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): February 15, 2024

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

Fannie Mae

Federally chartered corporation	0-50231	52-0883107	1100 15th Street, NW Washington, DC 20005	800 232-6643
(State or other jurisdiction of incorporation)	*(Commission File Number)*	*(IRS Employer Identification No.)*	*(Address of principal executive offices, including zip code)*	*(Registrant's telephone number, including area code)*

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	N/A	N/A

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 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 contained in the exhibits submitted with this report, 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 February 15, 2024, Fannie Mae filed its annual report on Form 10-K for the year ended December 31, 2023 and is issuing a press release reporting its financial results for the periods covered by the Form 10-K. Copies of the press release and a financial supplement are furnished as Exhibits 99.1 and 99.2, respectively, to this report and are incorporated herein by reference. Copies 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 9.01 Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are being submitted with this report:

Exhibit Number	**Description of Exhibit**
99.1	Press release, dated February 15, 2024
99.2	Financial Supplement for Q4 and Full Year 2023, dated February 15, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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/ Chryssa C. Halley
Chryssa C. Halley
Executive Vice President and Chief Financial Officer

Date: February 15, 2024

Contact: Pete Bakel **Resource Center: 1-800-232-6643**
202-752-2034 **Exhibit 99.1**
Date: February 15, 2024

Fannie Mae Reports Net Income of $17.4 Billion for 2023 and $3.9 Billion for Fourth Quarter 2023

- $17.4 billion annual net income and $3.9 billion fourth quarter 2023 net income, with net worth reaching $77.7 billion as of December 31, 2023
- Net income increased $4.5 billion in 2023 compared with 2022, primarily driven by a $7.9 billion shift to a benefit for credit losses in 2023 from provision for credit losses in 2022
- $369 billion in liquidity provided in 2023, which enabled the financing of approximately 1.5 million home purchases, refinancings, and rental units
- Acquired approximately 805,000 single-family purchase loans, of which more than 45% were for first-time homebuyers, and approximately 179,000 single-family refinance loans during 2023
- Financed approximately 482,000 units of multifamily rental housing in 2023; a significant majority were affordable to households earning at or below 120% of area median income, providing support for both workforce and affordable housing
- Home prices grew 7.1% on a national basis in 2023 according to the Fannie Mae Home Price Index
- The U.S. weekly average 30-year fixed-rate mortgage rate increased from 6.42% as of the end of 2022 to 6.61% as of the end of 2023

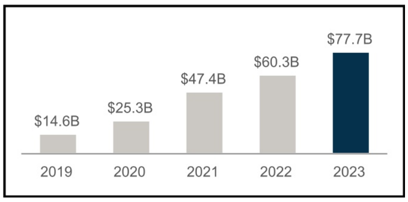
"The fourth quarter capped another successful year. Fannie Mae reported $3.9 billion in net income, marking our twenty-fourth consecutive quarter of positive earnings. In 2023, we delivered $17.4 billion in earnings and continued to rebuild our capital and further strengthen our financial stability. It was a challenging year for housing, with higher mortgage rates, limited homes for sale, and high home prices weighing on affordability. Against this backdrop, we provided $369 billion in liquidity, helping 1.5 million households buy, refinance, or rent a home. As we close on our 85th year supporting America's housing system, we remain committed to effectively managing risks and being a reliable source of mortgage credit for America's homeowners and renters."

Priscilla Almodovar
Chief Executive Officer

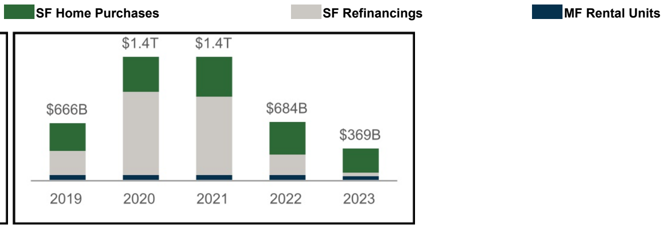
Q4 and Full Year 2023 Key Results

$77.7 Billion Net Worth

Increase of $17.4 billion in 2023

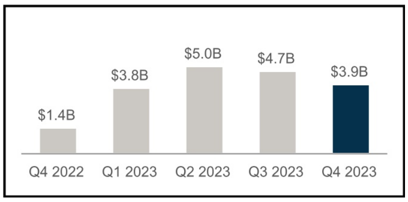


$369 Billion Supporting Housing Activity

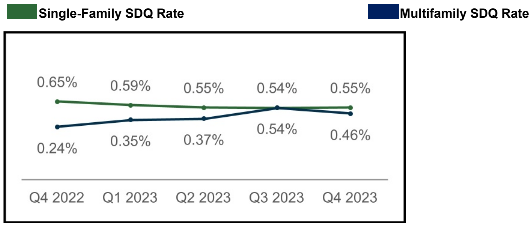


$3.9 Billion Net Income for Q4 2023

Decrease of $756 million compared with third quarter 2023



Serious Delinquency Rates



Summary of Financial Results

(Dollars in millions)	2023	2022	Variance	% Change	Q423	Q323	Variance	% Change
Net interest income	**$ 28,773**	$ 29,423	$ (650)	(2)%	**$ 7,732**	$ 7,220	$ 512	7 %
Fee and other income	**275**	312	(37)	(12)%	**66**	76	(10)	(13)%
Net revenues	**29,048**	29,735	(687)	(2)%	**7,798**	7,296	502	7 %
Investment gains (losses), net	**(53)**	(297)	244	82 %	**(19)**	8	(27)	NM
Fair value gains (losses), net	**1,304**	1,284	20	2 %	**(99)**	795	(894)	NM
Administrative expenses	**(3,604)**	(3,329)	(275)	(8)%	**(975)**	(897)	(78)	(9)%
Benefit (provision) for credit losses	**1,670**	(6,277)	7,947	NM	**(116)**	652	(768)	NM
TCCA fees	**(3,431)**	(3,369)	(62)	(2)%	**(860)**	(860)	—	— %
Credit enhancement expense[(1)]	**(1,512)**	(1,323)	(189)	(14)%	**(397)**	(390)	(7)	(2)%
Change in expected credit enhancement recoveries	**(193)**	727	(920)	NM	**(25)**	(128)	103	80 %
Other expenses, net[(2)]	**(1,273)**	(918)	(355)	(39)%	**(351)**	(535)	184	34 %
Income before federal income taxes	**21,956**	16,233	5,723	35 %	**4,956**	5,941	(985)	(17)%
Provision for federal income taxes	**(4,548)**	(3,310)	(1,238)	(37)%	**(1,013)**	(1,242)	229	18 %
Net income	**$ 17,408**	$ 12,923	$ 4,485	35 %	**$ 3,943**	$ 4,699	$ (756)	(16)%
						4,681		
Total comprehensive income	**$ 17,405**	$ 12,920	$ 4,485	35 %	**$ 3,957**	$ 4,681	$ (724)	(15)%
Net worth	**$ 77,682**	$ 60,277	$ 17,405	29 %	**$ 77,682**	$ 73,725	$ 3,957	5 %

NM - Not meaningful

(1) Consists of costs associated with freestanding credit enhancements, which primarily include the company's Connecticut Avenue Securities® and Credit Insurance Risk Transfer™ programs, enterprise-paid mortgage insurance, and certain lender risk-sharing programs.

(2) Consists of debt extinguishment gains and losses, expenses associated with legal claims, foreclosed property income (expense), gains and losses from partnership investments, housing trust fund expenses, loan subservicing costs, and servicer fees paid in connection with certain loss mitigation activities.

Financial Highlights

Net income increased $4.5 billion in 2023 compared with 2022, primarily driven by a $7.9 billion shift to a benefit for credit losses in 2023 from provision for credit losses in 2022.

- Net interest income remained strong in 2023 primarily driven by guaranty fee income. While the company's base guaranty fee income grew slightly in 2023, higher interest rates during the year drove a decline in deferred guaranty fee income due to lower refinance activity. This was offset by an increase in income due to higher yields on securities in the company's corporate liquidity portfolio.
- Benefit for credit losses was $1.7 billion in 2023, compared with a provision of $6.3 billion in 2022. The benefit for credit losses in 2023 reflects a $2.2 billion single-family benefit for credit losses, partially offset by a $495 million multifamily provision for credit losses. The $6.3 billion provision for credit losses in 2022 reflected a $5.0 billion single-family provision for credit losses and a $1.2 billion multifamily provision for credit losses.
    - The single-family benefit for credit losses in 2023 was primarily driven by a benefit from actual and forecasted home price growth, partially offset by a provision driven by the overall credit risk profile of the company's newly acquired single-family loans and a provision relating to the redesignation of certain single-family loans from held for investment to held for sale.
    - The multifamily provision for credit losses in 2023 was primarily driven by changes in loan activity and declining property values on the company's overall multifamily guaranty book. The company's seniors housing loans were not a driver of its multifamily provision for credit losses in 2023; however, the company's allowance for seniors housing loans remained elevated as of December 31, 2023.

Single-Family Business Financial Results

(Dollars in millions)	2023	2022	Variance	% Change	Q423	Q323	Variance	% Change
Net interest income	**$ 24,229**	$ 24,736	$ (507)	(2)%	**$ 6,566**	$ 6,074	$ 492	8 %
Fee and other income	**205**	224	(19)	(8)%	**49**	56	(7)	(13) %
Net revenues	**24,434**	24,960	(526)	(2)%	**6,615**	6,130	485	8 %
Investment gains (losses), net	**(41)**	(223)	182	82 %	**(6)**	9	(15)	NM
Fair value gains (losses), net	**1,231**	1,364	(133)	(10)%	**(137)**	742	(879)	NM
Administrative expenses	**(2,993)**	(2,789)	(204)	(7)%	**(810)**	(745)	(65)	(9) %
Benefit (provision) for credit losses	**2,165**	(5,029)	7,194	NM	**(36)**	736	(772)	NM
TCCA fees	**(3,431)**	(3,369)	(62)	(2)%	**(860)**	(860)	—	— %
Credit enhancement expense	**(1,281)**	(1,062)	(219)	(21)%	**(332)**	(335)	3	1 %
Change in expected credit enhancement recoveries	**(310)**	470	(780)	NM	**(12)**	(170)	158	93 %
Other expenses, net	**(984)**	(778)	(206)	(26)%	**(254)**	(411)	157	38 %
Income before federal income taxes	**18,790**	13,544	5,246	39 %	**4,168**	5,096	(928)	(18) %
Provision for federal income taxes	**(3,935)**	(2,774)	(1,161)	(42)%	**(864)**	(1,071)	207	19 %
Net income	**$ 14,855**	$ 10,770	$ 4,085	38 %	**$ 3,304**	$ 4,025	$ (721)	(18) %
Average charged guaranty fee on new conventional acquisitions, net of TCCA fees	53.2 bps	49.4 bps	3.8 bps	8 %	54.3 bps	54.3 bps	— bps	— %
Average charged guaranty fee on conventional guaranty book of business, net of TCCA fees	46.9 bps	46.2 bps	0.7 bps	2 %	47.2 bps	47.0 bps	0.2 bps	— %*

NM - Not meaningful

* Represents less than 0.5%

Key Business Highlights

- Single-family conventional acquisition volume was $316.0 billion in 2023, compared with $614.8 billion in 2022. Purchase acquisition volume, of which more than 45% was for first-time homebuyers, decreased to $272.8 billion in 2023 from $378.0 billion in 2022. Refinance acquisition volume was $43.2 billion in 2023, a decrease from $236.9 billion in 2022.
- The average single-family conventional guaranty book of business increased by 1.4% to $3.6 trillion in 2023 compared with 2022, driven by an increase in the average loan size of the book. The overall credit characteristics of the single-family conventional guaranty book of business remained strong, with a weighted-average mark-to-market loan-to-value ratio of 51% and a weighted-average FICO credit score at origination of 753 as of December 31, 2023.
- The average charged guaranty fee, net of TCCA fees, on the single-family conventional guaranty book increased by 0.7 basis points to 46.9 basis points in 2023, primarily as a result of higher base guaranty fees charged on new acquisitions. The average charged guaranty fee on newly acquired single-family conventional loans, net of TCCA fees, increased by 3.8 basis points to 53.2 basis points in 2023.
- The single-family serious delinquency rate decreased to 0.55% as of December 31, 2023 from 0.65% as of December 31, 2022. Single-family seriously delinquent loans are loans that are 90 days or more past due or in the foreclosure process.

Multifamily Business Financial Results

(Dollars in millions)	2023	2022	Variance	% Change	Q423	Q323	Variance	% Change
Net interest income	**$ 4,544**	$ 4,687	$ (143)	(3)%	**$ 1,166**	$ 1,146	$ 20	2 %
Fee and other income	**70**	88	(18)	(20)%	**17**	20	(3)	(15)%
Net revenues	**4,614**	4,775	(161)	(3)%	**1,183**	1,166	17	1 %
Fair value gains (losses), net	**73**	(80)	153	NM	**38**	53	(15)	(28)%
Administrative expenses	**(611)**	(540)	(71)	(13)%	**(165)**	(152)	(13)	(9)%
Provision for credit losses	**(495)**	(1,248)	753	60 %	**(80)**	(84)	4	5 %
Credit enhancement expense	**(231)**	(261)	30	11 %	**(65)**	(55)	(10)	(18)%
Change in expected credit enhancement recoveries	**117**	257	(140)	(54)%	**(13)**	42	(55)	NM
Other expenses, net*	**(301)**	(214)	(87)	(41)%	**(110)**	(125)	15	12 %
Income before federal income taxes	**3,166**	2,689	477	18 %	**788**	845	(57)	(7)%
Provision for federal income taxes	**(613)**	(536)	(77)	(14)%	**(149)**	(171)	22	13 %
Net income	**$ 2,553**	$ 2,153	$ 400	19 %	**$ 639**	$ 674	$ (35)	(5)%
Average charged guaranty fee rate on multifamily guaranty book of business, at period end	76.1 bps	78.5 bps	(2.4) bps	(3)%	76.1 bps	76.8 bps	(0.7) bps	(1)%

NM - Not meaningful

* Includes investment gains or losses and other income or expenses.

Key Business Highlights

- New multifamily business volume was $52.9 billion in 2023, compared with $69.2 billion in 2022.
- The multifamily guaranty book of business grew by 7% in 2023 to $470.4 billion driven by the company's acquisitions combined with low prepayment volumes due to the high interest rate environment.
- The average charged guaranty fee on the multifamily guaranty book declined by 2.4 basis points to 76.1 basis points in 2023, primarily due to lower average charged fees on the company's 2023 acquisitions as compared with the existing loans in the multifamily guaranty book of business.
- The multifamily serious delinquency rate increased to 0.46% as of December 31, 2023, compared with 0.24% as of December 31, 2022, primarily driven by stress in the company's seniors housing loans. Multifamily seriously delinquent loans are loans that are 60 days or more past due.
- Fannie Mae is subject to an annual multifamily loan purchase cap set by FHFA. For 2024, FHFA reduced the multifamily volume cap to $70 billion from the $75 billion cap applicable for 2023. Consistent with the 2023 cap, a minimum of 50% of the company's 2024 multifamily loan purchases must be mission-driven, focused on specified affordable and underserved market segments. For 2024, FHFA has exempted from the volume cap loans financing workforce housing properties meeting specified criteria that preserve long-term affordability for the properties. The company's 2023 multifamily business volume remained below the applicable cap and it met the mission requirements established by FHFA.

Additional Matters

Fannie Mae's Consolidated Balance Sheets and Consolidated Statements of Operations and Comprehensive Income for the full year of 2023 are available in the accompanying Annex; however, investors and interested parties should read the company's annual report on Form 10-K for the year ended December 31, 2023 ("2023 Form 10-K"), 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 2023 Form 10-K. Additional information about the company's financial and credit performance is contained in Fannie Mae's "Q4 and Full Year 2023 Financial Supplement" at www.fanniemae.com.

# # #

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 advances equitable and sustainable access to homeownership and quality, affordable rental housing for millions of people across America. We enable the 30-year fixed-rate mortgage and drive responsible innovation to make homebuying and renting easier, fairer, and more accessible. To learn more, visit fanniemae.com.

ANNEX
FANNIE MAE
(In conservatorship)
Consolidated Balance Sheets
(Dollars in millions)

	As of December 31, 2023	As of December 31, 2022
ASSETS		
Cash and cash equivalents	**$ 35,817**	$ 57,987
Restricted cash and cash equivalents (includes $25,836 and $23,348, respectively, related to consolidated trusts)	**32,889**	29,854
Securities purchased under agreements to resell (includes $0 and $3,475, respectively, related to consolidated trusts)	**30,700**	14,565
Investments in securities, at fair value	**53,116**	50,825
Mortgage loans:		
Loans held for sale, at lower of cost or fair value	**2,149**	2,033
Loans held for investment, at amortized cost:		
Of Fannie Mae	**48,199**	52,081
Of consolidated trusts	**4,094,013**	4,071,669
Total loans held for investment (includes $3,315 and $3,645, respectively, at fair value)	**4,142,212**	4,123,750
Allowance for loan losses	**(8,730)**	(11,347)
Total loans held for investment, net of allowance	**4,133,482**	4,112,403
Total mortgage loans	**4,135,631**	4,114,436
Advances to lenders	**1,389**	1,502
Deferred tax assets, net	**11,681**	12,911
Accrued interest receivable, net (includes $10,132 and $9,241 related to consolidated trusts and net of allowance of $25 and $111, respectively)	**10,724**	9,821
Other assets	**13,490**	13,387
Total assets	**$ 4,325,437**	$ 4,305,288
LIABILITIES AND EQUITY		
Liabilities:		
Accrued interest payable (includes $10,212 and $9,347, respectively, related to consolidated trusts)	**$ 10,931**	$ 9,917
Debt:		
Of Fannie Mae (includes $761 and $1,161, respectively, at fair value)	**124,065**	134,168
Of consolidated trusts (includes $14,343 and $16,260, respectively, at fair value)	**4,098,653**	4,087,720
Other liabilities (includes $1,713 and $1,748, respectively, related to consolidated trusts)	**14,106**	13,206
Total liabilities	**4,247,755**	4,245,011
Commitments and contingencies (Note 17)	**—**	—
Fannie Mae stockholders' equity:		
Senior preferred stock (liquidation preference of $195,224 and $180,339, respectively)	**120,836**	120,836
Preferred stock, 700,000,000 shares are authorized—555,374,922 shares issued and outstanding	**19,130**	19,130
Common stock, no par value, no maximum authorization—1,308,762,703 shares issued and 1,158,087,567 shares outstanding	**687**	687
Accumulated deficit	**(55,603)**	(73,011)
Accumulated other comprehensive income	**32**	35
Treasury stock, at cost, 150,675,136 shares	**(7,400)**	(7,400)
Total stockholders' equity (See Note 2: Senior Preferred Stock Purchase Agreement, Senior Preferred Stock and Warrant for information on the related dividend obligation and liquidation preference)	**77,682**	60,277
Total liabilities and equity	**$ 4,325,437**	$ 4,305,288

See Notes to Consolidated Financial Statements in the 2023 Form 10-K

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

	For the Year Ended December 31,		
	2023	2022	2021
Interest income:			
Investments in securities	$ **4,158**	$ 1,828	$ 582
Mortgage loans	**133,234**	117,813	98,930
Other	**2,322**	656	163
Total interest income	**139,714**	120,297	99,675
Interest expense:			
Short-term debt	**(672)**	(76)	(4)
Long-term debt	**(110,269)**	(90,798)	(70,084)
Total interest expense	**(110,941)**	(90,874)	(70,088)
Net interest income	**28,773**	29,423	29,587
Benefit (provision) for credit losses	**1,670**	(6,277)	5,130
Net interest income after benefit (provision) for credit losses	**30,443**	23,146	34,717
Investment gains (losses), net	**(53)**	(297)	1,352
Fair value gains, net	**1,304**	1,284	155
Fee and other income	**275**	312	361
Non-interest income	**1,526**	1,299	1,868
Administrative expenses:			
Salaries and employee benefits	**(1,906)**	(1,671)	(1,493)
Professional services	**(850)**	(850)	(817)
Other administrative expenses	**(848)**	(808)	(755)
Total administrative expenses	**(3,604)**	(3,329)	(3,065)
TCCA fees	**(3,431)**	(3,369)	(3,071)
Credit enhancement expense	**(1,512)**	(1,323)	(1,051)
Change in expected credit enhancement recoveries	**(193)**	727	(194)
Other expenses, net	**(1,273)**	(918)	(1,255)
Total expenses	**(10,013)**	(8,212)	(8,636)
Income before federal income taxes	**21,956**	16,233	27,949
Provision for federal income taxes	**(4,548)**	(3,310)	(5,773)
Net income	**17,408**	12,923	22,176
Other comprehensive loss	**(3)**	(3)	(78)
Total comprehensive income	$ **17,405**	$ 12,920	$ 22,098
Net income	$ **17,408**	$ 12,923	$ 22,176
Dividends distributed or amounts attributable to senior preferred stock	**(17,405)**	(12,920)	(22,098)
Net income attributable to common stockholders	$ **3**	$ 3	$ 78
Earnings per share:			
Basic	$ **0.00**	$ 0.00	$ 0.01
Diluted	**0.00**	0.00	0.01
Weighted-average common shares outstanding:			
Basic	**5,867**	5,867	5,867
Diluted	**5,893**	5,893	5,893

See Notes to Consolidated Financial Statements in the 2023 Form 10-K

EXHIBIT 99.2

Fannie Mae®

Financial Supplement
Q4 and Full Year 2023

February 15, 2024

- Some of the terms and other information in this presentation are defined and discussed more fully in Fannie Mae's Form 10-K for the year ended December 31, 2023 ("2023 Form 10-K"). This presentation should be reviewed together with the 2023 Form 10-K, which is available at www.fanniemae.com in the "About Us—Investor Relations—SEC Filings" section. Information on or available through the company's website is not part of this supplement.
- Some of the information in this presentation is based upon information from third-party sources such as sellers and servicers of mortgage loans. Although Fannie Mae generally considers this information reliable, Fannie Mae does not independently verify all reported information.
- Due to rounding, amounts reported in this presentation may not sum to totals indicated (i.e., 100%), or amounts shown as 100% may not reflect the entire population.
- Unless otherwise indicated, data is as of December 31, 2023 or for the full year indicated. Data for prior years is as of December 31 or for the full year indicated.
- Note references are to endnotes, appearing on pages 23 to 26.
- Terms used in presentation

  CAS: Connecticut Avenue Securities®

  CIRT™: Credit Insurance Risk Transfer™

  CRT: Credit risk transfer

  DSCR: Weighted-average debt service coverage ratio

  DTI ratio: Debt-to-income ("DTI") ratio refers to the ratio of a borrower's outstanding debt obligations (including both mortgage debt and certain other long-term and significant short-term debts) to that borrower's reported or calculated monthly income, to the extent the income is used to qualify for the mortgage

  DUS®: Fannie Mae's Delegated Underwriting and Servicing program

  HARP®: Home Affordable Refinance Program®, registered trademarks of the Federal Housing Finance Agency, which allowed eligible Fannie Mae borrowers with high LTV ratio loans to refinance into more sustainable loans

  LTV ratio: Loan-to-value ratio

  MSA: Metropolitan statistical area

  MTMLTV ratio: Mark-to-market loan-to-value ratio, which refers to the current unpaid principal balance of a loan at period end, divided by the estimated current home price at period end

  OLTV ratio: Origination loan-to-value ratio, which refers to the unpaid principal balance of a loan at the time of origination of the loan, divided by the home price or property value at origination of the loan

  Refi Plus™: Refi Plus initiative, which offered refinancing flexibility to eligible Fannie Mae borrowers

  REO: Real estate owned by Fannie Mae because it has foreclosed on the property or obtained the property through a deed-in-lieu of foreclosure

  TCCA fees: Refers to revenues generated by the 10 basis point guaranty fee increase the company implemented on single-family residential mortgages pursuant to the Temporary Payroll Tax Cut Continuation Act of 2011 ("TCCA") and as extended by the Infrastructure Investment and Jobs Act, the incremental revenue from which is paid to Treasury and not retained by the company

  UPB: Unpaid principal balance

Table of Contents

Overview

Corporate Financial Highlights

Summary of 2023 and Q4 2023 Financial Results

(Dollars in millions)	2023	2022	Variance	Q4 2023	Q3 2023	Variance
Net interest income	**$28,773**	$29,423	$(650)	**$7,732**	$7,220	$512
Fee and other income	**275**	312	(37)	**66**	76	(10)
Net revenues	**29,048**	29,735	(687)	**7,798**	7,296	502
Investment gains (losses), net	**(53)**	(297)	244	**(19)**	8	(27)
Fair value gains (losses), net	**1,304**	1,284	20	**(99)**	795	(894)
Administrative expenses	**(3,604)**	(3,329)	(275)	**(975)**	(897)	(78)
Benefit (provision) for credit losses	**1,670**	(6,277)	7,947	**(116)**	652	(768)
TCCA fees	**(3,431)**	(3,369)	(62)	**(860)**	(860)	—
Credit enhancement expense[(1)]	**(1,512)**	(1,323)	(189)	**(397)**	(390)	(7)
Change in expected credit enhancement recoveries	**(193)**	727	(920)	**(25)**	(128)	103
Other expenses, net[(2)]	**(1,273)**	(918)	(355)	**(351)**	(535)	184
Income before federal income taxes	**21,956**	16,233	5,723	**4,956**	5,941	(985)
Provision for federal income taxes	**(4,548)**	(3,310)	(1,238)	**(1,013)**	(1,242)	229
Net income	**$17,408**	$12,923	$4,485	**$3,943**	$4,699	$(756)
Total comprehensive income	**$17,405**	$12,920	$4,485	**$3,957**	$4,681	$(724)
Net worth	**$77,682**	$60,277	$17,405	**$77,682**	$73,725	$3,957
Net worth ratio[(3)]	**1.8 %**	1.4 %		**1.8 %**	1.7 %	

2023 Key Highlights

$17.4 billion Net Income in 2023, with Net Worth Reaching $77.7 billion as of December 31, 2023

Net income increased $4.5 billion in 2023 compared with 2022, primarily driven by a $7.9 billion shift to a benefit for credit losses in 2023 from provision for credit losses in 2022.

Net interest income

Net interest income remained strong in 2023 primarily driven by guaranty fee income. While the company's base guaranty fee income grew slightly in 2023, higher interest rates during the year drove a decline in deferred guaranty fee income due to lower refinance activity. This was offset by an increase in income due to higher yields on securities in the company's corporate liquidity portfolio.

Benefit (provision) for credit losses

Benefit for credit losses was $1.7 billion in 2023, compared with a provision of $6.3 billion in 2022. The benefit for credit losses in 2023 reflects a $2.2 billion single-family benefit for credit losses, partially offset by a $495 million multifamily provision for credit losses.

- The single-family benefit for credit losses in 2023 was primarily driven by a benefit from actual and forecasted home price growth, partially offset by a provision driven by the overall credit risk profile of the company's newly acquired single-family loans and a provision relating to the redesignation of certain single-family loans from held for investment to held for sale.
- The multifamily provision for credit losses in 2023 was primarily driven by changes in loan activity and declining property values on the company's overall multifamily guaranty book. The company's seniors housing loans were not a driver of its multifamily provision for credit losses in 2023; however, the company's allowance for seniors housing loans remained elevated as of December 31, 2023.

Selected Financial Data

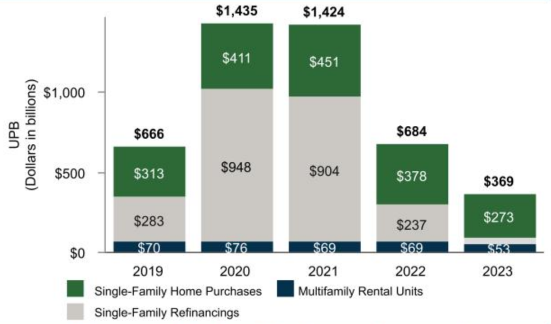
Selected Financial Data					
(Dollars in millions)					
As of December 31,	**2023**	**2022**	**2021**	**2020**	**2019**
Cash and cash equivalents	$ 35,817	$ 57,987	$ 42,448	$ 38,337	$ 21,184
Restricted cash and cash equivalents	32,889	29,854	66,183	77,286	40,223
Investments in securities, at fair value	53,116	50,825	89,043	138,239	50,527
Mortgage loans, net of allowance	4,135,631	4,114,436	3,968,242	3,653,892	3,334,162
Total assets	**$ 4,325,437**	**$ 4,305,288**	**$ 4,229,166**	**$ 3,985,749**	**$ 3,503,319**
Debt of Fannie Mae	124,065	134,168	200,892	289,572	182,247
Debt of consolidated trusts	4,098,653	4,087,720	3,957,299	3,646,164	3,285,139
Total liabilities	**$ 4,247,755**	**$ 4,245,011**	**$ 4,181,809**	**$ 3,960,490**	**$ 3,488,711**
Total Fannie Mae stockholders' equity	**$ 77,682**	**$ 60,277**	**$ 47,357**	**$ 25,259**	**$ 14,608**
Loss reserves[41]	**$ (8,760)**	**$ (11,465)**	**$ (5,774)**	**$ (10,798)**	**$ (9,047)**
Loss reserves as a percentage of guaranty book of business:					
Single-family[42]	0.18 %	0.26 %	0.15 %	0.30 %	0.30 %
Multifamily[43]	0.44 %	0.43 %	0.17 %	0.32 %	0.08 %
For the Year Ended December 31,	**2023**	**2022**	**2021**	**2020**	**2019**
Net income	**$ 17,408**	**$ 12,923**	**$ 22,176**	**$ 11,805**	**$ 14,160**
Return on assets[44]	0.40 %	0.30 %	0.54 %	0.32 %	0.41 %

Guaranty Book of Business Highlights

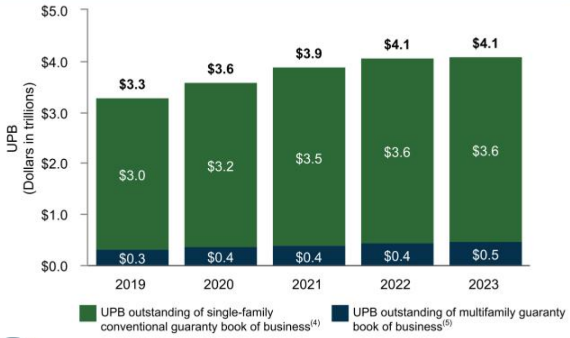
Market Liquidity Provided

Total liquidity provided in 2023 was $369B

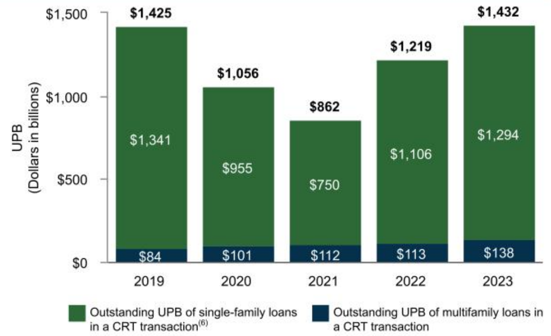
Unpaid Principal Balance	Units
$273B	805K Single-Family Home Purchases
$43B	179K Single-Family Refinancings
$53B	482K Multifamily Rental Units



Outstanding Guaranty Book of Business at Period End

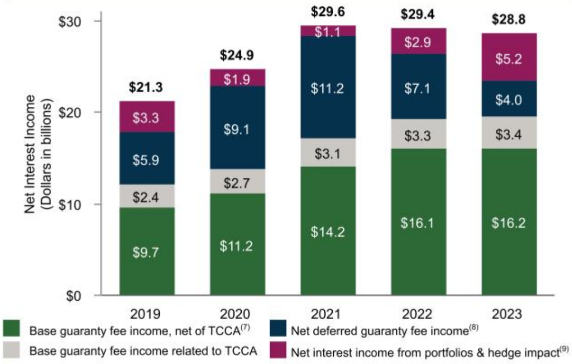


Guaranty Book of Business Covered by a CRT Transaction

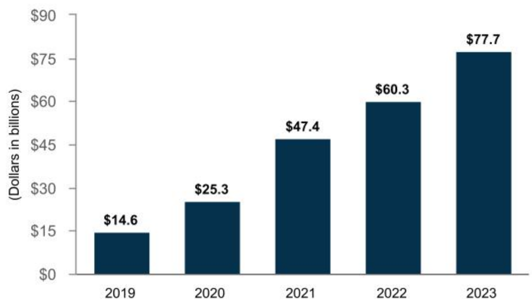


Interest Income and Liquidity Management

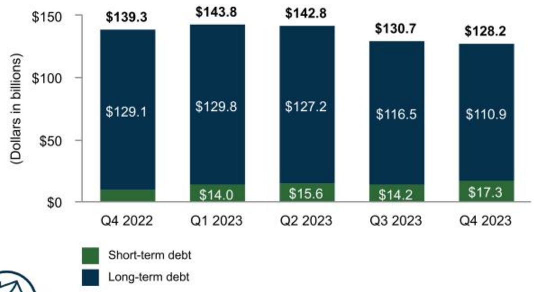
Components of Net Interest Income



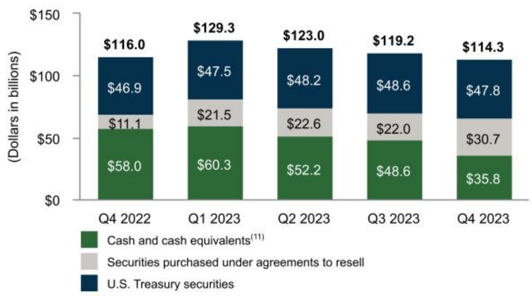
Net Worth of Fannie Mae



Aggregate Indebtedness of Fannie Mae[10]



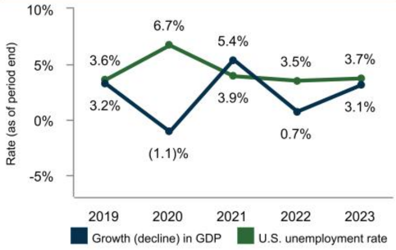
Corporate Liquidity Portfolio



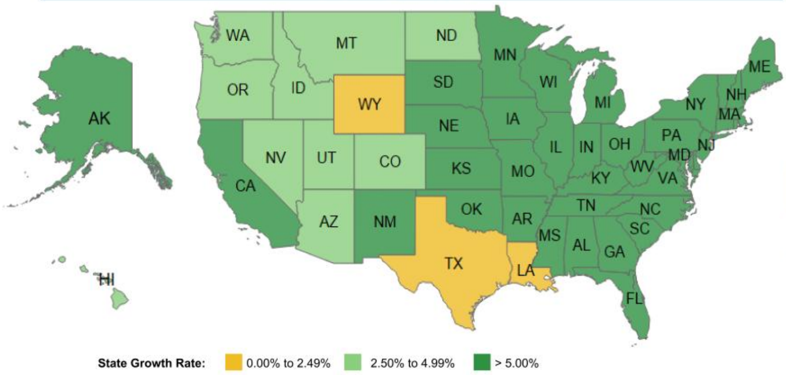
Key Market Economic Indicators

Benchmark Interest Rates

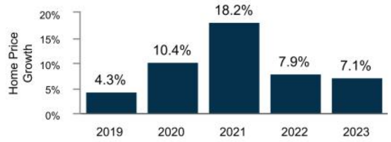
U.S. GDP Growth (Decline) Rate and Unemployment Rate[13]



One Year Home Price Growth Rate Q4 2023[14] United States 7.1%



Single-Family Home Price Growth Rate[14]



Top 10 States by UPB[14]

State	One Year Home Price Growth Rate Q4 2023	Share of Single-Family Conventional Guaranty Book
CA	6.0%	19%
TX	2.3%	7%
FL	6.1%	6%
NY	9.0%	5%
WA	4.2%	4%
CO	4.2%	3%
NJ	12.3%	3%
IL	9.5%	3%
VA	8.4%	3%
NC	7.4%	3%

Single-Family Business

Fannie Mae

Single-Family Highlights

2023

$24,229M
Net interest income

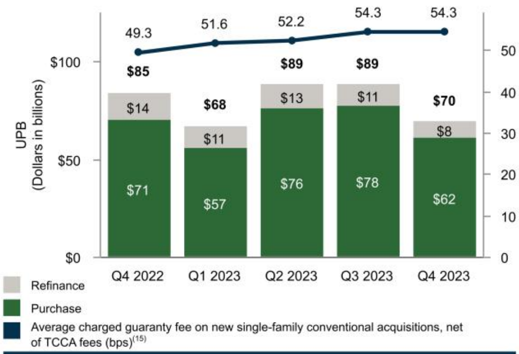
$(41)M
Investment losses, net

$1,231M
Fair value gains, net

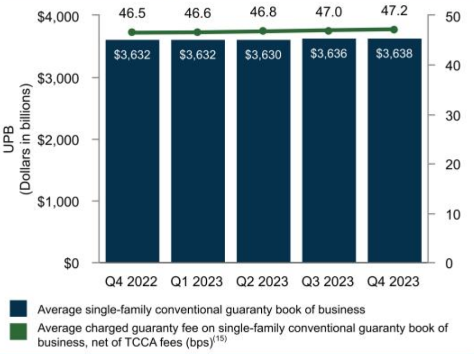
$2,165M
Benefit for credit losses

$14,855M
Net income

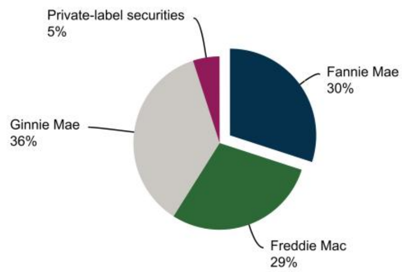
Single-Family Conventional Loan Acquisitions[4]



Single-Family Conventional Guaranty Book of Business[4]



2023 Single-Family Mortgage-Related Securities Share of Issuances



Highlights

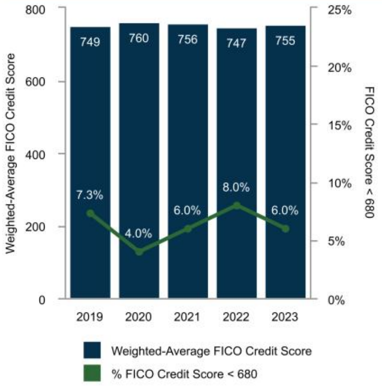
- Single-family conventional acquisition volume was $316.0 billion in 2023, compared with $614.8 billion in 2022.
- Purchase acquisition volume, of which more than 45% was for first-time homebuyers, decreased to $272.8 billion in 2023 from $378.0 billion in 2022.
- Refinance acquisition volume was $43.2 billion in 2023, a decrease from $236.9 billion in 2022.
- The average single-family conventional guaranty book of business increased by 1.4% to $3.6 trillion in 2023 compared with 2022, driven by an increase in the average loan size of the book.
- The single-family serious delinquency rate decreased to 0.55% as of December 31, 2023 from 0.65% as of December 31, 2022.

Credit Characteristics of Single-Family Conventional Loan Acquisitions

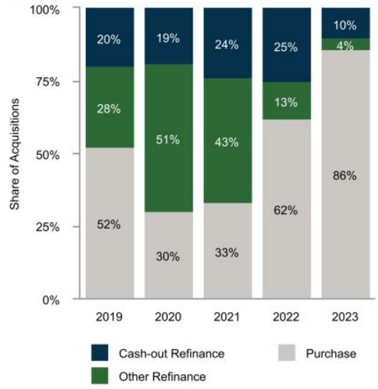
Categories are not mutually exclusive	Q4 2022	Full Year 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Full Year 2023	OLTV Ratio > 95%	Home-Ready®[18]	FICO Credit Score < 680[16]	DTI Ratio > 43%[17]
	Certain Credit Characteristics of Single-Family Conventional Loans by Acquisition Period							2023 Acquisition Credit Profile by Certain Loan Features			
Total UPB (Dollars in billions)	$85.3	$614.8	$67.5	$89.2	$89.2	$70.1	$316.0	$20.4	$13.8	$17.3	$112.6
Weighted-Average OLTV Ratio	78%	75%	79%	78%	78%	78%	78%	97%	86%	72%	80%
OLTV Ratio > 95%	6%	5%	6%	7%	7%	7%	6%	100%	29%	3%	7%
Weighted-Average FICO® Credit Score[16]	749	747	751	756	757	757	755	751	751	656	751
FICO Credit Score < 680[16]	7%	8%	6%	5%	5%	5%	6%	2%	5%	100%	6%
DTI Ratio > 43%[17]	37%	32%	38%	34%	35%	37%	36%	38%	56%	39%	100%
Fixed-rate	98%	99%	98%	99%	99%	99%	99%	100%	100%	100%	99%
Primary Residence	91%	91%	91%	92%	93%	92%	92%	100%	100%	95%	93%
HomeReady®[18]	4%	3%	4%	4%	5%	5%	4%	19%	100%	4%	7%

Origination Loan-to-Value Ratio

FICO Credit Score[16]



Acquisitions by Loan Purpose



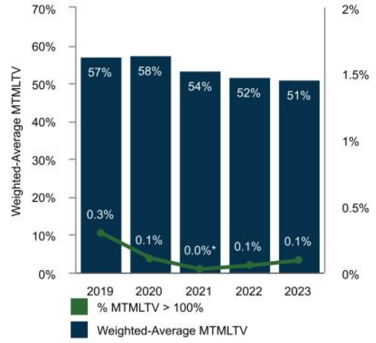
Credit Characteristics of Single-Family Conventional Guaranty Book of Business

Certain Credit Characteristics of Single-Family Conventional Guaranty Book of Business by Origination Year and Loan Features[4][19]

As of December 31, 2023

Categories are not mutually exclusive	Overall Book	Origination Year: 2008 & Earlier	2009-2019	2020	2021	2022	2023	Certain Loan Features: OLTV Ratio > 95%	HomeReady[8][18]	FICO Credit Score < 680[16]	Refi Plus Including HARP[23]	DTI Ratio > 43%[17]
Total UPB (Dollars in billions)	$3,636.7	$65.3	$848.7	$861.5	$1,087.1	$495.0	$279.1	$175.6	$113.1	$279.1	$108.7	$913.3
Average UPB	$207,883	$77,442	$133,765	$242,726	$261,005	$290,169	$315,112	$177,678	$179,814	$161,803	$99,039	$231,786
Share of SF Conventional Guaranty Book	100%	2%	23%	24%	30%	13%	8%	5%	3%	8%	3%	25%
Share of Loans with Credit Enhancement[20]	45%	9%	45%	31%	52%	63%	40%	85%	80%	42%	39%	51%
Serious Delinquency Rate[21]	0.55%	2.07%	0.67%	0.27%	0.38%	0.60%	0.10%	1.27%	1.03%	2.13%	0.67%	0.85%
Weighted-Average OLTV Ratio	73%	75%	75%	71%	70%	76%	78%	101%	87%	74%	85%	75%
OLTV Ratio > 95%	5%	9%	8%	3%	3%	5%	7%	100%	34%	6%	29%	6%
Weighted-Average Mark-to-Market LTV Ratio[22]	51%	29%	34%	47%	54%	68%	76%	67%	65%	49%	30%	55%
Weighted-Average FICO Credit Score[16]	753	696	747	762	755	747	755	737	743	652	726	742
FICO Credit Score < 680[16]	8%	38%	11%	4%	7%	9%	5%	10%	8%	100%	23%	10%

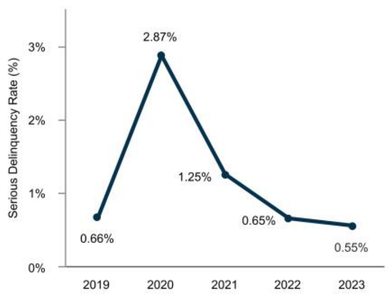
Mark-to-Market Loan-to-Value Ratio[22]



* Represents less than 0.05% of MTMLTV > 100%

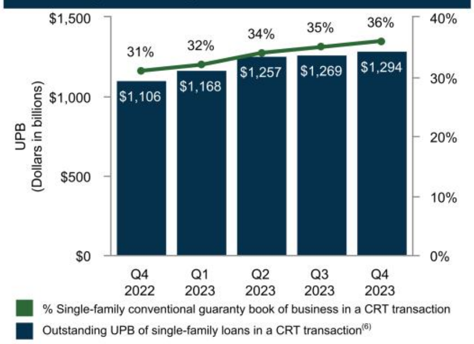
FICO Credit Score[16]

SDQ Rate[21]



Single-Family Credit Risk Transfer

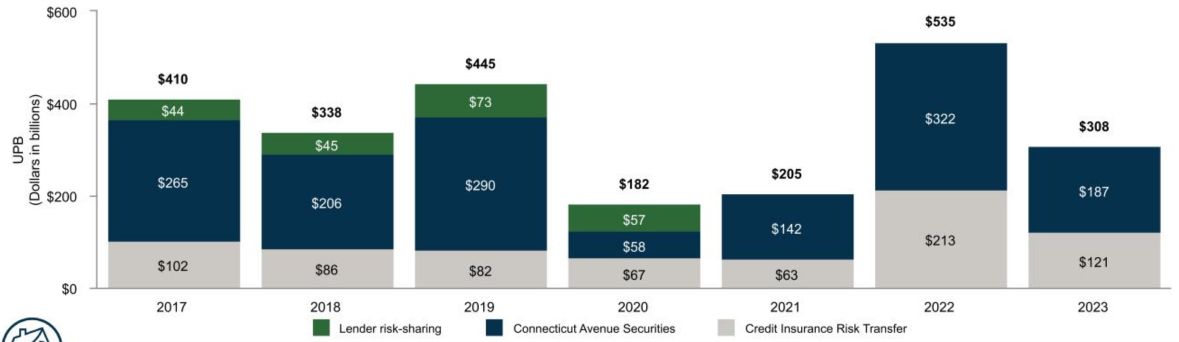
Single-Family Credit Risk Transfer



Single-Family Loans with Credit Enhancement

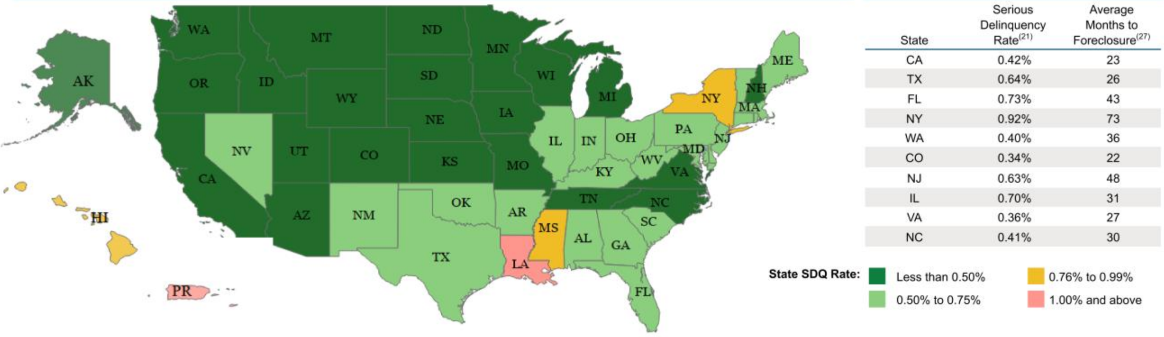
	2021		2022		**2023**	
Credit Enhancement Outstanding UPB (Dollars in billions)	Outstanding UPB	% of Book[26] Outstanding	Outstanding UPB	% of Book[26] Outstanding	Outstanding UPB	% of Book[26] Outstanding
Primary mortgage insurance and other[24]	$697	20%	$754	21%	**$763**	**21%**
Connecticut Avenue Securities[25]	512	14	726	20	**843**	**24**
Credit Insurance Risk Transfer[6]	168	5	323	9	**399**	**11**
Lender risk-sharing[25]	70	2	57	2	**52**	**1**
Less: loans covered by multiple credit enhancements	(253)	(7)	(351)	(10)	**(411)**	**(12)**
Total single-family loans with credit enhancement	$1,194	34%	$1,509	42%	**$1,646**	**45%**

Single-Family Credit Risk Transfer Issuance



Single-Family Problem Loan Statistics

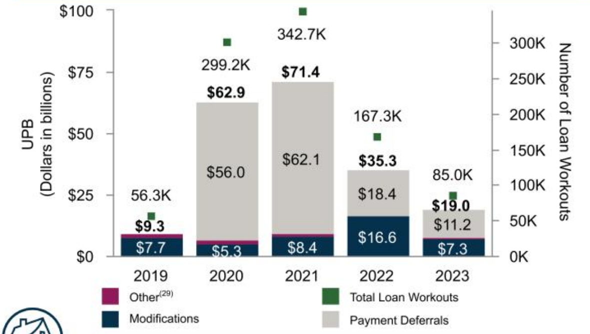
Single-Family Serious Delinquency Rate by State as of December 31, 2023[21]



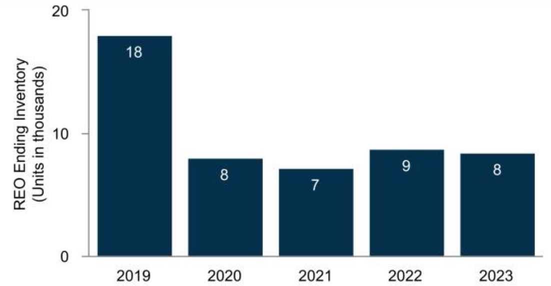
Top 10 States by UPB

State	Serious Delinquency Rate[21]	Average Months to Foreclosure[27]
CA	0.42%	23
TX	0.64%	26
FL	0.73%	43
NY	0.92%	73
WA	0.40%	36
CO	0.34%	22
NJ	0.63%	48
IL	0.70%	31
VA	0.36%	27
NC	0.41%	30

Single-Family Loan Workouts[28]

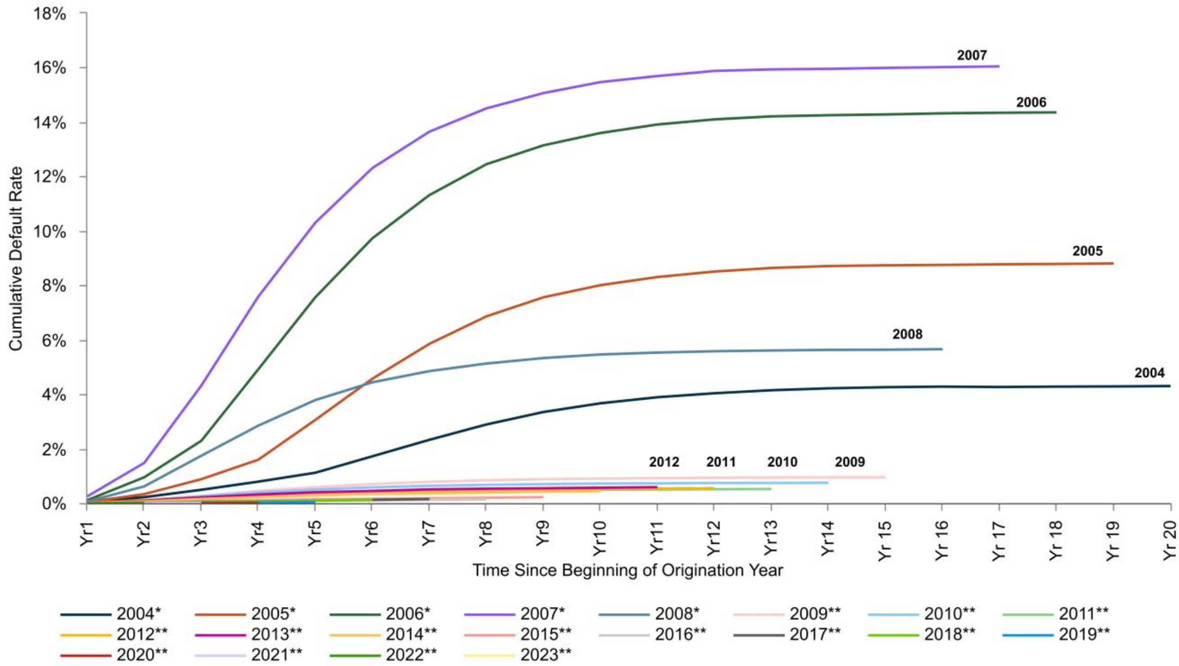


Single-Family REO Ending Inventory



Single-Family Cumulative Default Rates

Cumulative Default Rates of Single-Family Conventional Guaranty Book of Business by Origination Year[30]



* Loans originated prior to 2009 represent only 2% of the single-family conventional guaranty book of business as of December 31, 2023.

** As of December 31, 2023, cumulative default rates on the loans originated in each individual year from 2009-2023 were less than 1%.

Multifamily Business

Multifamily Highlights

2023

$4,544M
Net interest income

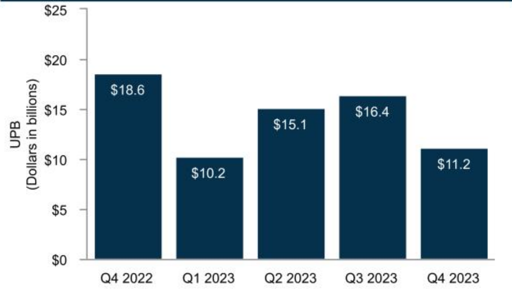
$70M
Fee and other income

$(495)M
Provision for credit losses

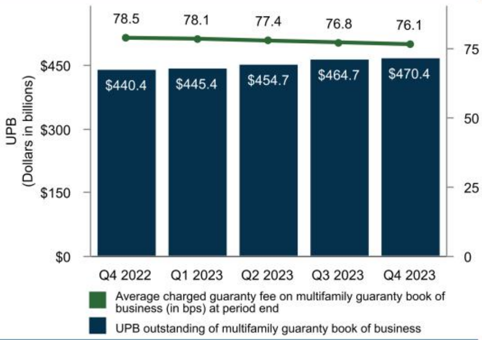
$117M
Change in expected credit enhancement recoveries

$2,553M
Net income

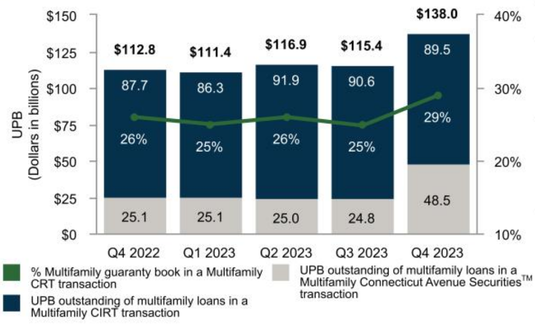
Multifamily New Business Volume



Multifamily Guaranty Book of Business[5]



Multifamily Credit Risk Transfer



Highlights

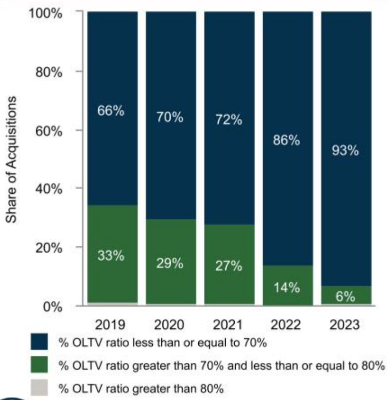
- New multifamily business volume was $52.9 billion in 2023, compared with $69.2 billion in 2022.
- The multifamily guaranty book of business grew by 7% in 2023 to $470.4 billion driven by the company's acquisitions combined with low prepayment volumes due to the high interest rate environment.
- The average charged guaranty fee on the multifamily guaranty book declined by 2.4 basis points to 76.1 basis points in 2023, primarily due to lower average charged fees on the company's 2023 acquisitions as compared with the existing loans in the multifamily guaranty book of business.
- The multifamily serious delinquency rate increased to 0.46% as of December 31, 2023, compared with 0.24% as of December 31, 2022, primarily driven by stress in the company's seniors housing loans.

Credit Characteristics of Multifamily Loan Acquisitions

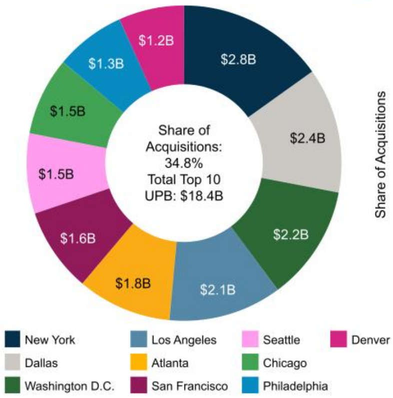
Certain Credit Characteristics of Multifamily Loans by Acquisition Period(5)

Categories are not mutually exclusive	2019	2020	2021	2022	**2023**
Total UPB (Dollars in billions)	$70.2	$76.0	$69.5	$69.2	**$52.9**
Weighted-Average OLTV Ratio	66%	64%	65%	59%	**59%**
Loan Count	4,113	5,051	4,203	3,572	**2,812**
% Lender Recourse(31)	100%	99%	100%	100%	**100%**
% DUS(32)	100%	99%	99%	99%	**99%**
% Full Interest-Only	33%	38%	40%	53%	**63%**
Weighted-Average OLTV Ratio on Full Interest-Only Acquisitions	59%	58%	59%	56%	**57%**
Weighted-Average OLTV Ratio on Non-Full Interest-Only Acquisitions	69%	68%	68%	63%	**63%**
% Partial Interest-Only(33)	56%	50%	50%	39%	**32%**

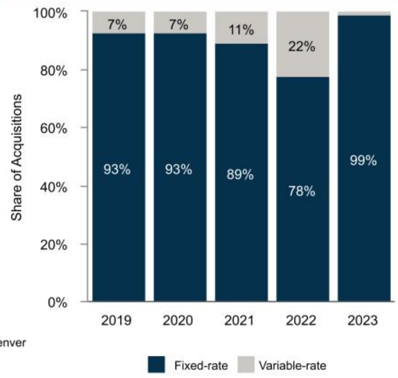
Origination Loan-to-Value Ratio(5)



Top 10 MSAs by 2023 Acquisition UPB(5)



Acquisitions by Note Type(5)

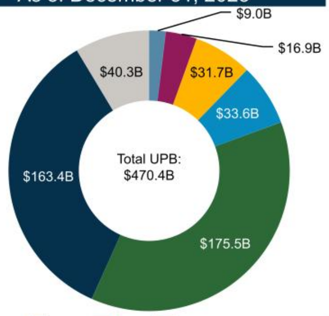


Credit Characteristics of Multifamily Guaranty Book of Business

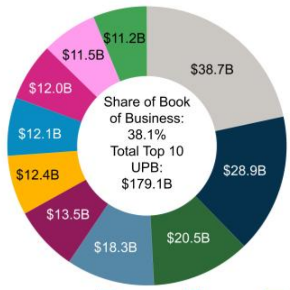
Certain Credit Characteristics of Multifamily Guaranty Book of Business by Acquisition Year, Asset Class, or Targeted Affordable Segment[5]

As of December 31, 2023		Acquisition Year						Asset Class or Targeted Affordable Segment				
Categories are not mutually exclusive	Overall Book	2008 & Earlier	2009-2019	2020	2021	2022	2023	Conventional /Co-op[38]	Seniors Housing[38]	Student Housing[38]	Manufactured Housing[38]	Affordable[39]
Total UPB (Dollars in billions)	$470.4	$5.2	$208.0	$70.0	$66.0	$68.1	$53.1	$419.1	$16.0	$13.9	$21.4	$56.7
% of Multifamily Guaranty Book	100%	1%	44%	15%	14%	15%	11%	89%	3%	3%	5%	12%
Loan Count	28,926	1,870	12,158	4,583	3,977	3,526	2,812	25,927	563	544	1,892	3,912
Average UPB (Dollars in millions)	$16.3	$2.8	$17.1	$15.3	$16.6	$19.3	$18.9	$16.2	$28.5	$25.6	$11.3	$14.5
Weighted-Average OLTV Ratio	63%	69%	65%	64%	64%	59%	59%	63%	65%	65%	61%	67%
Weighted-Average DSCR[34]	2.0	2.0	2.0	2.6	2.3	1.7	1.6	2.1	1.3	1.8	2.2	1.8
% with DSCR < 1.0[34]	4%	5%	6%	3%	3%	3%	—%	3%	40%	5%	1%	5%
% Fixed rate	91%	20%	92%	96%	92%	79%	99%	92%	62%	82%	93%	87%
% Full Interest-Only	42%	32%	34%	39%	41%	54%	63%	43%	15%	34%	39%	29%
% Partial Interest-Only[33]	46%	20%	51%	50%	49%	38%	31%	45%	65%	60%	48%	46%
% Small Balance Loans[35]	48%	92%	46%	52%	44%	38%	40%	48%	21%	35%	67%	55%
% DUS[32]	99%	93%	99%	99%	99%	99%	99%	99%	99%	100%	100%	98%
Serious Delinquency Rate[36]	0.46%	0.46%	0.83%	0.18%	0.14%	0.08%	0.24%	0.20%	6.78%	1.35%	0.14%	0.06%
% Criticized[37]	7%	12%	8%	4%	6%	15%	1%	6%	46%	10%	2%	10%

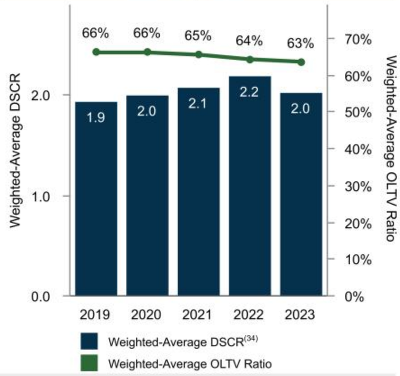
UPB by Maturity Year As of December 31, 2023[5]



Top 10 MSAs by UPB As of December 31, 2023[5]

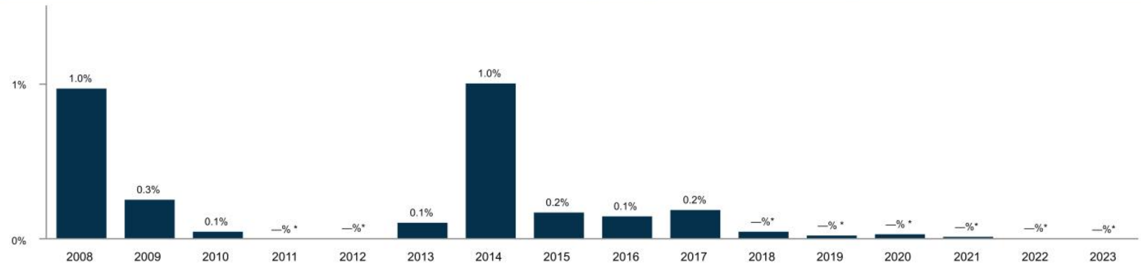


Certain Credit Characteristics of Guaranty Book[5]



Multifamily Credit Loss and Serious Delinquency Rates

Cumulative Total Credit Loss Rate, Net by Acquisition Year Through Q4 2023(40)



* Represents less than 0.05% of cumulative total credit loss rate, net by acquisition year

Serious Delinquency Rate(36)

Endnotes

Endnotes

(1) Consists of costs associated with freestanding credit enhancements, which primarily include the company's Connecticut Avenue Securities® and Credit Insurance Risk Transfer™ programs, enterprise-paid mortgage insurance, and certain lender risk-sharing programs.

(2) Other expenses, net are comprised of debt extinguishment gains and losses, expenses associated with legal claims, foreclosed property income (expense), gains and losses from partnership investments, housing trust fund expenses, loan subservicing costs, and servicer fees paid in connection with certain loss mitigation activities.

(3) Calculated based upon net worth divided by total assets outstanding at the end of the period.

(4) Single-family conventional loan population consists of: (a) single-family conventional mortgage loans of Fannie Mae and (b) single-family conventional mortgage loans underlying Fannie Mae MBS other than loans underlying Freddie Mac securities that Fannie Mae has resecuritized. It excludes non-Fannie Mae single-family mortgage-related securities held in the retained mortgage portfolio for which Fannie Mae does not provide a guaranty. Conventional refers to mortgage loans and mortgage-related securities that are not guaranteed or insured, in whole or in part, by the U.S. government or one of its agencies.

(5) The multifamily guaranty book of business consists of: (a) multifamily mortgage loans of Fannie Mae; (b) multifamily mortgage loans underlying Fannie Mae MBS; and (c) other credit enhancements that the company provided on multifamily mortgage assets. It excludes non-Fannie Mae multifamily mortgage-related securities held in the retained mortgage portfolio for which Fannie Mae does not provide a guaranty.

(6) Includes mortgage pool insurance transactions.

(7) Base guaranty fee income, net of TCCA, is interest income from the guaranty book of business excluding the impact of a 10 basis point guaranty fee increase implemented in 2012 pursuant to the Temporary Payroll Tax Cut Continuation Act of 2011 and as extended by the Infrastructure Investment and Jobs Act, the incremental revenue from which is paid to Treasury and not retained by the company.

(8) "Deferred guaranty fee income" refers to income primarily from the upfront fees that the company receives at the time of loan acquisition related to single-family loan-level price adjustments or other fees the company receives from lenders, which are amortized over the contractual life of the loan. Deferred guaranty fee income also includes the amortization of cost basis adjustments on mortgage loans and debt of consolidated trusts that are not associated with upfront fees. In the prior Forms 10-K, Forms 10-Q and Financial Supplements, the company referred to "deferred guaranty fee income" as "amortization income."

(9) Net interest income from portfolios consists of: interest income from assets held in the company's retained mortgage portfolio and corporate liquidity portfolio; interest income from other assets used to support lender liquidity; and interest expense on the company's outstanding corporate debt and Connecticut Avenue Securities® debt. For purposes of this Financial Supplement chart, income (expense) from hedge accounting is included in the "net interest income from portfolios & hedge impact" category; however, the company does not consider income (expense) from hedge accounting to be a component of net interest income from portfolios. The company had $989 million in hedge accounting expense in 2023.

(10) Reflects the company's aggregate indebtedness at the end of each period presented measured in unpaid principal balance and excludes effects of cost basis adjustments and debt of consolidated trusts.

(11) Cash equivalents are composed of overnight repurchase agreements and U.S. Treasuries, if any, that have a maturity at the date of acquisition of three months or less.

(12) Refers to the U.S. weekly average fixed-rate mortgage rate according to Freddie Mac's Primary Mortgage Market Survey®. These rates are reported using the latest available data for a given period.

(13) U.S. Gross Domestic Product ("GDP") annual growth (decline) rates are based on the annual "percentage change from fourth quarter to fourth quarter one year ago" calculated by the Bureau of Economic Analysis and are subject to revision.

(14) Home price estimates are based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of December 2023. Including subsequent data may lead to materially different results. Home price growth rate is not seasonally adjusted. UPB estimates are based on data available through the end of December 2023, and the top 10 states are reported by UPB in descending order. One-year home price growth rate is for the 12-month period ending December 31, 2023.

Endnotes

(15) Represents, on an annualized basis, the sum of the base guaranty fees charged during the period for the company's single-family conventional guaranty arrangements plus the recognition of any upfront cash payments relating to these guaranty arrangements based on an estimated average life at the time of acquisition. Excludes the impact of a 10 basis point guaranty fee increase implemented pursuant to the TCCA, the incremental revenue from which is paid to Treasury and not retained by the company.

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

(17) Excludes loans for which this information is not readily available. From time to time, the company revises its guidelines for determining a borrower's DTI ratio. The amount of income reported by a borrower and used to qualify for a mortgage may not represent the borrower's total income; therefore, the DTI ratios reported may be higher than borrowers' actual DTI ratios.

(18) Refers to HomeReady® mortgage loans, a low down payment mortgage product offered by the company that is designed for creditworthy low-income borrowers. HomeReady allows up to 97% loan-to-value ratio financing for home purchases. The company offers additional low down payment mortgage products that are not HomeReady loans; therefore, this category is not representative of all high LTV ratio single-family loans acquired or in the single-family conventional guaranty book of business for the periods shown. See the "OLTV Ratio > 95%" category for information on the single-family loans acquired or in the single-family conventional guaranty book of business with origination LTV ratios greater than 95%.

(19) Calculated based on the aggregate unpaid principal balance of single-family loans for each category divided by the aggregate unpaid principal balance of loans in the single-family conventional guaranty book of business. Loans with multiple product features are included in all applicable categories.

(20) Percentage of loans in the 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 Fannie Mae's compensation to some degree in the event of a financial loss relating to the loan.

(21) Single-family SDQ rate refers to single-family loans that are 90 days or more past due or in the foreclosure process, expressed as a percentage of the company's single-family conventional guaranty book of business, based on loan count. Single-family SDQ rate for loans in a particular category refers to SDQ loans in the applicable category, divided by the number of loans in the single-family conventional guaranty book of business in that category.

(22) The average estimated mark-to-market LTV ratio is based on the unpaid principal balance of the loan divided by the estimated current value of the property at period end, which the company calculates using an internal valuation model that estimates periodic changes in home value. Excludes loans for which this information is not readily available.

(23) "Refi Plus" refers to loans acquired under Fannie Mae's Refi Plus initiative, which offered refinancing flexibility to eligible Fannie Mae borrowers who were current on their loans and who applied prior to the initiative's December 31, 2018 sunset date. Refi Plus had no limits on maximum LTV ratio and provided mortgage insurance flexibilities for loans with LTV ratios greater than 80%.

(24) Refers to loans included in an agreement used to reduce credit risk by requiring primary mortgage insurance, collateral, letters of credit, corporate guarantees, or other agreements to provide an entity with some assurance that it will be compensated to some degree in the event of a financial loss. Excludes loans covered by credit risk transfer transactions unless such loans are also covered by primary mortgage insurance.

(25) Outstanding unpaid principal balance represents the underlying loan balance, which is different from the reference pool balance for CAS and some lender risk-sharing transactions.

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

(27) Measured from the borrowers' last paid installment on their mortgages to when the related properties were added to the company's REO inventory for foreclosures completed during the twelve months ended December 31, 2023. Home Equity Conversion Mortgages insured by the Department of Housing and Urban Development are excluded from this calculation.

Endnotes

(28) This chart does not include loans in an active forbearance arrangement, trial modifications, loans to certain borrowers who have received bankruptcy relief and repayment plans that have been initiated but not completed. There were approximately 16,300 loans in a trial modification period that was not complete as of December 31, 2023.

(29) Includes repayment plans and foreclosure alternatives. Repayment plans reflect only those plans associated with loans that were 60 days or more delinquent. Beginning with the year ended December 31, 2020, completed forbearance arrangements are excluded.

(30) 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 December 31, 2023 is not necessarily indicative of the ultimate performance of the loans and performance may change, perhaps materially, in future periods.

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

(32) Under the Delegated Underwriting and Servicing ("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 a pre-review by the company.

(33) Includes any loan that was underwritten with an interest-only term less than the term of the loan, regardless of whether it is currently in its interest-only period.

(34) Estimates of current DSCRs are based on the latest available income information covering a 12 month period, from quarterly and annual statements for these properties including the related debt service. When an annual statement is the latest statement available, it is used. When operating statement information is not available, the underwritten DSCR is used. Co-op loans are excluded from this metric.

(35) Small balance loans refers to multifamily loans with an original unpaid principal balance of up to $9 million nationwide. Fannie Mae changed its definition of small multifamily loans in Q3 2023 to increase the loan amounts from up to $6 million nationwide to up to $9 million nationwide. The updated definition has been applied to all loans in the current multifamily guaranty book of business, including loans that were acquired under previous small loan definitions. This metric is presented based on loan count rather than unpaid principal balance.

(36) Multifamily serious delinquency rate refers to multifamily loans that are 60 days or more past due, expressed as a percentage of the company's multifamily guaranty book of business, based on unpaid principal balance. Multifamily serious delinquency rate for loans in a particular category (such as acquisition year, asset class or targeted affordable segment), refers to seriously delinquent loans in the applicable category, divided by the unpaid principal balance of the loans in the multifamily guaranty book of business in that category.

(37) Criticized loans represent loans classified as "Special Mention," "Substandard" or "Doubtful." Loans classified as "Special Mention" refers to loans that are otherwise performing but have potential weaknesses that, if left uncorrected, may result in deterioration in the borrower's ability to repay in full. Loans classified as "Substandard" have a well-defined weakness that jeopardizes the timely full repayment. "Doubtful" refers to a loan with a weakness that makes collection or liquidation in full highly questionable and improbable based on existing conditions and values.

(38) See https://multifamily.fanniemae.com/financing-options for definitions. Loans with multiple product features are included in all applicable categories.

(39) Represents Multifamily Affordable Housing loans, which are defined as financing for properties that are under an agreement that provides long-term affordability, such as properties with rent subsidies or income restrictions.

(40) Cumulative net credit loss rate is the cumulative net credit losses (gains) through December 31, 2023 on the multifamily loans that were acquired in the applicable period, as a percentage of the total acquired unpaid principal balance of multifamily loans that were acquired in the applicable period. Net credit losses include expected benefit of freestanding loss-sharing arrangements, primarily multifamily DUS lender risk-sharing transactions. Credit loss rate for 2014 acquisitions was primarily driven by the write-off of a seniors housing portfolio in Q1 2023.

Endnotes

(41) Consists of the company's allowance for loan losses, allowance for accrued interest receivable and reserve for guaranty losses. The measurement of loss reserves was impacted by the adoption of the CECL standard on January 1, 2020. See "Note 1, Summary of Significant Accounting Policies" in the company's 2021 Form 10K for more information about its adoption of the CECL standard.

(42) Calculated based on single-family conventional guaranty book of business.

(43) Prior to the company's adoption of the CECL standard on January 1, 2020, benefits for freestanding credit enhancements were netted against multifamily loss reserves. As of January 1, 2020, these credit enhancements are recorded in "Other assets" in the company's consolidated balance sheet.

(44) Calculated based on net income for the reporting period divided by average total assets during the period, expressed as a percentage. Average balances for purposes of ratio calculations are based on balances at the beginning of the year and at the end of each quarter for each year shown.