Policies, practices, and plans

Single-Family *Selling Guide*

Single-Family *Servicing Guide*

Multifamily *Selling and Servicing Guide*

Social Bond Framework

Single-Family Green Bond Framework

Multifamily Green Bond Framework

Employee Code of Conduct

Code of Conduct for the Board of Directors

Business Partner Code of Conduct

Service Requirements for Contractors and Consultants

Equal Opportunity in Employment and Contracting

Online Privacy Notice for Fannie Mae

Duty to Serve Underserved Markets Plan

Equitable Housing Finance Plan

Mortgage financing and related activities

Single-Family Mortgage Loans

Multifamily Mortgage Loans and Specialty Financing

Pilot Activities

Data Tables

† Indicated tables were not subject to Deloitte & Touche LLP's review, and accordingly Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.

Note on loan-related metrics

Loan-related metrics in this report's data tables are based primarily on mortgage loans on Fannie Mae's consolidated balance sheet, unless otherwise noted. References in this report to mortgage loans on Fannie Mae's consolidated balance sheet refer to those in Fannie Mae consolidated trusts and those in Fannie Mae's retained mortgage portfolio that are reported as Held for Investment or Held for Sale. The loan-related metrics exclude certain loan populations for which we do not have relevant data, amounting to $5.4 billion in unpaid principal balance (UPB) as of December 31, 2023; the largest of these is reverse mortgages, with $5.1 billion in UPB (less than 0.1% of the total UPB of single-family mortgage loans on Fannie Mae's consolidated balance sheet as of December 31, 2023).

Data tables in this report related to our Multifamily business generally include a small population of off-balance sheet credit enhancements Fannie Mae has provided. Our climate-related data tables also include small off-balance sheet populations of long-term standby commitments, credit enhancements, and government-insured mortgage loans.

Within this document, we report loan value in terms of unpaid principal balance, with no adjustments for fair value, cost basis adjustments, expected credit losses, or charge-offs.

TABLE 1. SINGLE-FAMILY AND MULTIFAMILY LOAN ACQUISITIONS[67]

SASB FN-MF-000.B	Number of Loans & Units For the Year Ended December 31,			Unpaid Principal Balance at Acquisition For the Year Ended December 31,		
	2023	2022	2021	2023	2022	2021
	(Loans & units in thousands)			(Dollars in millions)		
Single-Family:	**983.9**	**2,036.9**	**4,812.3**	**$316,012**	**$614,861**	**$1,354,758**
Home purchase loans	805.3	1,150.9	1,486.9	$272,808	$377,981	$451,392
Refinance loans	178.7	885.9	3,325.4	$43,204	$236,880	$903,366
Multifamily:						
Loans	2.8	3.6	4.2	$52,865	$69,215	$69,460
Units financed[68]	481.6	597.9	622.5			

67 Numbers in table may not sum due to rounding.

68 Reflects new multifamily units financed by first liens; excludes second liens on multifamily units for which we had financed the first lien, as well as manufactured housing rentals. Numbers of units financed in 2021 have been updated in this report from the numbers reported in the company's 2021 Form 10-K filings to exclude previously included second liens and manufactured housing rentals. Second liens and manufactured housing rentals are included in loan count and unpaid principal balance.

TABLE 2. SINGLE-FAMILY HOUSING MORTGAGE ACQUISITIONS BY YEAR, BY SELECT CHARACTERISTICS[†, 69]

	Number of Loans For the Year Ended December 31,			Unpaid Principal Balance at Acquisition For the Year Ended December 31,		
	2023	2022	2021	2023	2022	2021
	(Loans in thousands)			(Dollars in millions)		
Single-Family Loans on Primary Residences[70]	**884.3**	**1,786.6**	**4,272.0**	**$290,930**	**$548,445**	**$1,212,242**
Home Purchase Loans	**726.3**	**1,001.7**	**1,279.2**	**$252,482**	**$337,253**	**$396,665**
Income ≤ 50% of Area Median Income (AMI)	43.8	69.1	96.0	$6,329	$10,795	$14,713
% of primary-residence home purchase loans	6.0 %	6.9 %	7.5 %	2.5 %	3.2 %	3.7 %
Income > 50% to 60% AMI	40.8	59.8	80.3	$7,973	$12,289	$15,873
% of primary-residence home purchase loans	5.6 %	6.0 %	6.3 %	3.2 %	3.6 %	4.0 %
Income > 60% to 80% AMI	104.9	146.6	194.0	$25,635	$37,247	$46,436
% of primary-residence home purchase loans	14.4 %	14.6 %	15.2 %	10.2 %	11.0 %	11.7 %
Income > 80% to 100% AMI	99.7	150.7	189.0	$29,289	$45,895	$53,533
% of primary-residence home purchase loans	13.7 %	15.0 %	14.8 %	11.6 %	13.6 %	13.5 %
Income > 100% to 120% AMI	91.5	134.5	165.2	$31,041	$46,454	$52,718
% of primary-residence home purchase loans	12.6 %	13.4 %	12.9 %	12.3 %	13.8 %	13.3 %
Income > 120% AMI	345.5	441.0	554.8	$152,216	$184,572	$213,391
% of primary-residence home purchase loans	47.6 %	44.0 %	43.4 %	60.3 %	54.7 %	53.8 %
First-time homebuyers	382.4	539.2	703.4	$128,107	$176,065	$211,668
% of primary-residence home purchase loans	52.6 %	53.8 %	55.0 %	50.7 %	52.2 %	53.4 %

† This table was not subject to Deloitte & Touche LLP's review, and accordingly Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.

69 Numbers in table may not sum due to rounding.

70 Household income as a percentage of AMI in this table is as of loan origination.

TABLE 3. MULTIFAMILY HOUSING MORTGAGE ACQUISITIONS BY YEAR, BY SELECT CHARACTERISTICS[†,71]

	For the Year Ended December 31,[72]		
	2023	2022	2021
Multifamily Affordable Housing[73]			
Number of loans for Multifamily Affordable Housing (thousands)	0.4	0.5	0.6
Value of loans for Multifamily Affordable Housing (UPB at acquisition, $ millions)	$6,556	$10,269	$9,585
Number of units with rent and income restrictions considered affordable (thousands)[74]			
Income ≤ 50% AMI	13.7	22.5	24.1
Income > 50 to 60% AMI	26.5	39.6	36.3
Income > 60 to 80% AMI	11.2	14.5	10.3
Income > 80 to 100% AMI	0.3	0.1	0.1
Income > 100 to 120% AMI	0.3	0.5	0.4
Income > 120% AMI	0.5	0.3	*
Number of units with reported rents considered affordable (thousands)[75]			
Income ≤ 50% AMI	76.4	123.0	80.4
Income > 50 to 60% AMI	81.8	116.7	103.5
Income > 60 to 80% AMI	155.5	169.9	193.9
Income > 80 to 100% AMI	56.6	70.6	100.5
Income > 100 to 120% AMI	19.7	24.1	37.7
Manufactured Housing (MH) Communities			
Number of loans for MH Communities (thousands)[76]	0.2	0.3	0.3
Value of loans for MH Communities (UPB at acquisition, $ millions)	$3,462	$2,363	$3,157
Number of MH pads financed (thousands)	66.1	55.6	66.2

* Represents value less than 50 units.

† This table was not subject to Deloitte & Touche LLP's review, and accordingly Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.

71 Multifamily figures in this table include both mortgage loans on our consolidated balance sheet and a small population of off-balance sheet credit enhancements provided by Fannie Mae.

72 Based on the date of loan acquisition by Fannie Mae.

73 Multifamily Affordable Housing (MAH) includes properties with a minimum level of rent or income-restricted units, properties receiving federal and state subsidies, properties with rent or income restrictions that meet a special public purpose, and properties eligible for Sponsor-Initiated Affordability. Generally, these loans finance properties for which 20% or more of the units financed are restricted to be affordable at or below 80% AMI. For more information, refer to MAH Property Eligibility in our Multifamily ***Selling and Servicing Guide***.

74 Affordable as defined by the individual program, e.g., LIHTC or HUD Section 8, based on rent and income restrictions reported at origination. This metric counts any units that are reported as restricted, with no excluded property types.

75 Affordable as defined by FHFA in CFR 1282.19, based on rents reported at loan origination. Rents may change following loan origination. Reported rents are prior to any use of tenant-based vouchers. This metric excludes manufactured, seniors, student, and co-op housing. Seniors, student, and co-op property types are included in FHFA housing goals calculations, as reported in our Annual Housing Activities Report. The units reported here as affordable based on reported rents include units with rent restrictions.

76 In cases where multiple loans for MH communities are grouped into one structured transaction, they are counted here as a single loan.

TABLE 4. MULTIFAMILY SOCIAL BOND ISSUANCE[77]

SASB FN-IB-410a.2	For the year ended December 31, 2023	2022	2021
Number of Social Bonds issued	873	925	829
Number of loans (thousands)[78]	0.9	1.0	0.9
Value of Social Bonds issued (UPB at issuance, $ millions)	$11,233	$11,821	$10,456
Total number of housing units financed by loans that back Social Bonds (thousands)†	143.9	154.1	117.8
Social Bonds supporting Restricted Affordable Housing			
Number of units affordable to targeted populations (thousands)†			
Income ≤ 50% AMI†	12.1	17.8	22.1
Income > 50% to 60% AMI†	23.4	23.3	31.3
Income > 60% to 80% AMI†	7.4	6.2	9.3
Social Bonds supporting Unrestricted Affordable Housing			
Number of units affordable to targeted populations (thousands)†			
Income ≤ 50% AMI†	33.9	31.0	—
Income > 50% to 60% AMI†	27.9	22.3	—
Income > 60% to 80% AMI†	2.6	2.3	—
Social Bonds supporting Manufactured Housing			
Number of pads financed (thousands)†	27.6	41.5	44.5
Number of Social Bond resecuritizations	1	2	2
Value of Social Bond resecuritizations (UPB at issuance, $ millions)	$641	$773	$955

† Numbers of units financed, including the affordability breakdown by income levels, were not subject to Deloitte & Touche LLP's review, and accordingly Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.

77 Fannie Mae released its first Multifamily labeled Social Bonds in 2021. See our Social Bond Framework for descriptions of eligibility for our Social Bond label. Credit facilities are not eligible for Social Bonds currently. The methodology for counting housing units in this table has been updated to align with that used in Tables 1 and 3 of this report, and we have updated previously reported 2021 and 2022 data to use this methodology. Only units financed by first liens are included in housing unit counts above. Note that MBS may qualify for both our Green and Social labels; these labels are not mutually exclusive.

78 Within this table, loans are classified by the year in which they were securitized into a Social Bond, rather than the year Fannie Mae acquired them.

TABLE 5. CERTAIN CHARACTERISTICS OF OUTSTANDING SINGLE-FAMILY MORTGAGE LOANS[80]

MGMT FN-MF-270a.1[79]

	Number of Loans As of December 31,			Unpaid Principal Balance As of December 31,		
	2023	2022	2021	2023	2022	2021
	(Loans in thousands)			(Dollars in millions)		
Hybrid or option ARM[81]	**33.4**	**39.4**	**48.2**	**$3,254**	**$4,047**	**$5,366**
FICO ≤ 660	3.9	4.4	5.2	$305	$365	$463
As a % of total outstanding single-family mortgage loans	*	*	*	*	*	*
FICO > 660	28.3	33.2	40.7	$2,910	$3,630	$4,834
As a % of total outstanding single-family mortgage loans	0.2 %	0.2 %	0.2 %	0.1 %	0.1 %	0.1 %
FICO Not Available[82]	1.2	1.8	2.3	$40	$51	$68
As a % of total outstanding single-family mortgage loans	*	*	*	*	*	*
Higher rate[83]	**405.3**	**410.1**	**403.0**	**$73,720**	**$73,002**	**$68,072**
FICO ≤ 660	75.1	79.6	82.5	$11,527	$12,107	$11,733
As a % of total outstanding single-family mortgage loans	0.4 %	0.5 %	0.5 %	0.3 %	0.3 %	0.3 %
FICO > 660	329.6	330.0	320.0	$62,127	$60,832	$56,288
As a % of total outstanding single-family mortgage loans	1.9 %	1.9 %	1.8 %	1.7 %	1.7 %	1.6 %
FICO Not Available	0.5	0.5	0.5	$66	$63	$52
As a % of total outstanding single-family mortgage loans	*	*	*	*	*	*
Total outstanding single-family mortgage loans	**17,491.5**	**17,638.1**	**17,512.1**	**$3,636,597**	**$3,635,051**	**$3,482,509**
FICO ≤ 660	1,004.7	1,055.9	1,100.8	$151,868	$158,904	$157,123
As a % of total outstanding single-family mortgage loans	5.7 %	6.0 %	6.3 %	4.2 %	4.4 %	4.5 %
FICO > 660	16,468.3	16,557.3	16,379.6	$3,483,264	$3,474,667	$3,323,827
As a % of total outstanding single-family mortgage loans	94.2 %	93.9 %	93.5 %	95.8 %	95.6 %	95.4 %
FICO Not Available	18.5	25.0	31.7	$1,465	$1,480	$1,559
As a % of total outstanding single-family mortgage loans	0.1 %	0.1 %	0.2 %	*	*	*

Prepayment Penalty:

Prior to 2013, we purchased a small population of loans with prepayment penalties as part of negotiated transactions. In 2013, we announced that loans with prepayment penalties are no longer eligible for purchase in connection with the Ability-to-Repay/Qualified Mortgage Rule provisions published by the Consumer Financial Protection Bureau. Any loan previously acquired with a prepayment penalty has seasoned beyond the effective date of the penalty. As a result, we exclude these loans from our reporting of this metric.

* Represents a value of less than 0.05%.

79 Fannie Mae has defined management criteria responsive to SASB FN-MF-270a.1. For more information, please see Note 1: Basis of Presentation in the SASB Index of the Appendix.

80 Loans are classified according to "classic FICO® Score" determined at the time of loan origination and reported to Fannie Mae by lenders. FICO is based upon the FICO associated with the loan origination and not attributed to individual borrowers in cases where there is more than one borrower. Numbers in table may not sum due to rounding.

81 Hybrid ARMs are defined per the SASB Standards as mortgages with interest rate resets, or initial fixed-rate periods, of less than five years. Option ARMs, as defined by the SASB Standards, are any ARM loan with terms that allow for negative amortization or interest-only payments. Fannie Mae no longer acquires loans with negative amortization or interest-only payment options. ARMs with a negative amortization feature have not been acquired since 2007. ARMs with interest-only payment options have not been acquired since 2014.

82 The FICO Not Available category includes loans eligible for sale to Fannie Mae without a credit score attributable to the borrower(s), as permitted by the *Selling Guide*. Additionally, this category includes loans acquired under negotiated exceptions for nonprofit entity borrowers who may rent the property on affordable rental terms to individuals, as only individual borrowers have FICO scores. Finally, this category may also include loans with data outside the expected range of FICO scores, attributable to data entry issues.

83 We define "higher rate" consistent with the meaning of higher-priced mortgage loan as defined by Regulation Z (12 CFR 1026), implementing the Truth in Lending Act, as amended, and as reported by lenders as of origination. For loan applications taken on or after October 1, 2009, and for loans closed on or after January 1, 2010 (regardless of application date), loans with a spread between annual percentage rate (APR) and average prime offer rate (APOR) at rate lock-in date greater than or equal to 150 bps for first-lien loans or 350 bps for junior-lien loans are classified as higher rate. Prior to these dates, mortgages with a spread between APR and comparable U.S. Treasury yields at rate lock-in date greater than or equal to 300 bps for first-lien loans or 500 bps for junior-lien loans are classified as higher rate. Loans are classified based on their original terms. Subsequent modifications may have changed the APR or adjusted other relevant terms of the loans, which are not reflected in this table. As of year-end 2023, 2022, and 2021, Fannie Mae had modified 40,155; 41,227; and 41,584, respectively, of the loans classified here as higher rate (figures not subject to Deloitte & Touche LLP's review). These loans may not be higher rate as of the periods displayed, based on modified terms.

TABLE 6. SINGLE-FAMILY LOAN MODIFICATIONS, FORECLOSURE ALTERNATIVES, AND FORECLOSURES[84]

SASB FN-MF-270a.2	Number of Loans For the Year Ended December 31,			Unpaid Principal Balance For the Year Ended December 31,		
	2023	2022	2021	2023	2022	2021
	(Loans in thousands)			(Dollars in millions)		
Non-Liquidation Workouts						
Repayment Plans	**2.6**	**1.4**	**3.5**	**$433**	**$217**	**$599**
FICO ≤ 660	0.8	0.5	0.7	$118	$59	$96
FICO > 660	1.7	1.0	2.8	$314	$157	$502
FICO Not Available[85]	*	*	*	$1	*	$1
Payment Deferrals[86]	**47.1**	**88.9**	**297.4**	**$11,232**	**$18,409**	**$62,060**
FICO ≤ 660	11.5	20.2	56.8	$2,232	$3,315	$9,434
FICO > 660	35.6	68.5	239.9	$8,994	$15,080	$52,577
FICO Not Available	0.1	0.2	0.7	$6	$15	$49
Modifications	**35.0**	**76.4**	**40.3**	**$7,266**	**$16,559**	**$8,432**
FICO ≤ 660	10.0	18.3	10.8	$1,803	$3,314	$1,881
FICO > 660	24.9	57.9	29.4	$5,458	$13,231	$6,544
FICO Not Available	0.1	0.2	0.1	$5	$14	$7
Total Modifications, Deferrals, and Repayment Plans	**84.6**	**166.8**	**341.2**	**$18,931**	**$35,184**	**$71,091**
Settled Liquidation Workouts						
Pre-Foreclosure Sales	**0.3**	**0.4**	**1.2**	**$68**	**$83**	**$218**
FICO ≤ 660	0.1	0.1	0.3	$16	$21	$62
FICO > 660	0.2	0.3	0.8	$52	$61	$156
FICO Not Available	—	*	*	—	*	*
Deed-in-Lieu of Foreclosure	**0.1**	**0.1**	**0.4**	**$16**	**$14**	**$48**
FICO ≤ 660	*	*	0.1	$3	$4	$11
FICO > 660	0.1	0.1	0.3	$13	$9	$38
FICO Not Available	—	—	*	—	—	*
Total Pre-Foreclosure Sales and Deeds-in-Lieu of Foreclosure	**0.4**	**0.6**	**1.5**	**$84**	**$97**	**$267**
Foreclosures[87]	**8.5**	**8.1**	**6.2**	**$990**	**$889**	**$641**
FICO ≤ 660	2.3	2.3	2.0	$240	$223	$195
FICO > 660	6.1	5.8	4.1	$748	$662	$444
FICO Not Available	0.1	0.1	0.1	$2	$4	$2

* Represents a value of less than 50 loans or less than $500,000 in UPB.

84 Loans are classified according to Classic FICO scores determined at the time of loan origination and reported to Fannie Mae by lenders. FICO is based upon the FICO associated with the loan origination and not attributed to individual borrowers in cases where there is more than one borrower. FICO score at loan origination does not impact borrower eligibility determinations for loss mitigation or foreclosure outcomes. Rather, these events are assessed in accordance with our ***Servicing Guide*** and applicable law. Numbers in table may not sum due to rounding.

85 The FICO Not Available category includes loans eligible for sale to Fannie Mae without a credit score attributable to the borrower(s), as permitted by the ***Selling Guide***. Additionally, this category includes loans acquired under negotiated exceptions for nonprofit entity borrowers who may rent the property on affordable rental terms to individuals, as only individual borrowers have FICO scores. Finally, this category may also include loans with data outside the expected range of FICO scores, attributable to data entry issues.

86 The payment deferral workout option allows the borrower to defer past-due payments, without interest, to the maturity date or earlier payoff of the mortgage.

87 Foreclosures include properties that are sold to third parties at foreclosure and those that Fannie Mae acquires as REO. Foreclosures reported here include only completed foreclosures and do not include loans referred to foreclosure or in the process of foreclosure. There were approximately 27,200 loans in the foreclosure process as of December 31, 2023 (figure not subject to Deloitte & Touche LLP's review).

TABLE 7. EDUCATION & COUNSELING[88]

SASB FN-CB-240a.4

	For the year ended December 31,		
	2023	2022	2021
	(Thousands)		
Number of loans acquired for which Fannie Mae required pre-purchase homebuyer education[89]	116.2	151.7	211.5
Number of participants that completed Fannie Mae's HomeView homeownership education course[†,90]	226.3	178.9	—
Number of sessions of housing counseling provided to Fannie Mae borrowers and renters via nonprofit partners[†,91]	9.4	11.1	23.0

† Number of HomeView participants and number of sessions of housing counseling were not subject to Deloitte & Touche LLP's review, and accordingly Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.

88 Fannie Mae requires homebuyer education curricula that are aligned with National Industry Standards for Homeownership Education and Counseling or the HUD Counseling Program, or provided by a HUD-approved counseling agency. Fannie Mae's HomeView course is also acceptable. For more information, see Fannie Mae's Single-Family *Selling Guide*, section B2-2-06.

89 For certain Fannie Mae loans, at least one borrower on a loan must complete homeownership education prior to loan closing: if all borrowers on the loan are relying solely on nontraditional credit to qualify, regardless of loan type or first-time homebuyer status; HomeReady and HFA Preferred purchase transactions when all occupying borrowers are first-time homebuyers; or purchase transactions with LTV, combined LTV, or home equity combined LTV ratios greater than 95% when all borrowers are first-time homebuyers. Qualified providers must be independent of the lender, with homeownership education content that is aligned with National Industry Standards for Homeownership Education and Counseling or is provided by a HUD-approved housing counseling agency. Fannie Mae's HomeView course can be used to satisfy homeownership education requirements.

90 HomeView launched in 2022. Some borrowers of loans for which Fannie Mae required pre-purchase homebuyer education fulfilled that requirement by completing HomeView, and as a result, the totals of the figures are not mutually exclusive. HomeView has no eligibility restrictions for participants; the course is open to anyone.

91 Counseling sessions reported are for loans held by Fannie Mae or one of its consolidated trusts for which Fannie Mae paid for the session. Sessions include those provided through Disaster Response Network and additional partners for borrowers and renters experiencing hardship. Individual borrowers and renters may account for more than one session.

TABLE 8. SINGLE-FAMILY MORTGAGE LOAN ACQUISITIONS BY RACE OR ETHNICITY OF BORROWER(S)[92]

SASB FN-MF-270b.1	Number of Loans For the Year Ended December 31,			Unpaid Principal Balance at Acquisition For the Year Ended December 31,			Weighted Average Original LTV Ratio[93] For the Year Ended December 31,		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
	(Loans in thousands)			(Dollars in millions)					
Borrower Race or Ethnicity:									
American Indian or Alaskan Native	**8.8**	**17.8**	**34.6**	**$2,686**	**$5,115**	**$9,293**	**79.9 %**	**76.8 %**	**71.9 %**
FICO ≤ 660	0.4	1.3	1.9	$107	$330	$461	70.4 %	70.6 %	70.9 %
FICO > 660	8.3	16.5	32.7	$2,578	$4,782	$8,831	80.3 %	77.2 %	72.0 %
FICO Not Available	*	*	*	$2	$3	$1	79.6 %	73.8 %	77.1 %
Asian	**104.4**	**178.4**	**451.5**	**$42,740**	**$69,148**	**$162,516**	**79.0 %**	**75.8 %**	**66.9 %**
FICO ≤ 660	1.8	4.9	7.7	$649	$1,720	$2,501	73.9 %	72.0 %	70.4 %
FICO > 660	102.6	173.4	443.8	$42,075	$67,405	$160,002	79.1 %	75.9 %	66.8 %
FICO Not Available	*	0.1	*	$16	$23	$13	70.7 %	74.7 %	76.7 %
Black or African American	**58.3**	**125.2**	**218.2**	**$17,704**	**$35,853**	**$57,679**	**81.9 %**	**78.7 %**	**76.0 %**
FICO ≤ 660	3.4	11.9	16.3	$902	$3,032	$3,951	72.7 %	71.4 %	73.1 %
FICO > 660	54.9	113.3	201.8	$16,795	$32,812	$53,721	82.4 %	79.4 %	76.2 %
FICO Not Available	*	*	*	$7	$9	$7	73.3 %	77.1 %	78.7 %
Native Hawaiian or Other Pacific Islander	**3.6**	**7.9**	**18.6**	**$1,342**	**$2,809**	**$6,151**	**79.7 %**	**75.3 %**	**70.3 %**
FICO ≤ 660	0.2	0.6	1.0	$54	$187	$312	68.5 %	68.9 %	69.9 %
FICO > 660	3.4	7.3	17.6	$1,288	$2,622	$5,838	80.2 %	75.8 %	70.3 %
FICO Not Available	*	—	*	*	—	$1	48.0 %	—	70.9 %

* Represents a value of less than 50 loans or less than $500,000 in UPB.

92 We operate in the secondary mortgage market, primarily working with lenders and servicers. We do not originate mortgage loans or lend money directly to consumers in the primary mortgage market. Fannie Mae requires lenders and servicers of loans to comply with applicable laws and regulations, including the Fair Housing Act, Equal Credit Opportunity Act, and related anti-discrimination regulations. Fannie Mae conducts its underwriting analysis uniformly and without regard to race, gender, or other prohibited factors in our automated underwriting system, DU.

Borrowers are asked to report both race and ethnicity on their loan application. Borrower categories for applications are based on whether any of the four possible borrowers identify as Hispanic or Latino, or a race other than white. Individual race and ethnicity categories are not mutually exclusive and do not sum to 100%. For example, if there are two borrowers on a mortgage, one of whom identifies as Black and one as Asian, the loan information would be counted as part of both Black and Asian categories. Similarly, if a borrower identifies with more than one race or ethnicity, the borrower will be included in each group, with the exception of borrowers who identify as non-Hispanic white.

Loans are classified in this table according to Classic FICO scores determined at the time of loan origination and reported to Fannie Mae by lenders. FICO is based upon the FICO associated with the loan origination and not attributed to individual borrowers in cases where there is more than one borrower. The FICO Not Available category includes loans eligible for sale to Fannie Mae without a credit score attributable to the borrower(s), as permitted by the ***Selling Guide***. Additionally, this category includes loans acquired under negotiated exceptions for nonprofit entity borrowers who may rent the property on affordable rental terms to individuals, as only individual borrowers have FICO scores. Finally, this category may also include loans with data outside the expected range of FICO scores, attributable to data entry issues. Numbers in table may not sum due to rounding.

93 The weighted average original loan-to-value ratio is calculated based upon the race and ethnicity category for each borrower for the applicable loan, so data for a single loan may appear in multiple rows.

TABLE 8. SINGLE-FAMILY MORTGAGE LOAN ACQUISITIONS BY RACE OR ETHNICITY OF BORROWER(S) (CONT'D)

SASB FN-MF-270b.1	Number of Loans For the Year Ended December 31,			Unpaid Principal Balance at Acquisition For the Year Ended December 31,			Weighted Average Original LTV Ratio For the Year Ended December 31,		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
	(Loans in thousands)			(Dollars in millions)					
Borrower Race or Ethnicity:									
Hispanic or Latino	**130.0**	**269.0**	**541.8**	**$42,203**	**$82,468**	**$153,216**	**81.7 %**	**77.8 %**	**73.4 %**
FICO ≤ 660	5.5	18.5	28.9	$1,501	$5,062	$7,466	72.0 %	70.5 %	71.0 %
FICO > 660	124.4	250.4	512.8	$40,675	$77,375	$145,724	82.1 %	78.3 %	73.5 %
FICO Not Available	0.1	0.1	0.1	$27	$31	$26	72.1 %	73.9 %	76.7 %
White — Non-Hispanic or Latino	**570.4**	**1,180.2**	**2,949.6**	**$173,931**	**$339,972**	**$791,086**	**76.8 %**	**73.8 %**	**69.2 %**
FICO ≤ 660	18.4	57.0	97.6	$4,398	$13,927	$22,638	67.7 %	68.8 %	70.1 %
FICO > 660	551.3	1,122.5	2,851.1	$169,390	$325,879	$768,262	77.1 %	74.0 %	69.2 %
FICO Not Available	0.7	0.7	0.9	$144	$165	$186	71.7 %	72.3 %	75.1 %
All Minority Borrowers[94]	**287.9**	**566.9**	**1,203.6**	**$100,460**	**$184,782**	**$369,614**	**80.5 %**	**77.1 %**	**70.9 %**
FICO ≤ 660	10.6	34.9	52.5	$3,010	$9,668	$13,769	72.4 %	70.9 %	71.3 %
FICO > 660	277.1	531.7	1,150.8	$97,400	$175,053	$355,798	80.8 %	77.5 %	70.9 %
FICO Not Available	0.2	0.2	0.2	$50	$62	$48	71.7 %	74.5 %	76.9 %
Loans Not Classified[95]	**125.6**	**258.5**	**659.1**	**$41,621**	**$80,132**	**$194,060**	**76.7 %**	**72.1 %**	**66.9 %**
FICO ≤ 660	4.7	15.8	24.2	$1,228	$4,186	$6,119	67.4 %	66.8 %	67.8 %
FICO > 660	120.9	242.6	634.8	$40,362	$75,920	$187,913	77.0 %	72.4 %	66.9 %
FICO Not Available	0.1	0.1	0.1	$31	$25	$29	70.0 %	73.0 %	70.8 %

* Represents a value of less than 50 loans or less than $500,000 in UPB.

94 This category consists of borrowers who do not fall into categories "non-Hispanic or Latino white" or "loans not classified." It may not equal the total of the relevant categories in this table since borrowers who fall under multiple racial/ethnic categories would only appear once in this subtotal.

95 This category consists of mortgages that cannot be otherwise classified in this table, including loans where borrower race and ethnicity information was not provided at loan origination or race was not provided and ethnicity was reported as non-Hispanic or Latino.

TABLE 9. REPRESENTATION BY RACIAL OR ETHNIC GROUPS AND GENDER AS A PERCENTAGE OF JOB CATEGORY[96]

SASB FN-IB-330a.1	Executive Management As of the final pay period of:			Non-Executive Management As of the final pay period of:			Professionals As of the final pay period of:			All Other Employees As of the final pay period of:			All Job Categories As of the final pay period of:		
	2023	**2022**	**2021**	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**
Racial or Ethnic Group:															
American Indian or Alaskan Native	**—**	**—**	**—**	**0.2%**	**0.3%**	**0.2%**	**0.2%**	**0.2%**	**0.2%**	**—**	**—**	**—**	**0.2%**	**0.2%**	**0.2%**
Women	—	—	—	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	—	—	—	0.1%	0.1%	0.1%
Men	—	—	—	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	—	—	—	0.1%	0.1%	0.1%
Asian	**6.8%**	**7.0%**	**5.6%**	**32.0%**	**31.1%**	**30.1%**	**40.3%**	**39.2%**	**38.7%**	**12.5%**	**4.0%**	**3.5%**	**37.4%**	**37.1%**	**36.5%**
Women	4.5%	4.7%	2.8%	11.0%	9.8%	9.7%	17.2%	16.7%	16.4%	7.3%	1.3%	1.2%	15.5%	15.2%	14.8%
Men	2.3%	2.3%	2.8%	21.0%	21.3%	20.4%	23.1%	22.4%	22.3%	5.2%	2.7%	2.4%	21.9%	21.9%	21.6%
Black or African American	**6.8%**	**11.6%**	**13.9%**	**8.6%**	**8.7%**	**8.2%**	**12.4%**	**13.0%**	**12.9%**	**36.6%**	**57.3%**	**54.1%**	**12.5%**	**12.6%**	**12.5%**
Women	4.5%	4.7%	5.6%	5.2%	5.4%	4.5%	7.1%	7.6%	7.7%	28.6%	50.7%	50.6%	7.5%	7.5%	7.6%
Men	2.3%	7.0%	8.3%	3.4%	3.3%	3.7%	5.3%	5.4%	5.2%	8.0%	6.7%	3.5%	5.0%	5.0%	4.9%
Hispanic or Latino	**2.3%**	**2.3%**	**2.8%**	**4.6%**	**4.4%**	**3.9%**	**6.6%**	**6.3%**	**6.1%**	**8.7%**	**10.7%**	**14.1%**	**6.3%**	**5.9%**	**5.8%**
Women	2.3%	2.3%	2.8%	1.9%	1.8%	1.7%	2.7%	2.6%	2.5%	6.6%	10.7%	12.9%	2.7%	2.5%	2.5%
Men	—	—	—	2.7%	2.6%	2.2%	3.9%	3.7%	3.6%	2.1%	—	1.2%	3.6%	3.4%	3.3%
Native Hawaiian or Pacific Islander	**—**	**—**	**—**	**0.3%**	**0.3%**	**0.3%**	**0.2%**	**0.2%**	**0.2%**	**0.3%**	**1.3%**	**—**	**0.2%**	**0.2%**	**0.2%**
Women	—	—	—	0.1%	0.1%	0.1%	*	—	—	—	—	—	*	—	—
Men	—	—	—	0.2%	0.2%	0.2%	0.1%	0.2%	0.2%	0.3%	1.3%	—	0.2%	0.2%	0.2%
White Non-Hispanic or Latino	**84.1%**	**79.1%**	**77.8%**	**53.3%**	**53.1%**	**55.2%**	**38.7%**	**39.0%**	**39.3%**	**40.1%**	**24.0%**	**25.9%**	**41.9%**	**41.8%**	**42.5%**
Women	20.5%	18.6%	16.7%	21.8%	21.2%	22.7%	15.6%	16.2%	16.7%	21.3%	17.3%	21.2%	17.1%	17.2%	17.9%
Men	63.6%	60.5%	61.1%	31.5%	31.9%	32.5%	23.1%	22.7%	22.7%	18.8%	6.7%	4.7%	24.9%	24.6%	24.6%

* Represents less than 0.05% of employees by job category.

96 This table is based on data reported in the EEO-1 report. It counts employees as of the last day of the last pay period of the calendar year: December 30 in 2023, December 31 in 2022, and December 18 in 2021. Where an employee has chosen not to self-identify their race/ethnicity, Fannie Mae determines this information by visual survey and/or other available information to complete certain mandatory government reports, such as EEO-1.

Fannie Mae aligns its workforce to EEO-1 job categories as defined by the EEO-1 Component 1 Job Classification Guide. Those included in the Executive Management category include those aligned with the EEO-1 category Executive/Senior Level Officials & Managers and are Fannie Mae leaders in SVP, EVP, President, or CEO roles (historically ~30-40 employees). As a result, this group is affected more significantly by small fluctuations in workforce demographics (i.e., individuals who leave and join within specific racial/ethnic groups). Those included in the Non-Executive Management category include those aligned with the EEO-1 category First/Mid-Level Officials & Managers; those in the Professionals category include those aligned with the EEO-1 category Professionals; and those in the All Other Employees category include those aligned with the EEO-1 categories Technicians, Sales Workers, Administrative Support, Craft Workers, Operatives, Laborers & Helpers, and Service Workers. Demographic shifts across job categories may be attributed to changes in business initiatives and demand for specific roles and skills (i.e., technical, cloud, digital) and their requisite supply in the talent market. Fannie Mae has no employees outside the U.S. Numbers in the table may not sum due to rounding.

TABLE 9. REPRESENTATION BY RACIAL OR ETHNIC GROUPS AND GENDER AS A PERCENTAGE OF JOB CATEGORY (CONT'D)

SASB FN-IB-330a.1	Executive Management As of the final pay period of:			Non-Executive Management As of the final pay period of:			Professionals As of the final pay period of:			All Other Employees As of the final pay period of:			All Job Categories As of the final pay period of:		
	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
Racial or Ethnic Group:															
Two or More Races	**—**	**—**	**—**	**1.0%**	**2.1%**	**2.0%**	**1.6%**	**2.3%**	**2.5%**	**1.7%**	**2.7%**	**2.4%**	**1.5%**	**2.2%**	**2.4%**
Women	—	—	—	0.4%	1.0%	0.9%	0.7%	1.1%	1.2%	1.4%	2.7%	2.4%	0.7%	1.1%	1.2%
Men	—	—	—	0.6%	1.1%	1.1%	0.9%	1.2%	1.3%	0.3%	—	—	0.8%	1.2%	1.3%
Total Number of Employees	**44**	**43**	**36**	**1,620**	**1,556**	**1,444**	**6,153**	**6,353**	**5,844**	**287**	**75**	**85**	**8,104**	**8,027**	**7,409**
Women	14	13	10	656	612	574	2,666	2,809	2,605	187	62	75	3,523	3,496	3,264
Men	30	30	26	964	944	870	3,487	3,544	3,239	100	13	10	4,581	4,531	4,145

* Represents less than 0.05% of employees by job category.

TABLE 10. BOARD OF DIRECTORS REPRESENTATION BY RACIAL OR ETHNIC GROUP AND GENDER[†,97]

	As of the Form 10-K Filing Date for Reporting Covering		
	2023	**2022**	**2021**
Number of Board Members	**12**	**10**	**12**
By Racial or Ethnic Group:[98]			
American Indian or Alaskan Native	—	—	—
Asian	1	—	—
Black or African American	3	3	3
Hispanic or Latino	2	2	1
Native Hawaiian or Pacific Islander	—	—	—
White	7	5	8
By Gender:			
Women	5	5	5
Men	7	5	7

† This table was not subject to Deloitte & Touche LLP's review, and accordingly Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.

97 Data for each year is provided as of the filing date of the company's Form 10-K for the applicable year, which was February 15, 2024 for the 2023 Form 10-K; February 14, 2023 for the 2022 Form 10-K; and February 15, 2022 for the 2021 Form 10-K.

98 As in our 2023 Form 10-K, individual Board members who self-identify two or more races or ethnicities are counted in each of the applicable categories.

TABLE 11. GREEN BOND ISSUANCE[99]

SASB FN-IB-410a.2	For the Year Ended December 31,		
	2023	2022	2021
Number of Green Bonds Issued	**246**	**271**	**550**
Multifamily Green Bonds	201	226	515
Single-Family Green Bonds	45	45	35
Number of Loans (thousands)[100]	**4.0**	**3.9**	**2.1**
Multifamily Green Bonds	0.2	0.2	0.5
Single-Family Green Bonds	3.8	3.7	1.5
Value of Green Bonds Issued (UPB at issuance, $ millions)	**$8,952**	**$10,495**	**$13,980**
Multifamily Green Bonds	$7,511	$9,089	$13,467
Single-Family Green Bonds	$1,441	$1,405	$513
Number of Units (thousands)†	**51.5**	**58.2**	**96.6**
Multifamily Green Bonds†	47.7	54.5	95.0
Single-Family Green Bonds†	3.8	3.7	1.5
Green Bond Resecuritizations			
Number of Multifamily Green GeMS	—	1	3
Value of Multifamily Green GeMS (UPB at issuance, $ millions)	—	$781	$2,391

† The number of units financed by Green Bonds was not subject to Deloitte & Touche LLP's review, and accordingly Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.

99 Total rows do not count Multifamily Green GeMS, since these are resecuritizations. Numbers in table may not sum due to rounding. The methodology for counting housing units in this table has been updated to align with that used in Tables 1 and 3 of this report, and we have updated previously reported 2021 and 2022 data to use this methodology. Only units financed by first liens are included in housing unit counts above. Note that MBS may qualify for both our Green and Social labels; these labels are not mutually exclusive.

100 Within this table, loans are classified by the year in which they are securitized into a Green Bond, rather than the year Fannie Mae acquired them.

TABLE 12. PROJECTED GREEN BOND IMPACTS[†, 101]

	For the Year Ended December 31,		
	2023	**2022**	**2021**
Projected Energy Saved (kBtu in millions)	**699**	**888**	**1,459**
Multifamily Green Bonds	635	814	1,422
Single-Family Green Bonds	64	74	37
Projected Water Saved (Gallons in millions)[102]	126	116	473
Projected Greenhouse Gas Emissions Prevented ($mtCO_2e$ in thousands)	33.9	41.4	84.0
Multifamily Green Bonds	31.2	37.9	82.3
Single-Family Green Bonds	2.8	3.5	1.7
Projected Utility Cost Savings per Household[103]			
Multifamily renters[104]	$237	$205	$219
Single-family homeowners[105]	$226	$219	$264

† This table was not subject to Deloitte & Touche LLP's review, and accordingly Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.

101 This table presents single-year projected impacts for the loans underlying Green Bonds issued in the years indicated. For a description of our methodology for estimating the positive environmental impact of the loans backing our Green Bonds, see the impact methodology on our Green Bonds webpage. kBtu is one thousand British thermal units, a unit of energy measurement. $MtCO_2e$ is metric tons of carbon dioxide equivalent. Numbers in table may not sum due to rounding.

102 Multifamily Green Bonds only.

103 Estimated cost savings for a one-year period.

104 Multifamily Green Rewards loans only. Multifamily projected utility cost savings include energy and water.

105 Single-Family Green Bonds only. Single-family projected utility cost savings include energy only.

TABLE 13. SINGLE-FAMILY AND MULTIFAMILY LOANS REQUIRING FLOOD INSURANCE[106]

SASB FN-MF-450a.1

	Number of Loans As of December 31,			Unpaid Principal Balance As of December 31,		
	2023	2022	2021	2023	2022	2021
	(Loans in thousands)			(Dollars in millions)		
Single-Family Loans						
Flood-insured loans	565.3	575.1	578.1	$119,873	$120,707	$116,533
Total single-family loans	17,509.5	17,657.8	17,534.4	$3,637,984	$3,636,597	$3,484,276
Flood insured as % of single-family total	3.2 %	3.3 %	3.3 %	3.3 %	3.3 %	3.3 %
Multifamily Loans[107]						
Flood-insured loans	2.1	2.0	2.0	$37,956	$36,448	$34,927
Total multifamily loans	28.9	28.0	28.9	$470,305	$440,447	$413,171
Flood insured as % of multifamily total	7.3 %	7.2 %	6.8 %	8.1 %	8.3 %	8.5 %

	Number of Properties As of December 31,			Carrying Value As of December 31,		
	2023	2022	2021	2023	2022	2021
	(Properties in thousands)			(Dollars in millions)		
Single-Family REO						
Properties in flood zones	0.5	0.5	0.4	$78	$70	$61
Total single-family REO properties	8.4	8.8	7.2	$1,396	$1,293	$959
In flood zones as % of single-family REO total	5.5 %	5.4 %	5.8 %	5.6 %	5.4 %	6.3 %
Multifamily REO						
Properties in flood zones	—	*	*	—	$31	$13
Total multifamily REO properties	0.1	*	*	$378	$278	$302
In flood zones as % of multifamily REO total	—	7.1 %	6.5 %	—	11.1 %	4.3 %

* Represents a value of less than 50 properties.

106 Single-Family and Multifamily categories encompass properties requiring flood insurance, per Fannie Mae ***Selling Guides*** and federal law (National Flood Insurance Act of 1968, as amended). Please see the Mitigating potential future climate-related financial losses section of our Climate Risk & Resilience chapter for more information on our flood insurance requirements.

Flood maps may change over time. Servicers are responsible for ensuring borrowers remain in compliance with flood insurance requirements. Single-family loan and REO data in this table reflect FEMA flood maps and letters of map amendments (LOMA) as of the respective reporting period. Multifamily loan and REO data in this table continue to reflect flood zones reported by lenders at loan origination.

Loan data in this table includes Fannie Mae's retained mortgage portfolio (including loans held for sale), loans underlying MBS in consolidated trusts, and some off-balance sheet items, such as long-term standby commitments, credit enhancements, and government-insured mortgages. Numbers in table may not sum due to rounding.

107 For multifamily loans, one loan can cover multiple properties. If one property under that loan requires flood insurance, the unpaid principal balance value in this table reflects only the value allocated to the affected property, not the entire loan.

Assurance Report

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INDEPENDENT ACCOUNTANT'S REPORT

We have reviewed management of Fannie Mae's (in conservatorship) (the "Company") assertion that the specified information included in Note 1: Basis of Presentation of the SASB Index ("Note 1") as of or for the years ended December 31, 2023, December 31, 2022 and December 31, 2021, included within the accompanying Fannie Mae 2023 Corporate Responsibility and Impact (CRI) Report ("CRI Report") is presented in accordance with the criteria set forth in Note 1 (the "criteria"). The Company's management is responsible for its assertion. Our responsibility is to express a conclusion on management's assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C Section 105, Concepts Common to All Attestation Engagements, and AT-C Section 210, Review Engagements. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to Note 1, in order for it to be presented in accordance with the criteria. The procedures performed in a review vary in nature and timing from and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether Note 1 is presented in accordance with the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

We applied the Statements on Quality Control Standards established by the AICPA and, accordingly, maintain a comprehensive system of quality control.

The procedures we performed were based on our professional judgment. In performing our review, we performed analytical procedures, inquiries, and other procedures as we considered necessary in the circumstances. For a selection of the specified information, we performed tests of mathematical accuracy of computations, compared the specified information to underlying records, or observed the data collection process.

The preparation of the specified information referenced in Note 1 requires management to interpret the criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. Measurement of certain metrics may include estimates and assumptions that are subject to substantial inherent measurement uncertainty, including estimation methodologies used by management. Obtaining sufficient, appropriate review evidence to support our conclusion does not reduce the inherent uncertainty in the amounts and metrics. The selection by management of a different but acceptable measurement method, input data, or model assumptions, or a different point value within the range of reasonable values produced by the model, may have resulted in materially different amounts being reported.

Information outside of the specified information in Note 1 as of or for the years ended December 31, 2023, 2022 and 2021 was not subject to our review and, accordingly, we do not express a conclusion or any form of assurance on such information. Further, any information relating to periods prior to the year-ended December 31, 2021, or information relating to forward-looking statements, targets, goals, progress against goals, and linked information was not subject to our review and, accordingly, we do not express a conclusion or any form of assurance on such information.

Based on our review, we are not aware of any material modifications that should be made to management of the Company's assertion that the specified information included in Note 1 as of or for the years ended December 31, 2023, December 31, 2022, and December 31, 2021 are presented in accordance with the criteria set forth in Note 1, in order for it to be fairly stated.

Deloitte + Touche LLP

July 1, 2024

SASB Index

SASB Standards are independent standards for ESG disclosures maintained by the International Sustainability Standards Board (ISSB). The SASB Standards define industry-specific reporting criteria for 77 industries. Fannie Mae's position in the secondary mortgage market makes some of the risks and opportunities in our business model different compared to companies that originate loans or lend money directly to borrowers in the primary mortgage market. To provide transparency on topics representative of other important facets of our business, we identified the following relevant SASB industry-specific Standards for inclusion within this report: Mortgage Finance ("FN-MF"; our primary SASB industry), Commercial Banks ("FN-CB"), and Investment Banking and Brokerage ("FN-IB"). This report references the 2023-06 version of these Standards.

The index in Note 1: Basis of Presentation ("Note 1") below provides a consolidated list of metrics (the "specified information") and the related criteria used to measure and evaluate the specified information. The criteria are based on the SASB Standards. Where applicable, Fannie Mae has made certain modifications to SASB Mortgage Finance metrics to align with our operations in the secondary mortgage market. Furthermore, Fannie Mae has omitted certain SASB Mortgage Finance metrics. The nature and rationale for each modified or omitted metric is described within the table below. One of the metrics is not fully covered by the SASB Standards; accordingly, Fannie Mae has reported this metric in accordance with management's defined criteria, which is informed by the SASB Standards.

Management's assertion

Management of Fannie Mae is responsible for the completeness, accuracy, and validity of the specified information included below in Note 1. Management is also responsible for the collection, quantification, and presentation of the specified information and for the selection or development of the criteria, which management believes provide an objective basis for measuring and reporting on the specified metrics. Management of Fannie Mae asserts that the specified information as of or for the years ended December 31, 2023, December 31, 2022, and December 31, 2021, is presented in accordance with the criteria set forth in Note 1.

NOTE 1: BASIS OF PRESENTATION

SASB Criteria	Specified Information			
SASB Code and Metric	**Modified or Omitted**	**Metric**	**Response / Location**	**Changes from 2022 ESG Report**
Lending practices				
FN-MF-270a.2 — (1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deeds-in-lieu of foreclosure, by FICO scores above and below 660.	Modified to clarify terms, replacing "residential" with "single-family" and "short sales" with "pre-foreclosure sales."	(1) Number and (2) value of (a) single-family mortgage modifications, (b) foreclosures, and (c) pre-foreclosure sales, or deeds-in-lieu of foreclosure, by FICO scores above and below 660.	Data Tables < Table 6. Single-Family Loan Modifications, Foreclosure Alternatives, and Foreclosures	n/a
FN-MF-270a.3 — Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators.	Omitted; metric is not applicable, as Fannie Mae does not originate loans or lend directly to borrowers.	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators.	n/a	n/a
FN-MF-270a.4 — Description of remuneration structure of loan originators.	—	Description of remuneration structure of loan originators.	Fannie Mae does not provide compensation to loan originators. The discussion below summarizes Fannie Mae's guidance and minimum standards for lenders/sellers. **Single-Family** Sellers are required to comply with all federal, state, and local laws that apply to any of its origination, selling, or servicing practices. This includes ensuring that their loan originator compensation practices comply with the loan originator compensation provisions of the Truth in Lending Act and Regulation Z and that loan originators comply with these requirements when presenting loan options to consumers. (See Single-Family Selling Guide A3-2-01, Compliance With Laws and A3-2-02, Responsible Lending Practices.) **Multifamily** Lenders delivering multifamily loans to Fannie Mae are required to charge a minimum origination fee based on the size of the loan being delivered. Lenders must collect the minimum origination fee and retain at least 50% of the fee. Any portion of the origination fee in excess of the Retained Portion may be used by the lender to pay correspondent or broker fees for the origination of the mortgage loan.	n/a

NOTE 1: BASIS OF PRESENTATION (CONT'D)

SASB Criteria	Specified Information			
SASB Code and Metric	**Modified or Omitted**	**Metric**	**Response / Location**	**Changes from 2022 ESG Report**
Discriminatory lending				
FN-MF-270b.1 — (1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages issued to (a) minority and (b) all other borrowers, by FICO scores above and below 660.	Modified to specify "single-family" mortgages and replace "issued" with "acquired," as Fannie Mae does not lend directly to borrowers.	(1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of single-family mortgages acquired by Fannie Mae related to (a) minority and (b) all other borrowers, by FICO scores above and below 660.	Data Tables < Table 8. Single-Family Mortgage Loan Acquisitions by Race or Ethnicity of Borrower(s)	n/a
FN-MF-270b.2 — Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending.	Modified to replace "lending" with "practices," as Fannie Mae does not originate loans or lend directly to borrowers. Includes individual resolutions of more than $100,000.	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage practices.	Fannie Mae tracks our settlements or judgments exceeding $100,000 (not including attorneys' fees) in cases involving allegations of discriminatory mortgage practices. Between 2021 and 2023, there were no monetary losses meeting these criteria.[108]	n/a
FN-MF-270b.3 — Description of policies and procedures for ensuring nondiscriminatory mortgage origination.	—	Description of policies and procedures for ensuring nondiscriminatory single-family mortgage origination.	Equitable Access to Affordable Housing < Fair lending and fair housing	n/a
Environmental risk to mortgaged properties				
FN-MF-450a.1 — (1) Number and (2) value of mortgage loans in 100-year flood zones.	Modified to specify "loans requiring flood insurance," which may also include some coastal areas not within a 100-year flood plain. Also modified to add REO properties in flood zones.	(1) Number and (2) value of mortgage loans requiring flood insurance by (a) single-family and (b) multifamily properties.	Data Tables < Table 13. Single-Family and Multifamily Loans Requiring Flood Insurance	n/a
FN-MF-450a.2 — (1) Total expected loss and (2) Loss Given Default (LGD) attributable to mortgage loan default and delinquency due to weather-related natural catastrophes, by geographic region.	Omitted; see metric section for additional details.	(1) Total expected loss and (2) Loss Given Default (LGD) attributable to mortgage loan default and delinquency due to weather-related natural catastrophes, by geographic region.	Total expected losses and LGD are not disclosed in this year's report, as we continue to work toward producing projected loss estimates specific to weather-related events. Estimating expected losses and LGD attributable to weather-related factors is complex, evolving in nature, and requires a number of key assumptions related to drivers of credit performance. We understand the importance of evaluating the risk of potential loss attributable to weather-related natural catastrophes to our business. We are exploring the ability to estimate and communicate our exposure across a variety of natural catastrophes in a way that is both reasonable and consistent with industry best practices.	n/a
FN-MF-450a.3 — Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting.	—	Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting.	Climate Risk & Resilience < Mitigating potential future climate-related financial losses	n/a

108 Our response to SASB FN-MF-270b.2 does not include our $53 million settlement in 2022 related to foreclosed property maintenance, which is described on p. 19 of our 2022 ESG Report, because we do not consider such maintenance to be a "mortgage practice" within the definition of this SASB metric. Information related to the aforementioned settlement was not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.

NOTE 1: BASIS OF PRESENTATION (CONT'D)

SASB Criteria	Specified Information			
SASB Code and Metric	**Modified or Omitted**	**Metric**	**Response / Location**	**Changes from 2022 ESG Report**
Activity metric				
FN-MF-000.A — (1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial.	Omitted; metric is not applicable, as Fannie Mae does not originate loans or lend directly to borrowers.	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial.	n/a	n/a
FN-MF-000.B — (1) Number and (2) value of mortgages purchased by category: (a) residential and (b) commercial.	Modified to clarify terms, replacing "residential" with "single-family" and "commercial" with "multifamily."	(1) Number and (2) value of mortgages purchased by category: (a) single-family and (b) multifamily.	Data Tables < Table 1. Single-Family and Multifamily Loan Acquisitions	n/a
Data security				
FN-CB-230a.2 — Description of approach to identifying and addressing data security risks.	—	Description of approach to identifying and addressing data security risks.	Privacy, Cybersecurity, and Emerging Technologies < Cybersecurity risk management	n/a
Financial inclusion & capacity building				
FN-CB-240a.4 — Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers.	Modified to measure participants in terms of loans requiring homebuyer education and clarify that the underserved groups being served include first-time homebuyers in loan products targeted at low-income borrowers or with LTVs higher than 95% and borrowers with non-traditional credit. This metric does not include homebuyer education that was provided but not required.	Number of loans acquired for which Fannie Mae required pre-purchase homebuyer education	Data Tables < Table 7. Education & Counseling Housing Stability < Homeownership education	n/a
Systemic risk management				
FN-CB-550a.2 — Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities.	—	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities.	2023 Form 10-K < Stress Testing (p.15) and Regulatory Capital Requirements (p.F-58). 2022 Form 10-K < Stress Testing (p.19) and Regulatory Capital Requirements (p.F-60). Updated 2022 stress test results were published on June 12, 2023. 2021 Form 10-K < Stress Testing (p.20) and Enterprise Regulatory Capital Framework (p.F-63) Our climate-related stress testing is nascent, and we are working to improve it to better inform our strategy. Together with our regulator and conservator, FHFA, we are working to understand the impact that climate change may have on U.S. housing.	n/a

NOTE 1: BASIS OF PRESENTATION (CONT'D)

SASB Criteria	Specified Information			
SASB Code and Metric	**Modified or Omitted**	**Metric**	**Response / Location**	**Changes from 2022 ESG Report**
Employee diversity and inclusion				
FN-IB-330a.1 — Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees.	—	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees.	Data Tables < Table 9. Representation by Racial or Ethnic Groups and Gender as a Percentage of Job Category Human Capital < Fostering an inclusive workplace	n/a
Incorporation of environmental, social, and governance factors in investment banking & brokerage activities				
FN-IB-410a.2 — (1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by loan type.	Modified to clarify the metric used to track loans explicitly integrating ESG factors.	(1) Number and (2) value of mortgage loans underlying (a) green- and (b) social-labeled bonds.	Data Tables < Table 4. Multifamily Social Bond issuance Data Tables < Table 11. Green Bond issuance	n/a
Business ethics				
FN-IB-510a.2 — Description of whistleblower policies and procedures.	—	Description of whistleblower policies and procedures.	Business Ethics < Employee code of conduct	n/a
Professional integrity				
FN-IB-510b.4 — Description of approach to ensuring professional integrity, including duty of care.	—	Description of approach to ensuring professional integrity, including duty of care.	Business Ethics	n/a

Management's Criteria	Specified Information		
Defined Criteria	**Management Defined Metric**	**Response/Location**	**Changes from 2022 ESG Report**
(1) Number and (2) value of single-family mortgages of the following types: (a) Hybrid or Option Adjustable-rate Mortgages (ARM), (b) Prepayment Penalty, (c) Higher Rate, (d) Total, by FICO scores above or below 660. **Management considered SASB FN-MF-270a.1 when determining the criteria for this metric.** **a. Hybrid or option adjustable-rate mortgages (ARMs) are defined as ARMs with initial interest rate resets of less than five years or including negative amortization or interest-only payment schedules.** **b. Prepayment penalties are defined as mortgage contracts that include a clause that assesses a penalty if the mortgage is paid in full within a certain time period.** **c. Higher-rate mortgages are defined as higher-priced mortgage loans per Regulation Z (12 CFR 1026), implementing the Truth in Lending Act.** **d. Total loans comprises single-family mortgage loans on Fannie Mae's consolidated balance sheet.**	(1) Number and (2) value of single-family mortgages of the following types: (a) Hybrid or Option Adjustable-rate Mortgages (ARM), (b) Prepayment Penalty, (c) Higher Rate, (d) Total, by FICO scores above or below 660.	Data Tables < Table 5. Certain Characteristics of Outstanding Single-Family Mortgage Loans	n/a

TCFD Index

TCFD Disclosure	Response / Location
Governance	
a) Describe the Board's oversight of climate-related risks and opportunities.	Corporate Governance < Oversight of Environmental, Social, and Governance Activities at Fannie Mae
b) Describe management's role in assessing and managing climate-related risks and opportunities.	Corporate Governance < Oversight of Environmental, Social, and Governance Activities at Fannie Mae
Strategy	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate Risk & Resilience < Identifying and assessing climate-related risks
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Climate Risk & Resilience < Mitigating climate-related risk to Fannie Mae
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Not disclosed
Risk management	
a) Describe the organization's processes for identifying and assessing climate-related risks.	Climate Risk & Resilience < Identifying and assessing climate-related risks Risk Management < Climate risk management
b) Describe the organization's processes for managing climate-related risks.	Risk Management < Climate risk management
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Risk Management < Climate risk management
Metrics and targets	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Data Tables < Single-Family and Multifamily Loans Requiring Flood Insurance
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Not disclosed
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Not disclosed

Disclaimers

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