

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 3, 2017

Federal National Mortgage Association
(Exact name of registrant as specified in its charter)

Federally chartered corporation
(State or other jurisdiction
of incorporation)

000-50231
(Commission
File Number)

52-0883107
(IRS Employer
Identification Number)

3900 Wisconsin Avenue, NW
Washington, DC
(Address of principal executive offices)

20016
(Zip Code)

Registrant's telephone number, including area code: (800) 2FANNIE (800-232-6643)

(Former name or former address, if changed since last report): _____

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§203.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

The information in this report, including information in the exhibits submitted herewith, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of Section 18, nor shall it be deemed incorporated by reference into any disclosure document relating to Fannie Mae (formally known as the Federal National Mortgage Association), except to the extent, if any, expressly incorporated by specific reference in that document.

Item 2.02 Results of Operations and Financial Condition.

On August 3, 2017, Fannie Mae filed its quarterly report on Form 10-Q for the quarter ended June 30, 2017 and issued a news release reporting its financial results for the periods covered by the Form 10-Q. The news release, a copy of which is furnished as Exhibit 99.1 to this report, is incorporated herein by reference. A copy of the news release may also be found on Fannie Mae's website, www.fanniemae.com, in the "About Us" section under "Investor Relations/Quarterly and Annual Results." Information appearing on the company's website is not incorporated into this report.

Item 7.01 Regulation FD Disclosure.

On August 3, 2017, Fannie Mae posted to its website a 2017 Second Quarter Credit Supplement presentation consisting primarily of information about Fannie Mae's guaranty book of business. The presentation, a copy of which is furnished as Exhibit 99.2 to this report, is incorporated herein by reference. A copy of the presentation may also be found on Fannie Mae's website, www.fanniemae.com, in the "About Us" section under "Investor Relations/Quarterly and Annual Results."

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.* The exhibit index filed herewith is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FEDERAL NATIONAL MORTGAGE ASSOCIATION

By /s/ David C. Benson

David C. Benson

Executive Vice President and
Chief Financial Officer

Date: August 3, 2017

EXHIBIT INDEX

The following exhibits are submitted herewith:

Exhibit Number	Description of Exhibit
99.1	News release, dated August 3, 2017
99.2	2017 Second Quarter Credit Supplement presentation, dated August 3, 2017

Contact: Pete Bakel
202-752-2034
Date: August 3, 2017

Fannie Mae Reports Net Income of \$3.2 billion and Comprehensive Income of \$3.1 billion for Second Quarter 2017

- Fannie Mae paid a \$2.8 billion dividend to Treasury in June 2017. Through the second quarter of 2017, the company has paid \$162.7 billion in dividends to Treasury.
- Fannie Mae was the largest provider of liquidity to the mortgage market in the second quarter of 2017, providing approximately \$135 billion in mortgage financing that enabled families to buy, refinance, or rent homes.
- Fannie Mae has transitioned from a portfolio-focused business to a guaranty-focused business. Income from the company's guaranty business accounted for more than 75 percent of the company's net interest income in the first half of 2017. Fannie Mae expects net interest income from the company's guaranty business to account for an increasing portion of net interest income as its retained mortgage portfolio continues to shrink.
- Fannie Mae is focused on providing value to the housing finance system by:
 - delivering increased speed, simplicity, and certainty to customers and serving their needs by building a company that is efficient, innovative, and continuously improving;
 - implementing innovations that deliver greater value and reduced risk to lenders, such as the company's Day 1 Certainty™ initiative with verification tools to expand representation and warranty relief; and
 - helping make predictable long-term fixed-rate mortgages, including the 30-year fixed-rate mortgage, available to families across the country.
- Fannie Mae continues to increase the role of private capital in the mortgage market and reduce the risk to Fannie Mae's business, taxpayers, and the housing finance system through its credit risk transfer transactions, which transfer a portion of the mortgage credit risk on some of the recently acquired loans in its single-family book of business. As of June 30, 2017, \$798 billion in single-family mortgages or approximately 28 percent of the loans in the company's single-family conventional guaranty book of business, measured by unpaid principal balance, were covered by a credit risk transfer transaction.

WASHINGTON, DC — Fannie Mae (FNMA/OTC) reported net income of \$3.2 billion and comprehensive income of \$3.1 billion for the second quarter of 2017. The company reported a positive net worth of \$3.7 billion as of June 30, 2017. As a result, the company will pay Treasury a \$3.1 billion dividend in September 2017 if the Federal Housing Finance Agency (FHFA) declares a dividend in this amount.

"Our results reflect the strength of our business model and the momentum of our strategy," said Timothy J. Mayopoulos, President and Chief Executive Officer. "We are focused on helping lenders save time and money, making the mortgage process easier, and expanding access to credit in ways that make sense. We will continue to deliver innovative solutions that help our customers succeed, improve the mortgage process, and create safe and sustainable opportunities for families to own or rent a home."

Second Quarter 2017 Results — Fannie Mae's net income of \$3.2 billion for the second quarter of 2017 compares to net income of \$2.8 billion for the first quarter of 2017. The increase in net income was due primarily to an increase in credit-related income and a shift to investment gains in the second quarter from investment losses in the first quarter, partially offset by higher fair value losses on the company's risk management derivatives.

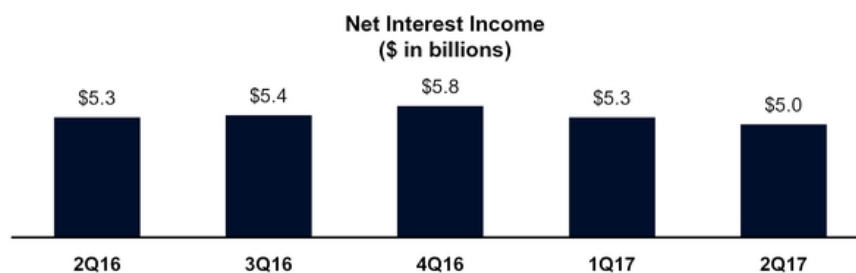
SUMMARY OF SECOND QUARTER 2017 RESULTS
Summary of Financial Results

(Dollars in millions)	2Q17	1Q17	Variance	2Q17	2Q16	Variance
Net interest income	\$ 5,002	\$ 5,346	\$ (344)	\$ 5,002	\$ 5,286	\$ (284)
Fee and other income	353	249	104	353	174	179
Net revenues	5,355	5,595	(240)	5,355	5,460	(105)
Investment gains (losses), net	385	(9)	394	385	398	(13)
Fair value losses, net	(691)	(40)	(651)	(691)	(1,667)	976
Administrative expenses	(686)	(684)	(2)	(686)	(678)	(8)
Credit-related income						
Benefit for credit losses	1,267	396	871	1,267	1,601	(334)
Foreclosed property expense	(34)	(217)	183	(34)	(63)	29
Total credit-related income	1,233	179	1,054	1,233	1,538	(305)
Temporary Payroll Tax Cut Continuation Act of 2011 (TCCA) fees	(518)	(503)	(15)	(518)	(453)	(65)
Other expenses, net	(291)	(382)	91	(291)	(254)	(37)
Income before federal income taxes	4,787	4,156	631	4,787	4,344	443
Provision for federal income taxes	(1,587)	(1,383)	(204)	(1,587)	(1,398)	(189)
Net income	\$ 3,200	\$ 2,773	\$ 427	\$ 3,200	\$ 2,946	\$ 254
Total comprehensive income	\$ 3,117	\$ 2,779	\$ 338	\$ 3,117	\$ 2,869	\$ 248
Dividends distributed or available for distribution to senior preferred stockholder	\$ (3,117)	\$ (2,779)	\$ (338)	\$ (3,117)	\$ (2,869)	\$ (248)

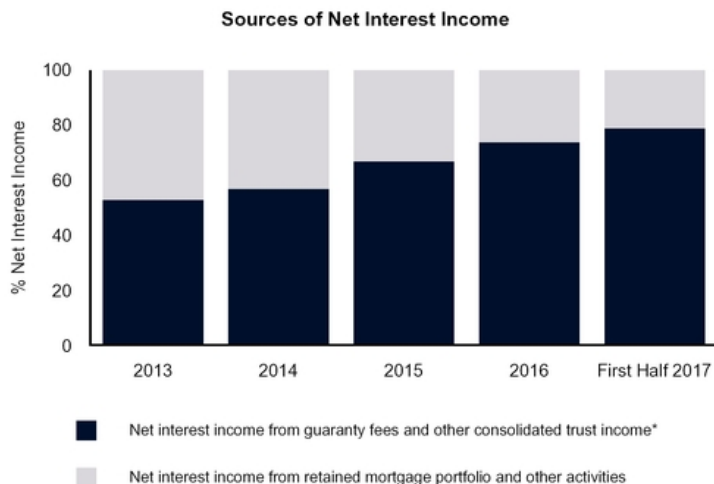
Net revenues, which consist of net interest income and fee and other income, were \$5.4 billion for the second quarter of 2017, compared with \$5.6 billion for the first quarter of 2017.

The company has two primary sources of net interest income: (1) the guaranty fees it receives for managing the credit risk on loans underlying Fannie Mae mortgage-backed securities held by third parties; and (2) the difference between interest income earned on the assets in its retained mortgage portfolio and the interest expense associated with the debt that funds those assets.

Net interest income was \$5.0 billion for the second quarter of 2017, compared with \$5.3 billion for the first quarter of 2017. The decrease in net interest income for the second quarter of 2017 was due to lower guaranty fee income as a result of lower amortization income, which was driven by lower mortgage prepayments due to lower refinance activity.

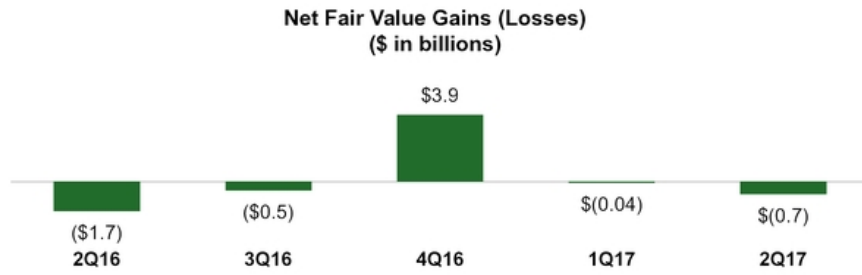


In recent periods, an increasing portion of Fannie Mae's net interest income has been derived from guaranty fees rather than from the company's retained mortgage portfolio assets. This shift has been driven by both the guaranty fee increases the company implemented in 2012 and the reduction of the company's retained mortgage portfolio. More than 75 percent of the company's net interest income in the first half of 2017 was derived from its guaranty business. The company expects that guaranty fees will continue to account for an increasing portion of its net interest income.

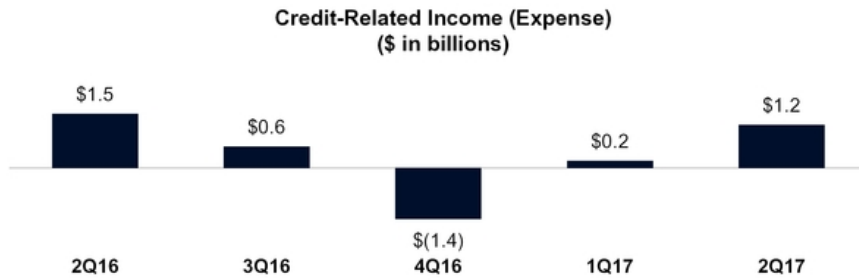


* Guaranty fee income reflects the impact of a 10 basis point guaranty fee increase implemented in 2012 pursuant to the Temporary Payroll Tax Cut Continuation Act of 2011, the incremental revenue from which is remitted to Treasury and not retained by us.

Net fair value losses were \$691 million in the second quarter of 2017, compared with \$40 million in the first quarter of 2017. Net fair value losses for the second quarter of 2017 were due primarily to decreases in the fair value of the company's risk management derivatives due to declines in longer-term swap rates during the second quarter of 2017 and to decreases in the fair value of the company's mortgage commitments due to an increase in prices as interest rates decreased during the commitment period. The company recognized additional fair value losses in second quarter of 2017 on Connecticut Avenue Securities™ debt reported at fair value resulting from tightening spreads between Connecticut Avenue Securities debt yields and LIBOR during the period. The estimated fair value of the company's derivatives and securities may fluctuate substantially from period to period because of changes in interest rates, the yield curve, mortgage and credit spreads, implied volatility, and activity related to these financial instruments.



Credit-related income consists of a benefit for credit losses and foreclosed property expense. Credit-related income was \$1.2 billion in the second quarter of 2017, compared with \$179 million in the first quarter of 2017. The increase in credit-related income for the second quarter of 2017 was driven primarily by a higher benefit for credit losses due primarily to a redesignation of loans from held for investment to held for sale and decreases in actual and projected interest rates, as well as a decrease in foreclosed property expense during the quarter.



Investment gains were \$385 million in the second quarter of 2017, compared with investment losses of \$9 million in the first quarter of 2017. The shift to investment gains was driven by the sale of available-for-sale securities and reperforming loans in the second quarter of 2017.

VARIABILITY OF FINANCIAL RESULTS

Fannie Mae expects to remain profitable on an annual basis for the foreseeable future; however, certain factors, such as changes in interest rates or home prices, could result in significant volatility in the company's financial results from quarter to quarter or year to year. Fannie Mae's future financial results also will be affected by a number of other factors, including: the company's guaranty fee rates; the volume of single-family mortgage originations in the future; the size, composition, and quality of its retained mortgage portfolio and guaranty book of business; and economic and housing market conditions. Although Fannie Mae expects to remain profitable on an annual basis for the foreseeable future, due to the company's limited and declining capital reserves (which decrease to zero in 2018) and the potential for significant volatility in its financial results, the company could experience a net worth deficit in a future quarter. If Fannie Mae experiences a net worth deficit in a future quarter, the company will be required to draw additional funds from Treasury under the senior preferred stock purchase agreement to avoid being placed into receivership.

The company's expectations for its future financial results do not take into account the impact on its business of potential future legislative or regulatory changes, which could have a material impact on the company's financial results, particularly the enactment of housing finance reform legislation, corporate income tax reform legislation, and changes in accounting standards. For example, the current Administration proposes reducing the U.S. corporate income tax rate. Under applicable accounting standards, a significant reduction in the U.S. corporate income tax rate would require the company to record a substantial reduction in the value of its deferred tax assets in the quarter in which the legislation is enacted. Thus, if legislation significantly lowering the U.S. corporate income tax rate is enacted, the company expects to incur a significant net loss and net worth deficit for the quarter in which the legislation is enacted and could potentially incur a net loss for that year. If the company experiences a net worth deficit in a future quarter, it will be required to draw additional funds from Treasury under the senior preferred stock purchase agreement in order to avoid being placed into receivership. For additional information on factors that affect the company's financial results, please refer to the company's quarterly report on Form 10-Q for the quarter ended June 30, 2017 (the "Second Quarter 2017 Form 10-Q").

SUMMARY OF SECOND QUARTER 2017 BUSINESS SEGMENT RESULTS

Fannie Mae's two reportable business segments—Single-Family and Multifamily—engage in complementary business activities in pursuing Fannie Mae's vision to be America's most valued housing partner and to provide liquidity, access to credit, and affordability in all U.S. housing markets at all times, while effectively managing and reducing risk to Fannie Mae's business, taxpayers, and the housing finance system. In support of this vision, Fannie Mae is focused on: advancing a sustainable and reliable business model that reduces risk to the housing finance system and taxpayers; providing reliable, large-scale access to affordable mortgage credit for qualified borrowers and helping struggling homeowners; and serving customer needs by building a company that is efficient, innovative, and continuously improving.

Business Segments

(Dollars in millions)	2Q17	1Q17	Variance	2Q17	2Q16	Variance
Single-Family Segment:						
Net interest income	\$ 4,366	\$ 4,756	\$ (390)	\$ 4,366	\$ 4,730	\$ (364)
Fee and other income	111	76	35	111	78	33
Net revenues	4,477	4,832	(355)	4,477	4,808	(331)
Credit-related income	1,223	184	1,039	1,223	1,535	(312)
Investment gains (losses), net	321	(50)	371	321	280	41
Fair value losses, net	(685)	(12)	(673)	(685)	(1,679)	994
Administrative expenses	(600)	(601)	1	(600)	(597)	(3)
TCCA fees	(518)	(503)	(15)	(518)	(453)	(65)
Other expenses	(155)	(256)	101	(155)	(252)	97
Income before federal income taxes	4,063	3,594	469	4,063	3,642	421
Provision for federal income taxes	(1,401)	(1,252)	(149)	(1,401)	(1,254)	(147)
Net income	\$ 2,662	\$ 2,342	\$ 320	\$ 2,662	\$ 2,388	\$ 274
Multifamily Segment:						
Net interest income	\$ 636	\$ 590	\$ 46	\$ 636	\$ 556	\$ 80
Fee and other income	242	173	69	242	96	146
Net revenues	878	763	115	878	652	226
Credit-related income (expense)	10	(5)	15	10	3	7
Fair value gains (losses), net	(6)	(28)	22	(6)	12	(18)
Administrative expenses	(86)	(83)	(3)	(86)	(81)	(5)
Other income (expense)	(72)	(85)	13	(72)	116	(188)
Income before federal income taxes	724	562	162	724	702	22
Provision for federal income taxes	(186)	(131)	(55)	(186)	(144)	(42)
Net income	\$ 538	\$ 431	\$ 107	\$ 538	\$ 558	\$ (20)

Single-Family Business

- Single-Family net income was \$2.7 billion in the second quarter of 2017, compared with \$2.3 billion in the first quarter of 2017. Net income for the second quarter of 2017 was driven primarily by net interest income and credit-related income.
- Single-Family net interest income was \$4.4 billion in the second quarter of 2017, compared with \$4.8 billion in the first quarter of 2017. The decrease in net interest income for the second quarter of 2017 was due to lower guaranty fee income as a result of lower amortization income, which was driven by lower mortgage prepayments due to lower refinance activity.
- Single-Family credit-related income was \$1.2 billion in the second quarter of 2017, compared with \$184 million in the first quarter of 2017. The increase in credit-related income in the second quarter of 2017 was driven primarily by a higher benefit for credit losses due primarily to a redesignation of loans from held for investment to held for sale and decreases in actual and projected interest rates, as well as a decrease in foreclosed property expense during the quarter.
- Single-Family net fair value losses were \$685 million in the second quarter of 2017, compared with \$12 million in the first quarter of 2017. Net fair value losses for the second quarter of 2017 were due primarily to decreases in the fair value of the company's risk management derivatives due to declines in longer-term swap rates during the second quarter of 2017 and to decreases in the fair value of the company's mortgage commitments due to an increase in prices as interest rates decreased during the commitment period. The company recognized additional fair value losses in the second quarter of 2017 on Connecticut Avenue Securities™ debt reported at fair value resulting from tightening spreads between Connecticut Avenue Securities debt yields and LIBOR

during the period. The estimated fair value of the company's derivatives and securities may fluctuate substantially from period to period because of changes in interest rates, the yield curve, mortgage and credit spreads, implied volatility, and activity related to these financial instruments.

Multifamily Business

- Multifamily net income was \$538 million in the second quarter of 2017, compared with \$431 million in the first quarter of 2017. Net income in the second quarter of 2017 was driven primarily by net interest income and fee and other income.
- Multifamily net interest income was \$636 million in the second quarter of 2017, compared with \$590 million in the first quarter of 2017. The increase in net interest income was due primarily to higher guaranty fee income as the company's multifamily guaranty book of business grew and loans with higher guaranty fees became a larger part of its book, while loans with lower guaranty fees continued to liquidate.
- Multifamily fee and other income was \$242 million in the second quarter of 2017, compared with \$173 million in the first quarter of 2017. Fee and other income in the second quarter of 2017 increased primarily due to higher yield maintenance revenue driven by an increase in prepayment volumes.
- Multifamily new business and other rental volume totaled \$30.6 billion for the first half of 2017, of which approximately 52 percent counted toward FHFA's 2017 multifamily volume cap.

BUILDING A SUSTAINABLE HOUSING FINANCE SYSTEM

In addition to continuing to provide liquidity and support to the mortgage market, Fannie Mae has invested significant resources toward helping to maintain a safer and sustainable housing finance system for today and build a safer and sustainable housing finance system for the future. The company is pursuing the strategic goals identified by its conservator, FHFA. These strategic goals are: maintain, in a safe and sound manner, credit availability and foreclosure prevention activities for new and refinanced mortgages to foster liquid, efficient, competitive, and resilient national housing finance markets; reduce taxpayer risk through increasing the role of private capital in the mortgage market; and build a new single-family infrastructure for use by Fannie Mae and Freddie Mac and adaptable for use by other participants in the secondary market in the future.

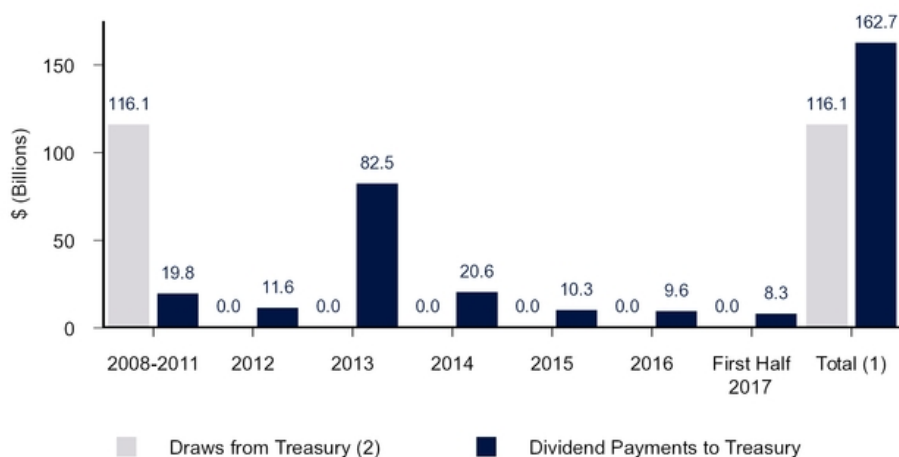
ABOUT FANNIE MAE'S CONSERVATORSHIP AND AGREEMENTS WITH TREASURY

Fannie Mae has operated under the conservatorship of FHFA since September 6, 2008. Treasury has made a commitment under a senior preferred stock purchase agreement to provide funding to Fannie Mae under certain circumstances if the company has a net worth deficit. Pursuant to this agreement and the senior preferred stock the company issued to Treasury in 2008, the Director of FHFA has declared and directed Fannie Mae to pay dividends to Treasury on a quarterly basis since the company entered into conservatorship in 2008.

The chart below shows the funds the company has drawn from Treasury pursuant to the senior preferred stock purchase agreement, as well as the dividend payments the company has made to Treasury on the senior preferred stock, since entering into conservatorship.

Second Quarter 2017 Results

Treasury Draws and Dividend Payments: 2008-Q2 2017



⁽¹⁾ Under the terms of the senior preferred stock purchase agreement, dividend payments the company makes to Treasury do not offset the company's prior draws of funds from Treasury, and the company is not permitted to pay down draws it has made under the agreement except in limited circumstances. Accordingly, the current aggregate liquidation preference of the senior preferred stock is \$117.1 billion, due to the initial \$1.0 billion liquidation preference of the senior preferred stock (for which the company did not receive cash proceeds) and the \$116.1 billion the company has drawn from Treasury. Amounts may not sum due to rounding.

⁽²⁾ Treasury draws are shown in the period for which requested, not when the funds were received by the company. Fannie Mae has not requested a draw for any period since 2012.

Fannie Mae will pay Treasury a dividend of \$3.1 billion for the third quarter of 2017 by September 30, 2017 if FHFA declares a dividend in this amount before September 30, 2017. With such a dividend payment, Fannie Mae will have paid a total of \$165.8 billion in dividends to Treasury. The dividend amount is based on the company's net worth of \$3.7 billion as of June 30, 2017, less the current capital reserve amount of \$600 million.

The dividend provisions of the senior preferred stock provide for quarterly dividends consisting of the amount, if any, by which the company's net worth as of the end of the immediately preceding fiscal quarter exceeds an applicable capital reserve amount. The capital reserve amount is \$600 million for each quarter of 2017 and will decrease to zero in 2018. To the extent that these quarterly dividends are not paid, they will accumulate and be added to the liquidation preference of the senior preferred stock. This would not affect the amount of available funding from Treasury under the senior preferred stock purchase agreement.

The amount of remaining funding available to Fannie Mae under the senior preferred stock purchase agreement with Treasury is currently \$117.6 billion. If the company were to draw additional funds from Treasury under the agreement in a future period, the amount of remaining funding under the agreement would be reduced by the amount of the company's draw. Dividend payments Fannie Mae makes to Treasury do not restore or increase the amount of funding available to the company under the agreement.

Fannie Mae is not permitted to redeem the senior preferred stock prior to the termination of Treasury's funding commitment under the senior preferred stock purchase agreement. The limited circumstances under which Treasury's funding commitment will terminate are described in "Business—Conservatorship and Treasury Agreements" in the company's annual report on Form 10-K for the year ended December 31, 2016 (the "2016 Form 10-K").

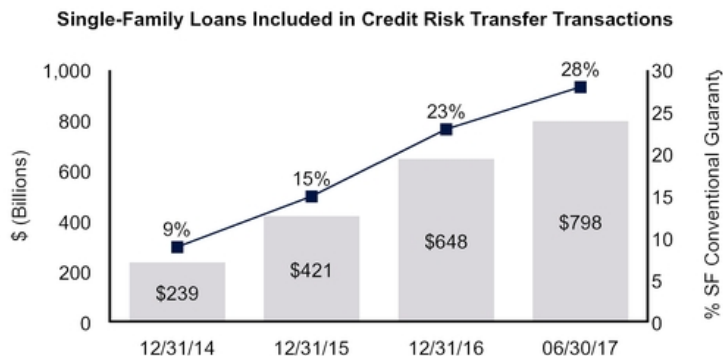
CREDIT RISK TRANSFER TRANSACTIONS

In late 2013, Fannie Mae began entering into credit risk transfer transactions with the goal of transferring, to the extent economically sensible, a portion of the mortgage credit risk on some of the recently acquired loans in its single-family book of business in order to reduce the economic risk to the company and taxpayers of future borrower defaults. Fannie Mae's primary method of achieving this goal has been through the issuance of its Connecticut Avenue Securities™ (CAS) and its Credit Insurance Risk Transfer™ (CIRT™) transactions. In these transactions, the company transfers to investors a portion of the mortgage credit risk associated with losses on a reference pool of mortgage loans and in exchange pays investors a premium that effectively reduces the guaranty fee income the company retains on the loans.

As of June 30, 2017, \$798 billion in outstanding unpaid principal balance of the company's single-family loans, or approximately 28 percent of the loans in its single-family conventional guaranty book of business measured by unpaid principal balance, were included in a reference pool for a credit risk transfer transaction. During the first half of 2017, the company transferred a portion of the mortgage credit risk on single-family mortgages with unpaid principal balance of \$180 billion at the time of the transactions.

These transactions increase the role of private capital in the mortgage market and reduce the risk to Fannie Mae's business, taxpayers, and the housing finance system. Over time, the company expects that a larger portion of its single-family conventional guaranty book of business will be covered by credit risk transfer transactions.

The chart below shows as of the dates specified the total outstanding unpaid principal balance of Fannie Mae's single-family loans, as well as the percentage of the company's total single-family conventional guaranty book of business measured by unpaid principal balance, that were included in a reference pool for a credit risk transfer transaction. The risk in force of these transactions, which refers to the maximum amount of losses that could be absorbed by credit risk transfer investors, was approximately \$25 billion as of June 30, 2017.

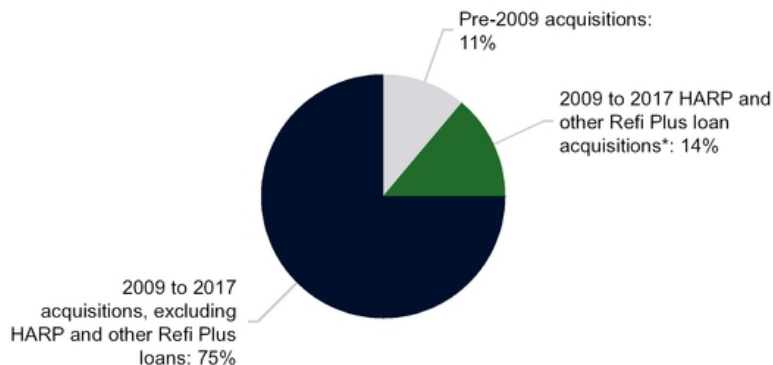


CREDIT QUALITY

While continuing to make it possible for families to buy, refinance, or rent homes, Fannie Mae has maintained responsible credit standards. Since 2009, Fannie Mae has seen the effect of the actions it took, beginning in 2008, to significantly strengthen its underwriting and eligibility standards to promote sustainable homeownership and stability in the housing market. Fannie Mae actively monitors the credit risk profile and credit performance of the company's single-family loan acquisitions, in conjunction with housing market and economic conditions, to determine if its pricing, eligibility, and underwriting criteria accurately reflect the risks associated with loans the company acquires or guarantees. Single-family conventional loans acquired by Fannie Mae in the second quarter of 2017 had a weighted average borrower FICO credit score at origination of 745 and a weighted average original loan-to-value ratio of 76 percent.

As of June 30, 2017, 89 percent of the company's single-family conventional guaranty book of business consisted of loans acquired since 2009.

**Single-Family Book of Business by Acquisition Period
As of June 30, 2017**

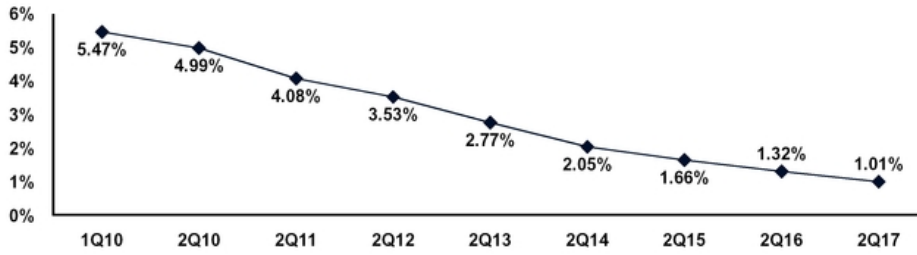


* Fannie Mae has acquired HARP loans and other Refi Plus loans under its Refi Plus™ initiative since 2009. Fannie Mae’s Refi Plus initiative offers refinancing flexibility to eligible borrowers who are current on their loans and whose loans are owned or guaranteed by the company and meet certain additional criteria. HARP loans, which have loan-to-value (“LTV”) ratios at origination greater than 80 percent, refers to loans the company has acquired pursuant to the Home Affordable Refinance Program® (“HARP®”). Other Refi Plus loans, which have LTV ratios at origination of 80 percent or less, refers to loans the company has acquired under its Refi Plus initiative other than HARP loans. Loans the company acquires under Refi Plus and HARP are refinancings of loans that were originated prior to June 2009.

The single-family serious delinquency rate for Fannie Mae’s book of business has decreased for 29 consecutive quarters since the first quarter of 2010 and was 1.01 percent as of June 30, 2017, compared with 5.47 percent as of March 31, 2010.

Fannie Mae expects its single-family serious delinquency rate to continue to decline; however, as the single-family serious delinquency rate has already declined significantly over the past several years, the company expects more modest declines in this rate in the future. The company’s single-family serious delinquency rate and the period of time that loans remain seriously delinquent continue to be negatively affected by the length of time required to complete a foreclosure in some states. Other factors that affect the company’s single-family serious delinquency rate include the pace of loan modifications, the timing and volume of nonperforming loan sales we make, servicer performance, and changes in home prices, unemployment levels and other macroeconomic conditions.

Single-Family Serious Delinquency Rate



Combined loss reserves, which reflect the company's estimate of the probable losses the company has incurred in its guaranty book of business, including concessions it granted borrowers upon modification of their loans, decreased to \$20.7 billion as of June 30, 2017 from \$22.5 billion as of March 31, 2017. The decrease in the company's combined loss reserves for the second quarter of 2017 was driven primarily by redesignations of loans from held for investment to held for sale, liquidations, and an increase in actual and forecasted home prices. The company's loss reserves have declined in recent years and are expected to decline further in 2017.

Combined Loss Reserves (\$ in billions)



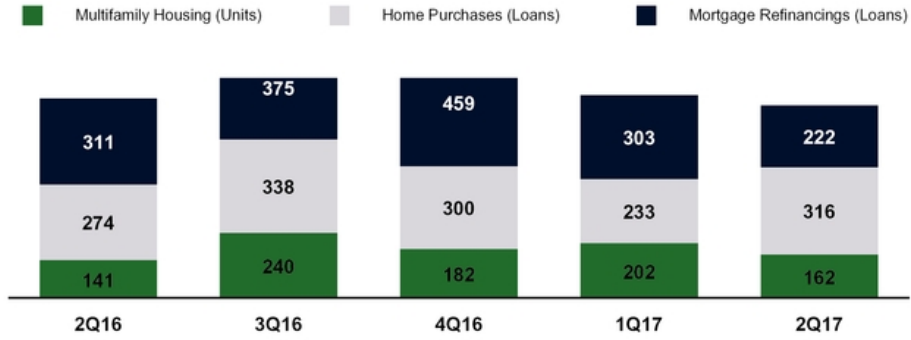
PROVIDING LIQUIDITY AND SUPPORT TO THE MARKET

Liquidity

Fannie Mae provided approximately \$135 billion in liquidity to the mortgage market in the second quarter of 2017, through its purchases of loans and guarantees of loans and securities, which resulted in:

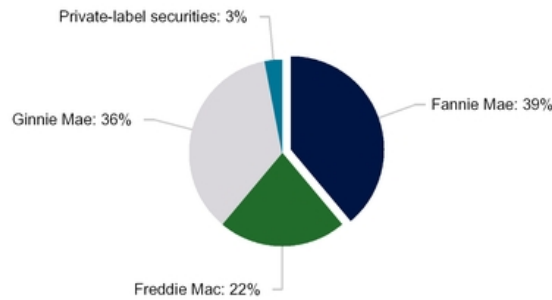
- Approximately 316,000 home purchases
- Approximately 222,000 mortgage refinancings
- Approximately 162,000 units of multifamily housing financed

**Providing Liquidity to the Mortgage Market
(Thousands Loans/Units)**



The company was the largest issuer of single-family mortgage-related securities in the secondary market in the second quarter of 2017. The company's estimated market share of new single-family mortgage-related securities issuances was 39 percent in both the second and first quarter of 2017, compared with 38 percent in the second quarter of 2016. The chart below shows the company's market share of single-family mortgage-related securities issuances in the second quarter of 2017 compared with that of its primary competitors.

**Market Share in the Second Quarter of 2017:
New Single-Family Mortgage-Related Securities Issuances**

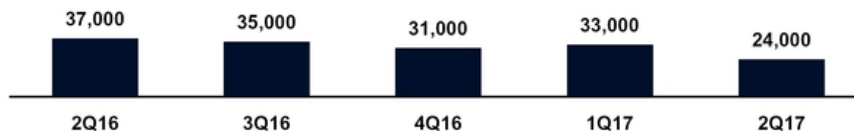


Fannie Mae also remained a continuous source of liquidity in the multifamily market in the second quarter of 2017. As of March 31, 2017 (the latest date for which information is available), the company owned or guaranteed approximately 20 percent of the outstanding debt on multifamily properties.

Refinancing Initiatives

Through the company's Refi Plus initiative, which offers refinancing flexibility to eligible Fannie Mae borrowers and includes HARP, the company acquired approximately 24,000 loans in the second quarter of 2017. Refinancings delivered to Fannie Mae through Refi Plus in the second quarter of 2017 reduced borrowers' monthly mortgage payments by an average of \$176.

Refi Plus Refinancings



Home Retention Solutions and Foreclosure Alternatives

To reduce the credit losses Fannie Mae ultimately incurs on its book of business, the company has been focusing its efforts on several strategies, including reducing defaults by offering home retention solutions, such as loan modifications.

Single-Family Loan Workouts

	For the Six Months Ended June 30,			
	2017		2016	
	Unpaid Principal Balance	Number of Loans	Unpaid Principal Balance	Number of Loans
	(Dollars in millions)			
Home retention solutions:				
Modifications	\$ 6,878	41,467	\$ 7,003	42,177
Repayment plans and forbearances completed	524	3,703	395	2,825
Total home retention solutions	7,402	45,170	7,398	45,002
Foreclosure alternatives:				
Short sales	881	4,280	1,214	5,887
Deeds-in-lieu of foreclosure	346	2,285	502	3,317
Total foreclosure alternatives	1,227	6,565	1,716	9,204
Total loan workouts	\$ 8,629	51,735	\$ 9,114	54,206
Loan workouts as a percentage of single-family guaranty book of business	0.60%	0.60%	0.65%	0.63%

Fannie Mae views foreclosure as a last resort. For homeowners and communities in need, the company offers alternatives to foreclosure. In dealing with homeowners in distress, the company first seeks home retention solutions, which enable borrowers to stay in their homes, before turning to foreclosure alternatives.

- Fannie Mae provided approximately 52,000 loan workouts during the first six months of 2017 enabling borrowers to avoid foreclosure.
- Fannie Mae completed approximately 41,500 loan modifications during the first six months of 2017.

FORECLOSURES AND REAL ESTATE OWNED (REO) PROPERTIES

When there is no viable home retention solution or foreclosure alternative that can be applied, the company seeks to move to foreclosure expeditiously in an effort to minimize prolonged delinquencies that can hurt local home values and destabilize communities.

Single-Family Foreclosed Properties

	For the Six Months Ended June 30,	
	2017	2016
Single-family foreclosed properties (number of properties):		
Beginning of period inventory of single-family foreclosed properties (REO)	38,093	57,253
Total properties acquired through foreclosure	21,074	30,371
Dispositions of REO	(27,796)	(41,643)
End of period inventory of single-family foreclosed properties (REO)	31,371	45,981
Carrying value of single-family foreclosed properties (dollars in millions)	\$ 3,545	\$ 5,301
Single-family foreclosure rate	0.25%	0.35%

- Fannie Mae acquired 21,074 single-family REO properties, primarily through foreclosure, in the first six months of 2017, compared with 30,371 in the first six months of 2016.
- As of June 30, 2017, the company's inventory of single-family REO properties was 31,371, compared with 45,981 as of June 30, 2016. The carrying value of the company's single-family REO was \$3.5 billion as of June 30, 2017.
- The company's single-family foreclosure rate was 0.25 percent for the six months ended June 30, 2017. This reflects the annualized total number of single-family properties acquired through foreclosure or deeds-in-lieu of foreclosure as a percentage of the total number of loans in Fannie Mae's single-family guaranty book of business.

Fannie Mae's financial statements for the second quarter of 2017 are available in the accompanying Annex; however, investors and interested parties should read the company's Second Quarter 2017 Form 10-Q, which was filed today with the Securities and Exchange Commission and is available on Fannie Mae's website, www.fanniemae.com. The company provides further discussion of its financial results and condition, credit performance, and other matters in its Second Quarter 2017 Form 10-Q. Additional information about the company's credit performance, the characteristics of its guaranty book of business, its foreclosure-prevention efforts, and other measures is contained in the "2017 Second Quarter Credit Supplement" at www.fanniemae.com.

#

In this release, the company has presented a number of estimates, forecasts, expectations, and other forward-looking statements, including statements regarding: its future dividend payments to Treasury; its work to help customers, improve the mortgage process, and create housing opportunities for families; the impact of and future plans with respect to the company's credit risk transfer transactions; the sources of its future net interest income; the company's future profitability; the factors that will affect the company's future financial results; the company's future serious delinquency rates and the factors that will affect the company's future single-family serious delinquency rates; the future fair value of the company's financial instruments; the company's future loss reserves; and the impact of the company's actions to reduce credit losses. These estimates, forecasts, expectations, and statements are forward-looking statements based on the company's current assumptions regarding numerous factors. Actual results, and future projections, could be materially different from what is set forth in the forward-looking statements as a result of: home price changes; interest rate changes; unemployment rates; other macroeconomic and housing market variables; the company's future serious delinquency rates; the company's future guaranty fee pricing and the impact of that pricing on the company's guaranty fee revenues and competitive environment; government policy; credit availability; changes in borrower behavior; the volume of loans it modifies; the effectiveness of its loss mitigation strategies; significant changes in modification and foreclosure activity; the volume and pace of future nonperforming and reperforming loan sales and their impact on the company's results and serious delinquency rates; the effectiveness of its management of its real estate owned inventory and pursuit of contractual remedies; changes in the fair value of its assets and liabilities; future legislative or regulatory requirements or changes that have a significant impact on the company's business, such as the enactment of housing

finance reform legislation or corporate income tax reform legislation; actions by FHFA, Treasury, the Department of Housing and Urban Development or other regulators that affect the company's business; the size, composition and quality of the company's guaranty book of business and retained mortgage portfolio; the company's market share; the life of the loans in the company's guaranty book of business; future updates to the company's models relating to loss reserves, including the assumptions used by these models; changes in generally accepted accounting principles; changes to the company's accounting policies; whether the company's counterparties meet their obligations in full; effects from activities the company takes to support the mortgage market and help borrowers; the company's future objectives and activities in support of those objectives, including actions the company may take to reach additional underserved creditworthy borrowers; actions the company may be required to take by FHFA, in its role as the company's conservator or as its regulator, such as changes in the type of business the company does or the implementation of the Single Security Initiative for Fannie Mae and Freddie Mac; limitations on the company's business imposed by FHFA, in its role as the company's conservator or as its regulator; the conservatorship and its effect on the company's business; the investment by Treasury and its effect on the company's business; the uncertainty of the company's future; challenges the company faces in retaining and hiring qualified executives and other employees; the deteriorated credit performance of many loans in the company's guaranty book of business; a decrease in the company's credit ratings; defaults by one or more institutional counterparties; resolution or settlement agreements the company may enter into with its counterparties; operational control weaknesses; changes in the fiscal and monetary policies of the Federal Reserve, including implementation of the Federal Reserve's balance sheet normalization program; changes in the structure and regulation of the financial services industry; the company's ability to access the debt markets; disruptions in the housing, credit, and stock markets; government investigations and litigation; the company's reliance on and the performance of the company's servicers; conditions in the foreclosure environment; global political risks; natural disasters, environmental disasters, terrorist attacks, pandemics, or other major disruptive events; information security breaches or threats; and many other factors, including those discussed in the "Risk Factors" and "Forward-Looking Statements" sections of and elsewhere in the company's annual report on Form 10-K for the year ended December 31, 2016 and the company's quarterly report on Form 10-Q for the quarter ended June 30, 2017, and elsewhere in this release.

Fannie Mae provides website addresses in its news releases solely for readers' information. Other content or information appearing on these websites is not part of this release.

Fannie Mae helps make the 30-year fixed-rate mortgage and affordable rental housing possible for millions of Americans. We partner with lenders to create housing opportunities for families across the country. We are driving positive changes in housing finance to make the home buying process easier, while reducing costs and risk. To learn more, visit fanniemae.com and follow us on twitter.com/fanniemae.

ANNEX
FANNIE MAE
(In conservatorship)
Condensed Consolidated Balance Sheets — (Unaudited)
(Dollars in millions, except share amounts)

	As of	
	June 30, 2017	December 31, 2016
ASSETS		
Cash and cash equivalents	\$ 16,904	\$ 25,224
Restricted cash (includes \$26,279 and \$31,536, related to consolidated trusts)	30,999	36,953
Federal funds sold and securities purchased under agreements to resell or similar arrangements	29,220	30,415
Investments in securities:		
Trading, at fair value (includes \$1,007 and \$1,277, respectively, pledged as collateral)	39,274	40,562
Available-for-sale, at fair value (includes \$98 and \$107, respectively, related to consolidated trusts)	6,408	8,363
Total investments in securities	<u>45,682</u>	<u>48,925</u>
Mortgage loans:		
Loans held for sale, at lower of cost or fair value	5,322	2,899
Loans held for investment, at amortized cost:		
Of Fannie Mae	180,318	204,318
Of consolidated trusts	<u>2,960,174</u>	<u>2,896,001</u>
Total loans held for investment (includes \$11,406 and \$12,057, respectively, at fair value)	3,140,492	3,100,319
Allowance for loan losses	<u>(20,399)</u>	<u>(23,465)</u>
Total loans held for investment, net of allowance	<u>3,120,093</u>	<u>3,076,854</u>
Total mortgage loans	3,125,415	3,079,753
Deferred tax assets, net	31,402	33,530
Accrued interest receivable (includes \$7,223 and \$7,064, respectively, related to consolidated trusts)	7,840	7,737
Acquired property, net	3,696	4,489
Other assets	<u>18,072</u>	<u>20,942</u>
Total assets	<u>\$ 3,309,230</u>	<u>\$ 3,287,968</u>
LIABILITIES AND EQUITY		
Liabilities:		
Accrued interest payable (includes \$8,389 and \$8,285, respectively, related to consolidated trusts)	\$ 9,473	\$ 9,431
Debt:		
Of Fannie Mae (includes \$9,008 and \$9,582, respectively, at fair value)	303,120	327,097
Of consolidated trusts (includes \$34,866 and \$36,524, respectively, at fair value)	2,984,547	2,935,219
Other liabilities (includes \$340 and \$390, respectively, related to consolidated trusts)	<u>8,373</u>	<u>10,150</u>
Total liabilities	<u>3,305,513</u>	<u>3,281,897</u>
Commitments and contingencies	—	—
Stockholders' equity:		
Senior preferred stock, 1,000,000 shares issued and outstanding	117,149	117,149
Preferred stock, 700,000,000 shares are authorized—555,374,922 shares issued and outstanding	19,130	19,130
Common stock, no par value, no maximum authorization—1,308,762,703 shares issued, 1,158,087,567 and 1,158,082,750 shares outstanding, respectively	687	687
Accumulated deficit	(126,531)	(124,253)
Accumulated other comprehensive income	682	759
Treasury stock, at cost, 150,675,136 and 150,679,953 shares, respectively	<u>(7,400)</u>	<u>(7,401)</u>
Total equity	<u>3,717</u>	<u>6,071</u>
Total liabilities and equity	<u>\$ 3,309,230</u>	<u>\$ 3,287,968</u>

See Notes to Condensed Consolidated Financial Statements in the Second Quarter 2017 Form 10-Q

FANNIE MAE
(In conservatorship)
Condensed Consolidated Statements of Operations and Comprehensive Income — (Unaudited)
(Dollars and shares in millions, except per share amounts)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	2016	2017	2016
Interest income:				
Trading securities	\$ 176	\$ 128	\$ 318	\$ 248
Available-for-sale securities	91	170	192	373
Mortgage loans (includes \$25,033 and \$23,866, respectively, for the three months ended and \$49,987 and \$48,492, respectively, for the six months ended related to consolidated trusts)	27,011	26,256	54,058	53,217
Other	115	46	209	94
Total interest income	<u>27,393</u>	<u>26,600</u>	<u>54,777</u>	<u>53,932</u>
Interest expense:				
Short-term debt	57	57	101	108
Long-term debt (includes \$20,705 and \$19,521, respectively, for the three months ended and \$41,013 and \$40,179, respectively, for the six months ended related to consolidated trusts)	22,334	21,257	44,328	43,769
Total interest expense	<u>22,391</u>	<u>21,314</u>	<u>44,429</u>	<u>43,877</u>
Net interest income	5,002	5,286	10,348	10,055
Benefit for credit losses	1,267	1,601	1,663	2,785
Net interest income after benefit for credit losses	<u>6,269</u>	<u>6,887</u>	<u>12,011</u>	<u>12,840</u>
Investment gains, net	385	398	376	467
Fair value losses, net	(691)	(1,667)	(731)	(4,480)
Fee and other income	353	174	602	377
Non-interest income (loss)	<u>47</u>	<u>(1,095)</u>	<u>247</u>	<u>(3,636)</u>
Administrative expenses:				
Salaries and employee benefits	332	331	676	695
Professional services	234	232	463	447
Occupancy expenses	47	46	93	91
Other administrative expenses	73	69	138	133
Total administrative expenses	<u>686</u>	<u>678</u>	<u>1,370</u>	<u>1,366</u>
Foreclosed property expense	34	63	251	397
Temporary Payroll Tax Cut Continuation Act of 2011 ("TCCA") fees	518	453	1,021	893
Other expenses, net	291	254	673	518
Total expenses	<u>1,529</u>	<u>1,448</u>	<u>3,315</u>	<u>3,174</u>
Income before federal income taxes	4,787	4,344	8,943	6,030
Provision for federal income taxes	(1,587)	(1,398)	(2,970)	(1,948)
Net income	<u>3,200</u>	<u>2,946</u>	<u>5,973</u>	<u>4,082</u>
Other comprehensive loss:				
Changes in unrealized gains on available-for-sale securities, net of reclassification adjustments and taxes	(81)	(75)	(73)	(273)
Other	(2)	(2)	(4)	(4)
Total other comprehensive loss	<u>(83)</u>	<u>(77)</u>	<u>(77)</u>	<u>(277)</u>
Total comprehensive income	<u>\$ 3,117</u>	<u>\$ 2,869</u>	<u>\$ 5,896</u>	<u>\$ 3,805</u>
Net income	<u>\$ 3,200</u>	<u>\$ 2,946</u>	<u>5,973</u>	<u>4,082</u>
Dividends distributed or available for distribution to senior preferred stockholder	<u>(3,117)</u>	<u>(2,869)</u>	<u>(5,896)</u>	<u>(3,788)</u>
Net income (loss) attributable to common stockholders	<u>\$ 83</u>	<u>\$ 77</u>	<u>\$ 77</u>	<u>\$ 294</u>
Earnings per share:				
Basic	\$ 0.01	\$ 0.01	0.01	0.05
Diluted	0.01	0.01	0.01	0.05
Weighted-average common shares outstanding:				
Basic	5,762	5,762	5,762	5,762
Diluted	5,893	5,893	5,893	5,893

See Notes to Condensed Consolidated Financial Statements in the Second Quarter 2017 Form 10-Q

FANNIE MAE
(In conservatorship)
Condensed Consolidated Statements of Cash Flows— (Unaudited)
(Dollars in millions)

	For the Six Months Ended June 30,	
	2017	2016
Net cash provided by (used in) operating activities	\$ 262	\$ (3,982)
Cash flows provided by investing activities:		
Proceeds from maturities and paydowns of trading securities held for investment	937	1,109
Proceeds from sales of trading securities held for investment	124	1,313
Proceeds from maturities and paydowns of available-for-sale securities	1,214	1,778
Proceeds from sales of available-for-sale securities	922	7,584
Purchases of loans held for investment	(90,180)	(97,024)
Proceeds from repayments of loans acquired as held for investment of Fannie Mae	12,835	11,804
Proceeds from sales of loans acquired as held for investment of Fannie Mae	2,361	1,964
Proceeds from repayments and sales of loans acquired as held for investment of consolidated trusts	208,576	238,188
Net change in restricted cash	5,954	(6,818)
Advances to lenders	(57,533)	(57,956)
Proceeds from disposition of acquired property and preforeclosure sales	6,874	8,557
Net change in federal funds sold and securities purchased under agreements to resell or similar arrangements	1,195	5,025
Other, net	(208)	(661)
Net cash provided by investing activities	93,071	114,863
Cash flows used in financing activities:		
Proceeds from issuance of debt of Fannie Mae	489,301	432,025
Payments to redeem debt of Fannie Mae	(514,228)	(456,586)
Proceeds from issuance of debt of consolidated trusts	181,764	171,004
Payments to redeem debt of consolidated trusts	(250,251)	(244,631)
Payments of cash dividends on senior preferred stock to Treasury	(8,250)	(3,778)
Other, net	11	30
Net cash used in financing activities	(101,653)	(101,936)
Net increase (decrease) in cash and cash equivalents	(8,320)	8,945
Cash and cash equivalents at beginning of period	25,224	14,674
Cash and cash equivalents at end of period	\$ 16,904	\$ 23,619
Cash paid during the period for:		
Interest	\$ 56,207	\$ 52,354
Income taxes	1,070	610

See Notes to Condensed Consolidated Financial Statements in the Second Quarter 2017 Form 10-Q



2017 Second Quarter Credit Supplement

August 3, 2017





- **This presentation includes information about Fannie Mae, including information contained in Fannie Mae’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, the “2017 Q2 Form 10-Q.” Some of the terms used in these materials are defined and discussed more fully in the 2017 Q2 Form 10-Q and in Fannie Mae’s Form 10-K for the year ended December 31, 2016, the “2016 Form 10-K.” These materials should be reviewed together with the 2017 Q2 Form 10-Q and the 2016 Form 10-K, copies of which are available through the “SEC Filings” page in the “About Us/Investor Relations” section of Fannie Mae’s website at www.fanniemae.com.**
- **Some of the information in this presentation is based upon information that we received from third-party sources such as sellers and servicers of mortgage loans. Although we generally consider this information reliable, we do not independently verify all reported information.**
- **Due to rounding, amounts reported in this presentation may not add to totals indicated (or 100%).**
- **Unless otherwise indicated data labeled as “YTD 2017” is as of June 30, 2017 or for the first six months of 2017.**



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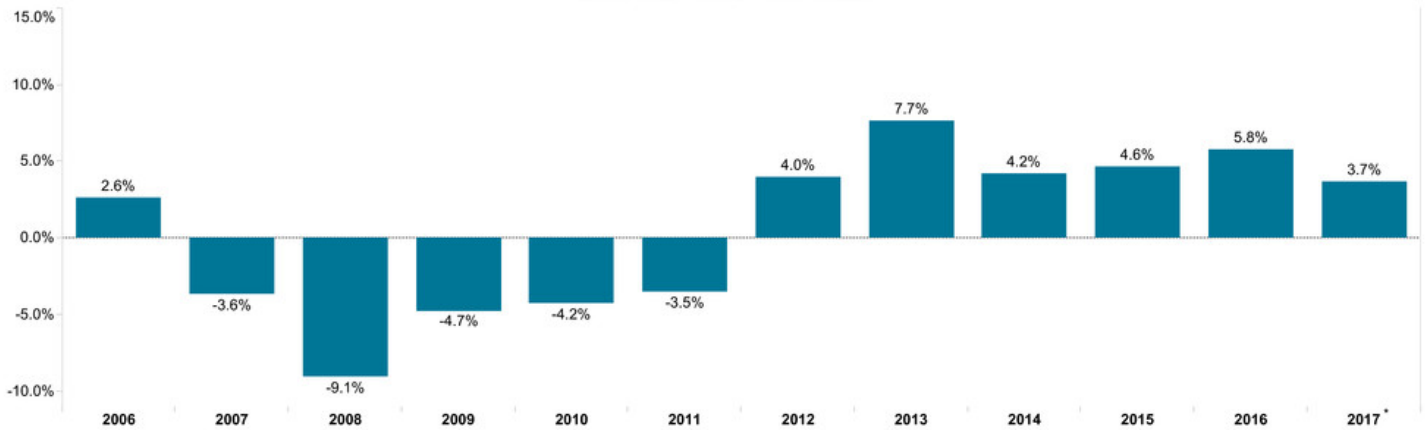
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Home Price Growth/Decline Rates in the U.S.

Fannie Mae Home Price Index



S&P/Case-Shiller Index

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017**
1.7%	-5.4%	-12.0%	-3.8%	-4.1%	-3.9%	6.5%	10.7%	4.5%	5.2%	5.4%	1.1%

* Year-to-date as of June 2017.

** Year-to-date as of Q1 2017. As comparison, Fannie Mae's index for the same period is 1.1%.

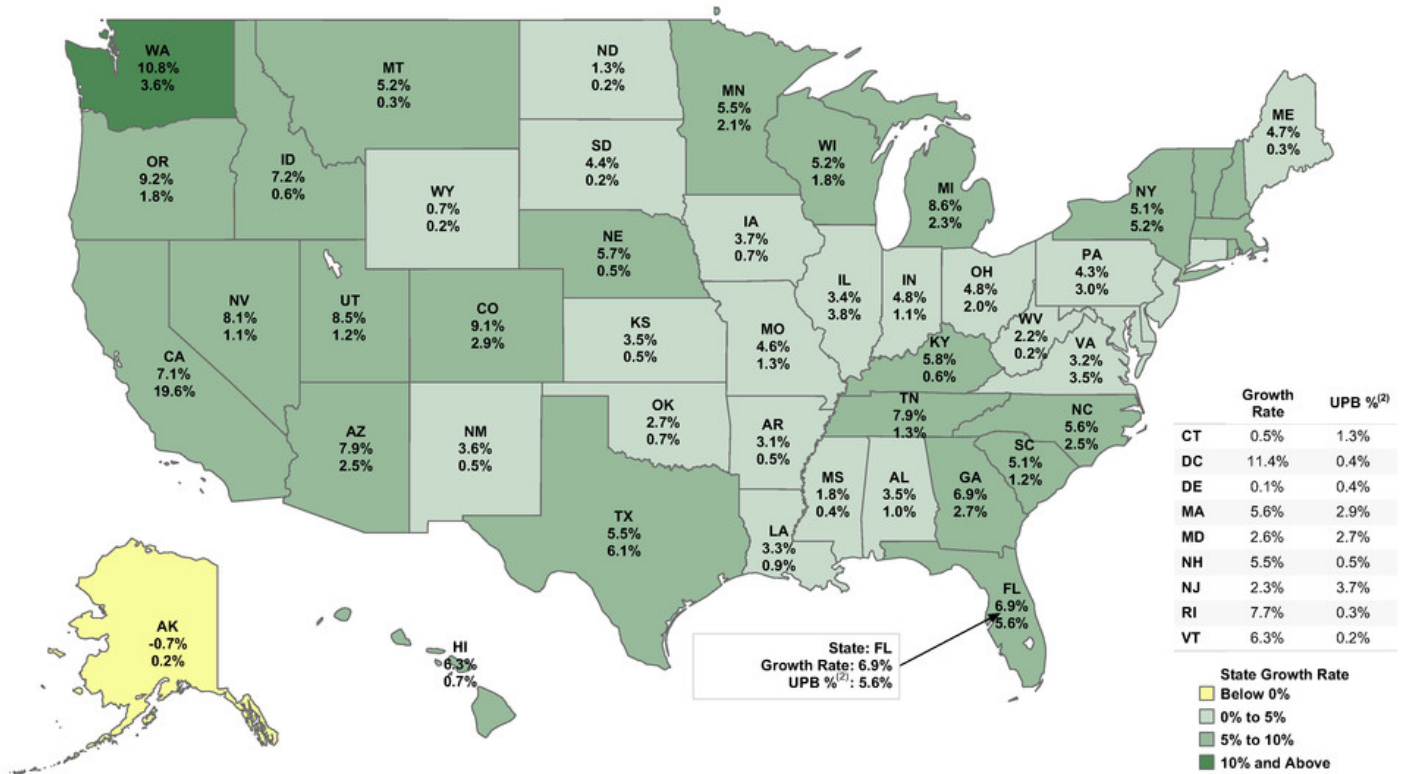
Based on our home price index, we estimate that home prices on a national basis increased by 2.6% in the second quarter of 2017 and by 3.7% in the first half of 2017, following increases of 5.8% in 2016, 4.6% in 2015, and 4.2% in 2014. We estimate that, in the second quarter of 2017, home prices on a national basis surpassed the peak previously reached in the third quarter of 2006 for the first time, exceeding the previous 2006 peak by an estimated 2.4%. Our home price estimates are based on preliminary data and are subject to change as additional data become available.

Note: Estimate based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of June 2017. Including subsequent data may lead to materially different results.



One Year Home Price Change as of 2017 Q2⁽¹⁾

United States: 5.5%



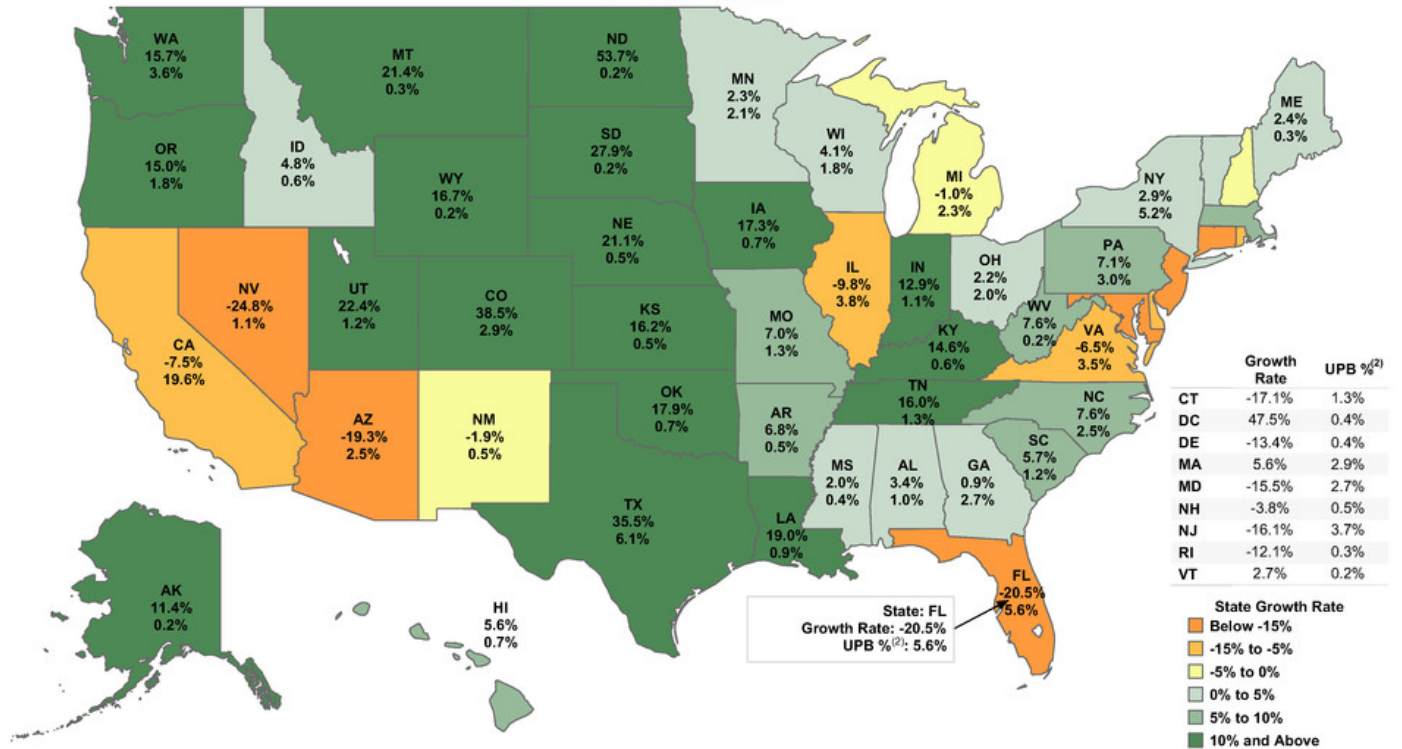
(1) Source: Fannie Mae. Home price estimates are based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of June 2017. UPB estimates are based on data available through the end of June 2017. Including subsequent data may lead to materially different results.

(2) "UPB %" refers to unpaid principal balance of loans on properties in the applicable state as a percentage of unpaid principal balance of single-family conventional guaranty book of business for which Fannie Mae has access to loan-level information.



Home Price Change From 2006 Q3 Through 2017 Q2⁽¹⁾

United States: 2.4%



We estimate that, in the second quarter of 2017, home prices on a national basis surpassed the peak previously reached in the third quarter of 2006 for the first time, exceeding the previous 2006 peak by an estimated 2.4%.

(1) Source: Fannie Mae. Home price estimates are based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of June 2017. UPB estimates are based on data available through the end of June 2017. Including subsequent data may lead to materially different results.

(2) "UPB %" refers to unpaid principal balance of loans on properties in the applicable state as a percentage of unpaid principal balance of single-family conventional guaranty book of business for which Fannie Mae has access to loan-level information.



Credit Characteristics of Single-Family Business Acquisitions⁽¹⁾

Acquisition Period	Q2 2017		Q1 2017		Full Year 2016		Q4 2016		Q3 2016		Q2 2016	
	Single-Family Acquisitions	Excl. Refi Plus ⁽²⁾	Single-Family Acquisitions	Excl. Refi Plus ⁽²⁾	Single-Family Acquisitions	Excl. Refi Plus ⁽²⁾	Single-Family Acquisitions	Excl. Refi Plus ⁽²⁾	Single-Family Acquisitions	Excl. Refi Plus ⁽²⁾	Single-Family Acquisitions	Excl. Refi Plus ⁽²⁾
Unpaid Principal Balance (UPB) (\$B)	\$121.2	\$117.6	\$118.5	\$113.4	\$581.0	\$558.9	\$178.2	\$173.1	\$165.6	\$160.2	\$135.0	\$129.2
Weighted Average Origination Note Rate	4.26%	4.25%	4.00%	4.00%	3.74%	3.73%	3.58%	3.57%	3.66%	3.66%	3.83%	3.82%
Origination Loan-to-Value (LTV) Ratio												
<= 60%	16.8%	16.2%	21.7%	21.1%	20.7%	20.4%	23.8%	23.5%	20.6%	20.2%	18.5%	18.0%
60.01% to 70%	12.1%	12.0%	14.5%	14.4%	14.5%	14.5%	15.6%	15.6%	14.3%	14.2%	13.9%	13.8%
70.01% to 80%	39.3%	39.9%	37.8%	38.6%	38.1%	38.8%	37.1%	37.5%	37.8%	38.4%	38.9%	39.7%
80.01% to 90%	12.7%	12.7%	11.1%	11.1%	11.6%	11.5%	10.7%	10.6%	11.8%	11.7%	12.3%	12.2%
90.01% to 100%	18.8%	19.2%	14.5%	14.8%	14.6%	14.8%	12.7%	12.8%	15.3%	15.5%	16.0%	16.3%
> 100%	0.2%	0.0%	0.3%	0.0%	0.4%	0.0%	0.2%	0.0%	0.3%	0.0%	0.4%	0.0%
Weighted Average Origination LTV Ratio	76.1%	76.3%	73.2%	73.3%	73.6%	73.6%	71.9%	72.0%	73.8%	73.9%	74.7%	74.8%
FICO® Credit Scores⁽³⁾												
< 620	0.3%	0.0%	0.4%	0.0%	0.3%	0.0%	0.2%	0.0%	0.3%	0.0%	0.4%	0.0%
620 to < 660	5.2%	5.0%	5.0%	4.7%	4.1%	3.8%	3.6%	3.3%	3.9%	3.6%	4.2%	3.8%
660 to < 700	13.1%	12.8%	13.0%	12.7%	11.3%	10.9%	10.3%	10.0%	10.7%	10.4%	11.8%	11.4%
700 to < 740	22.6%	22.6%	22.1%	22.2%	20.4%	20.4%	19.8%	19.8%	19.9%	19.9%	21.0%	21.1%
>=740	58.7%	59.5%	59.4%	60.4%	63.9%	64.9%	66.1%	66.9%	65.2%	66.1%	62.5%	63.6%
Weighted Average FICO Credit Score	745	746	746	747	750	752	753	754	752	753	749	751
Certain Characteristics												
Fixed-rate	96.6%	96.6%	97.9%	97.8%	98.5%	98.4%	98.9%	98.9%	98.4%	98.4%	98.5%	98.5%
Adjustable-rate	3.4%	3.4%	2.1%	2.2%	1.5%	1.6%	1.1%	1.1%	1.6%	1.6%	1.5%	1.5%
Alt-A ⁽⁴⁾	0.3%	0.0%	0.3%	0.0%	0.3%	0.0%	0.2%	0.0%	0.2%	0.0%	0.3%	0.0%
Interest Only	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Investor	7.0%	6.7%	7.7%	7.3%	6.0%	5.6%	5.7%	5.5%	5.4%	5.2%	6.1%	5.7%
Condo/Co-op	10.0%	9.9%	9.8%	9.9%	9.6%	9.6%	9.4%	9.4%	9.5%	9.5%	9.9%	10.0%
Refinance	39.0%	37.1%	55.4%	53.4%	55.7%	54.0%	61.2%	60.1%	53.0%	51.5%	53.4%	51.3%
Loan Purpose												
Purchase	61.0%	62.9%	44.6%	46.6%	44.3%	46.0%	38.8%	39.9%	47.0%	48.5%	46.6%	48.7%
Cash-out refinance	19.6%	20.2%	23.6%	24.7%	19.3%	20.1%	20.9%	21.5%	17.8%	18.4%	18.4%	19.2%
Other refinance	19.4%	16.9%	31.8%	28.7%	36.4%	33.9%	40.3%	38.6%	35.2%	33.0%	35.0%	32.1%
Top 3 Geographic Concentrations												
	Single-Family Acquisitions		Single-Family Acquisitions		Single-Family Acquisitions		Single-Family Acquisitions		Single-Family Acquisitions		Single-Family Acquisitions	
California	18.9%		20.3%		22.9%		23.7%		22.8%		23.0%	
Texas	7.6%		7.3%		6.9%		6.3%		6.9%		7.1%	
Florida	6.8%		6.0%		5.1%		4.6%		4.9%		5.4%	

(1) Percentage calculated based on unpaid principal balance of loans at time of acquisition. Single-family business acquisitions refer to single-family mortgage loans we acquire through purchase or securitization transactions.
(2) Single-family business acquisitions for the applicable period excluding loans acquired under our Refi Plus initiative, which includes the Home Affordable Refinance Program® ("HARP®"). Our Refi Plus initiative provides expanded refinance opportunities for eligible Fannie Mae borrowers, and may involve the refinance of existing Fannie Mae loans with high loan-to-value ratios, including loans with loan-to-value ratios in excess of 100%.
(3) FICO credit score is as of loan origination, as reported by the seller of the mortgage loan.
(4) Newly originated Alt-A loans for the applicable periods consist of the refinance of existing loans under our Refi Plus initiative. For a description of our Alt-A loan classification criteria, refer to Fannie Mae's 2016 Form 10-K.



Credit Risk Profile Summary of Single-Family Business Acquisitions⁽¹⁾

Credit Profile for Single-Family Acquisitions

FICO Credit Score ⁽²⁾	For the Six Months Ended June 30, 2017	Origination LTV Ratio				Total	FICO Credit Score ⁽²⁾	For the Six Months Ended June 30, 2016	Origination LTV Ratio				Total	Change in Acquisitions Profile	Origination LTV Ratio				Total
		<= 60%	60.01% to 80%	80.01% to 100%	> 100%				<= 60%	60.01% to 80%	80.01% to 100%	> 100%			<= 60%	60.01% to 80%	80.01% to 100%	> 100%	
>=740		12.3%	30.7%	16.0%	0.1%	59.1%	>=740	12.6%	32.8%	15.8%	0.2%	61.3%	>=740	-0.3%	-2.1%	0.2%	-0.1%	-2.2%	
660 to < 740		5.7%	18.1%	11.4%	0.1%	35.4%	660 to < 740	5.0%	17.6%	10.8%	0.2%	33.5%	660 to < 740	0.8%	0.6%	0.6%	-0.1%	1.9%	
620 to < 660		1.1%	2.8%	1.2%	0.0%	5.1%	620 to < 660	0.9%	2.5%	1.2%	0.1%	4.6%	620 to < 660	0.2%	0.3%	0.0%	0.0%	0.5%	
< 620		0.1%	0.1%	0.1%	0.0%	0.3%	< 620	0.1%	0.2%	0.1%	0.1%	0.5%	< 620	0.0%	-0.1%	0.0%	0.0%	-0.1%	
Total		19.2%	51.8%	28.7%	0.3%	100.0%	Total	18.6%	53.1%	27.8%	0.5%	100.0%	Total	0.6%	-1.2%	0.8%	-0.2%	0.0%	

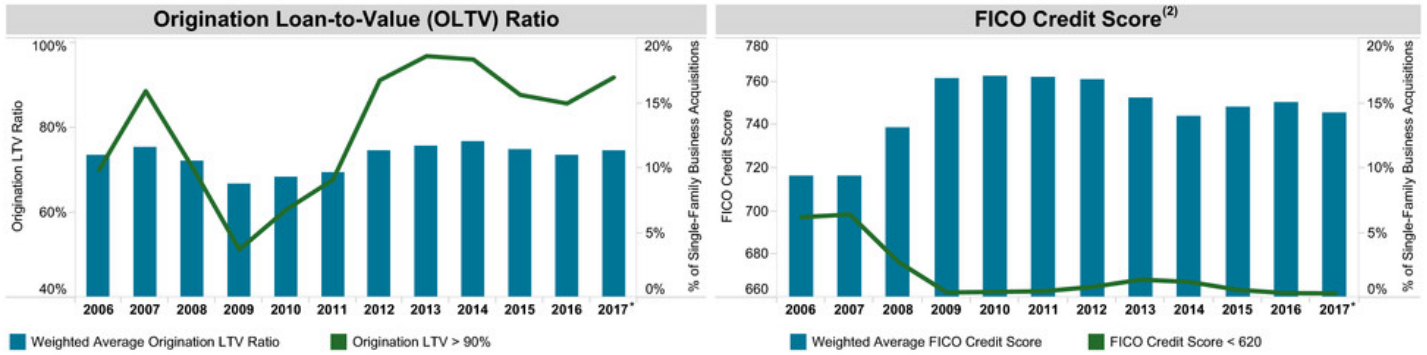
Credit Profile for Single-Family Acquisitions (Excluding Refi Plus)⁽³⁾

FICO Credit Score ⁽²⁾	For the Six Months Ended June 30, 2017	Origination LTV Ratio				Total	FICO Credit Score ⁽²⁾	For the Six Months Ended June 30, 2016	Origination LTV Ratio				Total	Change in Acquisitions Profile	Origination LTV Ratio				Total
		<= 60%	60.01% to 80%	80.01% to 95%	>95%				<= 60%	60.01% to 80%	80.01% to 95%	>95%			<= 60%	60.01% to 80%	80.01% to 95%	>95%	
>=740		12.2%	31.4%	14.5%	1.9%	59.9%	>=740	12.6%	33.8%	15.2%	1.0%	62.6%	>=740	-0.4%	-2.4%	-0.7%	0.9%	-2.6%	
660 to < 740		5.4%	18.3%	9.7%	1.8%	35.2%	660 to < 740	4.7%	17.7%	9.8%	1.0%	33.2%	660 to < 740	0.7%	0.5%	-0.1%	0.8%	2.0%	
620 to < 660		1.0%	2.8%	0.9%	0.2%	4.8%	620 to < 660	0.8%	2.4%	0.9%	0.1%	4.2%	620 to < 660	0.2%	0.4%	0.0%	0.1%	0.6%	
Total		18.6%	52.4%	25.1%	3.8%	100.0%	Total	18.1%	54.0%	25.9%	2.0%	100.0%	Total	0.6%	-1.5%	-0.8%	1.8%	0.0%	

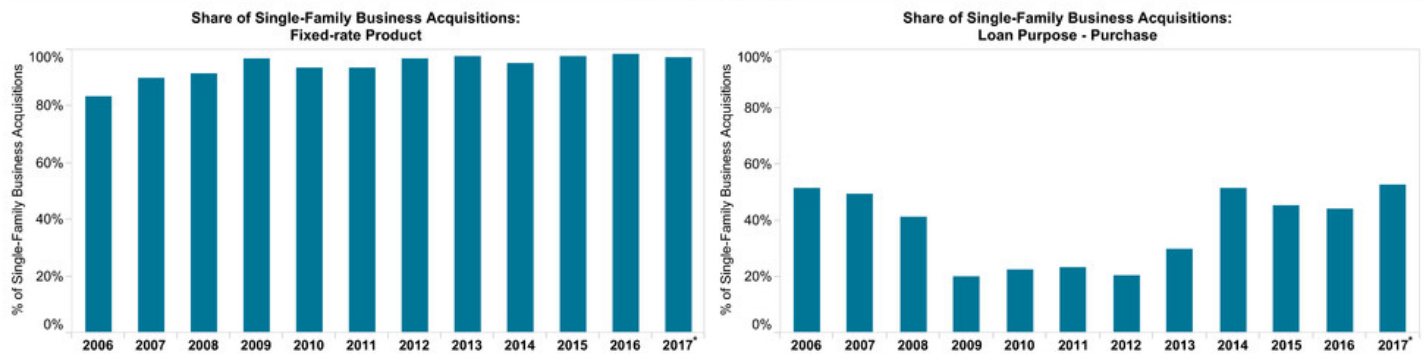
- (1) Percentage calculated based on unpaid principal balance of loans at time of acquisition. Single-family business acquisitions refer to single-family mortgage loans we acquire through purchase or securitization transactions.
- (2) FICO credit score is as of loan origination, as reported by the seller of the mortgage loan. FICO credit scores at origination below 620 primarily consist of the refinance of existing loans under our Refi Plus initiative, which includes the Home Affordable Refinance Program ("HARP"). Our Refi Plus initiative provides expanded refinance opportunities for eligible Fannie Mae borrowers, and may involve the refinance of existing Fannie Mae loans with high loan-to-value ratios, including loans with loan-to-value ratios in excess of 100%.
- (3) Single-family business acquisitions for the applicable period excluding loans acquired under our Refi Plus initiative, which includes HARP.



Certain Credit Characteristics of Single-Family Business Acquisitions: 2006 - 2017⁽¹⁾



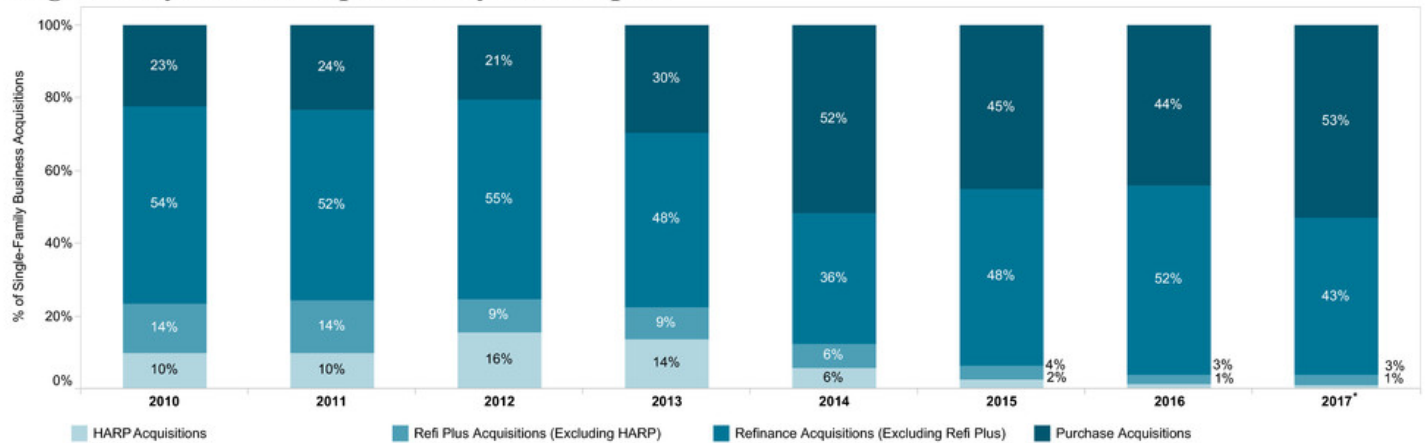
Product Feature



* Year-to-date through June 30, 2017.

- (1) Percentage calculated based on unpaid principal balance of loans at time of acquisition. Single-family business acquisitions refer to single-family mortgage loans we acquire through purchase or securitization transactions.
- (2) FICO credit score is as of loan origination, as reported by the seller of the mortgage loan. Loans acquired after 2009 with FICO credit scores at origination below 620 primarily consist of the refinance of existing loans under our Refi Plus initiative, which includes HARP.

Single-Family Business Acquisitions by Loan Purpose



Credit Characteristics of Single-Family Business Acquisitions Under the Refi Plus Initiative⁽¹⁾

Acquisition Year	2010		2011		2012		2013		2014		2015		2016		2017*	
	HARP	Refi Plus (Excl. HARP)	HARP	Refi Plus (Excl. HARP)	HARP	Refi Plus (Excl. HARP)	HARP	Refi Plus (Excl. HARP)	HARP	Refi Plus (Excl. HARP)	HARP	Refi Plus (Excl. HARP)	HARP	Refi Plus (Excl. HARP)	HARP	Refi Plus (Excl. HARP)
Unpaid Principal Balance (UPB) (\$B)	\$59.0	\$80.5	\$55.6	\$81.2	\$129.9	\$73.8	\$99.5	\$64.4	\$21.5	\$23.5	\$11.2	\$19.2	\$7.4	\$14.7	\$2.5	\$6.2
Weighted Average Origination Note Rate	5.00%	4.68%	4.78%	4.44%	4.14%	3.89%	4.04%	3.80%	4.62%	4.39%	4.23%	4.08%	4.05%	3.89%	4.28%	4.11%
Origination LTV Ratio																
<=80%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%
80.01% to 105%	94.4%	0.0%	88.1%	0.0%	57.2%	0.0%	58.4%	0.0%	73.3%	0.0%	78.0%	0.0%	81.1%	0.0%	82.5%	0.0%
105.01% to 125%	5.6%	0.0%	11.9%	0.0%	22.1%	0.0%	21.5%	0.0%	16.9%	0.0%	15.0%	0.0%	13.5%	0.0%	12.8%	0.0%
>125%	0.0%	0.0%	0.0%	0.0%	20.7%	0.0%	20.1%	0.0%	9.9%	0.0%	7.0%	0.0%	5.4%	0.0%	4.7%	0.0%
Weighted Average Origination LTV Ratio	92.2%	62.3%	94.3%	60.2%	111.0%	61.1%	109.8%	60.2%	101.5%	61.3%	98.4%	60.4%	96.9%	60.0%	96.2%	58.6%
FICO Credit Scores⁽²⁾																
< 620	2.0%	1.4%	2.1%	1.7%	3.7%	2.9%	6.7%	5.3%	10.6%	9.3%	9.5%	8.8%	9.1%	9.2%	8.8%	9.4%
620 to < 660	3.6%	2.4%	3.8%	2.8%	6.0%	4.2%	9.5%	6.9%	14.5%	11.2%	14.6%	10.5%	15.3%	11.6%	15.2%	12.1%
660 to < 740	33.1%	23.9%	32.6%	25.6%	33.8%	26.0%	38.7%	31.9%	41.0%	36.5%	41.1%	34.4%	44.9%	37.5%	46.1%	40.0%
>=740	61.2%	72.3%	61.5%	70.0%	56.6%	66.9%	45.1%	55.8%	33.9%	43.0%	34.8%	46.3%	30.8%	41.6%	30.0%	38.4%
Weighted Average FICO Credit Score	746	760	746	758	738	753	722	737	704	717	706	722	703	717	703	713

* Year-to-date through June 30, 2017.

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



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

As of June 30, 2017	Origination Year										
	Overall Book	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008 & Earlier
Unpaid Principal Balance (UPB) (\$B) ⁽¹⁾	\$2,827.6	\$179.8	\$547.2	\$358.6	\$215.2	\$387.3	\$445.3	\$159.1	\$130.1	\$89.7	\$315.4
Share of Single-Family Conventional Guaranty Book	100.0%	6.4%	19.4%	12.7%	7.6%	13.7%	15.7%	5.6%	4.6%	3.2%	11.2%
Average Unpaid Principal Balance ⁽¹⁾	\$164,659	\$220,505	\$224,167	\$200,571	\$171,623	\$167,695	\$170,216	\$138,204	\$137,149	\$134,710	\$99,070
Serious Delinquency Rate	1.01%	0.01%	0.07%	0.23%	0.46%	0.40%	0.29%	0.42%	0.54%	0.87%	4.09%
Weighted Average Origination LTV Ratio	74.8%	75.3%	73.6%	75.1%	76.9%	76.8%	76.5%	71.1%	71.0%	69.5%	75.3%
Origination LTV Ratio > 90%	16.5%	17.8%	15.3%	16.7%	19.9%	20.6%	19.0%	12.2%	10.0%	6.4%	14.4%
Weighted Average Mark-to-Market LTV Ratio	57.9%	73.4%	67.2%	63.0%	60.4%	53.2%	48.3%	44.5%	46.0%	47.8%	59.4%
Mark-to-Market LTV Ratio > 100% and <= 125%	1.0%	0.2%	0.2%	0.3%	0.5%	1.2%	1.0%	0.1%	0.1%	0.2%	5.1%
Mark-to-Market LTV Ratio > 125%	0.3%	0.0%	0.0%	0.1%	0.1%	0.3%	0.2%	0.0%	0.0%	0.0%	1.6%
Weighted Average FICO Credit Score ⁽²⁾	745	744	750	748	742	750	759	757	756	751	699
FICO < 620 ⁽²⁾	1.9%	0.3%	0.3%	0.6%	1.5%	1.8%	1.1%	0.8%	0.8%	1.0%	9.4%
Interest Only	1.5%	0.0%	0.0%	0.0%	0.0%	0.2%	0.3%	0.5%	0.9%	1.1%	11.5%
Negative Amortizing	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%
Fixed-rate	94.6%	97.0%	98.7%	97.8%	96.1%	98.0%	98.1%	96.2%	96.7%	97.3%	70.1%
Primary Residence	88.4%	88.3%	90.4%	88.1%	85.8%	85.9%	88.6%	86.9%	89.1%	90.6%	89.4%
Condo/Co-op	9.3%	9.8%	9.5%	9.7%	9.7%	10.0%	8.7%	8.3%	8.1%	8.6%	9.2%
Credit Enhanced ⁽³⁾	36.6%	33.6%	46.9%	64.9%	60.8%	46.1%	23.1%	6.9%	4.8%	3.6%	16.2%
Cumulative Default Rate ⁽⁴⁾	n/a	0.0%	0.0%	0.0%	0.2%	0.3%	0.4%	0.4%	0.6%	0.8%	n/a

- (1) Excludes non-Fannie Mae securities held in portfolio and those Alt-A and subprime wraps for which Fannie Mae does not have loan-level information. Fannie Mae had access to detailed loan-level information for approximately 99% of its single-family conventional guaranty book of business as of June 30, 2017.
- (2) FICO credit score is as of loan origination, as reported by the seller of the mortgage loan. Loans acquired after 2009 with FICO credit scores at origination below 620 primarily consist of the refinance of existing loans under our Refi Plus initiative, which includes HARP.
- (3) Percentage of loans in our single-family conventional guaranty book of business, measured by unpaid principal balance, included in an agreement used to reduce credit risk by requiring collateral, letters of credit, mortgage insurance, corporate guarantees, inclusion in a credit risk transfer transaction reference pool, or other agreement that provides for our compensation to some degree in the event of a financial loss relating to the loan. Because we include loans in reference pools for our Connecticut Avenue Securities™ and Credit Insurance Risk Transfer™ credit risk transfer transactions on a lagged basis (typically about six months to one year after we initially acquire the loans), we expect the percentage of our 2016 and 2017 single-family loan acquisitions with credit enhancement will increase in the future.
- (4) Defaults include loan foreclosures, short sales, sales to third parties at the time of foreclosure and deeds-in-lieu of foreclosure. Cumulative Default Rate is the total number of single-family conventional loans in the guaranty book of business originated in the identified year that have defaulted, divided by the total number of single-family conventional loans in the guaranty book of business originated in the identified year. For 2008 and earlier cumulative default rates, refer to slide 18.

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

As of June 30, 2017	Categories Not Mutually Exclusive ⁽¹⁾						Refi Plus Including HARP ⁽⁴⁾	Subtotal of Certain Product Features ⁽⁵⁾
	Interest Only Loans	Loans with FICO < 620 ⁽²⁾	Loans with FICO ≥ 620 and < 660 ⁽²⁾	Loans with Origination LTV Ratio > 90%	Loans with FICO < 620 ⁽²⁾ and Origination LTV Ratio > 90%	Alt-A Loans ⁽³⁾		
Unpaid Principal Balance (UPB) (\$B) ⁽⁶⁾	\$41.0	\$53.1	\$149.3	\$466.1	\$16.2	\$79.7	\$406.2	\$900.9
Share of Single-Family Conventional Guaranty Book	1.5%	1.9%	5.3%	16.5%	0.6%	2.8%	14.4%	31.9%
Average Unpaid Principal Balance ⁽⁶⁾	\$223,428	\$115,198	\$137,218	\$173,169	\$129,826	\$142,819	\$142,976	\$150,782
Serious Delinquency Rate	5.97%	6.24%	3.54%	1.60%	7.25%	4.52%	0.72%	1.96%
Acquisition Years 2005-2008	81.9%	38.2%	23.3%	6.8%	28.1%	56.5%	0.0%	13.7%
Weighted Average Origination LTV Ratio	74.3%	82.0%	78.5%	102.1%	108.8%	79.1%	86.2%	86.3%
Origination LTV Ratio > 90%	8.4%	30.6%	22.1%	100.0%	100.0%	17.3%	38.7%	51.7%
Weighted Average Mark-to-Market LTV Ratio	72.3%	65.3%	63.8%	79.3%	83.5%	66.1%	59.1%	66.8%
Mark-to-Market LTV Ratio > 100% and ≤ 125%	9.8%	5.9%	3.4%	4.1%	13.2%	7.3%	3.1%	2.9%
Mark-to-Market LTV Ratio > 125%	3.0%	2.1%	1.1%	1.2%	5.1%	2.3%	0.8%	0.8%
Weighted Average FICO Credit Score ⁽²⁾	721	583	642	731	582	710	731	718
FICO < 620 ⁽²⁾	1.7%	100.0%	0.0%	3.5%	100.0%	3.3%	5.7%	5.9%
Fixed-rate	24.7%	85.3%	89.8%	97.1%	90.0%	67.4%	99.0%	92.1%
Primary Residence	86.0%	94.2%	93.3%	93.8%	93.9%	77.0%	84.2%	90.6%
Condo/Co-op	14.2%	4.7%	6.0%	9.5%	5.9%	9.4%	9.3%	8.6%
Credit Enhanced ⁽⁷⁾	13.2%	20.8%	32.2%	69.6%	50.3%	9.4%	11.6%	40.3%

(1) Loans with multiple product features are included in all applicable categories.

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

(3) For a description of our Alt-A loan classification criteria, refer to Fannie Mae's 2016 Form 10-K.

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

(5) The subtotal is calculated by counting a loan only once even if it is included in multiple categories.

(6) Excludes non-Fannie Mae securities held in portfolio and those Alt-A and subprime wraps for which Fannie Mae does not have loan-level information. Fannie Mae had access to detailed loan-level information for approximately 99% of its single-family conventional guaranty book of business as of June 30, 2017.

(7) Percentage of loans in our single-family conventional guaranty book of business, measured by unpaid principal balance, included in an agreement used to reduce credit risk by requiring collateral, letters of credit, mortgage insurance, corporate guarantees, inclusion in a credit risk transfer transaction reference pool, or other agreement that provides for our compensation to some degree in the event of a financial loss relating to the loan.



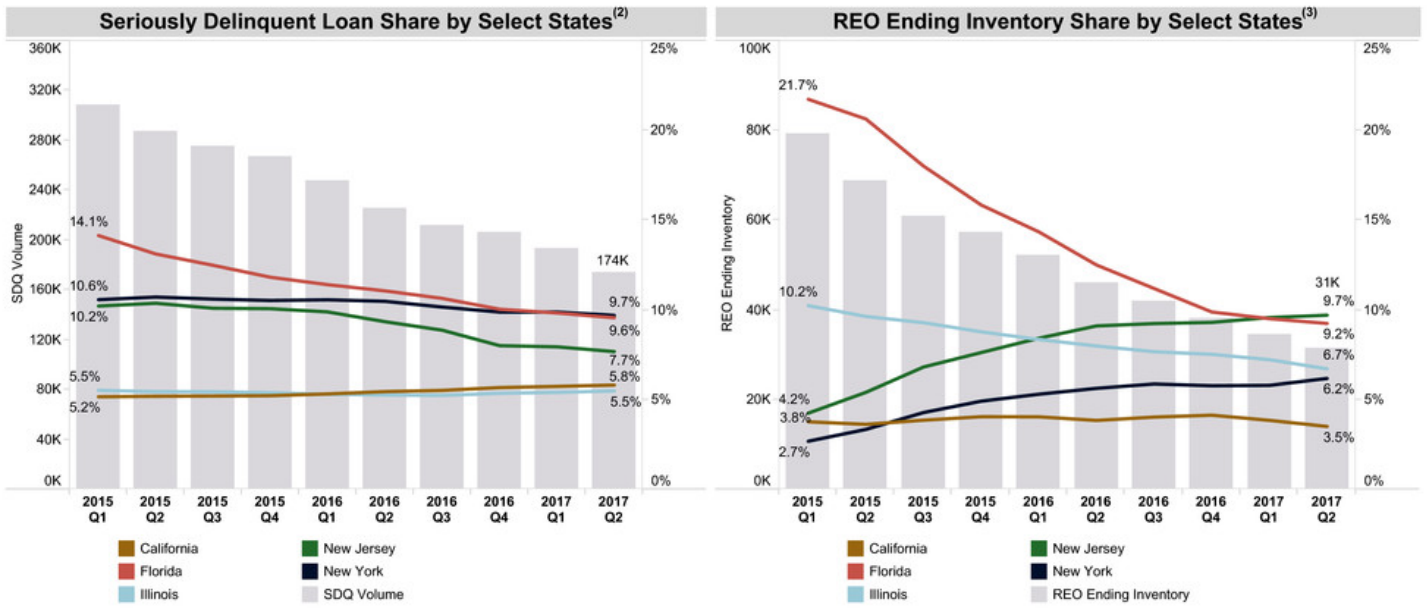
Credit Characteristics of Single-Family Conventional Guaranty Book of Business and Single-Family Real Estate Owned (REO) in Select States

Select States ⁽⁵⁾	SF Conventional Guaranty Book of Business as of June 30, 2017 ⁽¹⁾				Seriously Delinquent Loans as of June 30, 2017 ⁽²⁾		Real Estate Owned (REO)			Credit Loss	
	Unpaid Principal Balance (UPB) (\$B)	Share of Single-Family Conventional Guaranty Book	Weighted Average Mark-to-Market LTV Ratio	Mark-to-Market LTV >100%	Seriously Delinquent Loan Share ⁽²⁾	Serious Delinquency Rate ⁽²⁾	Q2 2017 Acquisitions (# of properties)	Q2 2017 Dispositions (# of properties)	REO Ending Inventory as of 6/30/17	Average Days to Foreclosure ⁽³⁾	% of YTD 2017 Credit Losses ⁽⁴⁾
California	\$554.3	19.6%	49.3%	0.6%	5.8%	0.43%	352	581	1,100	644	8.8%
Texas	\$173.8	6.1%	57.8%	0.0%	4.2%	0.62%	249	378	715	619	0.6%
Florida	\$159.7	5.6%	62.6%	4.5%	9.6%	1.51%	1,124	1,510	2,901	1,335	12.8%
New York	\$146.2	5.2%	54.0%	1.7%	9.7%	2.21%	539	602	1,940	1,907	10.9%
Illinois	\$107.6	3.8%	64.2%	3.6%	5.5%	1.28%	477	867	2,107	746	9.0%
New Jersey	\$105.5	3.7%	63.0%	4.0%	7.7%	2.49%	797	1,060	3,046	1,875	12.8%
Washington	\$101.7	3.6%	52.9%	0.2%	1.7%	0.58%	99	194	451	1,066	0.6%
Virginia	\$98.0	3.5%	61.3%	1.1%	2.0%	0.68%	312	331	787	544	1.7%
Pennsylvania	\$84.1	3.0%	62.3%	1.2%	5.0%	1.42%	493	604	1,484	853	4.8%
Colorado	\$82.5	2.9%	53.3%	0.0%	0.7%	0.27%	20	55	92	736	0.1%
Regions⁽⁶⁾											
Midwest	\$415.7	14.7%	62.2%	1.4%	17.6%	0.94%	2,110	3,084	7,196	590	17.3%
Northeast	\$508.1	18.0%	58.9%	2.0%	31.0%	1.85%	2,556	3,289	9,227	1,457	36.5%
Southeast	\$625.0	22.1%	61.9%	2.1%	27.5%	1.17%	3,106	3,808	8,628	856	26.5%
Southwest	\$484.9	17.1%	59.1%	0.5%	12.9%	0.69%	1,388	1,654	3,496	642	7.0%
West	\$793.9	28.1%	51.2%	0.7%	11.0%	0.52%	728	1,233	2,824	898	12.7%
Total	\$2,827.6	100.0%	57.9%	1.3%	100.0%	1.01%	9,888	13,068	31,371	918	100.0%

- (1) Based on the unpaid principal balance (UPB) of the single-family conventional guaranty book of business as of June 30, 2017. Excludes non-Fannie Mae securities held in portfolio and those Alt-A and subprime wraps for which Fannie Mae does not have loan-level information. Fannie Mae had access to detailed loan-level information for approximately 99% of its single-family conventional guaranty book of business as of June 30, 2017.
- (2) "Seriously delinquent loans" refers to single-family conventional loans that are 90 days or more past due or in the foreclosure process. "Seriously delinquent loan share" refers to the percentage of our single-family seriously delinquent loan population in the applicable state or region. "Serious delinquency rate" refers to the number of single-family conventional loans that were seriously delinquent in the applicable state or region, divided by the number of loans in our single-family conventional guaranty book of business in that state or region.
- (3) Measured from the borrowers' last paid installment on their mortgages to when the related properties were added to our REO inventory for foreclosures completed during the first six months of 2017. Home Equity Conversion Mortgages (HECMs) insured by HUD are excluded from this calculation.
- (4) Expressed as a percentage of credit losses for the single-family guaranty book of business. Credit losses consist of (a) charge-offs, net of recoveries and (b) foreclosed property expense (income), adjusted to exclude the impact of fair value losses resulting from credit-impaired loans acquired from MBS trusts. For information on total credit losses, refer to Fannie Mae's 2017 Q2 Form 10-Q.
- (5) Select states represent the top ten states in UPB of the single-family conventional guaranty book of business as of June 30, 2017.
- (6) For information on which states are included in each region, refer to the single-family mortgage credit risk management discussion in Fannie Mae's 2017 Q2 Form 10-Q.

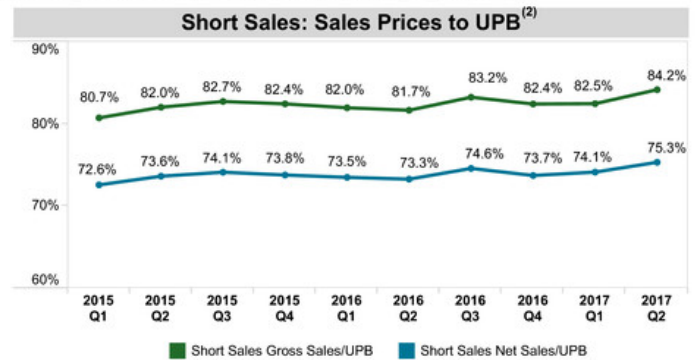
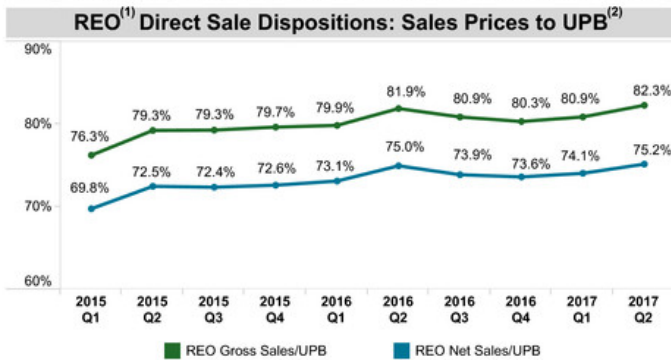


Seriously Delinquent Loan and REO Ending Inventory Share by Select States⁽¹⁾



(1) Based on states with the largest volume of seriously delinquent loans in our single-family conventional guaranty book of business as of June 30, 2017.
 (2) "Seriously delinquent loan share" refers to the percentage of our single-family seriously delinquent loan population in the applicable state.
 (3) Share of REO ending inventory calculated as the number of properties in the single-family REO ending inventory for the state divided by the total number of single-family properties in the REO ending inventory for the specified time period.

Single-Family Short Sales and REO Sales Prices to Unpaid Principal Balance (UPB) of Mortgage Loans



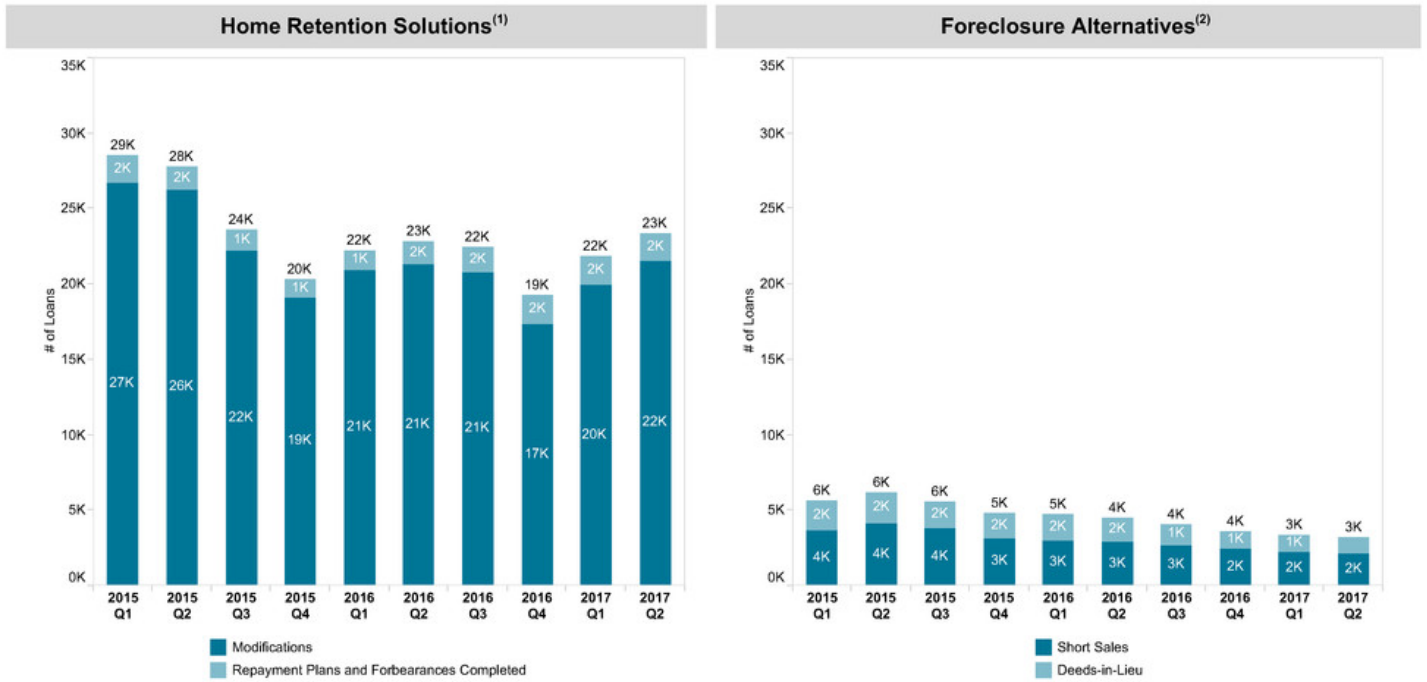
Net Sales Prices to UPB Trends for Top 10 States⁽²⁾⁽³⁾

REO Net Sales Prices to UPB	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
Florida	79.5%	80.1%	79.7%	80.5%	81.7%
New Jersey	61.0%	59.9%	63.0%	63.9%	65.2%
Illinois	63.2%	64.3%	63.3%	64.7%	62.5%
Ohio	62.4%	59.2%	58.1%	58.6%	60.0%
New York	64.5%	68.2%	66.9%	68.3%	70.3%
Michigan	65.7%	62.7%	60.9%	62.4%	68.0%
Pennsylvania	66.6%	65.0%	64.9%	60.6%	66.6%
California	86.6%	88.1%	87.2%	88.3%	87.7%
Maryland	73.8%	69.3%	70.4%	70.4%	67.7%
Texas	98.9%	98.0%	95.3%	95.6%	91.0%

Short Sales Net Sales Prices to UPB	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
Florida	71.8%	73.1%	73.4%	74.3%	77.5%
New Jersey	64.9%	65.8%	65.1%	62.5%	64.0%
Illinois	65.8%	70.9%	69.1%	70.6%	70.2%
California	81.2%	80.8%	81.4%	81.9%	84.1%
New York	71.6%	72.9%	74.8%	74.7%	73.1%
Maryland	70.8%	70.8%	73.0%	70.0%	72.7%
Nevada	74.4%	74.3%	73.3%	70.7%	76.2%
Arizona	79.1%	79.0%	79.4%	80.3%	81.1%
Virginia	80.3%	78.6%	78.2%	79.5%	80.3%
Pennsylvania	73.6%	75.3%	73.7%	72.5%	74.3%

(1) Includes REO properties that have been sold to a third party (excluding properties that have been repurchased by the seller/servicer, acquired by a mortgage insurance company, or redeemed by a borrower).
 (2) Sales Prices to UPB are calculated as the sum of sales proceeds received divided by the aggregate unpaid principal balance (UPB) of the related loans. Gross sales price represents the contract sale price. Net sales price represents the contract sale price less charges/credits paid by or due to the seller or other parties at closing.
 (3) The states shown had the greatest volume of properties sold in the first six months of 2017 in each respective category.

Single-Family Loan Workouts



- (1) Consists of (a) modifications, which do not include trial modifications, loans to certain borrowers who have received bankruptcy relief that are accounted for as troubled debt restructurings, or repayment plans or forbearances that have been initiated but not completed and (b) repayment plans and forbearances completed.
- (2) Consists of (a) short sales, in which the borrower, working with the servicer and Fannie Mae, sells the home prior to foreclosure for less than the amount owed to pay off the loan, accrued interest and other expenses from the sale proceeds and (b) deeds-in-lieu of foreclosure, which involve the borrower's voluntarily signing over title to the property.



Re-performance Rates of Modified Single-Family Loans⁽¹⁾

	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1
Modifications⁽²⁾	28,861	25,908	26,700	26,214	22,199	19,099	20,899	21,278	20,802	17,325	19,928
% Current or Paid Off											
3 Months Post Modification	79%	80%	79%	77%	76%	78%	79%	77%	75%	77%	79%
6 Months Post Modification	74%	74%	72%	69%	69%	72%	70%	68%	69%	71%	n/a
9 Months Post Modification	71%	70%	68%	67%	67%	67%	65%	67%	67%	n/a	n/a
12 Months Post Modification	69%	67%	67%	67%	64%	64%	66%	66%	n/a	n/a	n/a
15 Months Post Modification	67%	66%	66%	64%	62%	64%	65%	n/a	n/a	n/a	n/a
18 Months Post Modification	67%	67%	65%	64%	63%	65%	n/a	n/a	n/a	n/a	n/a
21 Months Post Modification	68%	66%	65%	65%	65%	n/a	n/a	n/a	n/a	n/a	n/a
24 Months Post Modification	68%	67%	67%	68%	n/a	n/a	n/a	n/a	n/a	n/a	n/a

(1) Modifications reflect permanent modifications which does not include loans currently in trial modifications.
 (2) Defined as total number of completed modifications for the time periods noted.

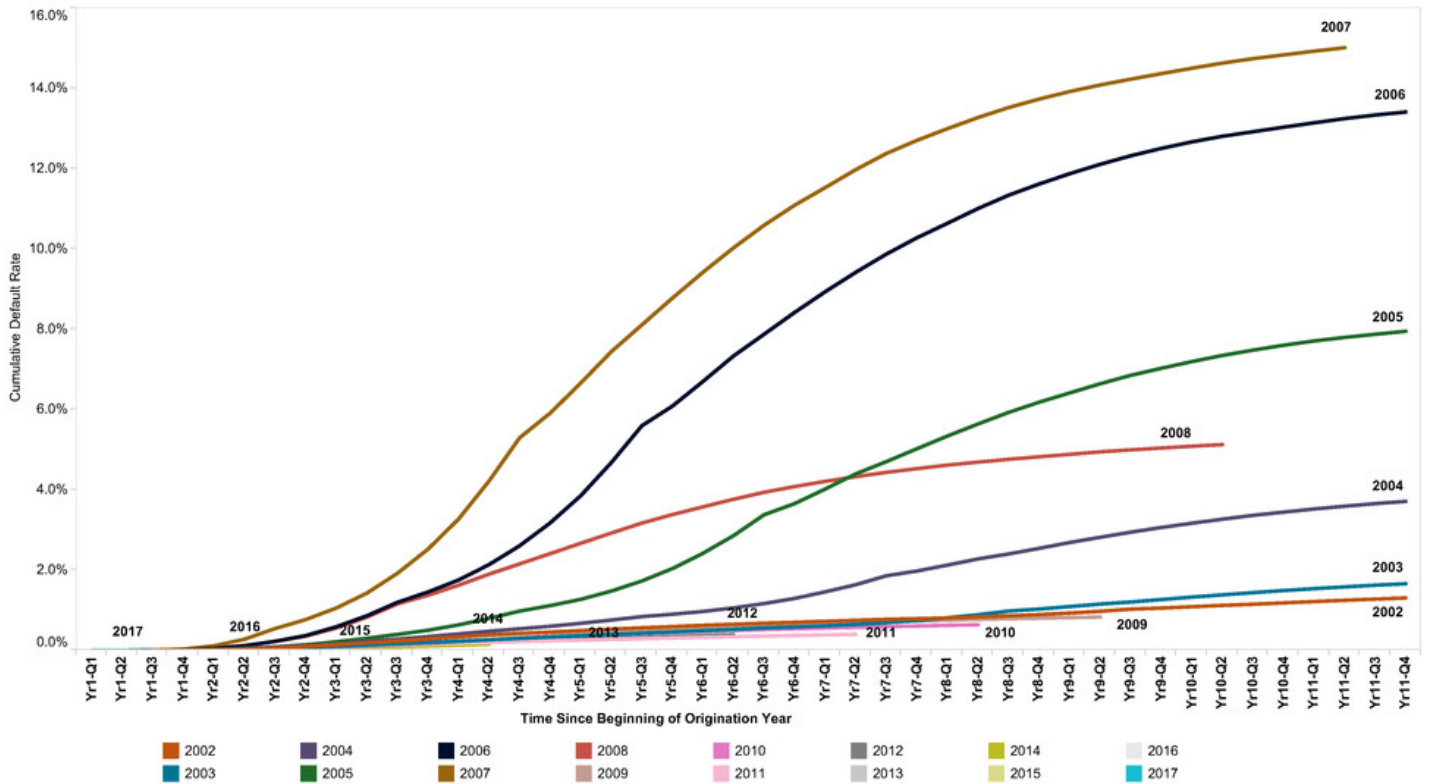


Credit Loss Concentration of Single-Family Conventional Guaranty Book of Business

Certain Product Features ⁽³⁾	% of Single-Family Conventional Guaranty Book of Business ⁽¹⁾						% of Single-Family Credit Losses ⁽²⁾					
	2017	2016	2015	2014	2013	2012	2017	2016	2015	2014	2013	2012
Negative Amortizing	0.1%	0.1%	0.1%	0.2%	0.2%	0.3%	0.2%	0.3%	1.2%	0.9%	0.8%	0.5%
Interest Only	1.5%	1.7%	2.1%	2.5%	2.9%	3.7%	15.7%	12.2%	18.0%	10.2%	18.7%	21.8%
FICO < 620 ⁽⁴⁾	1.9%	2.0%	2.3%	2.5%	2.6%	2.9%	13.7%	14.5%	11.1%	12.1%	7.0%	7.8%
FICO 620 to < 660 ⁽⁴⁾	5.3%	5.3%	5.5%	5.5%	5.5%	6.0%	20.3%	21.3%	18.3%	17.6%	15.7%	14.2%
Origination LTV Ratio > 90%	16.5%	16.4%	16.3%	15.9%	15.1%	12.8%	27.0%	21.9%	16.4%	15.3%	20.8%	16.8%
FICO < 620 and Origination LTV Ratio > 90% ⁽⁴⁾	0.6%	0.6%	0.7%	0.7%	0.7%	0.7%	4.3%	3.9%	2.7%	2.9%	2.0%	2.3%
Alt-A ⁽⁵⁾	2.8%	3.1%	3.7%	4.2%	4.7%	5.6%	21.3%	24.9%	29.3%	17.4%	26.0%	23.7%
Subprime ⁽⁶⁾	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	1.4%	1.3%	1.6%	1.3%	-0.2%	1.1%
Refi Plus including HARP	14.4%	15.4%	17.6%	19.1%	19.5%	16.5%	16.3%	14.0%	7.8%	10.4%	7.4%	3.5%
Vintage												
2009 - YTD 2017	88.8%	87.4%	84.1%	80.5%	76.2%	65.3%	23.3%	19.0%	10.3%	13.3%	10.0%	5.1%
2005 - 2008	7.2%	8.1%	10.1%	12.2%	14.7%	21.7%	66.3%	64.7%	77.6%	74.7%	77.6%	81.8%
2004 & Prior	4.0%	4.5%	5.8%	7.3%	9.1%	13.1%	10.3%	16.4%	12.1%	12.0%	12.4%	13.1%
Select State⁽⁷⁾												
Florida	5.6%	5.6%	5.6%	5.6%	5.7%	6.0%	12.8%	7.9%	20.8%	32.6%	28.9%	21.4%
New Jersey	3.7%	3.8%	3.9%	4.0%	4.0%	4.0%	12.8%	16.5%	21.6%	7.2%	3.7%	2.0%
New York	5.2%	5.2%	5.4%	5.5%	5.6%	5.6%	10.9%	18.3%	16.4%	4.8%	1.9%	0.9%
Illinois	3.8%	3.9%	4.0%	4.1%	4.1%	4.2%	9.0%	8.7%	7.8%	10.9%	12.9%	9.6%
California	19.6%	19.6%	19.7%	19.6%	19.6%	19.0%	8.8%	2.1%	1.4%	-0.8%	5.1%	18.4%
Pennsylvania	3.0%	3.0%	3.0%	3.0%	3.1%	3.1%	4.8%	5.0%	3.4%	4.2%	3.0%	1.6%
Maryland	2.7%	2.7%	2.7%	2.7%	2.8%	2.8%	4.5%	3.9%	3.8%	5.9%	3.1%	1.8%
Ohio	2.0%	2.0%	2.0%	2.1%	2.1%	2.2%	3.3%	4.3%	2.2%	4.2%	4.1%	3.3%
Connecticut	1.3%	1.3%	1.3%	1.3%	1.4%	1.4%	2.8%	2.7%	2.3%	2.8%	1.4%	0.9%
Nevada	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%	2.4%	1.2%	1.8%	1.4%	3.8%	4.8%
All Other States	52.1%	51.9%	51.4%	51.0%	50.8%	50.6%	28.0%	29.5%	18.6%	26.7%	32.1%	35.4%

(1) Based on the unpaid principal balance (UPB) of the single-family conventional guaranty book of business as of December 31 for the time periods noted, with the exception of 2017 which is as of June 30.
(2) Based on the single-family credit losses for the year ended December 31 for the time periods noted, with the exception of 2017 which is as of June 30. Credit losses consist of (a) charge-offs, net of recoveries and (b) foreclosed property expense (income), adjusted to exclude the impact of fair value losses resulting from credit-impaired loans acquired from MBS trusts. Does not reflect the impact of recoveries that have not been allocated to specific loans. Negative values are the result of recoveries on previously recognized credit losses. Beginning in 2015, credit losses also include the impact of our redesignation from held for investment to held for sale of certain nonperforming and reperforming single-family loans expected to be sold in the foreseeable future, as well as the charge-off provisions of the Federal Housing Finance Agency's Advisory Bulletin AB 2012-02, "Framework for Adversely Classifying Loans, Other Real Estate Owned, and Other Assets and Listing Assets for Special Mention."
(3) Loans with multiple product features are included in all applicable categories. Categories are not mutually exclusive.
(4) FICO credit score is as of loan origination, as reported by the seller of the mortgage loan.
(5) Newly originated Alt-A loans acquired after 2008 consist of the refinancing of existing loans under our Refi Plus Initiative. For a description of our Alt-A loan classification criteria, refer to Fannie Mae's 2016 Form 10-K.
(6) For a description of our subprime loan classification criteria, refer to Fannie Mae's 2016 Form 10-K.
(7) Select states represent the top ten states with the highest percentage of single-family credit losses for the six months ended June 30, 2017.

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



Note: Defaults include loan foreclosures, short sales, sales to third parties at the time of foreclosure and deeds-in-lieu of foreclosure. Cumulative Default Rate is the total number of single-family conventional loans in the guaranty book of business originated in the identified year that have defaulted, divided by the total number of single-family conventional loans in the guaranty book of business originated in the identified year.

Data as of June 30, 2017 is not necessarily indicative of the ultimate performance of the loans and performance is likely to change, perhaps materially, in future periods.



Multifamily Credit Profile by Loan Attributes

As of June 30, 2017	Loan Count	UPB (\$B)	% of Multifamily Guaranty Book of Business	% DUS @ Loans ⁽¹⁾	% Seriously Delinquent ⁽²⁾	YTD 2017 Multifamily Credit Losses (\$M) ⁽³⁾	2016 Multifamily Credit Losses (\$M) ⁽³⁾	2015 Multifamily Credit Losses (\$M) ⁽³⁾
Total Multifamily Guaranty Book of Business	28,470	\$257.2	100%	97%	0.04%	\$2	(\$4)	(\$56)
Lender Risk-Sharing								
Lender Risk-Sharing	26,566	\$245.4	95%	98%	0.05%	\$2	\$10	(\$24)
No Recourse to the Lender	1,904	\$11.8	5%	73%	0.02%	\$0	(\$14)	(\$32)
Origination LTV Ratio ⁽⁴⁾								
Less than or equal to 70%	17,469	\$139.6	54%	95%	0.04%	(\$1)	(\$7)	(\$24)
Greater than 70% and less than or equal to 80%	9,866	\$113.0	44%	99%	0.04%	\$3	\$3	(\$34)
Greater than 80%	1,135	\$4.6	2%	93%	0.17%	\$0	\$0	\$2
Delegated Underwriting and Servicing (DUS) Loans ⁽⁵⁾								
DUS - Small Balance Loans ⁽⁶⁾	7,154	\$13.2	5%	100%	0.21%	\$2	\$2	\$3
DUS - Non Small Balance Loans	15,170	\$236.6	92%	100%	0.03%	\$1	(\$6)	(\$57)
Total	22,324	\$249.8	97%	100%	0.04%	\$3	(\$3)	(\$54)
Non-Delegated Underwriting and Servicing (Non-DUS) Loans								
Non-DUS - Small Balance Loans ⁽⁶⁾	5,875	\$3.6	1%	0%	0.24%	(\$1)	\$1	\$2
Non-DUS - Non Small Balance Loans	271	\$3.8	1%	0%	0.00%	\$0	(\$2)	(\$5)
Total	6,146	\$7.4	3%	0%	0.12%	\$0	(\$1)	(\$2)
Maturity Dates								
Loans maturing in 2017	497	\$1.7	1%	87%	0.85%	\$2	(\$3)	(\$15)
Loans maturing in 2018	1,623	\$8.8	3%	95%	0.04%	(\$2)	\$4	\$0
Loans maturing in 2019	1,938	\$14.6	6%	98%	0.30%	(\$1)	\$0	(\$2)
Loans maturing in 2020	2,313	\$14.5	6%	97%	0.17%	\$0	\$5	(\$1)
Loans maturing in 2021	2,388	\$17.2	7%	97%	0.01%	\$0	\$1	\$2
Other maturities	19,711	\$200.4	78%	97%	0.01%	\$2	(\$9)	(\$40)
Loan Size Distribution								
Less than or equal to \$750K	4,561	\$1.1	0%	24%	0.18%	\$0	\$0	\$1
Greater than \$750K and less than or equal to \$3M	8,120	\$12.7	5%	85%	0.27%	\$0	\$5	\$9
Greater than \$3M and less than or equal to \$5M	3,819	\$13.9	5%	93%	0.07%	\$2	\$6	\$9
Greater than \$5M and less than or equal to \$25M	9,486	\$103.6	40%	99%	0.03%	\$0	(\$15)	(\$60)
Greater than \$25M	2,484	\$125.9	49%	98%	0.03%	\$0	\$0	(\$15)
Interest Rate Type								
Fixed	22,013	\$206.9	80%	97%	0.05%	\$3	(\$6)	(\$34)
Variable	6,457	\$50.2	20%	97%	0.01%	(\$1)	\$2	(\$22)

(1) Represents the percentage of loans for a given category (row) comprised of DUS loans, measured by unpaid principal balance.

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

(3) Dollar amount of multifamily credit-related losses/(gains) for the applicable period and category. Total credit losses for each period may not tie to sum of all categories due to rounding.

(4) Weighted average origination loan-to-value ratio is 67% as of June 30, 2017.

(5) Under the Delegated Underwriting and Servicing, or DUS, program, Fannie Mae acquires individual, newly originated mortgages from specially approved DUS lenders using DUS underwriting standards and/or DUS loan documents. Because DUS lenders generally share the risk of loss with Fannie Mae, they are able to originate, underwrite, close and service most loans without our pre-review.

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



Multifamily Credit Profile by Loan Attributes (cont.)

As of June 30, 2017	UPB (\$B)	% of Multifamily Guaranty Book of Business	% DUS Loans ⁽¹⁾	% Seriously Delinquent ⁽²⁾	YTD 2017 Multifamily Credit Losses (\$M) ⁽³⁾	2016 Multifamily Credit Losses (\$M) ⁽³⁾	2015 Multifamily Credit Losses (\$M) ⁽³⁾
Total Multifamily Guaranty Book of Business	\$257.2	100%	97%	0.04%	\$2	(\$4)	(\$56)
By Acquisition Year							
2017	\$30.7	12%	96%	0.00%	\$0	\$0	\$0
2016	\$54.7	21%	99%	0.01%	\$0	\$0	\$0
2015	\$39.7	15%	99%	0.01%	\$0	\$0	\$0
2014	\$25.2	10%	99%	0.02%	\$0	\$0	\$0
2013	\$22.6	9%	98%	0.03%	\$0	\$0	\$0
2012	\$23.8	9%	97%	0.16%	\$0	\$2	\$0
2011	\$15.2	6%	96%	0.03%	\$0	\$0	\$2
2010	\$10.2	4%	96%	0.18%	\$0	\$3	(\$1)
2009	\$9.8	4%	97%	0.05%	\$1	\$0	\$4
2008	\$7.2	3%	94%	0.09%	(\$1)	(\$1)	(\$20)
2007	\$4.6	2%	74%	0.33%	\$1	(\$3)	(\$17)
Prior to 2007	\$13.6	5%	95%	0.04%	\$1	(\$7)	(\$24)
Regions							
Midwest	\$22.8	9%	99%	0.11%	\$4	\$3	\$1
Northeast	\$40.1	16%	90%	0.02%	\$0	\$1	\$4
Southeast	\$65.6	25%	99%	0.04%	(\$3)	\$6	(\$19)
Southwest	\$58.1	23%	99%	0.09%	\$2	(\$7)	(\$11)
West	\$70.6	27%	97%	0.00%	\$0	(\$7)	(\$31)
Select States							
California	\$51.5	20%	96%	0.00%	\$0	\$0	\$0
Texas	\$30.8	12%	100%	0.15%	\$0	(\$5)	(\$6)
New York	\$23.8	9%	85%	0.01%	\$0	\$0	\$1
Florida	\$19.0	7%	98%	0.00%	\$0	\$0	(\$3)
Washington	\$9.7	4%	99%	0.00%	\$0	\$0	\$1
Targeted Affordable Segment							
Privately Owned with Subsidy ⁽⁴⁾	\$32.2	13%	96%	0.03%	\$1	\$2	(\$4)
Asset Class							
Conventional/Co-op	\$227.1	88%	97%	0.05%	\$4	(\$1)	(\$56)
Seniors Housing	\$12.7	5%	99%	0.00%	(\$2)	\$2	\$7
Manufactured Housing	\$8.9	3%	100%	0.00%	\$0	\$0	\$0
Student Housing	\$8.5	3%	100%	0.00%	\$0	(\$5)	(\$7)
DUS & Non-DUS Lenders/Servicers							
DUS: Bank (Direct, Owned Entity, or Subsidiary)	\$102.5	40%	97%	0.02%	(\$1)	\$3	(\$45)
DUS: Non-Bank Financial Institution	\$150.6	59%	100%	0.06%	\$4	(\$5)	(\$12)
Non-DUS: Bank (Direct, Owned Entity, or Subsidiary)	\$3.6	1%	0%	0.08%	\$0	\$0	\$0
Non-DUS: Non-Bank Financial Institution	\$0.4	0%	1%	0.00%	\$0	(\$2)	\$0
Non-DUS: Public Agency/Non Profit	\$0.1	0%	5%	0.00%	\$0	\$0	\$0

(1) Represents the percentage of loans for a given category (row) comprised of DUS loans, measured by unpaid principal balance.

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

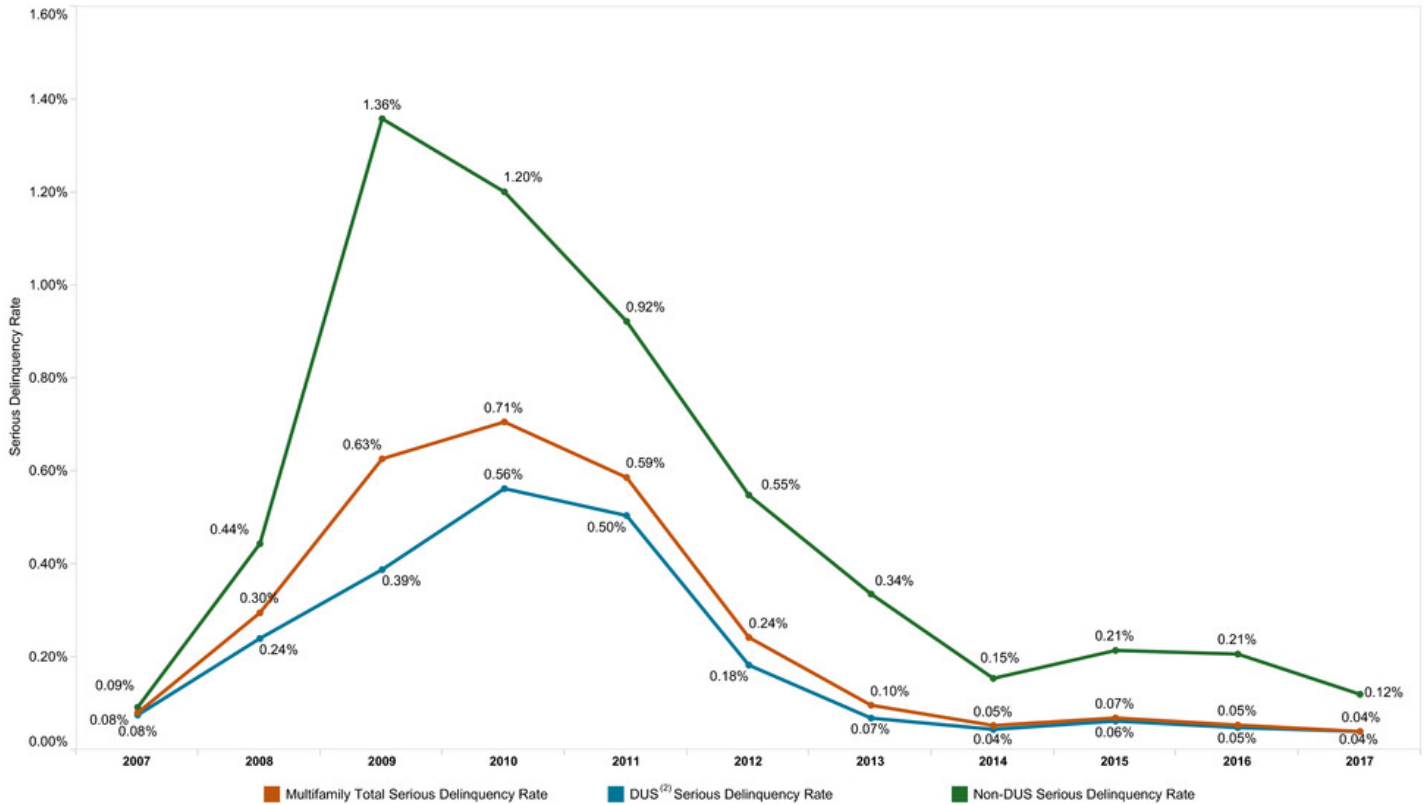
(3) Dollar amount of multifamily credit-related losses/(gains) for the applicable period and category. Total credit losses for each period will not tie to sum of all categories due to rounding.

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

(5) See <https://www.fanniemae.com/multifamily/products> for definitions.

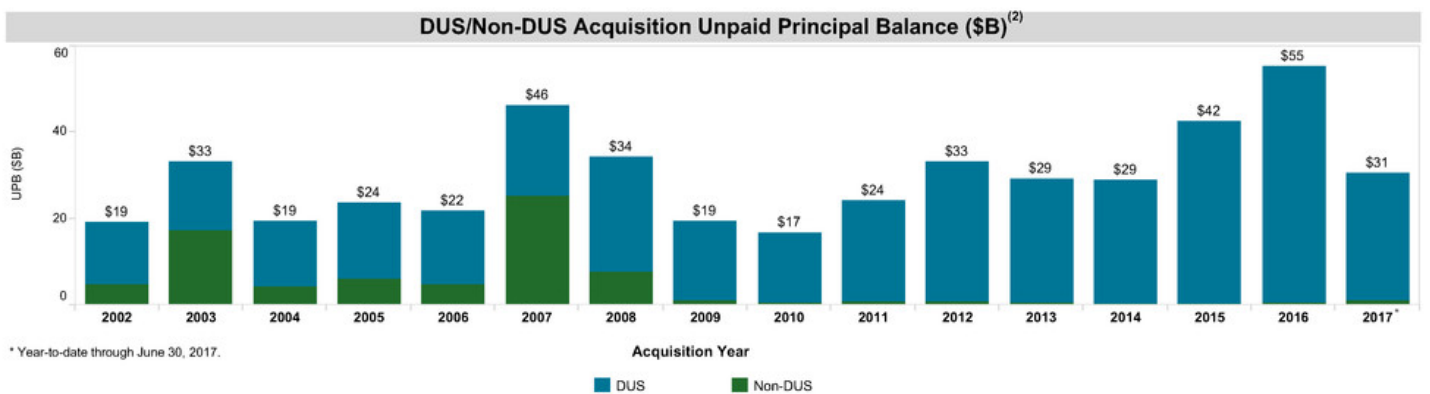
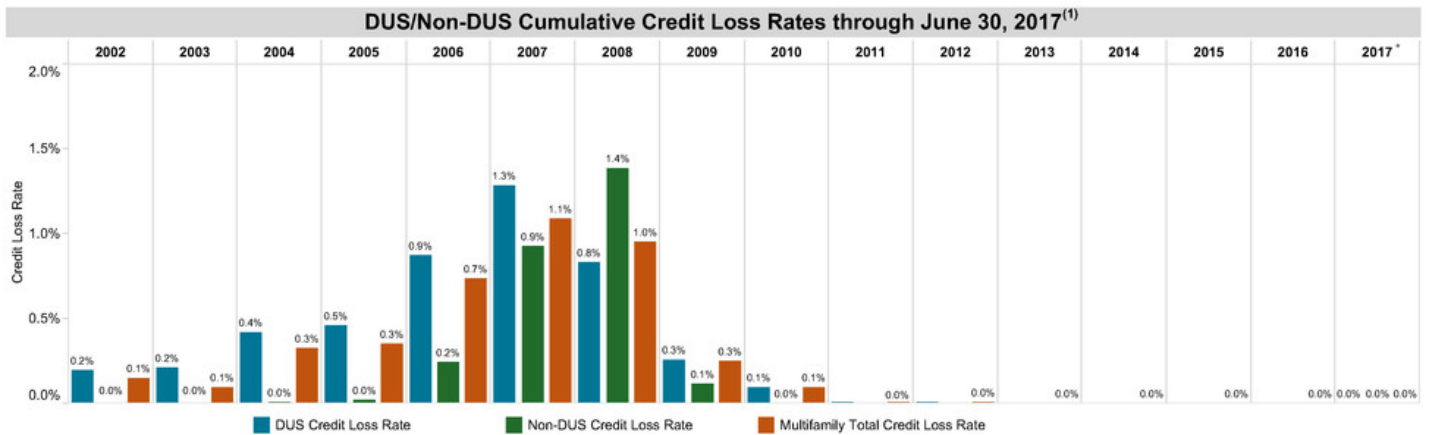


Serious Delinquency⁽¹⁾ Rates of Multifamily Book of Business



- (1) Multifamily loans are classified as seriously delinquent when payment is 60 days or more past due. Serious delinquency rate represents the year-end percentage of unpaid principal balance that is seriously delinquent as of December 31 for the time periods noted, with the exception of 2017 which is as of June 30.
- (2) Under the Delegated Underwriting and Servicing, or DUS, program, Fannie Mae acquires individual, newly originated mortgages from specially approved DUS lenders using DUS underwriting standards and/or DUS loan documents. Because DUS lenders generally share the risk of loss with Fannie Mae, they are able to originate, underwrite, close and service most loans without our pre-review.

Cumulative Credit Loss Rates of Multifamily Guaranty Book of Business by Acquisition Year



* Year-to-date through June 30, 2017.

- (1) Cumulative credit loss rate is the cumulative credit losses (gains) through June 30, 2017 on the multifamily loans that were acquired in the applicable period, as a percentage of the total acquired unpaid principal balance of multifamily loans in the applicable period.
- (2) Acquisition unpaid principal balance represents the total Multifamily volume acquired through purchase or securitization transactions for the applicable period.

