Environmental, Social, and Governance Report 2022

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Published June 30, 2023

2022 ESG Report

Introduction

Letter From the CEO

On behalf of all my Fannie Mae colleagues, I am excited to present our second annual Environmental, Social, and Governance (ESG) report.

For Fannie Mae, ESG is more than a priority as a leading financial company. It is a framework that helps us manage our business and prioritize our actions, powered by our mission: to facilitate equitable and sustainable access to homeownership and quality, affordable rental housing across America.

You will see our **social** responsibility come to life in the many ways we serve renters, homebuyers, and homeowners.

Housing affects all aspects of society — from where we grow up and live our lives, to the stability of our communities and our financial well-being. Fannie Mae is passionate about serving people across the country, including by knocking down barriers to affordable rental housing and homeownership for historically underserved populations.

To that end, Fannie Mae is pursuing new ways to inform and educate homebuyers and new solutions to lower down payments and closing costs. We believe our breakthrough initiatives to help renters build credit to potentially become homeowners hold incredible promise. World 50, a global community of business leaders, honored Fannie Mae for "innovation in creating scalable solutions and systemic change in diversity, equity, and inclusion." It shows how Fannie Mae's workforce helps us better see and serve a diverse nation.

Our housing mission also drives our **environmental** actions.

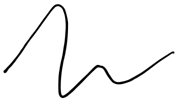
Among the credit, market, and other risks we monitor and manage in our business operations, Fannie Mae is actively working to understand our climate risk exposures and promote resiliency strategies to mitigate the impact of climate change for the people whose homes we finance. This helps to protect our company and the housing finance system.

Also, our pioneering Green Bond issuances are helping to meet the demand for more efficient and sustainable homes. We are pleased that the U.S. Environmental Protection Agency and U.S. Department of Energy awarded Fannie Mae their 2023 ENERGY STAR® Sustained Excellence designation for being "Partner of the Year" for nine years running.

Finally, we recognize that Fannie Mae cannot achieve our housing mission and ESG goals without the strong corporate **governance** we describe in this report. Our governance structure reinforces the foundation of our enterprise and helps ensure that we achieve our housing mission with safety, soundness, and sustainability.

All in all, this report is a tribute to our talented and dedicated colleagues across Fannie Mae who keep driving our business, housing mission, and ESG performance forward. I am proud of their work and inspired by their relentless commitment to America's housing.

Priscilla Almodovar, Chief Executive Officer



At a Glance

Fannie Mae at a glance

In 2022, Fannie Mae acquired mortgages supporting:

1.2M
single-family home purchases
of which **nearly half** were for first-time homebuyers

886K
single-family refinancings

598K
multifamily units
of which a **significant majority** reported rents affordable to low-to-moderate-income households[1]

As of Dec. 31, 2022, Fannie Mae owned or guaranteed approximately:

27%
of U.S. single-family mortgage debt outstanding[2]

21%
of U.S. multifamily mortgage debt outstanding[2]

Supporting the transition to greener buildings

Our financing can be used to improve the sustainability of single-family and multifamily properties by increasing energy and water efficiency and reducing greenhouse gas emissions.

59K
more energy- and water-efficient housing units financed in 2022
through our Green Rewards and Green Building Certification multifamily financing products and mortgages backing our Single-Family Green Bonds.

Read more on Sustainable Bonds, Green Financing, and Their Impacts >

$10.5B
in Green Bonds issued in 2022
backed by loans that were estimated to achieve:

888M
kBtu
of projected source energy savings[3]

41K
$mtCO_2e$
of projected greenhouse gas emissions prevented[3]

116M
gallons
of projected water savings[3,4]

Fostering an engaged and inclusive workforce

We value a diverse workforce and an inclusive workplace, and we leverage Fannie Mae's position in the marketplace to promote diversity and inclusion in the housing finance industry.

Racial or ethnic minorities
as of December 2022

58% of our workforce

28% of officer-level employees[5]

Women
as of December 2022

44% of our workforce

39% of officer-level employees[5]

9 in 10
employees
would recommend Fannie Mae to friends and family as a **great place to work.**
as of October 2022

Read more >

Increased our paid parental leave benefit to

12 weeks
of paid leave
and added a caregiver benefit with the same amount to take care of a seriously ill family member(s).

Read more >

1 Based on rents reported at loan origination. Rents may change following loan origination.
2 Based on internal estimates using data from the Federal Reserve Board of Governors' "Financial Accounts of the United States" (Z.1) release, Q4 2022.
3 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. $MtCO_2e$ is metric tons of carbon dioxide equivalent.
4 Multifamily Green Bonds only.
5 Officers are employees with job titles that include Fellow, Vice President, Senior Vice President, Executive Vice President, President, and CEO.

We help make access to housing in the United States more attainable, affordable, and stable for low- and moderate-income borrowers and renters.

Helping homeowners, homebuyers, and renters

Enabling access to affordable housing

In 2022, we acquired loans enabling home purchases[6] for

539K

first-time homebuyers

and

276K

low- and very low-income households

Read more >

$10.3B

in financing

provided in 2022 for **Multifamily Affordable Housing** properties with restrictions that limit rents or impose income limits on renters.

Read more >

2.9K

single-family mortgage applications

benefited in 2022 from our innovative new program enabling lenders to **consider timely rent payments** as a positive factor in mortgage underwriting.

Read more >

Building financial and credit confidence

179K

people completed the HomeView® homeownership education course in 2022

which Fannie Mae developed to help equip aspiring homebuyers with information to become successful and confident homeowners.

Read more >

105K

rental units onboarded

into our **Multifamily Positive Rent Payment Reporting Pilot** program in the last four months of 2022, enabling these households to make their on-time rent payments count toward building their credit.

Read more >

Advancing equity in housing finance

$32.7B

single-family mortgages acquired in 2022

from minority- and/or women-owned firms.

Read more >

Released our Equitable Housing Finance Plan

which outlines a range of specific actions we are taking to help knock down housing barriers faced by historically underserved communities.

Read more >

330

scholarships provided

to **aspiring appraisal professionals** in 2022 through the Appraisal Diversity Initiative, which is designed to help make a housing appraisal career accessible to a diverse pool of talent.

Read more >

Launched the Single-Family Social Index Framework

aimed at providing insights into socially-oriented activities in the residential real estate financing market.

Read more >

6 First-time homebuyer and low- and very low-income homebuyer categories are not mutually exclusive. If applicable, a loan may be included in both categories.

About Fannie Mae

Who we are

The Federal National Mortgage Association, better known as Fannie Mae, is a purpose-driven company by charter and by choice. Our business supports mortgage lenders by providing mortgage financing to help people buy or rent a home. We help make the popular 30-year fixed-rate mortgage possible, enabling predictable mortgage payments over the life of the loan and giving homeowners stability and peace of mind.

Our charter, an act of Congress, establishes our purposes: to provide liquidity and stability to the residential mortgage market and to promote access to mortgage credit. This mandate includes facilitating mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities. Congress declared that our operations should be financed by private capital to the maximum extent feasible. With these Congressional intentions in mind, we have, principally using private capital, provided liquidity in the secondary market and expanded housing opportunities throughout the U.S. Fannie Mae is committed to maintaining safety and soundness as we work to fulfill this mission.

We do not originate mortgage loans or lend money directly to borrowers. Rather, we work primarily with lenders who originate loans to borrowers. We acquire and securitize those loans into mortgage-backed securities that we guarantee (which we refer to as Fannie Mae MBS or our MBS). Our revenues are primarily driven by guaranty fees we receive for assuming the credit risk on loans underlying our MBS. As of December 31, 2022, we owned or guaranteed mortgage assets representing an estimated 27% of single-family mortgage debt outstanding and 21% of multifamily mortgage debt outstanding in the U.S.[7]

7 Based on internal estimates using data from the Federal Reserve Board of Governors' "Financial Accounts of the United States" (Z.1) release, Q4 2022.

Our business segments

We have two reportable business segments: Single-Family and Multifamily.

Single-Family

Our Single-Family Business acquires mortgage loans secured by properties containing one to four residential dwelling units, delivered by over a thousand lenders across the U.S. in 2022. Fannie Mae's position in the housing finance value chain means that we help set standards that apply nationally to conventional mortgage financing.[8] 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.

Our Single-Family Business provided $615 billion in liquidity to the mortgage market in 2022, enabling the financing of 1.2 million home purchases and 886,000 refinancings. Macroeconomic trends pushed mortgage interest rates higher in 2022, leading to a decrease in the volume of refinance loan acquisitions. Housing affordability constraints plus limited supply also decreased the volume of loans for home purchase. Most outstanding mortgage borrowers as of late 2022 had mortgage loans with rates well below prevailing market rates, which creates a strong disincentive to refinance.

Of the single-family mortgages we acquired in 2022, over a third financed primary residences affordable to low-to-moderate-income households.[9] Approximately 539,000 of the mortgages we acquired in 2022 were to first-time homebuyers.

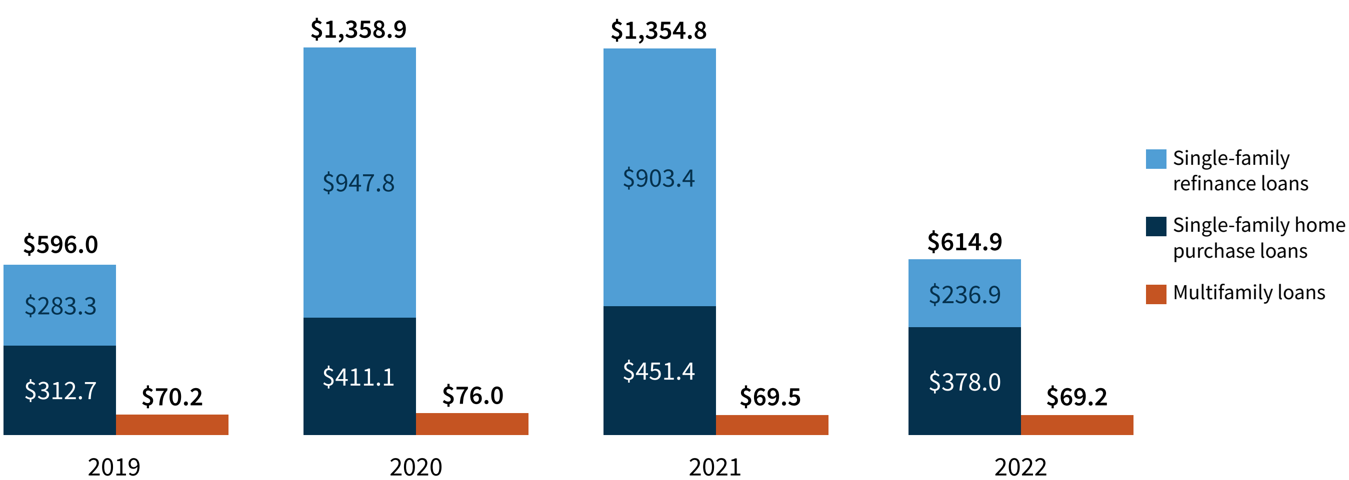
Multifamily

Our Multifamily Business provides mortgage market liquidity primarily for properties with five or more residential units, which may be apartment communities, cooperative properties, seniors housing, dedicated student housing, or manufactured housing communities. Multifamily housing is an essential part of the U.S. housing supply: there are 44 million renter households in the U.S., and 46% of those households live in multifamily units.[10]

Overall, our Multifamily Business provided $69 billion in multifamily mortgage market liquidity in 2022. A significant majority of units financed were affordable to low-to-moderate-income households.[11]

MORTGAGE LOANS ACQUIRED DURING THE YEAR BY UNPAID PRINCIPAL BALANCE AT ACQUISITION

(Dollars in billions)



8 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 the Federal Housing Finance Agency's (FHFA) housing price index. In most of the U.S., the conforming loan limit for mortgages secured by one-family residences was set at $647,200 for 2022.

9 Low-income borrowers are those with incomes of 80% of Area Median Income (AMI) or below; low-to-moderate-income borrowers are those with incomes of 100% of AMI or below. Percentages are based on number of loans and not unpaid principal balance.

10 U.S. Census Bureau, 2021 American Community Survey 1-Year Estimates.

11 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.

About This Report

This annual Environmental, Social, and Governance (ESG) report provides information on Fannie Mae's business and operations with a focus on social impact, sustainability, and responsible governance.

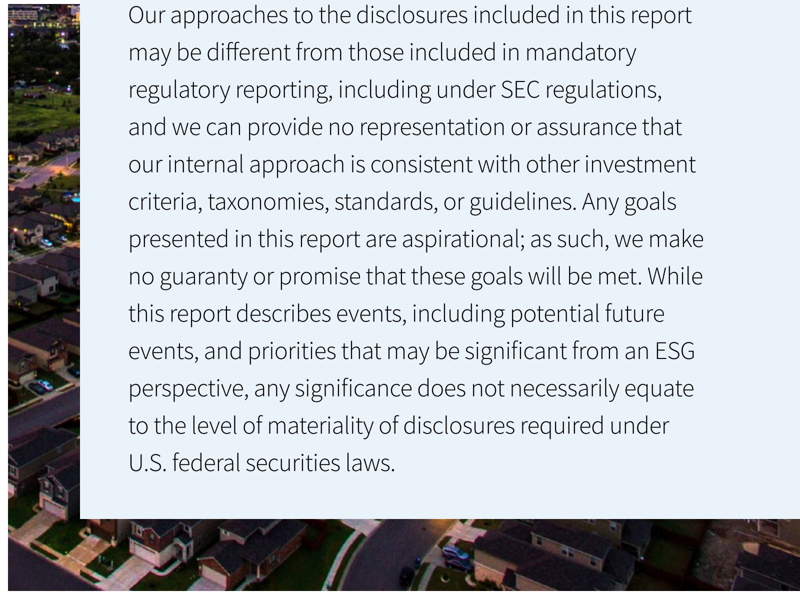
Some of the information included in this report has been previously disclosed in other voluntary and mandated reporting, including on our website, in our annual reports on Form 10-K filed with the Securities and Exchange Commission (SEC), and in previous ESG reporting. Additional details may be available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

Scope of the report

The information included in this report is as of and for the year ended December 31, 2022, unless otherwise noted. This report focuses on our priority ESG topics identified through internal and external stakeholder engagement and additional topics relevant to investors, ESG reporting standards, and ESG ratings organizations.

Alignment to independent reporting standards

The report includes specified information prepared in accordance with the SASB Standards 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.[12] 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.



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 ESG perspective, any significance does not necessarily equate to the level of materiality of disclosures required under U.S. federal securities laws.

Portions of this report that are aligned to the SASB Standards are denoted by banners indicating the associated metric.

SASB Example

Text responsive to SASB Standards appears within the SASB tags.

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, 2022, 2021, and 2020. Deloitte's report can be found on p. 68 of this ESG Report.

12 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 as well as changes from our 2021 ESG Report. See our 2021 ESG Report for an explanation of changes from our 2020 SASB Report.

Our Approach to ESG

Fannie Mae exists to make affordable housing a reality for millions in the U.S. by providing stability and liquidity in the housing market. Fannie Mae's strategy builds on this mission, set forth in our charter, while keeping the safety and soundness of the housing market at the forefront. Our strategic plan is designed around two core objectives — improving access to equitable and sustainable housing and enhancing our financial and risk positions.[13] Our corporate strategy integrates our environmental, social, and governance priorities, which are informed by market analysis and internal and external stakeholder engagement.

Since 2018, we have conducted assessments periodically to deepen our understanding of the overall housing finance landscape, prioritize the topics that are most relevant to our business and stakeholders from an ESG perspective, and adapt our ESG strategy and disclosures accordingly. The 14 priorities below that emerged from that assessment guide and focus our work to realize our mission and positively impact the lives of millions of borrowers and renters in the U.S.

Realizing scalable, positive impact while mitigating risk requires thoughtful integration of our ESG priorities throughout our business. Our ESG team works to deepen our understanding of our ESG priorities and solutions to the challenges they present, benefiting from enterprise-wide connectivity and visibility, engagement with external stakeholders, and Board-level oversight.

13 For more information on our strategic plan, see our 2022 Form 10-K, p. 4.

Fannie Mae's priority ESG topics (in alphabetical order):[14]

- Business ethics
- Climate resilience
- Climate risk
- Community engagement
- Data privacy & security
- Diversity & inclusion
- ESG integration
- Green homes
- Housing affordability
- Housing stability
- Human capital management
- Racial equity in housing finance
- Regulatory engagement
- Risk management

14 Topics were identified based on their relevance to our business from an ESG perspective, their impact on society, and our capacity to impact the issue at scale, among other factors.

SPOTLIGHT

Connecting Investors to Our Mission

Fannie Mae's mission has long been to facilitate equitable and sustainable access to homeownership and quality, affordable rental housing across the U.S.

Green and Social Bonds

Fannie Mae issues labeled Green Bonds backed by single-family loans and labeled Green and Social Bonds backed by multifamily loans. These securities abide by our Sustainable Bond Framework, which is aligned to global standards set forth in the International Capital Markets Association (ICMA) Green Bond Principles and Social Bond Principles.

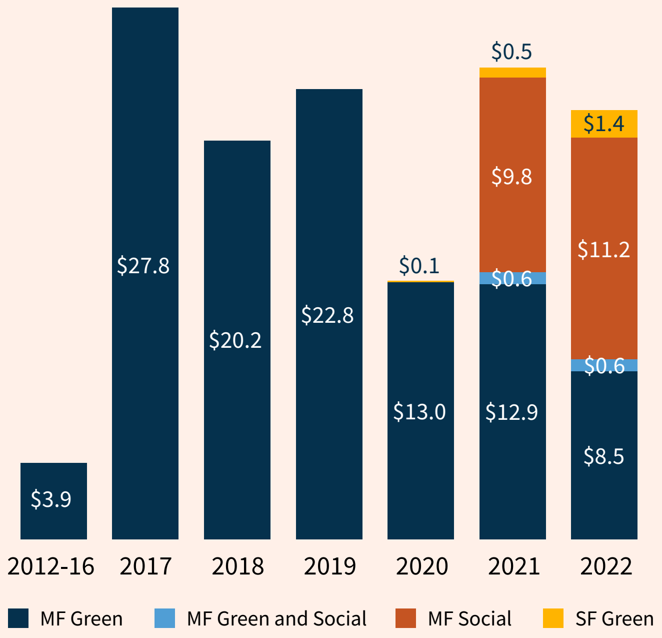
Our Sustainable Bond Framework

Our Sustainable Bond Framework, first published in 2020 and updated in 2022, details the processes and criteria we use to distinguish our Social and Green Bond offerings. The Sustainable Bond Framework received a second-party opinion from Sustainalytics. Fannie Mae's sustainable bonds finance assets that we believe align to the following United Nations Sustainable Development Goals: Goal 1 (No Poverty), Goal 7 (Affordable and Clean Energy), Goal 10 (Reduced Inequalities), and Goal 11 (Sustainable Cities and Communities). Under our Sustainable Bond Framework, eligible categories for use of proceeds of social bonds include Access to Essential Services, Socio-Economic Advancement and Empowerment, and Affordable Housing, per the ICMA Social Bond Principles 2020.

Our Sustainable Bond Framework also incorporates our Multifamily and Single-Family Green Bond Frameworks, which received Light Green and Good Governance Second Opinions from CICERO Shades of Green.[15] In addition, CICERO gave our multifamily Green Rewards Mortgage Loan product (see below) a Light to Medium Green rating.

ANNUAL GREEN AND SOCIAL MBS ISSUANCE

(UPB at issuance, Dollars in billions)



15 Please see the CICERO Shades of Green second opinions for multifamily and single-family frameworks.

The Social and Green Bond designations are not mutually exclusive. In the chart above, 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.

Green Bonds

Fannie Mae began issuing Green Bonds in 2012, and through 2022 we cumulatively issued $112.1 billion in Green MBS. The balance of Fannie Mae Green MBS outstanding as of December 31, 2022 was $93.8 billion. According to the Climate Bonds Initiative, as of December 2022, Fannie Mae was the largest cumulative issuer of green bonds in the world.

Multifamily Green Bonds

We issue Multifamily Green Bonds through two types of securities: **Multifamily Green MBS** and **Green Fannie Mae Guaranteed Mortgage Structures (GeMS™)**. To be included in Fannie Mae Multifamily Green MBS, the underlying loan must be either a Green Rewards Mortgage Loan or a Green Building Certification Mortgage Loan.

Multifamily Green MBS are generally backed by one loan and one property. These bonds benefit from the same features as our other Multifamily MBS, including certain prepayment protections, credit policies, and Fannie Mae's guaranty of timely principal and interest payments. The underlying mortgage loans must also conform to Fannie Mae's Multifamily Green Bond Framework, which outlines our requirements and commitment to accountability, transparency, and impact reporting in green financing. In 2022, Fannie Mae issued $9.1 billion in Multifamily Green MBS.

Green GeMS are pools of Multifamily Green MBS that are resecuritized in a real estate mortgage investment conduit (REMIC). Green GeMS offer investors geographic or property-type diversity, larger-size investments, and customized cash flows to fit investor preferences. GeMS deals are backed by the same Fannie Mae guaranty of timely payment of principal and interest as the underlying MBS pools. In 2022, Fannie Mae issued $781 million in Green resecuritizations.

Single-Family Green Bonds

Single-Family Green MBS are backed by pools of mortgage loans secured exclusively by newly constructed single-family homes with green building certifications.[16] To be eligible, these homes must meet or exceed the national program requirements for ENERGY STAR® Certified Homes, Version 3.0.[17] Fannie Mae's 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 2022, Fannie Mae issued $1.4 billion in Single-Family Green MBS.

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

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

17 "About the ENERGY STAR Residential New Construction Program," 2019. Energystar.gov.

Supporting greater diversity in the investor community

Fannie Mae developed the ACCESS® program in 1992 to promote diversity within the capital markets. ACCESS provides opportunities for diverse-owned broker-dealer firms to distribute Fannie Mae's fixed-income securities to the investor community. We include ACCESS dealers in our debt issuance transactions, single-family and multifamily MBS trading, and credit risk transfer transactions. Please see our Community Engagement chapter for more information.

Multifamily Social Bonds

Fannie Mae issued its first Multifamily Social Bonds in 2021 to better connect interested investors to our loans financing the creation and preservation of affordable 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.

As with our Multifamily Green MBS, 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 for investors seeking geographic or property-type diversity, larger-size investments, and customized cash flows to fit investor preferences.

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

The Social and Green Bond designations are not mutually exclusive — in 2022, $587 million of the multifamily bonds we issued met our criteria for both Social and Green labels. A substantial majority of the units at the properties backing these securities were affordable (at the time of issuance) to tenants with incomes of 60% of Area Median Income (AMI) or less. The 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.

Security-Level Reporting

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

- At-issuance and ongoing annual metrics on whole multifamily property energy and water performance, including ENERGY STAR Score and EPA's Water Score, are available in DUS Disclose®.
- Projected impacts of Green and Social Bonds are available on our website, published each year to include the previous year's issuance.
- Single-Family Social Index scores are available in PoolTalk® and Data Dynamics®.
- Multifamily Restricted and Rent-based Affordability (as of loan acquisition) are available in DUS Disclose.

For more details about Fannie Mae's existing Green Bond disclosures, please see our Green Bond Disclosures At a Glance guide on our website.

Social Index

In 2022, Fannie Mae introduced the Single-Family Social Index as a flexible and scalable solution to provide investors with insights into our mission-oriented activities in the residential real estate financing market, while also being designed to help preserve the confidentiality of mortgage consumers' personal information.[18] We designed the index so that it can be refined over time to suit the needs of investors and evolving market practices and standards.

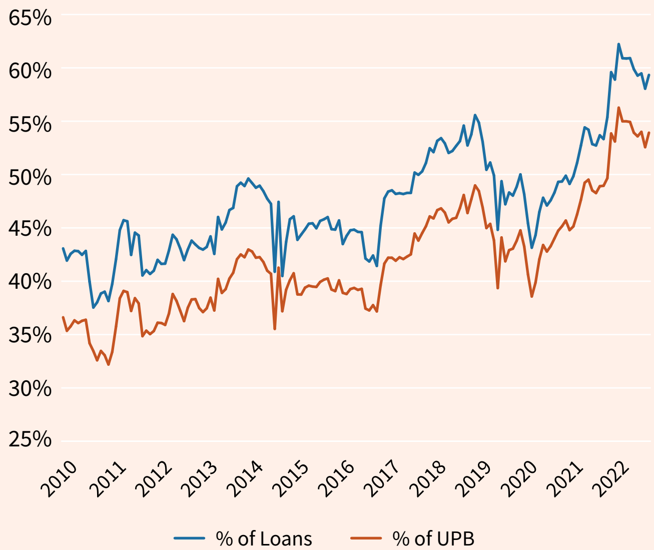
18 As of the date of this report's publication, Fannie Mae has not labeled any Single-Family MBS issuances as "social" bonds. In February 2023, FHFA issued a Request for Input on Fannie Mae's and Freddie Mac's Single-Family social bond policies and program design. Feedback from investors, second-party opinion providers, and other market participants will inform how to approach potential social-labeled issuance. For more discussion about privacy and disclosure, see Fannie Mae's "Disclosure and Privacy: A Delicate Balance," published in August 2022.

We provide Social Index scores on our single-family MBS pools based on a pool's concentration of loans meeting certain criteria that reflect lending in service of Fannie Mae's mission.[19] The Social Index currently evaluates loans against eight social criteria, grouped under three dimensions. We do not disclose individual loan scores. We evaluate loans at time of acquisition, and we calculate pool-level metrics based on the composition of pools when they are issued.

We score MBS pools on two pool-level metrics:

- Social Criteria Share™ (SCS) is the percentage of loans in a pool that meet at least one of our eight social criteria.
- Social Density Score™ (SDS) reflects the layering of social attributes. Each loan is scored on a zero-to-three scale based on the number of dimensions its criteria matches fall in. The SDS is the average score of the loans in the pool. Pool-level SDS is capped at 2.5.

HISTORICAL SHARE OF FANNIE MAE ACQUISITIONS MEETING CURRENT SOCIAL INDEX CRITERIA



ELEMENTS OF SOCIAL INDEX METHODOLOGY

Dimension	Current Criteria[20]
Income	Low-income borrowers (household income is 80% of Area Median Income (AMI) or below)
Borrower	Minority borrowers (at least one borrower identifies as a racial or ethnic minority)
	First-time homebuyers (at least one borrower is a first-time homebuyer and household income is 120% of AMI or below)
Property	Low-income area (home located in designated low-income area and household income is 120% of AMI or below)
	Minority tract (home located in designated minority tract and household income is 120% of AMI or below)
	High-needs rural (home located in designated high-needs rural area and household income is 120% of AMI or below)
	Designated disaster area (home located in designated disaster area and household income is 120% of AMI or below)
	Manufactured housing (home is manufactured housing and household income is 120% of AMI or below)

19 We provide Social Index scores for most active and inactive pools issued since January 2010.

20 Loans on second homes are not eligible for any criteria. Households with income greater than 120% of Area Median Income are not eligible for most social criteria, with the exception of the "minority borrower" criterion, reflecting the homeownership gap between minority consumers and non-Hispanic white consumers that is persistent across household income levels.

2022 ESG Report

Social

Housing Affordability

Fannie Mae supports the U.S. housing market by acquiring and guaranteeing mortgage loans made by lenders and issuing MBS backed by those mortgage loans. Our business model helps to bring housing affordability to renters and borrowers around the country.

Single-family housing affordability

Fannie Mae acquires single-family mortgage loans from lenders who originate those loans to borrowers. Single-family mortgage loans finance properties with one to four residential units. We are working to enable aspiring homeowners to overcome barriers to affordable homeownership. The mortgage loans we acquire include options for low down payment financing and consumers with limited or no credit history.

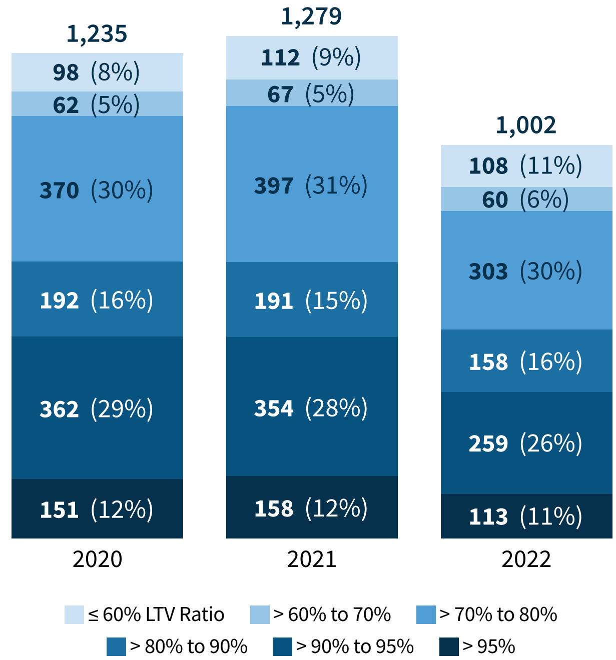
Easing the burden of upfront costs

For low-income and first-time homebuyers, covering the upfront costs for down payment and closing can be a major barrier.[21] Fannie Mae eases this burden by allowing low down payments and down payment assistance.

Loans with as little as 3% down are eligible for financing under Fannie Mae's guidelines. HomeReady® is a Fannie Mae loan product designed to help our lender partners serve creditworthy low-income borrowers.[22] In 2022, Fannie Mae acquired over 79,000 HomeReady loans.

NUMBER AND SHARE OF OWNER-OCCUPIED HOME-PURCHASE MORTGAGES ACQUIRED, BY LTV RATIO AT ORIGINATION
(in thousands)

Population: single-family loans on the consolidated balance sheet



Fannie Mae also allows funds for part or all of 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 also receiving home purchase assistance through certain secondary mortgage financing programs that meet Fannie Mae's responsible lending requirements. In 2022, we acquired over 26,000 loans that had received Community Seconds assistance.

21 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.

22 The income limit for HomeReady eligibility is 80% of Area Median Income (AMI). Both first-time and repeat homebuyers are eligible. Eligibility requirements for HomeReady also apply to our related product HFA Preferred™.

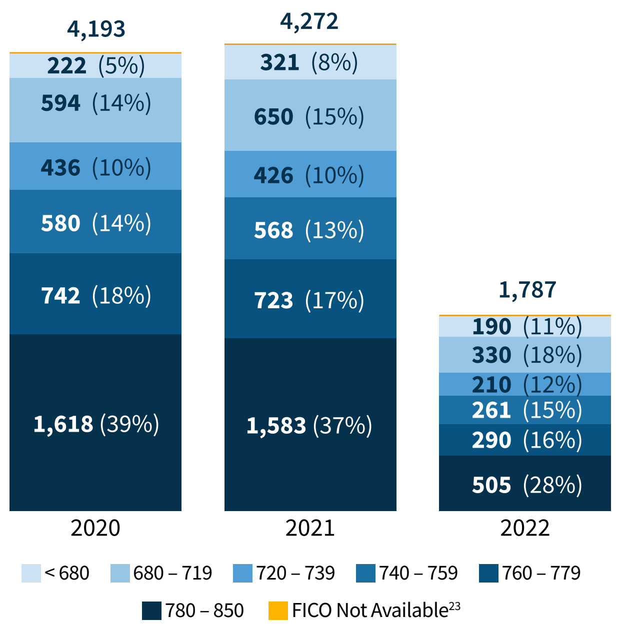
Overcoming credit history barriers

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.

Fannie Mae has a solution for homebuyers with a history of on-time rent payments — even if their credit profiles have not previously captured such payments. Beginning in 2021, we enabled mortgage lenders to incorporate a borrower's positive rent payment history in the mortgage credit evaluation process through our proprietary automated underwriting system, Desktop Underwriter® (DU®). With permission from mortgage applicants, lenders can electronically pull and submit a report with 12 months of bank account data to the underwriting platform, and DU identifies rental payments appearing in the statement data. Only on-time monthly rent payments are considered to improve eligibility; any records of missed or inconsistent rent payments do not negatively affect the applicant's ability to qualify for a loan eligible for sale to Fannie Mae. In 2022, approximately 2,900 single-family mortgage applications benefited from the **Single-Family Positive Rent Payment History** program — borrowers were deemed eligible for Fannie Mae financing when they otherwise might not have been.

NUMBER AND SHARE OF OWNER-OCCUPIED MORTGAGES ACQUIRED, BY FICO SCORE AT ORIGINATION
(in thousands)

Population: single-family loans on the consolidated balance sheet



23 From 2020 to 2022, there were about 1,000 mortgage acquisitions without FICO scores per year, which were less than 0.1% of total owner-occupied single-family mortgage acquisitions for any individual year.

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 Reporting** pilot program, launched in 2022, connects participating multifamily property owners with three fintech companies that enable rent payment reporting to credit bureaus. By facilitating this connection, Fannie Mae aims 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. Between September and December 2022, 105,000 rental units were onboarded under our Multifamily Positive Rent Payment Reporting pilot. Over 7,000 renters established credit scores during that period.

In 2022, Fannie Mae also made enhancements to its automated underwriting system to enable an evaluation of a borrower's monthly cash flow to responsibly expand access for homebuyers who do not have a credit score. The improvements simplify the evaluation of a borrower's monthly cash flow in the credit risk assessment and automate the documentation of nontraditional sources of credit.

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 upfront funds to finance improvements as part of a home purchase or refinancing.

To help preserve housing supply, Fannie Mae also invests directly in improvements to our real estate owned (REO) properties, conducting repairs on a majority of the properties we acquire.[24] We invested approximately $65 million in the repair and rehabilitation of the REO properties we sold in 2022. 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 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. To support opportunities for affordable homeownership, in 2022 we also began marketing a closing cost concession of up to 3% of the HomePath property sales price to owner-occupant buyers with a household income equal to or less than the Area Median Income. In 2022, 76% of our single-family REO property sales were to owner-occupant homebuyers.

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

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 leverage 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.

Manufactured homes (MH) also serve as a significant source of affordable housing available for low- and 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.[25] Fannie Mae markets MH loan products as a suite of options (MH Advantage®, standard MH, and single-wide MH). In 2022, Fannie Mae provided $4.4 billion in liquidity to the single-family manufactured housing market.[26]

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

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

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 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 Area Median Income (AMI).

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 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 in place are sometimes referred to as "naturally occurring affordable," "unrestricted affordable," or "market-rate affordable." 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. Rent-based measures of affordability also include rents for any restricted-affordable units.[27] Rents may change subsequent to origination, and restrictions may expire.

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

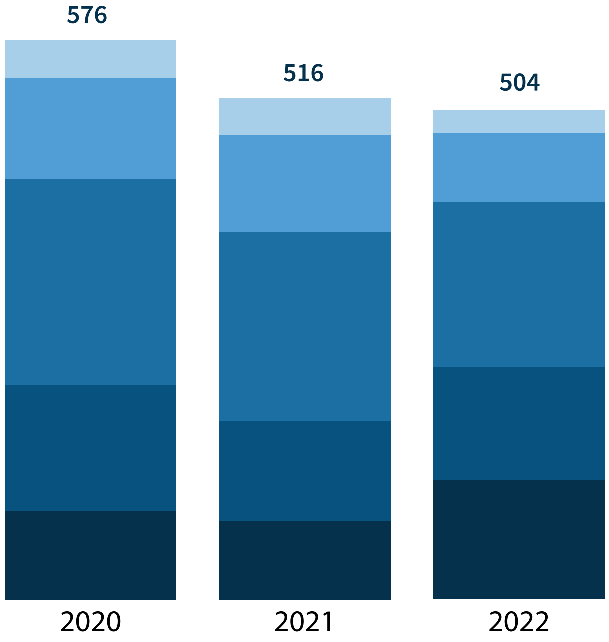
Multifamily housing affordability

Scarce supply of affordable rental units is one of the primary barriers to housing affordability for renters, resulting in competition for available units. Fannie Mae is focused on supporting the preservation, rehabilitation, and creation of more affordable rental homes for renters. Of the approximately 598,000 multifamily units we financed in 2022, a significant majority were affordable to low-to-moderate-income households.[28]

We also support the development and preservation of housing in the underserved manufactured housing and rural markets, and our products and programs reflect our commitment to these markets. We are innovating with programs that make it easier for households to afford and maintain suitable rental housing.

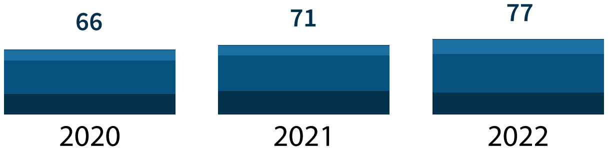
NUMBER OF MULTIFAMILY UNITS WITH REPORTED RENTS AFFORDABLE AT OR BELOW 120% AMI

(in thousands)



NUMBER OF MULTIFAMILY UNITS WITH RENT OR INCOME RESTRICTIONS AT OR BELOW 120% AMI

(in thousands)



Income

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

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

Programs to produce and preserve affordable units

Fannie Mae takes an active role in preserving and improving affordable housing for low-income renters. We work to make it easier for lenders to finance the production and preservation of rental housing by providing standardized, consistent, and scalable multifamily financing products. We also provide innovative products to meet market needs that help preserve affordability.

Housing with rent- or income-based restrictions remains an essential source of affordable housing for many. Fannie Mae's financing for **Multifamily Affordable Housing**, which includes loans on properties with a minimum level of rent- and income-restricted units and properties receiving other federal and state subsidies, totaled $10.3 billion in 2022.

The **Low-Income Housing Tax Credit** (LIHTC) program is a federal program incentivizing equity investments in affordable rental housing for low- and very low-income households. The program awards tax credits to affordable housing developers, who then exchange the tax credits for equity contributions from investors, including corporate investors like Fannie Mae, to create and preserve affordable housing. The LIHTC program provides a reliable source of capital for affordable rental housing and underserved markets nationwide.

From our reentry into **LIHTC equity investment** in 2018 through 2022, Fannie Mae has provided approximately $3.2 billion in LIHTC equity investments, supporting the creation or preservation of nearly 80,000 rental units at over 1,000 properties in 49 of 50 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. More than 370 of these properties were in rural communities, including over 90 properties in high-needs rural regions. 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.

Fannie Mae also provides debt financing for properties whose affordability stems from others' LIHTC equity investments. Over the past four years, we have increased our loan purchase targets on LIHTC properties and focused efforts on the innovative **MBS as Tax-Exempt Bond Collateral (MTEB)** mortgage loan solution. This offering allows Fannie Mae-issued multifamily MBS to support new issuance or refunding of municipal tax-exempt bonds, which helps to subsidize LIHTC affordable properties.

Our **Sponsor-Initiated Affordability (SIA)** program, launched in 2021, offers pricing and underwriting incentives for multifamily borrowers and lenders to voluntarily set aside at least 20% of units for households with income less than 80% of AMI through the life of the Fannie Mae loan. The SIA program protected the affordability of nearly 2,300 rental units, out of over 4,900 total rental units financed under the program, in 2022.

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 very low-income households, seniors, historically underserved populations, and people with disabilities. Vouchers predominantly serve households of color and women-led households.[29] 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.

29 HUD, "Assisted Housing: National and Local" dataset, 2021

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.[30]

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

In February 2022, Fannie Mae settled a lawsuit brought by the National Fair Housing Alliance and other organizations alleging that from 2011 to 2015 Fannie Mae's foreclosed properties were maintained and marketed in a discriminatory manner. Fannie Mae denied the plaintiffs' allegations but agreed to pay $53 million to resolve the case, of which more than $35 million was designated for investment in Black and Latino communities to address homeownership, access to credit, property rehabilitation, and residential development.

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

Promoting sustainable homeownership

Fannie Mae creates underwriting, eligibility, and risk management standards to help protect borrowers and maintain our safety and soundness. We also invest in homeownership and financial education and work to prevent displacement and insecurity — and market disruption — when disasters strike.

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 the 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.

In 2022, Fannie Mae made several enhancements to our eligibility, underwriting, and pricing guidelines, which we believe will enable greater access to credit for mortgage borrowers from historically underserved populations. For example, we introduced a cash-flow assessment feature within DU that uses a borrower's bank account statements to provide a comprehensive picture of their financial health when none of the borrowers applying for the loan has a credit score. By updating our eligibility criteria for borrowers with no credit score and delivering lenders the tools to perform a cash-flow analysis as part of the overall credit assessment with DU, we are enabling access to mortgage financing for creditworthy borrowers in a safe and sound manner.

Homeownership education

SASB FN-CB-240a.4

Fannie Mae aims to facilitate a continuum of educational and counseling resources, where multiple approaches at distinct points in an individual's renting or homeownership journey can build upon each other for cumulative effect.

To address knowledge gaps for aspiring homeowners, in January 2022 we launched **Fannie Mae HomeView®**, a free online consumer-facing homeownership education course that aligns with National Industry Standards for Homeownership Education and Counseling.[31] The award-winning course, available in both English and Spanish, was designed to address misperceptions or a lack of knowledge about homebuying and the mortgage qualification process that discourages some renters from pursuing homeownership. In its first year, 179,000 people completed the HomeView course.[32]

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

32 The number of HomeView completions 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.

To ensure households taking steps toward purchasing a home are armed with the right information when it is most relevant, Fannie Mae requires certain borrowers to complete homeownership education prior to loan closing.[33]

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

SASB FN-CB-240a.4

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 2022, Fannie Mae supported over 11,000 housing counseling sessions for borrowers and renters.

Our **Here to Help** program, accessible at 1-855-HERE2HELP, provides support for Fannie Mae borrowers experiencing financial distress and any borrower or renter experiencing the effects of a natural disaster.[34] 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 borrowers who face disasters, 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 we own their mortgages or not.

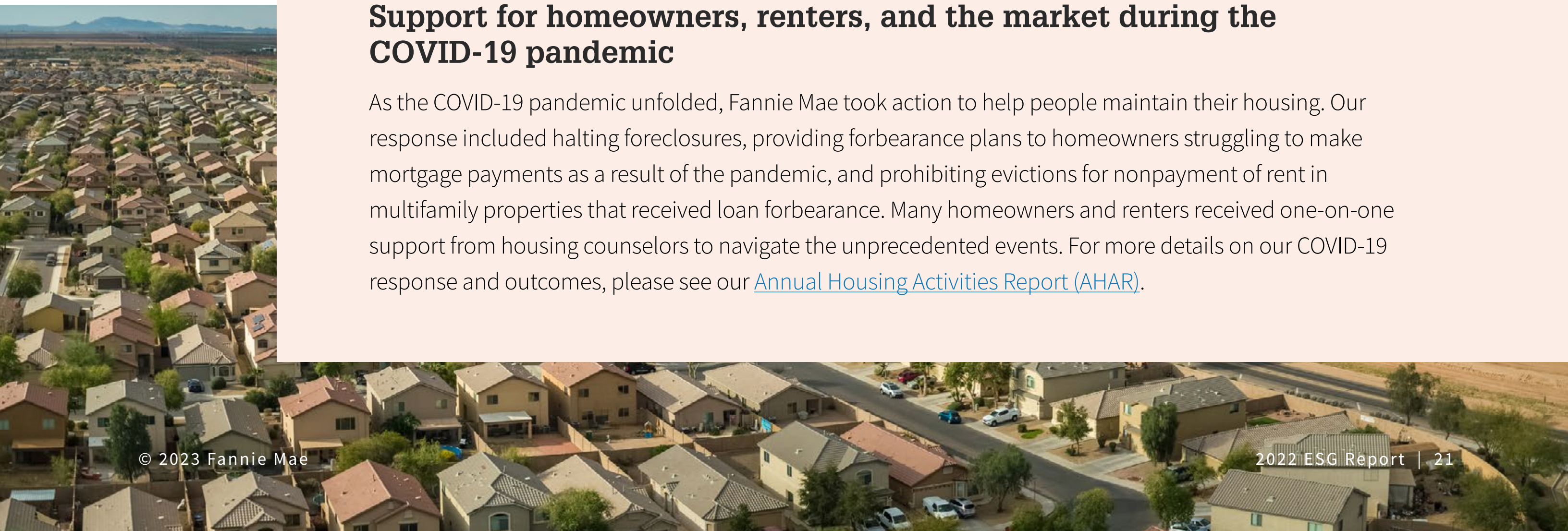
We also offer **post-modification counseling**, wherein borrowers receiving a Fannie Mae modification are offered comprehensive financial coaching to aid them in sustaining the modification. For more information on loan workout options, including modifications, see below.

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.

33 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 product 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 loan-to-value (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.

34 Here to Help consolidates the services of what were formerly known as the Mortgage Help Network and the Disaster Response Network.



Support for homeowners, renters, and the market during the COVID-19 pandemic

As the COVID-19 pandemic unfolded, Fannie Mae took action to help people maintain their housing. Our response included halting foreclosures, providing forbearance plans to homeowners struggling to make mortgage payments as a result of the pandemic, and prohibiting evictions for nonpayment of rent in multifamily properties that received loan forbearance. Many homeowners and renters received one-on-one support from housing counselors to navigate the unprecedented events. For more details on our COVID-19 response and outcomes, please see our Annual Housing Activities Report (AHAR).

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 and foremost, 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.

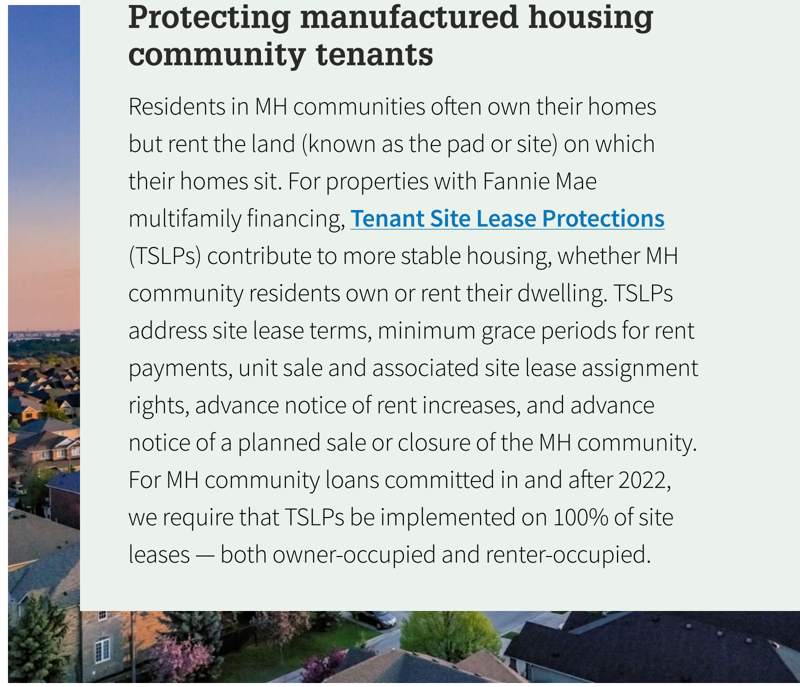
The servicer is required to determine whether a borrower qualifies for a home retention workout option before considering liquidation alternatives (unless the borrower requests otherwise). If the borrower needs time to resolve their hardship, they may be eligible for a forbearance plan, which allows 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, 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 with 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 certain delinquent amounts into a non-interest-bearing balance due at loan maturity or payoff, whichever is earlier.

If a borrower needs payment relief, they may be eligible for a Fannie Mae Flex Modification, which is an agreement to change terms of the loan such as payment amount, length of loan, interest rate, etc. in order to create a more affordable payment.

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.



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 — both owner-occupied and renter-occupied.

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.

For borrowers struggling with mortgage payments, Fannie Mae also offers free housing counseling through partnerships with nonprofit housing counseling organizations. In addition, we provide a consumer website with resources for consumers to understand the options that may be available for resolving loan delinquencies.

See Table 6. Single-Family Loan Modifications, Foreclosure Alternatives, and Foreclosures in the Data Tables section of the Appendix. See also Table 7. Education & Counseling for information on counseling sessions provided to borrowers and renters.

SPOTLIGHT

Racial Equity in Housing Finance

Consistent with the public purposes set forth in our charter, Fannie Mae is committed to doing what is in our power to build a more equitable housing finance system that yields better outcomes for future generations. Unfortunately, the U.S. housing finance system is marked by a history of racial discrimination and persistent racial disparities, and barriers still endure for historically underserved groups. For example, lower rates of homeownership lead to less accumulation of wealth, leading to lower levels of homeownership for subsequent generations and other disparate economic outcomes that accumulate over time.

Identifying and knocking down barriers

Our approach is first to acknowledge the obstacles to affordable and stable housing that consumers face, including those that disproportionately affect people of historically underserved groups due to race or ethnicity, and then identify appropriate interventions where we can leverage our products, policies, practices, and influence to support more equitable outcomes.

We developed a framework we call the Consumer Housing Journey to capture insights from our research into the experience of renters, homebuyers, and homeowners.[35]

This framework enables us to identify areas of opportunity for Fannie Mae to help more consumers become successful renters and homeowners. Our first use case of the Consumer Housing Journey was to document the obstacles that Black renters and homeowners face as they secure and maintain housing. We expanded the research to focus on Latino renters and homeowners in 2023.

Equitable Housing Finance Plan

Fannie Mae's first-ever Equitable Housing Finance Plan, published in 2022, outlined specific steps we are taking to further our commitment to advancing racial equity in housing finance. We updated the Plan in 2023 to add new actions and also released a performance report detailing our actions and outcomes in the first year of implementation.

We are developing actions to help address the enduring effects of systemic discrimination against Black and Latino homeowners and renters. Our Equitable Housing Finance Plan represents a deeper level of strategic coordination and program maturity, but it builds upon established programs Fannie Mae has fostered over decades.

35 For more information, see Fannie Mae's "Knocking Down Barriers: A people-centered approach to advancing equity in housing," 2022.

Our Equitable Housing Finance Plan focuses on three areas where we believe we can make the most impact:

- Housing Preparation: helping consumers prepare early for sustainable homeownership and access to quality rental housing through establishing strong financial and credit foundations.
- Renting or Buying: removing unnecessary obstacles in shopping for, acquiring, renting, or financing the purchase of a home.
- Moving In and Maintaining: improving the services that help sustain homeownership so that homeowners and renters can withstand disruptions or crises and remain stably housed.

While our solutions seek to address the key obstacles faced by Black and Latino homeowners and renters as they secure housing, we expect our actions will benefit borrowers and renters in all populations. Some more narrowly targeted programs include working to increase the number of loans we purchase from lenders implementing Special Purpose Credit Programs specifically intended to benefit borrowers in areas with a legacy of redlining.

We expect to continue to update our Equitable Housing Finance Plan as housing and economic factors evolve and to address additional populations historically underserved due to their race, ethnicity, geographic location, or other attributes.

Combating appraisal bias

Fannie Mae believes inequity in home value appraisals based on race or ethnicity is unacceptable, and this issue can limit opportunity for homeowners from underserved populations to build equity and wealth.[36] 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 to detect potential bias within our loan pipeline, developing technology solutions that lead to more equitable outcomes, and working with the appraisal profession directly to accelerate improvements.

In 2021 and 2022, we stepped up our monitoring of appraisal practices that are susceptible to bias and took steps to eliminate these practices. In each of these years, we performed a large-scale appraisal text scanning review to detect subjective terminology in home appraisals, including terms prohibited by our *Selling Guide*, such as "good neighborhood" or "pride of ownership." This practice has already generated fairer outcomes for homeowners; of the appraisers notified of the use of subjective terminology in their reports in 2021, 79% had no new text findings on appraisals submitted after the letter date through end of June 2022. Our commitment to eradicating appraisal bias also resulted in 16 case referrals to state regulators in 2022.

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 Community Engagement chapter.

36 Learn more about the appraisal gap in this Fannie Mae research publication examining unequal appraisal valuation outcomes for Black consumers: "Appraising the Appraisal."

Community Engagement

Fannie Mae operates at a crucial position within the broader housing finance system. Our external stakeholders include borrowers and renters; mortgage lenders; mortgage servicers; investors in our securities; government entities at federal, state, local, and tribal levels; insurers; housing policymakers; homeownership educators and counselors; researchers and economic observers; home builders and manufacturers; industry trade organizations and collectives; suppliers and contractors; technology providers; and the many diverse communities across the U.S. We engage stakeholders via multiple channels and venues to learn from them, share relevant information, and advance shared interests.

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 strategies support industry best practices in ethics, sustainability, inclusion, and equity — including growing representation of historically underrepresented groups within the housing industry broadly.

Lenders

Fannie Mae maintains business relationships with over 1,600 single-family primary market lenders. We created the Lender Diversity Council to support diversity within the single-family housing finance system by providing tools, training, and other resources to minority- and women-owned lenders. 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 2022, Fannie Mae acquired $32.7 billion in single-family mortgage volume from minority- and/or women-owned firms.

We also maintain a robust network of multifamily lender partners. This includes Delegated Underwriting and Servicing (DUS®) lenders who underwrite, close, and deliver loans on our behalf, and other specialty multifamily lenders. We continuously seek new opportunities to ensure liquidity and foster economic inclusion in the multifamily market. In 2022, we added Basis Multifamily Finance, a subsidiary of Basis Investment Group, LLC, as our 24th DUS lender, expanding the suite of products that the company can offer to the market. Basis Investment Group is a certified minority- and women-owned business.

Capital markets

Fannie Mae's ACCESS program, which celebrated its 30-year anniversary in 2022, provides opportunities for diverse-owned broker-dealer firms to distribute our fixed-income securities to the investor community. As of year-end 2022, the ACCESS program included 20 firms classified as women-, minority-, or service-disabled veteran-owned, or a combination of those classifications.

Appraisers

We created the Appraiser Diversity Initiative in 2018 to help promote diversity in the real estate appraisal field. We have partnered with the National Urban League, the Appraisal Institute, and Freddie Mac on this initiative to attract new entrants to the residential appraisal field and foster increased diversity through outreach, scholarships, and mentoring. In 2022, Fannie Mae engaged with over 600 aspiring appraisers working through the National Urban League's affiliate Entrepreneurship Centers, hosting 7 workshops and 8 higher education outreach events — including 5 at Historically Black Colleges and Universities (HBCUs). The Appraiser Diversity Initiative awarded 330 scholarships and secured 11 new industry sponsors in 2022, exceeding our goal and bringing the total number of sponsors to 20. This initiative complements our work to combat appraisal bias. (See "Combating Appraisal Bias" in Spotlight: Racial Equity in Housing Finance.)

Housing finance

Widening access to housing finance industry education is a key tool to close the workforce diversity gap and build an industry that better reflects the diversity of our country. In 2018, we created **Future Housing Leaders** (FHL) to help create a pipeline of diverse talent and to provide experiential and professional development opportunities at a formative time in participants' early careers. FHL connects college students from historically underrepresented groups to opportunities for paid summer internships and early career opportunities in the housing industry. Fannie Mae and 86 participating employers enrolled over 1,000 Future Housing Leaders in 2022. Future Housing Leaders program participant eligibility is not limited by race or ethnicity.

Business partners and suppliers

We are committed to the principles of equal opportunity in contracting and the inclusion and utilization 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. 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.

Fannie Mae's Supplier Diversity program is designed to promote the consideration, inclusion, and utilization of diverse suppliers, vendors, and business partners in relevant business activities and contracting opportunities. Efforts to support this objective are primarily focused on contracts where Fannie Mae has a direct influence on supplier selection and the population of bidding suppliers, where appropriate.

In 2022, Fannie Mae performed various outreach activities to inform such suppliers of our contracting process and to solicit or advertise for proposals or bids to enter into business with Fannie Mae. Outreach included a diverse supplier summit aiming to create connections between internal stakeholders and suppliers that have capabilities we may be able to leverage in the future.

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. Partnerships can help amplify our impact.

Sustainable Communities Innovation Challenge

We recognize that stable, affordable housing has benefits that extend to all aspects of life. Our **Sustainable Communities Innovation Challenge** forges partnerships in sectors adjacent to housing — such as employment, education, and health — to explore and launch innovative ways to support sustainable and affordable housing for households with low-to-moderate incomes.

Building on the foundation laid by our first challenge round, in 2022 Fannie Mae launched Sustainable Communities Innovation Challenge 2022: Advancing Racial Equity in Housing. With this focus, we aim to help support innovative, scalable initiatives that remove barriers that currently prevent many households, including Black households, from purchasing or renting a home — barriers like the insufficient supply of quality, affordable housing options, insufficient funds for upfront and unexpected housing costs, and consumer credit challenges, including low credit scores and credit invisibility. The impacts enabled by Innovation Challenge 2022 awardees will help support the goals of Fannie Mae's Equitable Housing Finance Plan.

With Innovation Challenge 2022, Fannie Mae committed a total of $5 million to five organizations that are tackling challenges related to the historic inequities in housing that many homebuyers and renters face today. Awardees receive expert mentorship and participate in virtual learning sessions to support implementation and ongoing project management, as well as technical assistance to increase capacity to scale their projects. For more information on the project proposals received as part of the Innovation Challenge, view the searchable database we maintain to promote learning, sharing, and advancement of the goals of these initiatives.

Employee volunteerism and giving

At Fannie Mae, serving 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 forge partnerships with organizations making an impact at the local level, and they give employees greater insight into community challenges, while providing tangible benefit to our neighbors.

We also support employees' self-led giving and volunteering. Fannie Mae matches up to $5,000 per year in charitable gifts to eligible U.S.-based nonprofit organizations and offers employees up to 10 hours of paid volunteer leave per month to give their time and talents to causes they support individually. Through the company's Matching Gifts program, employees, Board members, and the company collectively donated $4.1 million to eligible nonprofits in 2022.

Human Capital Management

Our employees are key to ensuring our long-term success and meeting our strategic objectives. We had approximately 8,000 employees as of December 31, 2022. We believe a motivated and inclusive workforce generates more creative ideas, better business decisions, and better products that serve the mission embedded in our charter and the needs of our diverse country. To that end, we are focused on three key areas: 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 current and prospective employees are attracted by our mission and the compelling nature of our work. We seek to foster and develop talent and create an employee base that feels empowered to speak up, explore new opportunities, and embrace challenges.

Compensation and employee benefits

We offer a competitive total rewards package, which delivers a variety of cash and non-cash rewards designed to 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.

In January 2023, we implemented enhancements to many of our benefit offerings to meet employees' needs and attract the best talent. One highlight was expanding our paid parental leave policy to 12 weeks.[37]

Health: Fannie Mae provides 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.

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 regularly 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 such disparities can be addressed.

Career: Employees can advance their career and 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.

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

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.

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

Engaging and developing our employees

We believe that investing in our employees is key to our success as a business and our value proposition as an employer.

Fannie Mae University (FMU), our platform for employee development, supports employees in building knowledge and skills by offering thousands of web-based courses, videos, and other resources. FMU is organized by several education tracks, including the School of Housing, School of Leadership and Culture, School of Analytics, School of Digital, and School of Continuing and Professional Development.

For employees who seek out 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 surveys that demonstrate our commitment to the value of listening and provide an entry point for managers and leaders of all levels to engage their teams in meaningful discussion. 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. We survey our workforce multiple times a year to monitor engagement and as one method to identify ways to improve our programs and work culture. In 2022, we conducted three employee engagement surveys. As of the final survey of 2022, nine in ten employee respondents would recommend Fannie Mae to friends and family as a great place to work.

Fostering an inclusive workplace

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We seek to foster an environment in which all 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, diversity and inclusion, by establishing a comprehensive diversity and inclusion strategy, by providing training to help our employees internalize the concepts in our policies, and by facilitating opportunities for engagement and partnership.

Policies, statements, and other governing documents

Fannie Mae's 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, veteran status, or matriculation. They also prohibit discrimination on characteristics not covered under the law, such as bullying and 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

In 2022, to ensure a continued strong leadership focus on diversity and inclusion, we appointed a Chief Diversity & Inclusion Officer who reports to the President and is a member of our management committee. The Chief Diversity & Inclusion Officer leads our Office of Minority and Women Inclusion (OMWI), which is responsible for driving the development of our diversity and inclusion strategic plan in partnership with leaders across the company and reporting on our progress against the plan.

Our annually updated D&I Strategic Plan includes outlines of key actions 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. Key actions focus on inclusive leadership principles, talent development, enterprise-wide accessibility, and a transparent communications strategy that reinforces the practices of driving inclusion to achieve innovative solutions. Examples of actions include developing and implementing tools and resources to mitigate potential biases in employment decisions and creating targeted development actions for identified talent through succession plans and talent discussions. We also sponsor programs and activities to cultivate a diverse and inclusive work environment by focusing on inclusive leadership principles, talent development, enterprise accessibility, team and group dynamics, and a consistent communications strategy that reinforces the practice of driving inclusion to achieve innovative solutions. Our Diversity Advisory Council, Employee Inclusive Culture Council, and Employee Resource Groups also support our D&I commitments and broader enterprise culture initiatives.

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

Our Employee Inclusive Culture Council 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.

Our Employee Resource Groups — 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.

Training and other programs

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. Virtual and in-person professional development and training opportunities are available.

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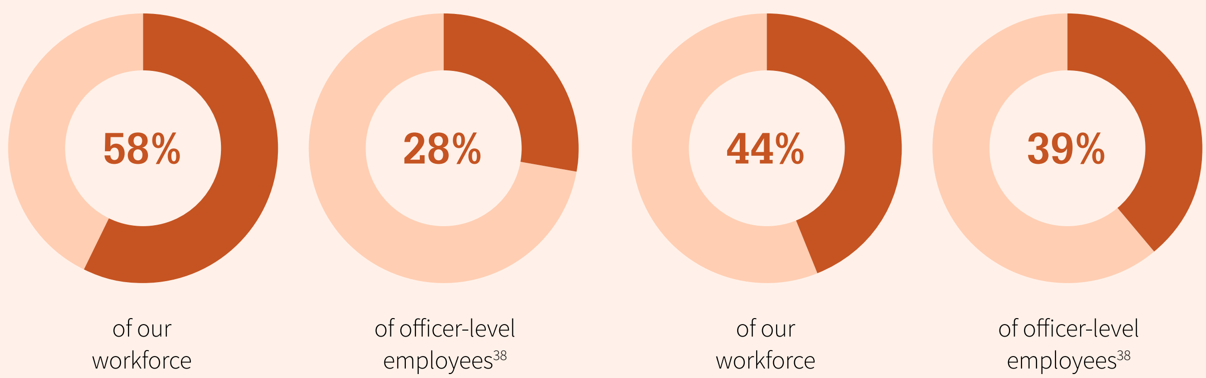
RACIAL OR ETHNIC MINORITIES
As of December 31, 2022

WOMEN
As of December 31, 2022



38 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.

Environment

Climate Risk & Resilience

Climate change presents both immediate and long-term risks to Fannie Mae and other stakeholders in the housing system, including borrowers, renters, lenders, investors, and insurers. 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. The Intergovernmental Panel on Climate Change, the United Nations' climate science research group, states in its recent Synthesis Report: Climate Change 2023 that it is unequivocal that human activities have warmed the climate.[39]

Fannie Mae is focused on understanding and addressing the physical and transition risks of climate change to our business. We are also focused on how climate change and responses to climate change could affect the homeowners and renters we serve.

Task Force on Climate-related Financial Disclosures (TCFD)

Our approach to identifying, assessing, mitigating, and reporting on climate-related risks is informed by the recommendations of the TCFD. Additionally, we are building our capabilities to comply with the SEC's anticipated rule relating to the enhancement and standardization of climate-related disclosures for investors. See the Corporate Governance & ESG Oversight and Risk Management chapters and our TCFD Index in the Appendix for more information.

Climate strategy

Our climate strategy is designed to help us understand and address our financial and business 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:

Exposure: quantify and continue to refine methods for quantifying our financial and business exposure to climate-related risks and opportunities.

Mitigation: develop mitigation capabilities to address these risks and leverage opportunities.

Awareness: communicate with our employees and stakeholders (e.g., regulators, lenders, investors, and consumers) about these important issues to enable more informed decision-making.

39 See Intergovernmental Panel on Climate Change, "Synthesis Report of the IPCC Sixth Assessment Report (AR6) Summary for Policymakers," 2023.

As we execute and evolve our strategy, we emphasize a few key immediate challenges and gaps, including resiliency, insurance, and awareness. We are working to enhance the resiliency of current and future U.S. housing stock, with a long-term aim of making properties better able to either withstand or recover quickly from climate-related events. Additionally, 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.

We are also mindful of the intersection of climate risk with issues of housing affordability and racial equity.[40] The costs of insurance, resiliency and retrofit measures, and rebuilding could put quality housing out of reach for many more people. As part of our mission, we aim to promote and facilitate responses to climate change that preserve and enhance affordability and equity. These perspectives inform both our understanding of climate-related risks and our approach to mitigating them.

Identifying and assessing climate-related risks

We align our classification of climate risks impacting our business and the broader housing finance system with TCFD's categorization of physical and transition risks. 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.

A major disruptive event that damages or destroys real estate securing mortgage loans or negatively impacts the ability of borrowers to make principal and interest payments on mortgage loans could increase the delinquency rates, default rates, and average loan loss severity in the affected region or regions. Further, a major disruptive event or a long-lasting increase in the vulnerability of an area to disasters could affect borrowers' ability to make payments on their mortgages or

40 See Enterprise Community Partners, Inc., "The Link Between Historic Redlining and Current Climate Risks," 2021.

CLIMATE-RELATED PHYSICAL AND TRANSITION RISKS

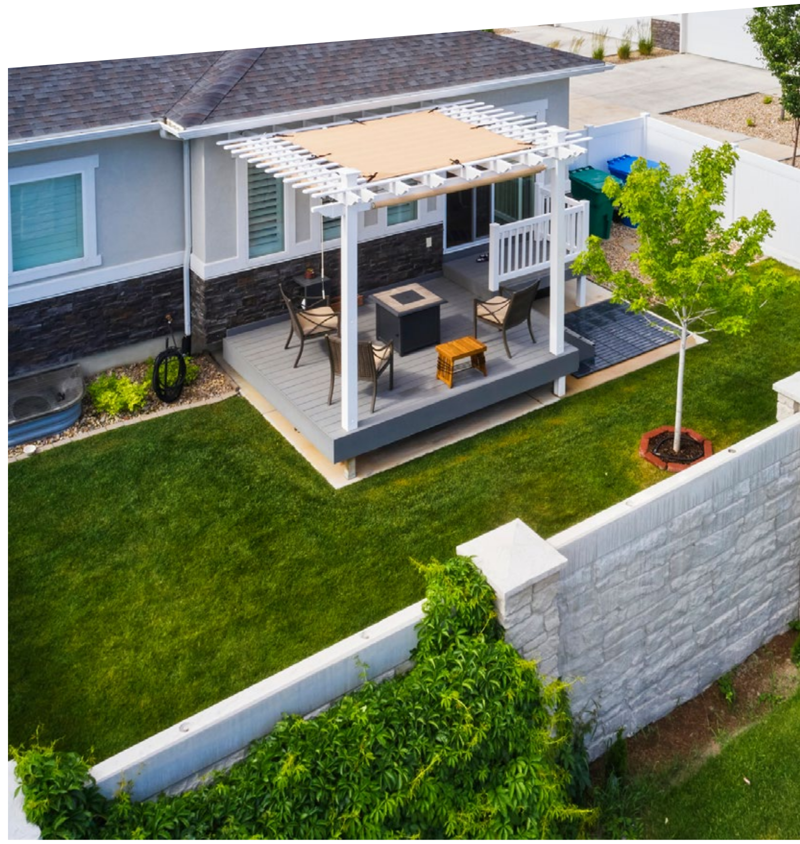
Risk type		Description
Physical risk	Acute	Event-driven risks related to shorter-term extreme weather events, such as from flooding (coastal, fluvial, and pluvial), wildfires, and major storms (e.g., hurricanes, tornadoes).
	Chronic	Risks resulting from longer-term shifts in climate patterns and related 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	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	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	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	Risks of changing customer or community perceptions of an organization's contribution to or detraction from the transition to a lower-carbon economy.

insurance policies, discourage homebuilding or homebuying, or cause a deterioration in housing conditions or the general economy in the affected region. This in turn could lower the volume of originations in the mortgage market, influence home prices and property values in the affected region or in adjacent regions, and increase delinquency and default rates.

Recent years have seen frequent and severe natural disasters in the U.S., including hurricanes, wildfires, and floods. An increase in people living in high-risk areas, such as coastal areas vulnerable to severe storms and flooding, have worsened the potential impact of these events. Low- and moderate-income and minority households in particular are disproportionately exposed to risks from severe weather events, due in large part to historical under-investment in infrastructure in their communities.[41] The continuation or increase in the severity and/or frequency of weather trends could have a material impact on the results of our operations and financial condition. In addition, the unpredictability of natural disasters and the complexity of forecasting long-term climate change negatively affect our ability to predict the potential impacts from such events, particularly over the long term.

In addition to the impact of these acute physical risks, 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.

Regarding transition risks, legal or regulatory responses to concerns about global climate change may impact the housing market and, as a result, our business. Steps to mitigate 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 borrower and renter preferences for certain areas of the country or certain types of housing. The migration of communities and individuals due to climate-related risk and economic factors could lead to changes in home prices and multifamily property values in affected regions or an increase



in lower-income households living in high-risk areas. Transition risks of climate change also include potential additional regulatory and legislative requirements that could increase our expenses or the cost of housing.

Physical and transition risk analysis

Given the long-term nature of both climate change and housing finance, it is important that we continually develop our thinking on how the risks discussed in the previous section could impact our business and financial results over the short, medium, and long term. We are working to improve our physical and transition risk analysis in order to better inform business decisions, while also reviewing the landscape of modeling approaches and data needs to improve predictive results. We continue to develop our climate scenario methodologies and assess the addition of third-party climate models. Together with our regulator and conservator, the

41 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.

Federal Housing Finance Agency (FHFA), we are working to understand the impact that climate change may have on U.S. housing.

In the future, we aim to leverage scenarios from the Network for Greening the Financial System (NGFS) to provide a common reference point for understanding how climate change and climate policy and technology trends could evolve in different future scenarios across both physical and transition risks.[42]

Mitigating climate-related risk to Fannie Mae

Climate-related activity and other natural disasters expose us to risks (e.g., credit risk) in a variety of ways. For example, 3.3% of single-family loans and 6.8% of multifamily loans Fannie Mae owned or guaranteed were located in a FEMA-defined Special Flood Hazard Area, as of December 31, 2022.[43] The amount of losses we incur as a result of a major weather event or natural disaster depends significantly on the extent to which the resulting property damage is covered by hazard or flood insurance and whether borrowers are able and willing to continue making payments on their mortgages. The amount of losses we incur can also be affected by the extent that a disaster impacts the region, especially if it depresses the local economy, and by the availability of federal, state, or local assistance to borrowers affected by a disaster. 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.

As a congressionally chartered entity, Fannie Mae is obligated to support residential mortgage liquidity nationwide. With very rare exceptions,[44] Fannie Mae does not currently disqualify any 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, insurance is our most important buffer and mitigation measure.[45] Currently, for single-family loans, Fannie Mae requires coverage for the following hazards: flood, windstorm, hurricane, hail damages, or any other perils that normally are included under an extended coverage policy-endorsement.

For single-family borrowers, protection against flood damage is typically only covered via a separate policy through a program called the National Flood Insurance Program (NFIP). This program requires extension and reauthorization by Congress and was most recently extended through September 30, 2023. If Congress fails to extend or re-authorize the program upon future expirations, the Federal Emergency Management Agency (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.

We require flood insurance only for loans in a FEMA-designated Special Flood Hazard Area, coastal barrier resources system, or otherwise protected area. 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

42 For further information, see the NGFS Scenarios Portal.

43 The percentage of multifamily loans that we own or guarantee located in a Special Flood Hazard Area cited here is based on updated flood maps to provide an estimate of exposure as of December 31, 2022, as disclosed in our 2022 Form 10-K. The multifamily data in Table 13. Single-Family and Multifamily Loans Requiring Flood Insurance in the Data Tables section of the Appendix of this report uses Special Feature Codes as reported by lenders at origination to compute the percentage of multifamily loans we own or guarantee that were located in a Special Flood Hazard Area, to use a consistent methodology over the three years reported in that table.

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

45 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.

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 are working to increase awareness of flood and other climate-related risks and available mitigation measures for these risks, such as insurance.

For our Multifamily Business, each property must be covered by compliant property insurance and liability insurance for the term of the mortgage loan, including for windstorms and floods (if the property is located in a FEMA-designated Special Flood Hazard Area, coastal barrier resources system, or otherwise protected area) and earthquakes (where applicable). If the 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.

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.

Another important means of risk mitigation to Fannie Mae is through risk sharing or credit risk transfers. 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, identifying potentially impacted assets in real time to assist servicers with disaster relief and risk-mitigation efforts.

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Increases in the intensity or frequency of weather-related disasters could strain the mitigants we currently employ. For example, in some areas, some insurers have ceased writing new coverage or have significantly increased insurance premiums for flood insurance and homeowners insurance. As coverage for certain perils (e.g., wind, wildfire) becomes unavailable or prohibitively expensive in an area, home prices or multifamily property values may be negatively impacted, borrowers may face increased financial strain, and fewer loans in the area may be eligible for acquisition by Fannie Mae. Ultimately, the desirability of areas that frequently experience hurricanes, wildfires, or other natural disasters and face chronic physical risks may diminish over time, which can depress property values, adversely affect the region's economy, and negatively impact our financial results. In addition, investors may place greater weight on climate-related risks when making investment decisions, which could increase our cost or ability to transfer credit risk.

For more information on insurance against natural disasters, including the NFIP and information on FEMA's update to the NFIP called Risk Rating 2.0, 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 2022 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 2022 Form 10-K, and 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 2022 Form 10-K.

Fostering resilience in 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, protecting current and future housing stock, and supporting disaster recovery and rebuild efforts.

Increasing awareness of climate-related risks

We see value in making homebuyers and renters more aware of risks due to natural hazards. In 2022, we continued to prioritize raising awareness on issues related to climate risk, including taking the following actions:

- Assisted select communities with climate analytics as a part of our Equitable Housing Finance Plan, with the goal of trying to understand how climate information could be beneficial for potential future action.
- Launched a flood risk awareness campaign in select markets, focused on educating homeowners both inside and outside FEMA-designated Special Flood Hazard Areas about the risks of flooding. We hope to increase homeowners' understanding of flood risk and hazards, as well as to educate them on the importance of taking flood risk mitigation measures.
- Worked on updates to the disclosure process and documents for our REO sales to increase transparency on and access to flood-related information. Under current residential real estate disclosure rules, which vary from state to state, potential homebuyers rarely receive information related to historical flooding and flood risk during the homebuying process. To help reduce this information gap, Fannie Mae requires property listing agents to disclose known flood events to prospective purchasers of our REO properties where a listing agent has knowledge or reports of prior flooding events.
- Initiated a new nationwide flood survey and aim to share our insights and analysis with external stakeholders in 2023.

Protecting current and future housing stock

One important way to mitigate climate-related risk is to ensure that more properties are built or renovated to withstand extreme weather and other effects of climate change. We are working to support these efforts in several ways, including through specialized loan products and collaboration to strengthen building standards.

Fannie Mae's HomeStyle® Energy loans provide homeowners with affordable options for financing upgrades that can improve the sustainability and resiliency 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. We are also working to help expand the construction of certified green homes. (For additional information, see the Green Homes chapter.)

Improving building standards helps to ensure that climate risks are taken into account during construction and that best practices are shared across communities and the housing industry. As such, we are focused on external outreach to help protect current and future housing stock. For example, we are working with organizations such as the National Institute of Building Sciences and the Insurance Institute for Business and Home Safety to develop a roadmap on risk mitigation and resilience investment to help prepare for and better respond to the effects of climate change.

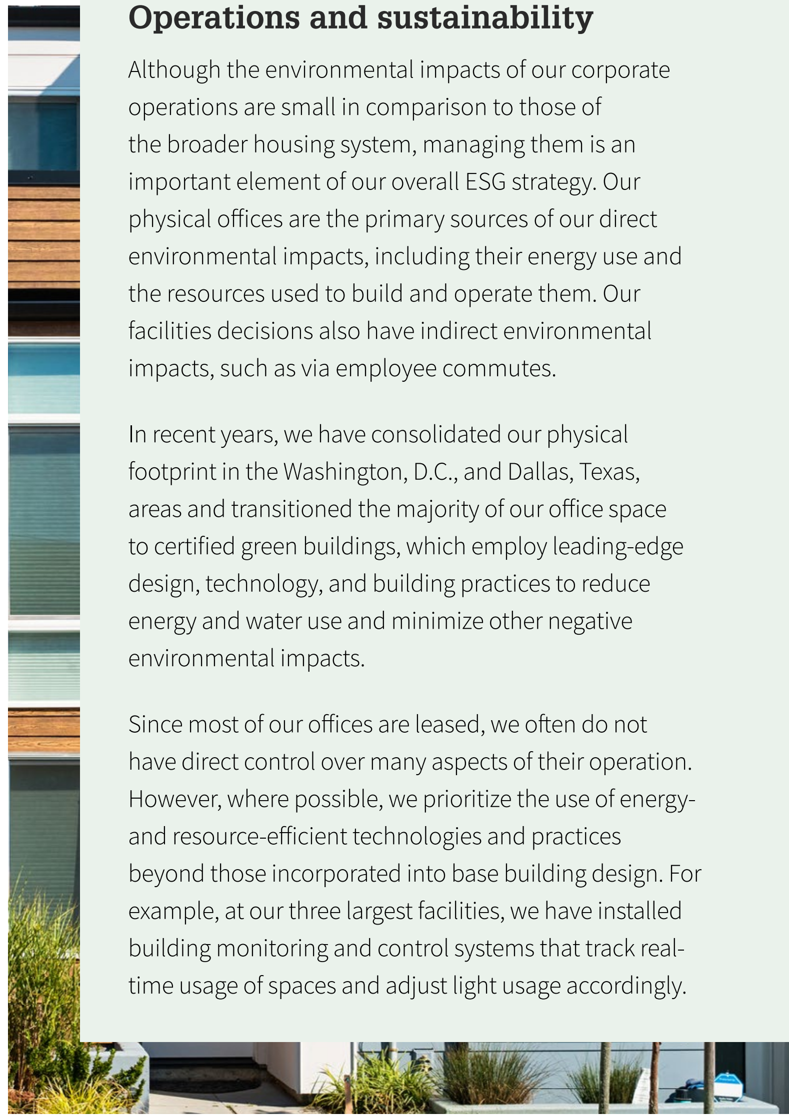
Supporting disaster recovery and rebuild efforts

When disasters occur, it is vital for individuals and communities to have the tools they need to recover. In the event of a natural or other disaster, our servicers work with affected borrowers to develop a plan that addresses the borrower's specific situation. In addition to coordinating with insurance companies for administration of insurance proceeds, when appropriate, servicers 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. These activities are designed to assist renters and borrowers affected by disasters and also help reduce our losses, and 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.



Operations and sustainability

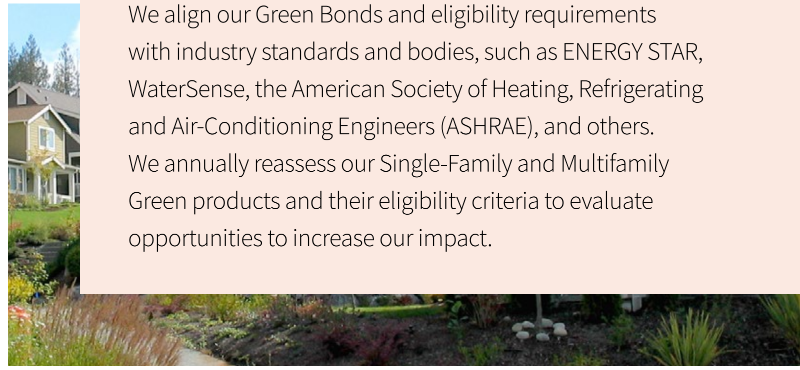
Although the environmental impacts of our corporate operations are small in comparison to those of the broader housing system, managing them is an important element of our overall ESG strategy. Our physical offices are the primary sources of our direct environmental impacts, including their energy use and the resources used to build and operate them. Our facilities decisions also have indirect environmental impacts, such as via employee commutes.

In recent years, we have consolidated our physical footprint in the Washington, D.C., and Dallas, Texas, areas and transitioned the majority of our office space to certified green buildings, which employ leading-edge design, technology, and building practices to reduce energy and water use and minimize other negative environmental impacts.

Since most of our offices are leased, we often do not have direct control over many aspects of their operation. However, where possible, we prioritize the use of energy- and resource-efficient technologies and practices beyond those incorporated into base building design. For example, at our three largest facilities, we have installed building monitoring and control systems that track real-time usage of spaces and adjust light usage accordingly.

Green Homes

Fannie Mae is leveraging our leading role in the mortgage finance market to encourage property owners and developers to make environmentally beneficial improvements to 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 products 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 have received 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 products into the standard financing process. We currently offer two Multifamily Green Financing products: **Green Rewards Mortgage Loans** and **Green Building Certification Mortgage Loans**. These products offer financial incentives for 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 specified reductions in the property's energy usage and water usage that sum to at least 30%, of which a minimum of 15% must be projected energy savings. 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 specific efficiency and renewable energy improvements owners can make to qualify for a Green Rewards Mortgage Loan. Fannie Mae requires that all products, fixtures, and appliances be ENERGY STAR® or WaterSense® certified, if available.[46] In 2022, Fannie Mae financed over 11,600 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 2022, Fannie Mae financed over 43,600 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 above.

Single-family green financing

Fannie Mae's Single-Family Business offers products 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

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

and flexibility by allowing financing based on the value of the home after improvements are made, enabling homeowners to access additional upfront funds while potentially decreasing utility and repair costs in the future. In 2022, Fannie Mae acquired $128.1 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 above.

Projected impacts of our green bonds

Based on third-party projections, we estimate the loans on properties underlying Fannie Mae's 2022 Green Bond issuances will save approximately 888 million kilo British thermal units (kBtu) of energy. As a result, we estimate the loans on properties underlying our 2022 Green Bonds will prevent approximately 41,000 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 2022 Multifamily Green Bonds will save approximately 116 million gallons of water.

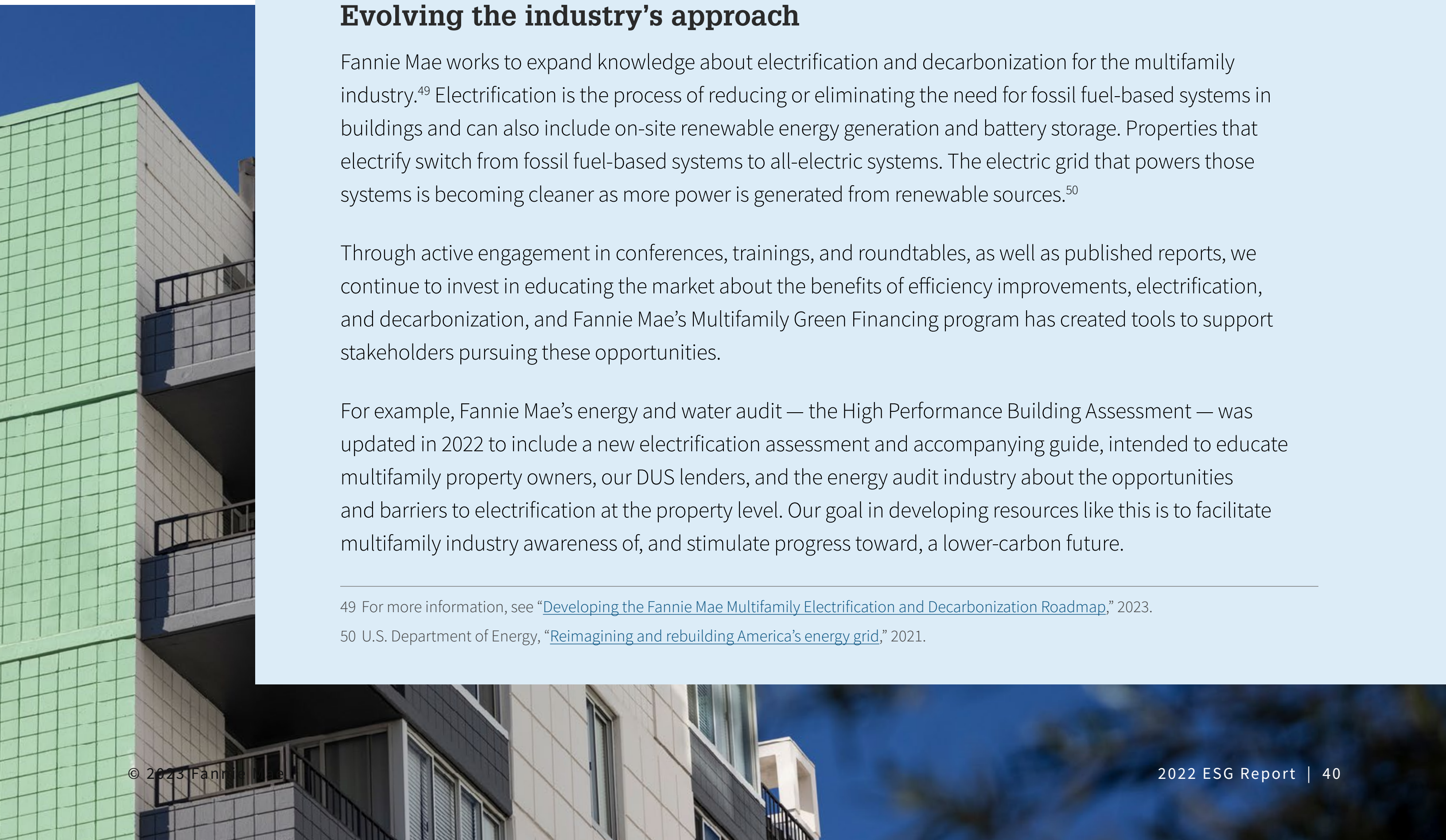
Our estimates of the positive environmental impacts of the loans backing the Green Bonds that we issue are based on a projected one-year impact, even though many of the environmental benefits of these loans may continue to be realized for more than one year.[47]

We believe the loans backing the Green Bonds we issue also generate positive social impact, including by reducing the energy costs faced by households. Based on third-party estimates, we project that our 2022 Green Bonds could result in average annual utility cost savings of approximately $219 for households in single-family housing and $205 for households in multifamily housing.[48]

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

47 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.

48 Multifamily estimates based on Green Rewards loans 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.[49] 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.[50]

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

For example, Fannie Mae's energy and water audit — the High Performance Building Assessment — was updated in 2022 to include a new electrification assessment and accompanying guide, intended to educate multifamily property owners, our DUS lenders, and the energy audit industry about the opportunities and barriers to electrification at the property level. Our goal in developing resources like this is to facilitate multifamily industry awareness of, and stimulate progress toward, a lower-carbon future.

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

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

2022 ESG Report

Governance

Corporate Governance & ESG Oversight

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 ESG strategy and performance.

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 2022 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 2022 Form 10-K filing date.

ESG and climate oversight

The Senior Vice President (SVP) of ESG reports to the Chief Administrative Officer and is responsible for the overall direction of our ESG strategy as well as oversight of our work to integrate ESG priorities throughout our business. The ESG team partners with internal and external stakeholders to develop and implement our ESG strategy in accordance with the policies and priorities set by our senior management and Board of Directors.

Climate risk management and oversight

Our SVP Chief Climate Officer is responsible for developing our capabilities for managing risks and opportunities associated with the impact of climate change on housing and on our business. The Chief Climate Officer, who reports to the Chief Financial Officer, sets strategic direction, drives first-line integration and risk management, and develops the people, processes, and technology to identify, assess, manage, and monitor climate-related risks in alignment with our Enterprise Risk Management (ERM) framework.

The Climate Impact team, led by the Chief Climate Officer, is the centralized group responsible for understanding the risks climate change poses for Fannie Mae and coordinating Fannie Mae's efforts to mitigate those risks. The team works closely with our first-line Single-Family and Multifamily Business teams and second-line ERM function.

ERM develops and leads the enterprise integration of climate-related risk into Fannie Mae's risk management framework and supporting processes. ERM also provides oversight on and effective challenge to the Climate Impact team and first-line risk owners. Additionally, several management-level committees, including the Enterprise Risk Committee, oversee the company's climate-related risk activities.

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

OVERSIGHT OF ESG ACTIVITIES AT FANNIE MAE

	Board oversight	Management oversight and accountability
ESG strategy	The **Community Responsibility and Sustainability Committee** oversees development and implementation of strategy related to ESG and climate, including access to credit, affordable housing, climate risk and resilience, racial equity in housing finance, fair lending, and sustainability, including our green financing activities.	The **Management Committee** oversees the development and implementation of the company's ESG strategy and goals. The Management Committee recommends annual management performance goals to the Board, including goals relating to ESG, and oversees management's progress in achieving those goals. ESG strategy is led by the **SVP of ESG**, within our Chief Administrative Office. Climate strategy is led by our **Chief Climate Officer**, within the office of the Chief Financial Officer. The **ESG Advisory Council** is a cross-functional senior management council whose primary roles are to promote transparency of ESG efforts across Fannie Mae, enable effective prioritization and resource allocation across ESG efforts, and inform decision-making for high-priority ESG issues.
Risk management	The **Risk Policy and Capital Committee** oversees the company's risk management framework, which includes climate-related risks.	The **Enterprise Risk Committee** oversees enterprise-wide risk management activities, including for strategic, reputational, compliance, credit (including counterparty), market, funding and liquidity, and operational (including model) 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, Compliance & Ethics, and support functions such as Finance and Human Resources are charged with independent monitoring and oversight of risk associated with their areas of expertise.
ESG reporting & disclosures	The **Audit Committee** provides oversight of ESG-related reporting and disclosures, including approval of the company's ESG Report, as well as any external assurance over that reporting. The **Nominating and Corporate Governance Committee** oversees engagement with investors and ESG ratings agencies regarding ESG matters and related communications.	The **Disclosure Committee** reviews our annual ESG Report and evaluates the effectiveness of our controls relating to such report. Development of the ESG Report is coordinated by the **ESG team**, in close partnership with the Climate Impact team and other relevant teams throughout our business. Members of the ESG team, alongside Fannie Mae's **Investor Relations and Marketing** team, engage with key stakeholders in a variety of venues.
Human Capital and D&I[51]	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 ESG-related compensation metrics. The Compensation and Human Capital Committee and the Board of Directors annually assess performance against the Board of Directors' goals. In 2022, the Board of Directors' goals included goals related to ESG and Housing Access strategic objectives. The Board of Directors, upon the recommendation of the Compensation and Human Capital Committee, annually approves the company's Diversity & Inclusion Strategic Plan 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 Strategic Plan in close partnership with key stakeholders across our business.

51 For more information on ESG-related compensation metrics, see our 2022 Form 10-K, pp. 189 – 194.

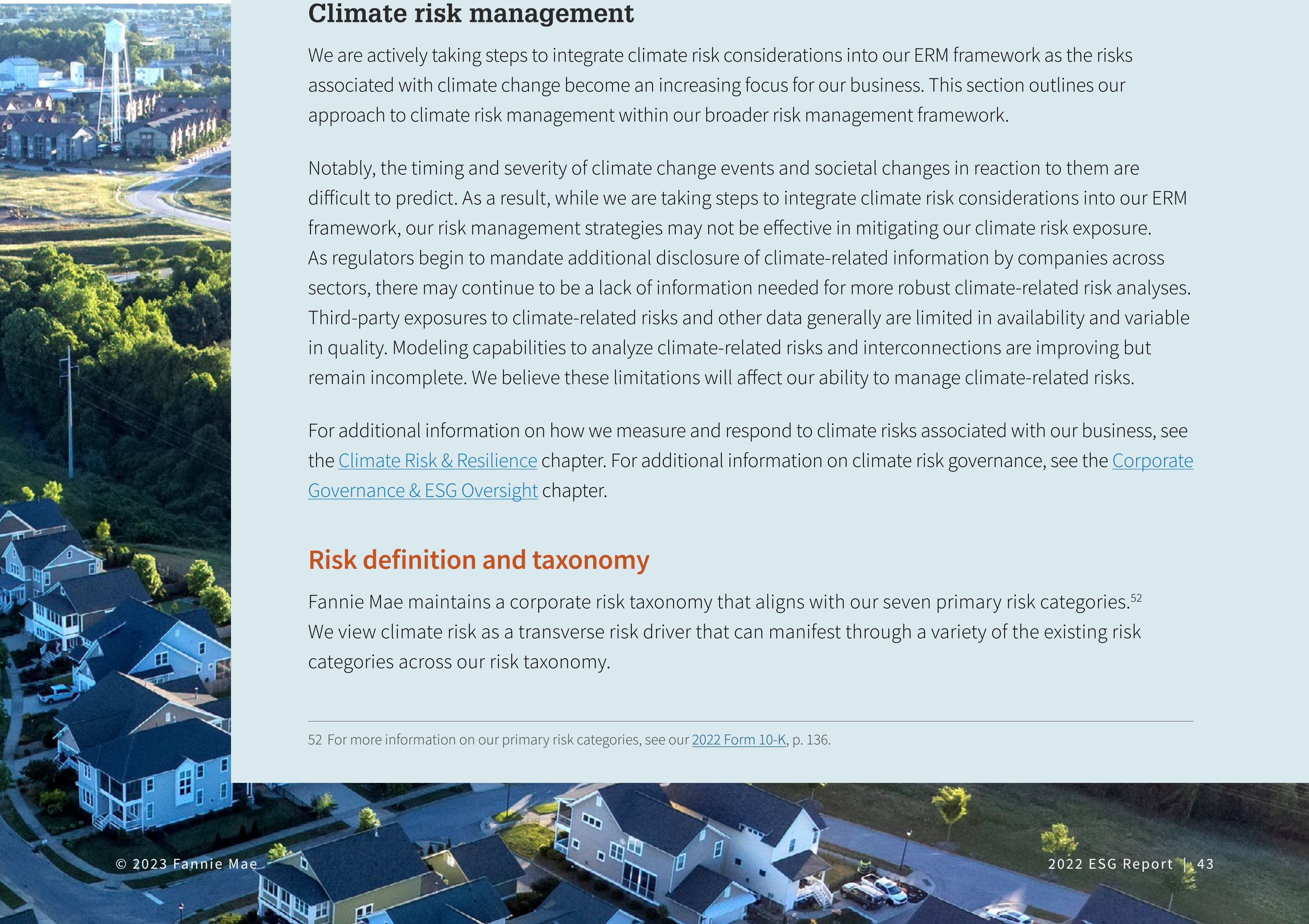
Risk Management

Effective risk management is essential to Fannie Mae's ability to provide liquidity, stability, and access to credit to the U.S. housing market and to fulfill our mission to facilitate equitable and sustainable access to homeownership and quality, affordable rental housing across America. 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 culture and capabilities

Risk management is a responsibility shared by every Fannie Mae employee. That's why we work to build and maintain a proactive risk culture and to provide employees with the knowledge and resources they need to recognize and respond to risks that arise in our business. This includes policies, procedures, tools, trainings, and other resources we use to embed risk management across the company, such as our enterprise-wide digital Governance, Risk, and Compliance platform for enabling efficient and effective management of risk and compliance.

For more information 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 2022 Form 10-K.



Climate risk management

We are actively taking steps to integrate climate risk considerations into our ERM framework as the risks associated with climate change become an increasing focus for our business. This section outlines our approach to climate risk management within our broader risk management framework.

Notably, the timing and severity of climate change events and societal changes in reaction to them are difficult to predict. As a result, while we are taking steps to integrate climate risk considerations into our ERM framework, our risk management strategies may not be effective in mitigating our climate risk exposure. As regulators begin to mandate additional disclosure of climate-related information by companies across sectors, there may continue to be a lack of information needed for more robust climate-related risk analyses. Third-party exposures to climate-related risks and other data generally are limited in availability and variable in quality. Modeling capabilities to analyze climate-related risks and interconnections are improving but remain incomplete. We believe these limitations will affect our ability to manage climate-related risks.

For additional information on how we measure and respond to climate risks associated with our business, see the Climate Risk & Resilience chapter. For additional information on climate risk governance, see the Corporate Governance & ESG Oversight chapter.

Risk definition and taxonomy

Fannie Mae maintains a corporate risk taxonomy that aligns with our seven primary risk categories.[52] We view climate risk as a transverse risk driver that can manifest through a variety of the existing risk categories across our risk taxonomy.

52 For more information on our primary risk categories, see our 2022 Form 10-K, p. 136.

We are leveraging the TCFD categorization of physical and transition climate risks (see the Climate Risk & Resilience chapter). We have begun integrating physical and transition climate risks into our corporate risk taxonomy, building a foundation to inform more granular risk identification and assessment across the company.

Establishing our climate-related risk management framework

Our ERM and Climate Impact teams continue to evolve Fannie Mae's approach to climate-related risk management as the risks associated with climate change become an increasing focus for our business. We are integrating climate risk considerations into our ERM framework. We are focused on developing and implementing a comprehensive, integrated approach to the identification, assessment, and management of climate-related risks. In furtherance of this goal, during 2022 we took steps including establishing annual cadence guidelines for climate-related discussions at relevant management-level risk committees and incorporating climate-related considerations into our key business decision review process.

Our focus for 2023 is to continue integration of climate-related risks into our ERM framework through:

- Establishing a management-level committee to govern and facilitate climate risk management.
- Continuing to pilot processes for climate-related risk identification, assessment, and monitoring.

Internal climate training and support

Our strong risk management and governance depends upon employees being well-informed and aware of the risks facing our business and the housing industry. Led by the Climate Impact team, several climate management and awareness-building initiatives are in place to help increase understanding of climate-related matters and ensure business units are integrating climate-related risks into their day-to-day considerations and actions. This includes the development of a climate-related risk e-learning course and a growing Climate Action Working Group comprised of leaders across the enterprise.

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.

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

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/or immediately report inappropriate conduct. The Employee Code outlines several avenues by which employees may report suspicions of misconduct:

a. 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.

b. Employees may report their concerns anonymously through our internal reporting hotline, webline, email, or regular mail.

c. 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

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 the implementation and regulation of 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 employees — 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.

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.

Data Privacy & Security

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 significantly increased in recent years, and from time to time Fannie Mae has been, and we expect will continue to be, the target of attempted cyber attacks and other information security threats. In addition, factors such as the evolving nature of these threats, our migration to cloud-based systems, and the interconnectivity and interdependence of third parties to our systems heighten these risks. As of publication of this report on June 30, 2023, we had not experienced any material losses relating to cyberattacks.

Cybersecurity risk management

SASB FN-CB-230a.2

Fannie Mae continually works to secure and protect the financial information of millions of borrowers, as well as information related to lenders, servicers, employees, investors, and website visitors. We have developed and continue to enhance our cybersecurity risk management program to protect the security of our computer systems, software, networks, and other technology assets against unauthorized attempts to access confidential information or to disrupt or degrade business operations. Our cybersecurity risk management program aligns with the National Institute of Standards and Technology (NIST) Framework for Improving Critical Infrastructure Cybersecurity and has evolved based on the changing needs of our business, the evolving threat environment, and FHFA regulatory guidance. Our cybersecurity risk management program extends to oversight of third parties that could be a source of cybersecurity risk, including lenders that use our systems and third-party service providers.

We examine the effectiveness and maturity of our cyber defenses through various means, including internal audits, targeted testing, incident response exercises, maturity assessments, and industry benchmarking. We continue to strengthen our partnerships with the appropriate government and law enforcement agencies and with other businesses and cybersecurity services in order to understand the full spectrum of cybersecurity risks in the environment, enhance our defenses, and improve our resiliency against cybersecurity threats. We also maintain insurance coverage relating to cybersecurity risks.

Fannie Mae's Information Security team is responsible for detecting, investigating, and responding to information security threats and incidents that have a potential impact on Fannie Mae's information and technology environment.

Cybersecurity risk is overseen by the Board of Directors and its Risk Policy and Capital Committee. The Board has also delegated oversight authority for specified cybersecurity risk matters to certain management-level committees. The Board and the Risk Policy and Capital Committee engage in discussions with management on cybersecurity risk matters and receive periodic reports from the company's Chief Information Security Officer and other officers. Management also discusses cybersecurity developments with the Chair of the Risk Policy and Capital Committee and other Board members between Board and committee meetings, as appropriate.

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

The Privacy Office initiates the Privacy Event Response Team (PERT) in the case of a privacy threat or incident that could have a significant impact on Fannie Mae. 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 procedures to implement this include using non-public personal information only for legitimate business purposes, using the minimum amount of data needed, and implementing robust access controls on this material.

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 both the needs of our investor community and the protection of the borrowers of our mortgage loans and, as such, 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. As we contemplate any 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. In addition, we periodically review our disclosures holistically to evaluate the potential of borrower deanonymization.

Employee training

Our staff is required to take annual training regarding the use of technology. This training covers protecting Fannie Mae confidential information and data, policy and standard controls, information security best practices, and identifying and reporting potential cyber threats.

For more information on risks related to cybersecurity and Fannie Mae's management of these risks, see the cybersecurity-related risk factor in "Risk Factors" and the "MD&A — Risk Management — Operational Risk Management — Cybersecurity Risk Management" and "Corporate Governance — Risk Management Oversight — Board's Role in Cybersecurity Risk Oversight" sections of our 2022 Form 10-K (pp. 47 – 49, 154 – 155, 176), 2021 Form 10-K (pp. 46 – 47, 161, 184 – 185), and 2020 Form 10-K (pp. 49 – 50, 164 – 165, 183 – 184).

SASB FN-CB-230a.2

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 2022 Form 10-K for a discussion of matters related to regulation, legislation, and conservatorship.

As a government-sponsored enterprise, 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 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. The Act also establishes Duty to Serve requirements for Fannie Mae to facilitate a secondary market for mortgages on housing for very low-, low-, and moderate-income households in three underserved markets: manufactured housing, affordable housing preservation, and rural housing.[53]

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 $598 million to these funds in 2022, based on our new business purchases in 2021.
- **Federal income taxes.** Fannie Mae's effective tax rate of 20.4% for 2022 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 9 — Income Taxes in the notes to consolidated financial statements in our 2022 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 2022, our TCCA fees accrued amounted to $3.4 billion.[54]
- **FHFA expenses.** Under federal legislation, FHFA establishes an annual assessment to Fannie Mae for FHFA's costs and expenses. In 2022, Fannie Mae recorded an annual assessment of $132 million for FHFA expenses.

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

54 In our 2021 ESG Report, we included the amount of TCCA fees paid. In this publication, we report the fees accrued to align with our financial reporting. Payments lag accruals by one quarter.

2022 ESG 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 ESG website.

Reporting and data

Fannie Mae 2022 Form 10-K

Fannie Mae 2021 Form 10-K

Fannie Mae 2020 Form 10-K

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

Equitable Housing Finance Plan Performance Report

Green Bond Impact Reporting

Data Dynamics

DUS Disclose

PoolTalk

Policies, practices, and plans

Single-Family *Selling Guide*

Single-Family *Servicing Guide*

Multifamily *Selling and Servicing Guide*

Sustainable 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 product information

Single-Family Mortgage Products

Multifamily Mortgage Products and Specialty Financing

Pilot Activities

Data Tables

† 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.

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 $9.6 billion in unpaid principal balance (UPB) as of December 31, 2022; the largest of these is reverse mortgages, with $9.3 billion in UPB (less than 0.3% of the total UPB of single-family mortgage loans on Fannie Mae's consolidated balance sheet as of December 31, 2022).

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

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,		
	2022	2021	2020	2022	2021	2020
	(Loans & units in thousands)			(Dollars in millions)		
Single-Family:	**2,036.9**	**4,812.3**	**4,856.6**	**$ 614,861**	**$ 1,354,758**	**$ 1,358,851**
Home purchase loans	1,150.9	1,486.9	1,481.3	$ 377,981	$ 451,392	$ 411,055
Refinance loans	885.9	3,325.4	3,375.3	$ 236,880	$ 903,366	$ 947,796
Multifamily:						
Loans	3.6	4.2	5.1	$ 69,215	$ 69,460	$ 76,022
Units financed[55]	597.9	622.5	744.2			

55 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 and 2020 have been updated in this report from the numbers reported in the company's 2021 and 2020 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. Numbers in table may not sum due to rounding.

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

	Number of Loans For the Year Ended December 31,			Unpaid Principal Balance at Acquisition For the Year Ended December 31,		
	2022	2021	2020	2022	2021	2020
	(Loans in thousands)			(Dollars in millions)		
Single-Family Owner-Occupied Loans (1 – 4 housing units)[56]	**1,786.6**	**4,272.0**	**4,192.6**	**$ 548,445**	**$ 1,212,242**	**$ 1,172,685**
Home Purchase Loans	**1,001.7**	**1,279.2**	**1,235.2**	**$ 337,253**	**$ 396,665**	**$ 347,644**
Income ≤ 50% of Area Median Income (AMI)	69.1	96.0	92.5	$ 10,795	$ 14,713	$ 13,151
% of owner-occupied home purchase loans	6.9 %	7.5 %	7.5 %	3.2 %	3.7 %	3.8 %
Income > 50% to 60% AMI	59.8	80.3	81.1	$ 12,289	$ 15,873	$ 14,737
% of owner-occupied home purchase loans	6.0 %	6.3 %	6.6 %	3.6 %	4.0 %	4.2 %
Income > 60% to 80% AMI	146.6	194.0	192.5	$ 37,247	$ 46,436	$ 41,728
% of owner-occupied home purchase loans	14.6 %	15.2 %	15.6 %	11.0 %	11.7 %	12.0 %
Income > 80% to 100% AMI	150.7	189.0	180.7	$ 45,895	$ 53,533	$ 45,952
% of owner-occupied home purchase loans	15.0 %	14.8 %	14.6 %	13.6 %	13.5 %	13.2 %
Income > 100% to 120% AMI	134.5	165.2	156.9	$ 46,454	$ 52,718	$ 44,917
% of owner-occupied home purchase loans	13.4 %	12.9 %	12.7 %	13.8 %	13.3 %	12.9 %
Income >120% AMI	441.0	554.8	531.4	$ 184,572	$ 213,391	$ 187,159
% of owner-occupied home purchase loans	44.0 %	43.4 %	43.0 %	54.7 %	53.8 %	53.8 %
First-time homebuyers	539.2	703.4	639.9	$ 176,065	$ 211,668	$ 172,420
% of owner-occupied home purchase loans	53.8 %	55.0 %	51.8 %	52.2 %	53.4 %	49.6 %

† 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.

56 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[57 †]

	For the Year Ended December 31,[58]		
	2022	2021	2020
Multifamily Affordable Housing[59]			
Number of loans for Multifamily Affordable Housing (thousands)	0.5	0.6	0.6
Value of loans for Multifamily Affordable Housing (UPB at acquisition, $ millions)	$ 10,269	$ 9,585	$ 7,946
Number of units with rent and income **restrictions** considered affordable (thousands)[60]			
Income ≤ 50% AMI	22.5	24.1	20.9
Income > 50% to 60% AMI	39.6	36.3	34.0
Income > 60% to 80% AMI	14.5	10.3	11.0
Income > 80% to 100% AMI	0.1	0.1	0.2
Income > 100% to 120% AMI	0.5	0.4	0.3
Income > 120% AMI	0.3	*	0.1
Number of units with **reported rents** considered affordable (thousands)[61]			
Income ≤ 50% AMI	123.0	80.4	91.5
Income > 50% to 60% AMI	116.7	103.5	129.0
Income > 60% to 80% AMI	169.9	193.9	211.9
Income > 80% to 100% AMI	70.6	100.5	104.0
Income > 100% to 120% AMI	24.1	37.7	39.4
Manufactured Housing (MH) Communities			
Number of loans for MH Communities (thousands)[62]	0.3	0.3	0.4
Value of loans for MH Communities (UPB at acquisition, $ millions)	$ 2,363	$ 3,157	$ 5,243
Number of MH pads financed (thousands)	55.6	66.2	106.5

* 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.

57 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.

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

59 Financing for rent-restricted properties and properties receiving other federal and local subsidies. Affordable housing acquisitions reported here include loans with properties for which 20% or more of the units financed are restricted to be affordable at or below 80% AMI.

60 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.

61 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.

62 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[63]

SASB FN-IB-410a.2

	For the Year Ended December 31, 2022	2021	2020
Number of Social Bonds issued	925	829	—
Number of loans (thousands)[64]	1.0	0.9	—
Value of Social Bonds issued (UPB at issuance, $ millions)	$ 11,821	$ 10,456	$ —
Total number of housing units financed by loans that back Social Bonds (thousands)†	167.1	134.6	—
Number of units financed by loans that back Social Bonds with restricted and unrestricted affordability (thousands)[65]†			
Households ≤ 50% AMI†	47.5	24.1	—
Households > 50% to 60% AMI†	48.4	35.4	—
Households > 60% to 80% AMI†	8.1	15.5	—
Number of social bond resecuritizations	2	2	—
Value of social bond resecuritizations (UPB at issuance, $ millions)	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.

63 Fannie Mae released its first labeled Social Bonds in 2021.

64 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.

65 Unit counts include the number of rent restricted units, as defined by the individual program, for Social Bonds financing Restricted Affordable Housing and the number of rent-based affordable units, as defined by FHFA in CFR 1282.19, for Social Bonds financing Unrestricted Affordable Housing. See our Sustainable Bond Framework for more information.

TABLE 5. CERTAIN CHARACTERISTICS OF OUTSTANDING SINGLE-FAMILY MORTGAGE LOANS[66]

MGMT FN-MF-270a.1[67]	Number of Loans As of December 31,			Unpaid Principal Balance As of December 31,		
	2022	2021	2020	2022	2021	2020
	(Loans in thousands)			(Dollars in millions)		
Hybrid or Option ARM[68]	**39.4**	**48.2**	**62.0**	**$ 4,047**	**$ 5,366**	**$ 7,549**
FICO ≤ 660	4.4	5.2	6.5	$ 365	$ 463	$ 636
As a % of total outstanding single-family mortgage loans	*	*	*	*	*	*
FICO > 660	33.2	40.7	52.5	$ 3,630	$ 4,834	$ 6,821
As a % of total outstanding single-family mortgage loans	0.2 %	0.2 %	0.3 %	0.1 %	0.1 %	0.2 %
FICO not available[69]	1.8	2.3	2.9	$ 51	$ 68	$ 92
As a % of total outstanding single-family mortgage loans	*	*	*	*	*	*
Higher Rate[70]	**410.1**	**403.0**	**437.5**	**$ 73,002**	**$ 68,072**	**$ 66,633**
FICO ≤ 660	79.6	82.5	100.1	$ 12,107	$ 11,733	$ 14,288
As a % of total outstanding single-family mortgage loans	0.5 %	0.5 %	0.6 %	0.3 %	0.3 %	0.5 %
FICO > 660	330.0	320.0	336.8	$ 60,832	$ 56,288	$ 52,285
As a % of total outstanding single-family mortgage loans	1.9 %	1.8 %	2.0 %	1.7 %	1.6 %	1.6 %
FICO not available	0.5	0.5	0.6	$ 63	$ 52	$ 60
As a % of total outstanding single-family mortgage loans	*	*	*	*	*	*

* Represents a value of less than 0.05%

66 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.

67 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.

68 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.

69 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.

70 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 2022, 2021, and 2020, Fannie Mae had modified 41,227; 41,584; and 39,796, 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 5. CERTAIN CHARACTERISTICS OF OUTSTANDING SINGLE-FAMILY MORTGAGE LOANS (CONT'D)

MGMT FN-MF-270a.1[71]	Number of Loans As of December 31,			Unpaid Principal Balance As of December 31,		
	2022	2021	2020	2022	2021	2020
	(Loans in thousands)			(Dollars in millions)		
Total Outstanding Single-Family Mortgage Loans	**17,638.1**	**17,512.1**	**17,293.5**	**$ 3,635,051**	**$ 3,482,509**	**$ 3,200,140**
FICO ≤ 660	1,055.9	1,100.8	1,233.0	$ 158,904	$ 157,123	$ 167,251
As a % of total outstanding single-family mortgage loans	6.0 %	6.3 %	7.1 %	4.4 %	4.5 %	5.2 %
FICO > 660	16,557.3	16,379.6	16,019.4	$ 3,474,667	$ 3,323,827	$ 3,030,934
As a % of total outstanding single-family mortgage loans	93.9 %	93.5 %	92.6 %	95.6 %	95.4 %	94.7 %
FICO not available	25.0	31.7	41.2	$ 1,480	$ 1,559	$ 1,956
As a % of total outstanding single-family mortgage loans	0.1 %	0.2 %	0.2 %	*	*	0.1 %

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%

71 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.

TABLE 6. SINGLE-FAMILY LOAN MODIFICATIONS, FORECLOSURE ALTERNATIVES, AND FORECLOSURES[72]

SASB FN-MF-270a.2

	Number of Loans For the Year Ended December 31,			Unpaid Principal Balance For the Year Ended December 31,		
	2022	2021	2020	2022	2021	2020
	(Loans in thousands)			(Dollars in millions)		
Non-Liquidation Workouts						
Repayment Plans	**1.4**	**3.5**	**6.6**	**$ 217**	**$ 599**	**$ 1,102**
FICO ≤ 660	0.5	0.7	2.0	59	96	253
FICO > 660	1.0	2.8	4.6	157	502	846
FICO not available[73]	*	*	*	*	1	3
Payment Deferrals[74]	**88.9**	**297.4**	**259.1**	**18,409**	**62,060**	**55,988**
FICO ≤ 660	20.2	56.8	37.2	3,315	9,434	6,471
FICO > 660	68.5	239.9	221.5	15,080	52,577	49,482
FICO not available	0.2	0.7	0.4	15	49	34
Modifications	**76.4**	**40.3**	**30.8**	**16,559**	**8,432**	**5,347**
FICO ≤ 660	18.3	10.8	11.4	3,314	1,881	1,777
FICO > 660	57.9	29.4	19.3	13,231	6,544	3,560
FICO not available	0.2	0.1	0.1	14	7	9
Total Modifications, Deferrals, and Repayment Plans	**166.8**	**341.2**	**296.6**	**$ 35,184**	**$ 71,091**	**$ 62,436**

* Represents a value of less than 50 loans or less than $500,000 in UPB.
** Data not available.

72 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.

73 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.

74 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.

TABLE 6. SINGLE-FAMILY LOAN MODIFICATIONS, FORECLOSURE ALTERNATIVES, AND FORECLOSURES (CONT'D)

SASB FN-MF-270a.2	Number of Loans For the Year Ended December 31,			Unpaid Principal Balance For the Year Ended December 31,		
	2022	2021	2020	2022	2021	2020
	(Loans in thousands)			(Dollars in millions)		
Settled Liquidation Workouts						
Pre-Foreclosure Sales	**0.4**	**1.2**	**2.1**	**$ 83**	**$ 218**	**$ 413**
FICO ≤ 660	0.1	0.3	0.6	21	62	117
FICO > 660	0.3	0.8	1.5	61	156	296
FICO not available	*	*	**	*	*	**
Deed-in-Lieu of Foreclosure	**0.1**	**0.4**	**0.6**	**14**	**48**	**83**
FICO ≤ 660	0.0	0.1	0.1	4	11	17
FICO > 660	0.1	0.3	0.5	9	38	66
FICO not available	—	*	**	—	*	**
Total Pre-Foreclosure Sales and Deeds-in-Lieu of Foreclosure	**0.6**	**1.5**	**2.7**	**$ 97**	**$ 267**	**$ 496**
Foreclosures[75]	**8.1**	**6.2**	**7.2**	**889**	**641**	**837**
FICO ≤ 660	2.3	2.0	2.3	223	195	258
FICO > 660	5.8	4.1	4.8	662	444	576
FICO not available	0.1	0.1	0.1	4	2	4

* Represents a value of less than 50 loans or less than $500,000 in UPB.
** Data not available.

75 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 28,000 loans in the foreclosure process as of December 31, 2022 (figure not subject to Deloitte & Touche LLP's review).

TABLE 7. EDUCATION & COUNSELING[76]

SASB FN-CB-240a.4

	For the Year Ended December 31,		
	2022	2021	2020
	(Thousands)		
Number of loans acquired for which Fannie Mae required pre-purchase homebuyer education[77]	151.7	211.5	199.0
Number of participants that completed Fannie Mae's HomeView homeownership education course[78 †]	178.9	—	—
Number of sessions of housing counseling provided to Fannie Mae borrowers and renters via nonprofit partners[79 †]	11.1	23.0	15.0

† 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.

76 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.

77 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 product or first-time homebuyer status; HomeReady and HFA Preferred purchase transactions when all occupying borrowers are first-time homebuyers; or purchase transactions with loan-to-value (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.

78 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.

79 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, beginning in March 2020, 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)[80]

SASB FN-MF-270b.1	Number of Loans			Unpaid Principal Balance at Acquisition			Weighted Average Original LTV Ratio[81]		
	For the Year Ended December 31,			For the Year Ended December 31,			For the Year Ended December 31,		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
	(Loans in thousands)			(Dollars in millions)					
Borrower Race or Ethnicity:									
American Indian or Alaskan Native	**17.8**	**34.6**	**29.1**	**$ 5,115**	**$ 9,293**	**$ 7,751**	**76.8 %**	**71.9 %**	**73.7 %**
FICO ≤ 660	1.3	1.9	1.2	330	461	261	70.6	70.9	73.0
FICO > 660	16.5	32.7	28.0	4,782	8,831	7,489	77.2	72.0	73.7
FICO not available	*	*	*	3	1	*	73.8	77.1	70.7
Asian	**178.4**	**451.5**	**438.5**	**69,148**	**162,516**	**153,845**	**75.8**	**66.9**	**67.7**
FICO ≤ 660	4.9	7.7	5.3	1,720	2,501	1,601	72.0	70.4	71.5
FICO > 660	173.4	443.8	433.1	67,405	160,002	152,234	75.9	66.8	67.6
FICO not available	0.1	*	*	23	13	10	74.7	76.7	74.1
Black or African American	**125.2**	**218.2**	**172.5**	**35,853**	**57,679**	**45,280**	**78.7**	**76.0**	**78.0**
FICO ≤ 660	11.9	16.3	9.7	3,032	3,951	2,287	71.4	73.1	76.1
FICO > 660	113.3	201.8	162.8	32,812	53,721	42,986	79.4	76.2	78.0
FICO not available	*	*	*	9	7	7	77.1	78.7	78.0
Hispanic or Latino	**269.0**	**541.8**	**481.9**	**82,468**	**153,216**	**134,201**	**77.8**	**73.4**	**74.6**
FICO ≤ 660	18.5	28.9	19.1	5,062	7,466	4,612	70.5	71.0	73.3
FICO > 660	250.4	512.8	462.7	77,375	145,724	129,566	78.3	73.5	74.7
FICO not available	0.1	0.1	0.1	31	26	23	73.9	76.7	78.0

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

80 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, Desktop Underwriter (DU). Numbers in table may not sum due to rounding.

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.

81 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			Unpaid Principal Balance at Acquisition			Weighted Average Original LTV Ratio[81]		
	For the Year Ended December 31,			For the Year Ended December 31,			For the Year Ended December 31,		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
	(Loans in thousands)			(Dollars in millions)					
Native Hawaiian or Other Pacific Islander	**7.9**	**18.6**	**19.2**	**$ 2,809**	**$ 6,151**	**$ 6,249**	**75.3 %**	**70.3 %**	**71.4 %**
FICO ≤ 660	0.6	1.0	0.6	187	312	187	68.9	69.9	69.6
FICO > 660	7.3	17.6	18.6	2,622	5,838	6,061	75.8	70.3	71.5
FICO not available	—	*	*	—	1	1	—	70.9	75.9
White — Non-Hispanic or Latino	**1,180.2**	**2,949.6**	**3,157.8**	**339,972**	**791,086**	**848,658**	**73.8**	**69.2**	**71.5**
FICO ≤ 660	57.0	97.6	70.3	13,927	22,638	15,709	68.8	70.1	72.2
FICO > 660	1122.5	2,851.1	3,086.7	325,879	768,262	832,803	74.0	69.2	71.5
FICO not available	0.7	0.9	0.8	165	186	146	72.3	75.1	75.9
All Minority Borrowers[82]	**566.9**	**1,203.6**	**1,089.5**	**184,782**	**369,614**	**331,191**	**77.1**	**70.9**	**71.8**
FICO ≤ 660	34.9	52.5	33.9	9,668	13,769	8,442	70.9	71.3	73.6
FICO > 660	531.7	1,150.8	1,055.4	175,053	355,798	322,709	77.5	70.9	71.8
FICO not available	0.2	0.2	0.2	62	48	40	74.5	76.9	76.8
Information Not Provided[83]	**258.5**	**659.1**	**609.3**	**80,132**	**194,060**	**179,009**	**72.1**	**66.9**	**69.4**
FICO ≤ 660	15.8	24.2	15.0	4,186	6,119	3,665	66.8	67.8	69.5
FICO > 660	242.6	634.8	594.2	75,920	187,913	175,327	72.4	66.9	69.4
FICO not available	0.1	0.1	0.1	25	29	17	73.0	70.8	70.9

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

82 This category consists of borrowers who are not non-Hispanic white. 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.

83 This category consists of mortgages where borrower race and/or ethnicity information was not provided at loan origination.

TABLE 9. REPRESENTATION BY RACIAL OR ETHNIC GROUPS AND GENDER AS A PERCENTAGE OF JOB CATEGORY[84]

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:		
	2022	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**
Racial or Ethnic Group:															
American Indian or Alaskan Native	**— %**	**— %**	**— %**	**0.3 %**	**0.2 %**	**0.3 %**	**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
Men	—	—	—	0.2	0.1	0.2	0.1	0.1	0.2	—	—	—	0.1	0.1	0.2
Asian	**7.0**	**5.6**	**2.9**	**31.1**	**30.1**	**28.9**	**39.2**	**38.7**	**38.0**	**4.0**	**3.5**	**9.0**	**37.1**	**36.5**	**35.7**
Women	4.7	2.8	2.9	9.8	9.7	8.9	16.7	16.4	16.3	1.3	1.2	6.0	15.2	14.8	14.7
Men	2.3	2.8	—	21.3	20.4	20.0	22.4	22.3	21.7	2.7	2.4	3.0	21.9	21.6	21.0
Black or African American	**11.6**	**13.9**	**14.7**	**8.7**	**8.2**	**8.5**	**13.0**	**12.9**	**13.6**	**57.3**	**54.1**	**56.0**	**12.6**	**12.5**	**13.2**
Women	4.7	5.6	5.9	5.4	4.5	5.0	7.6	7.7	8.0	50.7	50.6	52.0	7.5	7.6	8.0
Men	7.0	8.3	8.8	3.3	3.7	3.5	5.4	5.2	5.6	6.7	3.5	4.0	5.0	4.9	5.2
Hispanic or Latino	**2.3**	**2.8**	**—**	**4.4**	**3.9**	**4.3**	**6.3**	**6.1**	**5.7**	**10.7**	**14.1**	**10.0**	**5.9**	**5.8**	**5.5**
Women	2.3	2.8	—	1.8	1.7	1.9	2.6	2.5	2.4	10.7	12.9	9.0	2.5	2.5	2.4
Men	—	—	—	2.6	2.2	2.4	3.7	3.6	3.3	—	1.2	1.0	3.4	3.3	3.1
Native Hawaiian or Pacific Islander	**—**	**—**	**—**	**0.3**	**0.3**	**0.3**	**0.2**	**0.2**	**0.2**	**1.3**	**—**	**—**	**0.2**	**0.2**	**0.2**
Women	—	—	—	0.1	0.1	0.1	*	*	*	—	—	—	*	*	0.1
Men	—	—	—	0.2	0.2	0.2	0.2	0.2	0.2	1.3	—	—	0.2	0.2	0.2

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

84 This table counts employees as of the last day of the last pay period of the calendar year: December 31 in 2022, December 18 in 2021, and December 31 in 2020. Data may be rounded up or down by up to 0.1 percentage point to ensure column totals equal 100% for each job category by year. 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.

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:		
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
Racial or Ethnic Group:															
White Non-Hispanic or Latino	**79.1 %**	**77.8 %**	**79.5 %**	**53.1 %**	**55.2 %**	**56.1 %**	**39.0 %**	**39.3 %**	**40.4 %**	**24.0 %**	**25.9 %**	**23.0 %**	**41.8 %**	**42.5 %**	**43.3 %**
Women	18.6	16.7	20.6	21.2	22.7	22.4	16.2	16.7	17.0	17.3	21.2	20.0	17.2	17.9	18.0
Men	60.5	61.1	58.9	31.9	32.5	33.7	22.7	22.7	23.4	6.7	4.7	3.0	24.6	24.6	25.3
Two or More Races	**—**	**—**	**2.9**	**2.1**	**2.0**	**1.6**	**2.3**	**2.5**	**1.9**	**2.7**	**2.4**	**2.0**	**2.2**	**2.4**	**1.9**
Women	—	—	—	1.0	0.9	0.7	1.1	1.2	0.9	2.7	2.4	2.0	1.1	1.2	0.9
Men	—	—	2.9	1.1	1.1	0.9	1.2	1.3	1.0	—	—	—	1.2	1.3	1.0
Total Number of Employees	**43**	**36**	**34**	**1,556**	**1,444**	**1,443**	**6,353**	**5,844**	**6,074**	**75**	**85**	**100**	**8,027**	**7,409**	**7,651**
Women	13	10	10	612	574	564	2,809	2,605	2,715	62	75	89	3,496	3,264	3,378
Men	30	26	24	944	870	879	3,544	3,239	3,359	13	10	11	4,531	4,145	4,273

TABLE 10. BOARD OF DIRECTORS REPRESENTATION BY RACIAL OR ETHNIC GROUP AND GENDER[85 †]

	As of the Form 10-K Filing Date for Reporting Covering		
	2022	**2021**	**2020**
Number of Board Members	**10**	**12**	**11**
By Racial or Ethnic Group:			
American Indian or Alaskan Native	—	—	—
Asian	—	—	—
Black or African American	3	3	2
Hispanic or Latino	2	1	1
Native Hawaiian or Pacific Islander	—	—	—
White	5	8	8
By Gender			
Women	5	5	5
Men	5	7	6

† 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.

85 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 14, 2023 for the 2022 Form 10-K, February 15, 2022 for the 2021 Form 10-K, and February 12, 2021 for the 2020 Form 10-K.

TABLE 11. GREEN BOND ISSUANCE[86]

SASB FN-IB-410a.2

	For the Year Ended December 31, 2022	2021	2020
Number of Green Bonds	**271**	**550**	**569**
Multifamily Green Bonds	226	515	557
Single-Family Green Bonds	45	35	12
Number of Loans (thousands)[87]	**3.9**	**2.1**	**0.9**
Multifamily Green Bonds	0.2	0.5	0.6
Single-Family Green Bonds	3.7	1.5	0.3
Value of Green Bonds Issued (UPB at Issuance, $ millions)	**$ 10,495**	**$ 13,980**	**$ 13,093**
Multifamily Green Bonds	9,089	13,467	12,999
Single-Family Green Bonds	1,405	513	94
Number of Units (thousands)†	**59.0**	**97.2**	**102.6**
Multifamily Green Bonds†	55.3	95.6	102.3
Single-Family Green Bonds†	3.7	1.5	0.3
Green Bond Resecuritizations			
Number of Multifamily Green GeMS	1	3	4
Value of Multifamily Green GeMS (UPB at issuance, $ millions)	$ 781	$ 2,391	$ 1,938

† 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.

86 Total rows do not count Multifamily Green GeMS, since these are resecuritizations. Numbers in table may not sum due to rounding. One GeMS transaction in 2020 was a second resecuritization, which is not included in the UPB figure.

87 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[88 †]

	For the Year Ended December 31,		
	2022	**2021**	**2020**
Projected Energy Saved (kBtu in millions)	**888**	**1,459**	**1,639**
Multifamily Green Bonds	814	1,422	1,631
Single-Family Green Bonds	74	37	8
Projected Water Saved (Gallons in millions)[89]	**116**	**473**	**807**
Projected Greenhouse Gas Emissions Prevented ($mtCO_2e$ in thousands)	**41.4**	**84.0**	**105.0**
Multifamily Green Bonds	37.9	82.3	104.6
Single-Family Green Bonds	3.5	1.7	0.4
Projected Utility Cost Savings per Household[90]			
Multifamily tenants[91]	$ 205	$ 219	$ 235
Single-family homeowners[92]	$ 219	$ 264	$ 269

† 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.

88 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.

89 Multifamily Green Bonds only.

90 Estimated cost savings for a one-year period.

91 Multifamily Green Rewards loans only.

92 Single-Family Green Bonds only.

TABLE 13. SINGLE-FAMILY AND MULTIFAMILY LOANS REQUIRING FLOOD INSURANCE[93]

SASB FN-MF-450a.1	Number of Loans As of December 31, 2022	2021	2020	Unpaid Principal Balance As of December 31, 2022	2021	2020
	(Loans in thousands)			(Dollars in millions)		
Single-Family Loans						
Flood-insured loans	575.1	578.1	582.9	$ 120,707	$ 116,533	$ 108,688
Total single-family loans	17,657.8	17,534.4	17,320.0	3,636,597	3,484,276	3,202,619
Flood insured as % of single-family total	3.3 %	3.3 %	3.4 %	3.3 %	3.3 %	3.4 %
Multifamily Loans[94]						
Flood-insured loans	2.0	2.0	2.0	$ 36,448	$ 34,927	$ 34,205
Total multifamily loans	28.0	28.9	28.7	440,447	413,171	384,656
Flood insured as % of multifamily total	7.2 %	6.8 %	6.9 %	8.3 %	8.5 %	8.9 %

	Number of Properties As of December 31, 2022	2021	2020	Carrying Value As of December 31, 2022	2021	2020
	(Properties in thousands)			(Dollars in millions)		
Single-Family REO[95]						
Properties in flood zones	0.5	0.4	0.5	$ 70	$ 61	$ 66
Total single-family REO properties	8.8	7.2	8.0	1,293	959	1,148
In flood zones as % of single-family REO total	5.4 %	5.8 %	5.8 %	5.4 %	6.4 %	5.7 %
Multifamily REO						
Properties in flood zones	*	*	*	$ 31	$ 13	$ 14
Total multifamily REO properties	*	*	*	278	302	114
In flood zones as % of multifamily REO total	7.1 %	6.5 %	14.3 %	11.1 %	4.3 %	12.6 %

* Represents a value of less than 50 properties. There were 2, 2, and 2 multifamily REO properties in flood zones in 2022, 2021, and 2020, respectively. There were 28, 31, and 14 total multifamily REO properties in 2022, 2021, and 2020, respectively.

93 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). Furthermore, federal law creates a special category of land located in coastal areas. Irrespective of whether such areas are also in the 100-year flood plain, Fannie Mae requires flood insurance for residences located in these areas. 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. This is a change from our previous ESG Report, which classified loans and REO based on flood zone data reported by lenders at loan origination. 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.

94 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.

95 Single-Family REO totals reported for 2020 – 2022 in this report include a population of securitized reverse mortgages (a total of 300 loans in 2022) that was not included in the population in previous reporting.

Assurance Report

Deloitte.

Deloitte & Touche LLP
7900 Tysons One Place
Suite 800
McLean, VA 22102
www.deloitte.com

INDEPENDENT ACCOUNTANT'S REVIEW 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 Sustainability Accounting Standards Board (SASB) Index ("Note 1") within the accompanying Fannie Mae 2022 Enterprise Environmental, Social and Governance (ESG) Report ("ESG Report") as of or for the years ended December 31, 2022, December 31, 2021 and December 31, 2020 are 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 management's assertion in order for it to be fairly stated. 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 management's assertion is fairly stated, 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 the Code of Professional Conduct issued by the AICPA. 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 conducted inquiries and performed analytical procedures. 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 in regard to the accuracy of the data in the specified information.

The preparation of the specified information referenced in Note 1 requires management to establish and interpret the criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect the reported information. Measurement of certain metrics could include estimates and assumptions that are subject to inherent measurement uncertainty. 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 different but acceptable measurement methods, input data, or assumptions, may have resulted in materially different amounts or specified information being reported.

Our review was limited to the specified information in Note 1 as of or for the years ended December 31, 2022, 2021 and 2020. All other information including information relating to forward looking statements, goals, and progress against goals, was not subject to our review and, accordingly, we do not express a conclusion or any form of assurance on such information.

As discussed in Note 1, in 2022, Fannie Mae has changed the reporting from the 2021 ESG Report related to FN-MF-270b.3, FN-MF-450a.1 and FN-IB-410a.2 metrics.

Based on our review, we are not aware of any material modifications that should be made to management of Fannie Mae's assertion that the specified information included in Note 1 as of or for the years ended December 31, 2022, December 31, 2021, and December 31, 2020 are presented in accordance with the criteria set forth in Note 1, in order for it to be fairly stated.

Deloitte + Touche LLP

June 30, 2023

SASB Index

SASB Standards are independent standards for ESG disclosures maintained by the International Sustainability Standards Board (ISSB). The SASB reporting standards are industry-specific, covering ESG 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").

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, 2022, December 31, 2021, and December 31, 2020, is presented in accordance with the criteria set forth in Note 1.

Changes from our 2021 SASB-aligned reporting

For transparency, we note changes from reporting in Fannie Mae's 2021 ESG Report. Unless otherwise noted, these methodological changes are reflected in the 2022, 2021, and 2020 data included in this report.

NOTE 1: BASIS OF PRESENTATION

SASB Criteria	Specified Information			
SASB Code and Metric	**Modified or Omitted**	**Metric**	**Response / Location**	**Changes from 2021 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 2021 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 2020 and 2022, there were no monetary losses meeting these criteria.[96]	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.	Housing Affordability < Fair lending and fair housing	We have added information related to our Multifamily business.
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	We have updated the three years of single-family loan and REO data reported to reflect flood maps current as of the period reported rather than as of origination. Multifamily flood zone status remains as reported at loan origination. Additionally, in the single-family REO population, we have included a population of securitized reverse mortgages in our reporting that was previously excluded.

96 Our response to SASB FN-MF-270b.2 does not include our 2022 settlement related to foreclosed property maintenance, which is described on page 19, 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 2021 ESG Report**
Environmental risk to mortgaged properties (cont'd)				
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
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.	Data Privacy & Security	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 2021 ESG Report**
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.	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) 2020 Form 10-K < Stress Testing (p. 24) 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
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	We have added social bond resecuritizations in Table 4.

NOTE 1: BASIS OF PRESENTATION (CONT'D)

SASB Criteria	Specified Information			
SASB Code and Metric	**Modified or Omitted**	**Metric**	**Response / Location**	**Changes from 2021 ESG Report**
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 2021 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 & ESG Oversight < ESG and climate oversight
b) Describe management's role in assessing and managing climate-related risks and opportunities.	Corporate Governance & ESG Oversight < ESG and climate oversight
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

The information provided in this report reflects our approach to ESG at the date of this report and is subject to change without notice. We do not undertake to update any information in this report. There currently is no clear legal, regulatory, or other definition or market consensus as to what constitutes a "green," "social," "sustainable," or similarly labeled project or investment, and any references to "sustainable bonds," "green bonds," "social bonds," "ESG," or similar terms in this report are intended as references to the internally defined criteria of our businesses only, as applicable, and not to any jurisdiction-specific regulatory definition. 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 guarantee or promise that these goals will be met. Some statistics and metrics in these disclosures are based on assumptions. Additionally, many of the figures in this report are unaudited. While this report describes events, including potential future events, and topics that may be significant from an ESG perspective, any significance does not necessarily equate to the level of materiality of disclosures required under U.S. federal securities laws. No reports, documents, websites, or third-party publications that are cited or referred to in this document shall be deemed to form part of this report, including but not limited to references to information on our website, www.fanniemae.com. Fannie Mae is not responsible for the information contained on third-party websites, nor do we guaranty their accuracy and completeness. The information and data provided by a link to a website or publication is being referenced as of the date of this report, may be superseded by a later website or publication, and is subject to change without notice.

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