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): November 8, 2011

Federal National Mortgage Association

(Exact name of registrant as specified in its charter)

Federally chartered corporation	**000-50231**	**52-0883107**
(State or other jurisdiction of incorporation)	*(Commission File Number)*	*(IRS Employer Identification Number)*

3900 Wisconsin Avenue, NW **Washington, DC**	**20016**
(Address of principal executive offices)	*(Zip Code)*

Registrant's telephone number, including area code: 202-752-7000

(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):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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 November 8, 2011, Fannie Mae filed its quarterly report on Form 10-Q for the quarter ended September 30, 2011 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.

Item 7.01 Regulation FD Disclosure

On November 8, 2011, Fannie Mae posted to its Web site a 2011 Third-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. Fannie Mae's Web site address is www.fanniemae.com. Information appearing on the company's Web site is not incorporated into this report.

Item 9.01 Financial Statements and Exhibits.

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

SIGNATURE

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/ Susan R. McFarland
Susan R. McFarland
Executive Vice President and Chief
Financial Officer

Date: November 8, 2011

EXHIBIT INDEX

The following exhibits are submitted herewith:

Exhibit Number	Description of Exhibit
99.1	News release, dated November 8, 2011
99.2	2011 Third-Quarter Credit Supplement presentation, dated November 8, 2011

FannieMae NEWS RELEASE

Resource Center: 1-800-732-6643

Contact: Katherine Constantinou
202-752-5403

Number: 5552a

Date: November 8, 2011

Fannie Mae Reports Third-Quarter 2011 Results

Company Focused on Providing Liquidity to the Mortgage Market,

Reducing Losses on its Legacy Book, and Growing a Strong New Book

WASHINGTON, DC — Fannie Mae (FNMA/OTC) today reported a net loss of $5.1 billion in the third quarter of 2011, compared to a net loss of $2.9 billion in the second quarter of the year. The company's third-quarter loss was driven primarily by two factors: $4.9 billion in credit-related expenses, the substantial majority of which were related to its legacy (pre-2009) book of business; and $4.5 billion in fair value losses driven primarily by losses on risk management derivatives due to a significant decline in swap interest rates during the quarter. These losses were partially offset by $5.5 billion in net revenues.

The decline in interest rates during the third quarter had a significant impact on the company's derivative losses. However, these losses were mostly offset by fair value gains in the period related to the company's hedged mortgage investments, only a portion of which are recorded at fair value in its financial statements.

"Our results in the third quarter were significantly affected by continued weakness in the housing market and the economy overall. Despite these challenges, we are making solid progress. We are growing a strong new book of business that now accounts for nearly half of our overall single-family guaranty book of business," said Michael J. Williams, president and chief executive officer. "We help homeowners to avoid foreclosure and provide liquidity to enable working families to buy a home or secure quality affordable rental housing. We are committed to building a stronger housing finance system for the future, and strengthening Fannie Mae to deliver value to customers, families, taxpayers, and the industry."

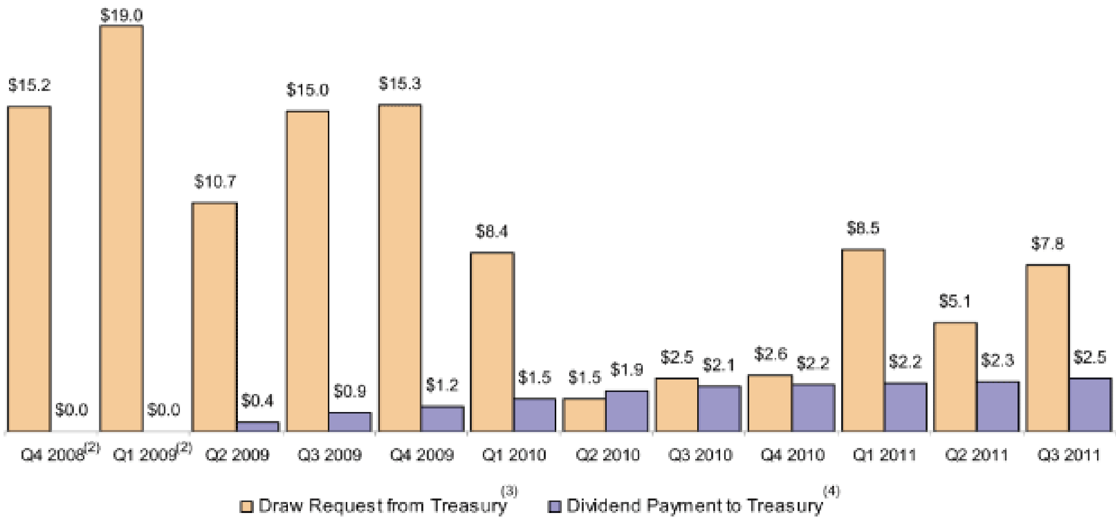
"Fannie Mae is working to reduce losses on our legacy book and limit taxpayer exposure," said Susan McFarland, executive vice president and chief financial officer. "Through efforts like the Servicing Alignment Initiative, we have created a consistent and transparent set of standards for servicing our loans. Our goal is to get to borrowers early in the delinquency process and to find a solution that fits their needs. We believe these standards are good for the borrower, good for the industry, and good for our company."

The company's net worth deficit of $7.8 billion as of September 30, 2011 reflects the recognition of its total comprehensive loss of $5.3 billion and its payment to Treasury of $2.5 billion in senior preferred stock dividends during the third quarter of 2011. The Acting Director of the Federal Housing Finance Agency ("FHFA") will submit a request to Treasury on Fannie Mae's behalf for $7.8 billion to eliminate the company's net worth deficit. Upon receipt of those funds, the company's total obligation to Treasury for its senior preferred stock, which will require an annualized dividend payment of $11.3 billion, will be $112.6 billion. The table below shows the amount of Fannie Mae's requested draws from Treasury and dividend payments to Treasury since entering into conservatorship on September 6, 2008.

Treasury Draw Requests and Dividend Payments

$ in Billions

	Cumulative Total
Treasury Draw Requests[(1)]	$111.6
Dividend Payments	$17.2
Cumulative percentage of dividends to Treasury Draw	15.4%



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(1) Treasury draw requests do not include the initial $1.0 billion liquidation preference of Fannie Mae's senior preferred stock, for which we did not receive any cash proceeds.

(2) Fannie Mae paid dividends of $31 million in the fourth quarter of 2008 and $25 million in the first quarter of 2009.

(3) Represents the draw required and requested based on Fannie Mae's net worth deficit for the quarters presented. Draw requests were funded in the quarter following each quarterly net worth deficit.

(4) Represents quarterly cash dividends paid during the quarters presented by Fannie Mae to Treasury, based on an annual rate of 10% per year on the aggregate liquidation preference of the senior preferred stock.

PROVIDING LIQUIDITY AND SUPPORT TO THE MARKET

Fannie Mae has continued to provide liquidity and support to the U.S. mortgage market in a number of important ways:

The company served as a stable source of liquidity for purchases of homes and multifamily rental housing, as well as for refinancing existing mortgages. Fannie Mae provided approximately $2.1 trillion in liquidity to the mortgage market from January 1, 2009 through September 30, 2011 through its purchases and guarantees of mortgage loans, including more than 7.6 million single-family mortgage loans, which enabled borrowers to purchase homes or refinance mortgages, and multifamily loans that financed nearly 967,000 units of multifamily housing.

- The company has been a consistent market presence as it continued to provide liquidity to the mortgage market even when other sources of capital exited the market, as evidenced by the events of the last few years. It is estimated that Fannie Mae, Freddie Mac, and Ginnie Mae collectively guaranteed more than 80 percent of single-family mortgages originated in the United States since January 1, 2009.
- The company has strengthened its underwriting and eligibility standards to support sustainable homeownership, enabling borrowers to have access to a variety of conforming mortgage products, including long-term, fixed-rate mortgages, such as the prepayable 30-year fixed-rate mortgage that protects homeowners from interest rate swings.
- The company helped more than 960,000 homeowners struggling to pay their mortgages work out their loans from January 1, 2009 through September 30, 2011, which helped to support neighborhoods, home prices, and the housing market. Workouts refer to home retention solutions, such as modifications, repayment plans, and forbearances, as well as foreclosure alternatives, such as preforeclosure sales and deeds-in-lieu of foreclosure.
- The company continued to support affordability in the multifamily rental market. More than 85 percent of the multifamily units it financed during 2009 and 2010 were affordable to families earning at or below the median income in their area.
- The company remained the largest single issuer of mortgage-related securities in the secondary market in the third quarter of 2011, with an estimated market share of new single-family mortgage-related securities issuances of 43.3 percent, compared to 43.2 percent in the second quarter of 2011 and 44.5 percent in the third quarter of 2010. Fannie Mae also remained a constant source of liquidity in the multifamily market. As of June 30, 2011 (the latest date for which information was available), the company owned or guaranteed approximately 20 percent of the outstanding debt on multifamily properties.

In the first nine months of 2011, Fannie Mae purchased or guaranteed approximately $445 billion in loans, measured by unpaid principal balance, which included approximately $51 billion in delinquent loans purchased from its single-family mortgage-backed securities (“MBS”) trusts. Excluding delinquent loans purchased from its MBS trusts, Fannie Mae’s purchases and guarantees during the first nine months of 2011 enabled its lender customers to finance approximately 1,826,000 single-family conventional loans and loans for approximately 289,000 units in multifamily properties.

CREDIT QUALITY

New Single-Family Book of Business: 49 percent of Fannie Mae's single-family guaranty book of business as of September 30, 2011 consisted of loans it had purchased or guaranteed since the beginning of 2009. The company's new single-family book of business has a strong overall credit profile and is performing well. While it is too early to know how loans in its new single-family book of business will ultimately perform, the company expects that these loans will be profitable over their lifetime, meaning the company's fee income on these loans will exceed the company's credit losses and administrative costs for them. If future macroeconomic conditions turn out to be more adverse than the company's expectations, these loans could become unprofitable.

Conventional single-family loans added to Fannie Mae's book of business since January 1, 2009 have a weighted average loan-to-value ratio at origination of 68 percent, and a weighted average credit score at origination of 761. For more information on the expected lifetime profitability of the company's new single-family book of business, please refer to the discussion around Table 2 in the company's quarterly report on Form 10-Q for the quarter ended September 30, 2011.

2005 — 2008 Single-Family Book of Business: The single-family credit losses the company realized from January 1, 2009 through September 30, 2011, combined with the amounts the company has reserved for single-family credit losses as of September 30, 2011, total approximately $135 billion. The substantial majority of these losses were attributable to single-family loans the company purchased or guaranteed from 2005 through 2008. The company expects that future defaults on loans in its legacy book and the resulting charge-offs will occur over a period of years.

The 2005 to 2008 acquisitions are becoming a smaller percentage of the company's single-family guaranty book of business, having decreased from 39 percent of its single-family guaranty book of business as of December 31, 2010 to 33 percent as of September 30, 2011.

Fannie Mae's single-family serious delinquency rate has decreased each quarter since the first quarter of 2010. This decrease is primarily the result of home retention solutions, as well as foreclosure alternatives and completed foreclosures. The decrease also is attributable to the company's acquisition of loans with a stronger credit profile since the beginning of 2009, as these loans have become an increasingly larger portion of the single-family guaranty book of business, resulting in a smaller percentage of the company's loans becoming seriously delinquent. The company expects serious delinquency rates will continue to be affected in the future by home price changes, changes in other macroeconomic conditions, the length of the foreclosure process, the volume of loan modifications, and the extent to which borrowers with modified loans continue to make timely payments. In addition, due to circumstances in the foreclosure environment, foreclosures are proceeding at a slow pace, which has resulted in loans remaining seriously delinquent in the company's book of business for a longer time. This has caused the company's serious delinquency rate to decrease more slowly in the last year than it would have if the pace of foreclosures had been faster.

STRATEGIES TO REDUCE CREDIT LOSSES ON THE LEGACY BOOK

To reduce the credit losses Fannie Mae ultimately incurs on its legacy 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. Successful modifications allow borrowers who were having problems making their pre-modification mortgage payments to remain in their homes. While loan modifications contribute to higher credit-related expenses in the near term, the company believes that successful modifications will ultimately reduce the company's credit losses over the long term from what they otherwise would have been if the company had foreclosed on the loans. Fannie Mae completed approximately 161,000 loan modifications in the first nine months of 2011, bringing the total number of loan modifications the company has completed since January 2009 to more than 660,000. The ultimate long-term success of the company's current modification efforts is uncertain and will be highly dependent on economic factors, such as unemployment rates, household wealth and income, and home prices.

As the company works to reduce credit losses, it also seeks to assist distressed borrowers, help stabilize communities, and support the housing market. In dealing with distressed borrowers, Fannie Mae first seeks home retention solutions that enable them to keep their homes before turning to foreclosure alternatives. When there is no viable home retention solution or foreclosure alternative that can be applied, the company seeks to move to foreclosure expeditiously. The goal of these efforts is to help minimize delinquencies that can adversely impact local home values and destabilize communities, as well as lower costs to Fannie Mae.

Improving servicing standards and execution is another key aspect of the company's strategy to reduce its credit losses. The performance of the company's mortgage servicers is critical to its success in reducing defaults, completing foreclosure alternatives, and managing workout and foreclosure timelines efficiently, because servicers are the primary point of contact with borrowers. Fannie Mae has taken a number of steps to improve the servicing of its delinquent loans.

- In June 2011, the company issued new standards for mortgage servicers under FHFA's Servicing Alignment Initiative. The Initiative is aimed at establishing consistency in the servicing of delinquent loans owned or guaranteed by Fannie Mae and Freddie Mac. Among other things, the new servicing standards, which became effective October 1, 2011, are designed to result in earlier, more frequent, and more effective contact with borrowers, and to improve servicer performance by providing servicers monetary incentives for exceeding loan workout benchmarks and by imposing fees on servicers for failing to meet loan workout benchmarks or foreclosure timelines.
- In some cases, Fannie Mae transfers servicing on loan populations that include loans with higher-risk characteristics to special servicers with whom the company has worked to develop high-touch protocols for servicing these loans. These protocols include lowering the ratio of loans per servicer employee, prescribing borrower outreach strategies to be used at earlier stages of delinquency, and providing distressed borrowers a single point of contact to resolve issues. Transferring servicing on higher-risk loans enables the borrowers (and loans) to benefit from these high-touch protocols while increasing the original servicer's capacity to service the remaining loans, creating an opportunity to improve service to the remaining borrowers.

- In September 2011, Fannie Mae issued its first ratings of servicers' performance under its Servicer Total Achievement and Rewards ("STAR") program. The STAR program is designed to encourage improvements in customer service and foreclosure prevention outcomes for homeowners by rating servicers on their performance in these areas.

While Fannie Mae believes these steps will improve the servicing on its loans, ultimately the company is dependent on servicers' willingness, efficiency, and ability to implement its home retention solutions and foreclosure alternatives, and to manage timelines for workouts and foreclosures. For more information on the company's strategies to reduce credit losses on its legacy book, please refer to the company's quarterly report on Form 10-Q for the quarter ended September 30, 2011.

The company believes that home retention solutions are most effective in preventing defaults when completed at an early stage of delinquency. Similarly, the company's foreclosure alternatives are more likely to be successful in reducing its loss severity if they are executed expeditiously. Accordingly, providing potential home retention solutions to delinquent borrowers early in the delinquency and, where no home retention solutions are available, reducing delays in proceeding to foreclosure is a fundamental component of the company's strategy to reduce its credit losses and help stabilize the housing market.

HOME RETENTION SOLUTIONS AND FORECLOSURE ALTERNATIVES

Loan Workouts: During the third quarter of 2011, Fannie Mae completed more than 87,000 single-family loan workouts, including more than 68,000 home-retention solutions (modifications, repayment plans, and forbearances). Details of the company's home-retention solutions and foreclosure alternatives include:

- **Loan modifications**, which consist of permanent modifications under the Treasury Department's Home Affordable Modification Program and Fannie Mae's own modification options, increased in the third quarter of 2011 to 60,025 from 50,336 in the second quarter of 2011. These figures do not include modifications in trial periods.
- **Repayment plans/forbearances** of 8,202 in the third quarter of 2011, compared with 8,683 in the second quarter of 2011.
- **Preforeclosure sales** and **deeds-in-lieu of foreclosure** of 19,306 in the third quarter of 2011, compared with 21,176 in the second quarter of 2011.

Homeowner Initiatives: In the third quarter of 2011, Fannie Mae continued to develop programs and invest in initiatives designed to help keep people in homes, assist prospective homeowners, and support the mortgage and housing markets overall. As of September 30, 2011, Fannie Mae had established eleven Mortgage Help Centers across the nation to accelerate the response time for struggling borrowers with loans owned by Fannie Mae. In the first nine months of 2011, these centers helped borrowers obtain nearly 4,100 home retention plans. The company also uses direct mail and phone calls to encourage homeowners to pursue home retention solutions and foreclosure alternatives, and has established partnerships with counseling agencies in ten states across the country to provide similar services.

Refining Initiatives: Through the company's Refi Plus™ initiative, which provides expanded refinance opportunities for eligible Fannie Mae borrowers, and includes Home Affordable Refinance Program ("HARP") loans, the company acquired or guaranteed approximately 536,000 loans in the first nine months of 2011 that helped borrowers obtain more affordable monthly payments or a more stable mortgage product. Loans refinanced through the Refi Plus initiative in the first nine months of 2011 reduced borrowers' monthly mortgage payments by an average of $171. The company may incur additional credit-related expenses as a result of recently announced changes to HARP. However, these refinancing activities may help prevent future delinquencies and defaults because loans refinanced under the program reduce the borrowers' monthly payments or otherwise should provide more sustainability than the borrowers' old loans (for example, by having a fixed rate instead of an adjustable rate). At this time, Fannie Mae does not know how many of these refinances it will acquire. For more information on the recently announced HARP changes, please refer to the company's quarterly report on Form 10-Q for the quarter ended September 30, 2011.

FORECLOSURES AND REO

Fannie Mae acquired 45,194 single-family real-estate owned ("REO") properties, primarily through foreclosure, in the third quarter of 2011, compared with 53,697 in the second quarter of 2011. Fannie Mae disposed of 58,297 single-family REO in the third quarter of 2011, compared with 71,202 in the second quarter of 2011. As of September 30, 2011, the company's inventory of single-family REO properties was 122,616, compared with 135,719 as of June 30, 2011. The carrying value of the company's single-family REO was $11.0 billion as of September 30, 2011, compared with $12.5 billion as of June 30, 2011.

The company's single-family foreclosure rate was 1.15 percent on an annualized basis in the first nine months of 2011, compared with 1.20 percent in the first six months of 2011 and 1.61 percent in the first nine months of 2010. This reflects the annualized number of single-family properties acquired through foreclosure as a percentage of the total number of loans in Fannie Mae's conventional single-family guaranty book of business.

The changing foreclosure environment has significantly lengthened the time it takes to foreclose on a mortgage loan in many states, which has slowed the pace of Fannie Mae's REO property acquisitions. The increase in foreclosure timelines also has increased Fannie Mae's credit-related expenses and negatively affected its single-family serious delinquency rates. Moreover, Fannie Mae believes these changes in the foreclosure environment will delay the recovery of the housing market because it will take longer to clear the housing market's supply of distressed homes, which typically sell at a discount to non-distressed homes and therefore negatively affect overall home prices.

SUMMARY OF THIRD-QUARTER 2011 RESULTS

Fannie Mae reported a net loss of $5.1 billion for the third quarter of 2011, compared to a net loss of $2.9 billion in the second quarter of 2011. The net worth deficit of $7.8 billion as of September 30, 2011 takes into account dividends paid on senior preferred stock held by Treasury.

(Dollars in millions, except per share amounts)(1)	3Q11	2Q11	Variance	3Q11	3Q10	Variance
Net interest income	$ 5,186	$ 4,972	$ 214	$ 5,186	$ 4,776	$ 410
Fee and other income	291	265	26	291	304	(13)
Net revenues	5,477	5,237	240	5,477	5,080	397
Investment gains, net	73	171	(98)	73	82	(9)
Net other-than-temporary impairments	(262)	(56)	(206)	(262)	(326)	64
Fair value (losses) gains, net	(4,525)	(1,634)	(2,891)	(4,525)	525	(5,050)
Administrative expenses	(591)	(569)	(22)	(591)	(730)	139
Credit-related expenses(2)	(4,884)	(6,059)	1,175	(4,884)	(5,561)	677
Other non-interest expenses(3)	(373)	(75)	(298)	(373)	(410)	37
Net losses and expenses	(10,562)	(8,222)	(2,340)	(10,562)	(6,420)	(4,142)
Loss before federal income taxes	(5,085)	(2,985)	(2,100)	(5,085)	(1,340)	(3,745)
Benefit for federal income taxes	—	93	(93)	—	9	(9)
Net loss	(5,085)	(2,892)	(2,193)	(5,085)	(1,331)	(3,754)
Less: Net income attributable to the noncontrolling interest	—	(1)	1	—	(8)	8
Net loss attributable to Fannie Mae	$ (5,085)	$ (2,893)	$ (2,192)	$ (5,085)	$ (1,339)	$ (3,746)
Total comprehensive loss attributable to Fannie Mae	$ (5,282)	$ (2,891)	$ (2,391)	$ (5,282)	$ (437)	$ (4,845)
Preferred stock dividends	$ (2,494)	$ (2,282)	$ (212)	$ (2,494)	$ (2,116)	$ (378)

(1) Certain prior period amounts have been reclassified to conform to the current period presentation.

(2) Consists of provision for loan losses, provision for guaranty losses and foreclosed property expense (income).

(3) Consists of debt extinguishment losses, net and other expenses.

Net revenues were $5.5 billion in the third quarter of 2011, up 5 percent from $5.2 billion in the second quarter of 2011, due primarily to an increase in net interest income. Net interest income was $5.2 billion, up 4 percent from $5.0 billion in the second quarter of 2011.

Credit-related expenses, which are the total provision for credit losses plus foreclosed property expense, were $4.9 billion in the third quarter of 2011, down from $6.1 billion in the second quarter of 2011. The decrease in the company's credit-related expenses in the third quarter of 2011 was driven by a lower provision on individually impaired loans as the continued lower interest rate environment improved the company's expected cash flow projections on these loans, therefore reducing the company's estimated impairment.

Credit losses, which the company defines generally as net charge-offs plus foreclosed property expense, excluding the effect of certain fair-value losses, were $4.5 billion in the third quarter of 2011, compared with $3.9 billion in the second quarter of 2011. The increase in credit losses was primarily due to an increase in foreclosed property expense.

Total loss reserves, which reflect an estimate of the probable losses the company has incurred in its guaranty book of business, increased to $75.6 billion as of September 30, 2011, compared with $74.8 billion as of June 30, 2011. The total loss reserve coverage to total nonperforming loans was 37.07 percent as of September 30, 2011, compared with 36.91 percent as of June 30, 2011, and 30.85 percent as of December 31, 2010. The continued stress on a broad segment of borrowers from persistent high levels of unemployment and underemployment, and the prolonged decline in home prices have caused the company's total loss reserves to remain high for the past few years.

Net fair value losses were $4.5 billion in the third quarter of 2011, driven primarily by fair value losses on Fannie Mae's risk management derivatives due to a significant decline in swap interest rates during the quarter, compared with net fair value losses of $1.6 billion in the second quarter of 2011.

NET WORTH AND U.S. TREASURY FUNDING

The Acting Director of FHFA will request $7.8 billion of funds from Treasury on the company's behalf under the terms of the senior preferred stock purchase agreement between Fannie Mae and Treasury to eliminate the company's net worth deficit as of September 30, 2011. Fannie Mae's third-quarter dividend of $2.5 billion on its senior preferred stock held by Treasury was declared by FHFA and paid by the company on September 30, 2011.

In September 2011, Treasury provided to the company $5.1 billion to cure its net worth deficit as of June 30, 2011. As a result of this draw, the aggregate liquidation preference of the senior preferred stock increased from $99.7 billion to $104.8 billion as of September 30, 2011. It will increase to $112.6 billion upon the receipt of funds from Treasury to eliminate the company's third-quarter 2011 net worth deficit, which will require an annualized dividend payment of $11.3 billion. This amount exceeds the company's reported annual net income for any year since its inception.

Through September 30, 2011, Fannie Mae has paid an aggregate of $17.2 billion to Treasury in dividends on the senior preferred stock.

BUSINESS SEGMENT RESULTS

Fannie Mae conducts its activities through three complementary businesses: its Single-Family business, its Multifamily business, and its Capital Markets group. The company's Single-Family and Multifamily businesses work with Fannie Mae's lender customers, who deliver mortgage loans that the company purchases and securitizes into Fannie Mae MBS. The Capital Markets group manages the company's investment activity in mortgage-related assets, funding investments primarily with proceeds received from the issuance of Fannie Mae debt securities in the domestic and international capital markets. The Capital Markets group also provides liquidity to the mortgage market through short-term financing and other activities.

Single-Family guaranty book of business was $2.84 trillion as of September 30, 2011 compared with $2.88 trillion as of June 30, 2011. Single-Family guaranty fee income for both the second and third quarter of 2011 was $1.9 billion. The Single-Family business lost $3.7 billion in the third quarter of 2011, compared with $5.0 billion in the second quarter of 2011, due primarily to credit-related expenses of $4.8 billion, the substantial majority of which were attributable to loans purchased or guaranteed prior to 2009.

Multifamily guaranty book of business was $193.3 billion as of September 30, 2011, compared with $191.5 billion as of June 30, 2011. Multifamily recorded credit-related expenses of $102 million in the third quarter of 2011, compared with credit-related expenses of $126 million in the second quarter of 2011. Multifamily earned $72 million in the third quarter of 2011, compared with $87 million in the second quarter of 2011.

Capital Markets' net interest income for both the second and third quarter of 2011 was $3.9 billion. Fair value losses were $4.7 billion, compared with fair value losses of $1.5 billion in the second quarter of 2011. The Capital Markets mortgage investment portfolio balance decreased to $722.2 billion as of September 30, 2011, compared with $731.8 billion as of June 30, 2011, resulting from purchases of $42.1 billion, liquidations of $33.8 billion, and sales of $17.9 billion during the quarter. The Capital Markets group lost $711 million in the third quarter of 2011, compared with $2.8 billion earned in the second quarter of 2011. Capital Markets' third-quarter loss was driven by losses on the company's risk management derivatives.

The company provides further discussion of its financial results and condition, credit performance, fair value balance sheets, and other matters in its quarterly report on Form 10-Q for the quarter ended September 30, 2011, which was filed today with the Securities and Exchange Commission. Further information about the company's credit performance, the characteristics of its guaranty book of business, the drivers of its credit losses, its foreclosure-prevention efforts, and other measures is contained in the "2011 Third-Quarter Credit Supplement" on Fannie Mae's Web site, www.fanniemae.com.

# # #

In this release, the company has presented a number of estimates, forecasts, expectations, and other forward-looking statements regarding the company's future financial results; the profitability of its loans; the impact of successful loan modifications; FHFA's future requests to Treasury on Fannie Mae's behalf; Fannie Mae's future serious delinquency rates, credit losses, credit-related expenses, defaults, and charge-offs; its draws from and dividends to be paid to Treasury; the performance and caliber of loans it has acquired and will acquire; the impact of the changing foreclosure environment; the impact of the company's actions on its delinquencies, defaults, loss severities, costs and credit losses; the impact of the company's actions on customers, families, taxpayers, communities, home values, the housing market, the housing industry and the housing finance system; the impact of the company's actions to improve the servicing on its loans; and the impact of HARP refinances and other refinancing activities on the company's future financial results, delinquencies and defaults. These estimates, forecasts, expectations, and statements are forward-looking statements and are based on the company's current assumptions regarding numerous factors, including assumptions about future home prices and the future performance of its loans. The company's future estimates of these amounts, as well as the actual amounts, may differ materially from its current estimates as a result of home price changes, interest rate changes, unemployment, other macroeconomic variables, government policy matters, changes in generally accepted accounting principles, credit availability, social behaviors, the volume of loans it modifies, the effectiveness of its loss mitigation strategies, management of its real estate owned inventory and pursuit of contractual remedies, changes in the fair value of its assets and liabilities, impairments of its assets, the adequacy of its loss reserves, its ability to maintain a positive net worth, effects from activities the company takes to support the mortgage market and help homeowners, the conservatorship and its effect on the company's business, the investment by Treasury and its effect on the company's business, 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 performance of the company's servicers, conditions in the foreclosure environment, and many other factors. Changes in the company's underlying assumptions and actual outcomes, which could be affected by the economic environment, government policy, and many other factors, including those discussed in the "Risk Factors" sections of the company's annual report on Form 10-K for the year ended December 31, 2010 and quarterly report on Form 10-Q for the quarter ended September 30, 2011 and elsewhere in this release, could result in actual results being materially different from what is set forth in the forward-looking statements.

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

Fannie Mae exists to expand affordable housing and bring global capital to local communities in order to serve the U.S. housing market. Fannie Mae has a federal charter and operates in America's secondary mortgage market to enhance the liquidity of the mortgage market by purchasing or guaranteeing mortgage loans originated by mortgage bankers and other lenders so that they may lend to home buyers. Our job is to help those who house America.

ANNEX I
FANNIE MAE
(In conservatorship)

Condensed Consolidated Balance Sheets— (Unaudited)

(Dollars in millions, except share amounts)

	As of	
	September 30, 2011	December 31, 2010
ASSETS		
Cash and cash equivalents (includes $3 and $348, respectively, related to consolidated trusts)	$ 24,307	$ 17,297
Restricted cash (includes $51,774 and $59,619, respectively, related to consolidated trusts)	55,961	63,678
Federal funds sold and securities purchased under agreements to resell or similar arrangements	35,950	11,751
Investments in securities:		
Trading, at fair value (includes $20 and $21, respectively, related to consolidated trusts)	68,149	56,856
Available-for-sale, at fair value (includes $1,429 and $1,055, respectively, related to consolidated trusts)	82,710	94,392
Total investments in securities	150,859	151,248
Mortgage loans:		
Loans held for sale, at lower of cost or fair value (includes $53 and $661, respectively, related to consolidated trusts)	309	915
Loans held for investment, at amortized cost:		
Of Fannie Mae	385,247	407,228
Of consolidated trusts (includes $3,361 and $2,962, respectively, at fair value and loans pledged as collateral that may be sold or repledged of $6,993 and $2,522, respectively)	2,583,699	2,577,133
Total loans held for investment	2,968,946	2,984,361
Allowance for loan losses	(71,435)	(61,556)
Total loans held for investment, net of allowance	2,897,511	2,922,805
Total mortgage loans	2,897,820	2,923,720
Accrued interest receivable, net (includes $8,451 and $8,910, respectively, related to consolidated trusts)	10,862	11,279
Acquired property, net	12,195	16,173
Other assets	25,923	26,826
Total assets	$ 3,213,877	$ 3,221,972
LIABILITIES AND DEFICIT		
Liabilities:		
Accrued interest payable (includes $9,449 and $9,712, respectively, related to consolidated trusts)	$ 12,928	$ 13,764
Federal funds purchased and securities sold under agreements to repurchase	—	52
Debt:		
Of Fannie Mae (includes $845 and $893, respectively, at fair value)	744,803	780,044
Of consolidated trusts (includes $3,840 and $2,271, respectively, at fair value)	2,446,973	2,416,956
Other liabilities (includes $674 and $893, respectively, related to consolidated trusts)	16,964	13,673
Total liabilities	3,221,668	3,224,489
Commitments and contingencies (Note 14)	—	—
Fannie Mae stockholders' equity (deficit):		
Senior preferred stock, 1,000,000 shares issued and outstanding	104,787	88,600
Preferred stock, 700,000,000 shares are authorized—555,374,922 and 576,868,139 shares issued and outstanding, respectively	19,130	20,204
Common stock, no par value, no maximum authorization—1,308,762,703 and 1,270,092,708 shares issued, respectively; 1,157,757,042 and 1,118,504,194 shares outstanding, respectively	687	667
Accumulated deficit	(123,359)	(102,986)
Accumulated other comprehensive loss	(1,696)	(1,682)
Treasury stock, at cost, 151,005,661 and 151,588,514 shares, respectively	(7,402)	(7,402)
Total Fannie Mae stockholders' deficit	(7,853)	(2,599)
Noncontrolling interest	62	82
Total deficit	(7,791)	(2,517)
Total liabilities and deficit	$ 3,213,877	$ 3,221,972

See Notes to Condensed Consolidated Financial Statements

FANNIE MAE
(In conservatorship)

Condensed Consolidated Statements of Operations and Comprehensive Loss— (Unaudited)

(Dollars and shares in millions, except per share amounts)

	For the Three Months Ended September 30, 2011	For the Three Months Ended September 30, 2010	For the Nine Months Ended September 30, 2011	For the Nine Months Ended September 30, 2010
Interest income:				
Trading securities	$ 274	$ 310	$ 822	$ 955
Available-for-sale securities	1,160	1,313	3,525	4,175
Mortgage loans (includes $30,633 and $32,807, respectively, for the three months ended and $94,111 and $100,810, respectively, for the nine months ended related to consolidated trusts)	34,334	36,666	105,257	111,917
Other	26	31	79	111
Total interest income	35,794	38,320	109,683	117,158
Interest expense:				
Short-term debt (includes $3 and $4, respectively, for the three months ended and $8 and $9, respectively, for the nine months ended related to consolidated trusts)	66	194	254	479
Long-term debt (includes $27,157 and $28,878, respectively, for the three months ended and $82,928 and $90,379, respectively, for the nine months ended related to consolidated trusts)	30,542	33,350	94,311	104,907
Total interest expense	30,608	33,544	94,565	105,386
Net interest income	5,186	4,776	15,118	11,772
Provision for loan losses	(4,159)	(4,696)	(20,548)	(20,930)
Net interest income (loss) after provision for loan losses	1,027	80	(5,430)	(9,158)
Investment gains, net	73	82	319	271
Other-than-temporary impairments	(232)	(366)	(317)	(600)
Noncredit portion of other-than-temporary impairments recognized in other comprehensive income	(30)	40	(45)	(99)
Net other-than-temporary impairments	(262)	(326)	(362)	(699)
Fair value (losses) gains, net	(4,525)	525	(5,870)	(877)
Debt extinguishment losses, net	(119)	(214)	(149)	(497)
Fee and other income	291	304	793	831
Non-interest (loss) income	(4,542)	371	(5,269)	(971)
Administrative expenses:				
Salaries and employee benefits	323	325	953	973
Professional services	173	305	531	759
Occupancy expenses	46	43	131	124
Other administrative expenses	49	57	150	149
Total administrative expenses	591	730	1,765	2,005
(Benefit) provision for guaranty losses	(8)	78	694	111
Foreclosed property expense	733	787	743	1,255
Other expenses	254	196	638	650
Total expenses	1,570	1,791	3,840	4,021
Loss before federal income taxes	(5,085)	(1,340)	(14,539)	(14,150)
Benefit for federal income taxes	—	9	91	67
Net loss	(5,085)	(1,331)	(14,448)	(14,083)
Other comprehensive (loss) income:				
Changes in unrealized losses on available-for-sale securities, net of reclassification adjustments and taxes	(198)	901	(20)	3,938
Other	1	1	6	6
Total other comprehensive (loss) income	(197)	902	(14)	3,944
Total comprehensive loss	(5,282)	(429)	(14,462)	(10,139)
Less: Comprehensive income attributable to the noncontrolling interest	—	(8)	(1)	(4)
Total comprehensive loss attributable to Fannie Mae	$ (5,282)	$ (437)	$ (14,463)	$ (10,143)
Net loss	$ (5,085)	$ (1,331)	$ (14,448)	$ (14,083)
Less: Net income attributable to the noncontrolling interest	—	(8)	(1)	(4)
Net loss attributable to Fannie Mae	(5,085)	(1,339)	(14,449)	(14,087)
Preferred stock dividends	(2,494)	(2,116)	(6,992)	(5,550)
Net loss attributable to common stockholders	$ (7,579)	$ (3,455)	$ (21,441)	$ (19,637)
Loss per share—Basic and Diluted	$ (1.32)	$ (0.61)	$ (3.74)	$ (3.45)
Weighted-average common shares outstanding—Basic and Diluted	5,760	5,695	5,730	5,694

See Notes to Condensed Consolidated Financial Statements

FANNIE MAE
(In conservatorship)

Condensed Consolidated Statements of Cash Flows— (Unaudited)
(Dollars in millions)

	For the Nine Months Ended September 30, 2011	2010
Net cash used in operating activities	$ (6,714)	$ (42,447)
Cash flows provided by investing activities:		
Purchases of trading securities held for investment	(2,483)	(7,984)
Proceeds from maturities and paydowns of trading securities held for investment	1,672	1,997
Proceeds from sales of trading securities held for investment	837	21,488
Purchases of available-for-sale securities	(44)	(262)
Proceeds from maturities and paydowns of available-for-sale securities	9,995	12,927
Proceeds from sales of available-for-sale securities	2,590	7,096
Purchases of loans held for investment	(44,276)	(52,048)
Proceeds from repayments of loans held for investment of Fannie Mae	18,467	14,749
Proceeds from repayments of loans held for investment of consolidated trusts	364,500	378,662
Net change in restricted cash	7,717	(11,111)
Advances to lenders	(43,363)	(44,951)
Proceeds from disposition of acquired property and preforeclosure sales	36,280	28,079
Net change in federal funds sold and securities purchased under agreements to resell or similar agreements	(24,199)	33,219
Other, net	137	(476)
Net cash provided by investing activities	327,830	381,385
Cash flows used in financing activities:		
Proceeds from issuance of debt of Fannie Mae	572,828	890,570
Payments to redeem debt of Fannie Mae	(609,399)	(848,438)
Proceeds from issuance of debt of consolidated trusts	157,280	191,665
Payments to redeem debt of consolidated trusts	(444,160)	(587,963)
Payments of cash dividends on senior preferred stock to Treasury	(6,992)	(5,554)
Proceeds from senior preferred stock purchase agreement with Treasury	16,187	25,200
Net change in federal funds purchased and securities sold under agreements to repurchase	—	185
Other, net	150	(33)
Net cash used in financing activities	(314,106)	(334,368)
Net increase in cash and cash equivalents	7,010	4,570
Cash and cash equivalents at beginning of period	17,297	6,812
Cash and cash equivalents at end of period	$ 24,307	$ 11,382
Cash paid during the period for interest	$ 97,592	$ 107,537

See Notes to Condensed Consolidated Financial Statements

Exhibit 99.2

Fannie Mae
2011 Third-Quarter Credit Supplement

FannieMae

November 8, 2011

- This presentation includes information about Fannie Mae, including information contained in Fannie Mae's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, the "2011 Q3 Form 10-Q." Some of the terms used in these materials are defined and discussed more fully in the 2011 Q3 Form 10-Q and in Fannie Mae's Form 10-K for the year ended December 31, 2010, the "2010 Form 10-K." These materials should be reviewed together with the 2011 Q3 Form 10-Q and the 2010 Form 10-K, copies of which are available on the "SEC Filings" page in the "Investors" section of Fannie Mae's Web site 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.
- This presentation includes forward-looking statements relating to future home price changes. These statements are based on our opinions, analyses, estimates, forecasts and other views on a variety of economic and other information, and changes in the assumptions and other information underlying these views could produce materially different results. The impact of future home price changes on our business, results or financial condition will depend on many other factors.
- Due to rounding, amounts reported in this presentation may not add to totals indicated (or 100%). A zero indicates less than one half of one percent. A dash indicates a null value.

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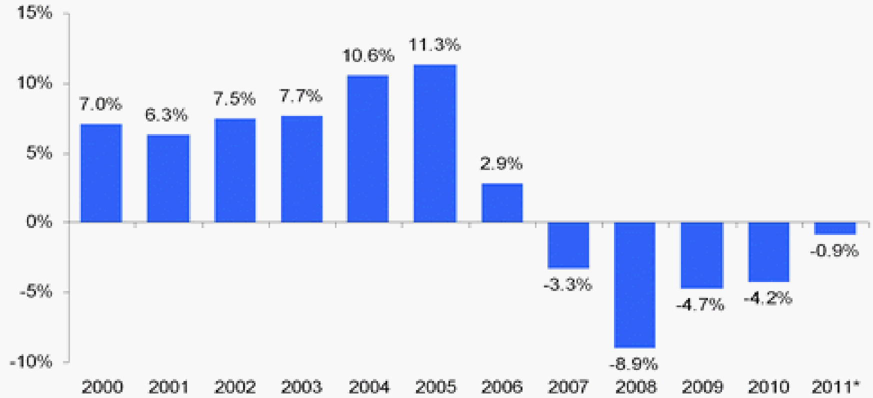
FannieMae

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

Fannie Mae Home Price Index



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011*
S&P/Case-Shiller Index	**9.8%**	**7.7%**	**10.6%**	**10.7%**	**14.6%**	**14.7%**	**-0.3%**	**-8.4%**	**-18.4%**	**-2.4%**	**-3.7%**	**-0.6****

Growth rates are from period-end to period-end.

*Year-to-date as of Q3 2011. Initial estimate based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of September 2011, supplemented by preliminary data available for October and November 2011. Including subsequent data may lead to materially different results.

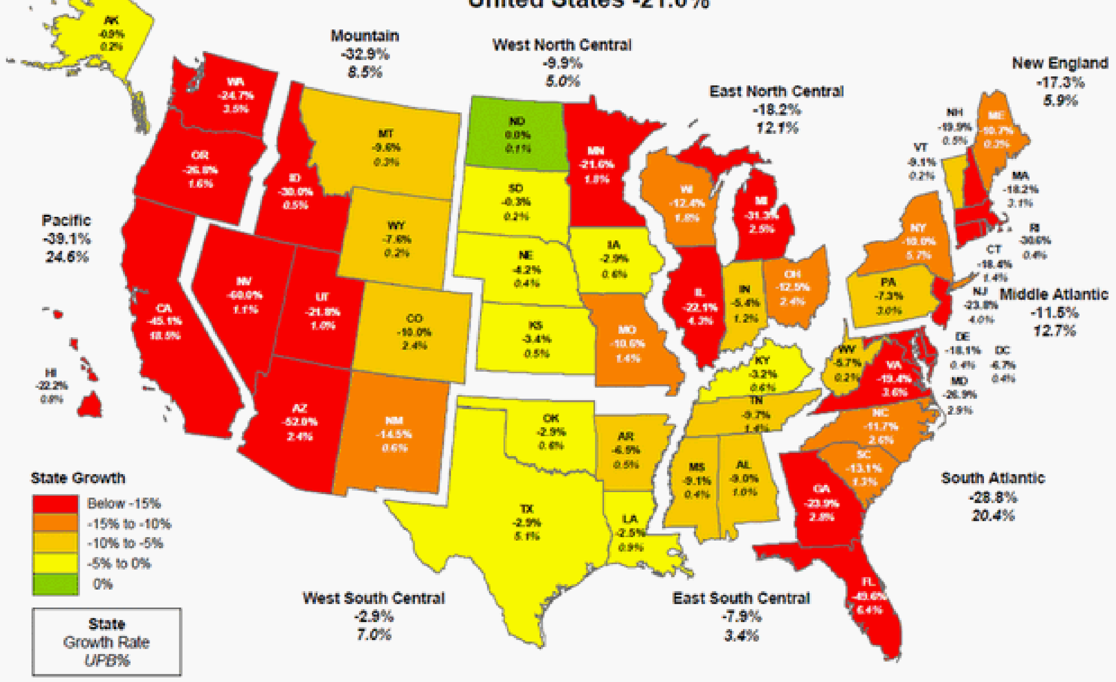
** Year-to-date as of Q2 2011.

We expect peak-to-trough declines in home prices to be in the 22% to 28% range (comparable to a decline in the 32% to 40% range using the S&P/Case-Shiller index method).

Note: Our estimates differ from the S&P/Case-Shiller index in two principal ways: (1) our estimates weight expectations by number of properties, whereas the S&P/Case-Shiller index weights expectations based on property value, causing home price declines on higher priced homes to have a greater effect on the overall result; and (2) the S&P/Case-Shiller index includes sales of foreclosed homes while our estimates attempt to exclude foreclosed homes sales, because we believe that differing maintenance practices and the forced nature of the sales make foreclosed home prices less representative of market values. We believe, however, that the impact of sales of foreclosed homes is reflected in our estimates as a result of their impact on the pricing of non-distressed sales. We recently enhanced our home price estimates to identify and exclude a greater portion of foreclosed home sales. As a result, some period to period comparisons of home prices differ from those indicated by our prior estimates. We calculate the S&P/Case-Shiller comparison numbers by modifying our internal home price estimates to account for weighting based on property value and the impact of foreclosed property sales. In addition to these differences, our estimates are based on our own internally available data combined with publicly available data, and are therefore based on data collected nationwide, whereas the S&P/Case-Shiller index is based on publicly available data, which may be limited in certain geographic areas of the country. Our comparative calculations to the S&P/Case-Shiller index provided above are not modified to account for this data pool difference.

Home Price Change Peak-to-Current as of 2011 Q3*

United States -21.0%



Top %: State/Region Home Price Decline Rate percentage from applicable peak in that state/region through September 30, 2011.

Bottom %: Percent of Fannie Mae single-family conventional guaranty book of business by unpaid principal balance as of September 30, 2011.

Note: Regional home price decline percentages are a housing stock unit-weighted average of home price decline percentages of states within each region.

* Source: Fannie Mae. Initial estimate based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of September 2011, supplemented by preliminary data available for October and November 2011. Including subsequent data may lead to materially different results.

FannieMae

Fannie Mae Acquisition Profile by Key Product Features

Credit Characteristics of Single-Family Business Volume [1]

Acquisition Year	2011 Q3	2011 Q2	2011 Q1	2010	2009	2008	2007	2006	2005	2004
Unpaid Principal Balance (billions)	$ 116.5	$ 93.3	$ 162.2	$ 595.0	$ 684.7	$ 557.2	$ 643.8	$ 515.8	$ 524.2	$ 568.8
Weighted Average Origination Note Rate	4.45%	4.75%	4.40%	4.64%	4.93%	6.00%	6.51%	6.45%	5.73%	5.63%
Origination Loan-to-Value Ratio										
<= 60%	26.5%	27.3%	30.3%	30.3%	32.6%	22.7%	16.7%	18.6%	21.4%	23.1%
>60% and <= 70%	14.4%	14.4%	15.7%	15.9%	17.0%	16.1%	13.5%	15.1%	16.3%	16.2%
>70% and <= 80%	37.7%	36.6%	37.5%	38.5%	39.9%	39.5%	44.7%	49.6%	46.2%	43.1%
>80% and <= 90%	10.1%	10.2%	8.5%	8.6%	6.9%	11.7%	9.1%	6.8%	7.4%	8.2%
>90% and <= 100% [2]	8.5%	8.1%	5.8%	5.2%	3.3%	10.0%	15.8%	9.7%	8.5%	9.3%
> 100% [2]	2.9%	3.4%	2.2%	1.6%	0.4%	0.1%	0.1%	0.2%	0.2%	0.2%
Weighted Average Origination Loan-to-Value Ratio	70.9%	70.6%	68.5%	68.4%	66.8%	72.0%	75.5%	73.4%	72.0%	71.4%
Weighted Average Origination Loan-to-Value Ratio Excluding HARP [3]	68.4%	67.6%	66.0%	66.0%	65.8%	—	—	—	—	—
FICO Credit Scores [4]										
0 to < 620	0.7%	0.7%	0.4%	0.4%	0.4%	2.8%	6.4%	6.2%	5.4%	5.6%
>= 620 and < 660	2.3%	2.7%	1.5%	1.6%	1.5%	5.7%	11.5%	11.2%	10.7%	11.5%
>=660 and < 700	7.8%	9.1%	6.8%	6.6%	6.5%	13.9%	19.2%	19.6%	18.9%	19.4%
>=700 and < 740	16.7%	18.1%	16.9%	16.1%	17.2%	21.7%	22.6%	23.0%	23.2%	23.9%
>=740	72.4%	69.2%	74.4%	75.1%	74.4%	55.8%	40.1%	39.7%	41.5%	39.2%
Missing	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.3%	0.4%
Weighted Average FICO Credit Score [4]	759	756	762	762	761	738	716	716	719	715
Product Distribution										
Fixed-rate	91.9%	91.5%	93.5%	93.7%	96.6%	91.7%	90.1%	83.4%	78.7%	78.8%
Adjustable-rate	8.1%	8.5%	6.5%	6.3%	3.4%	8.3%	9.9%	16.6%	21.3%	21.2%
Alt-A [5]	1.3%	1.8%	1.0%	0.9%	0.2%	3.1%	16.7%	21.8%	16.1%	11.9%
Subprime	—	—	—	—	—	0.3%	0.7%	0.7%	0.0%	—
Interest Only	0.8%	0.7%	0.7%	1.3%	1.0%	5.6%	15.2%	15.2%	10.1%	5.0%
Negative Amortizing	—	—	—	—	—	0.0%	0.3%	3.1%	3.2%	1.9%
Refinance	67.9%	68.9%	81.9%	77.4%	79.9%	58.6%	50.4%	48.3%	53.1%	57.3%
Total Refi Plus [3]	27.1%	31.2%	24.4%	23.4%	10.6%	—	—	—	—	—
HARP [3]	9.6%	11.1%	9.1%	9.0%	3.8%	—	—	—	—	—
HARP Weighted Average Origination Loan-to-Value Ratio [3]	94.6%	94.5%	93.7%	92.1%	90.7%	—	—	—	—	—
Investor	7.4%	9.0%	5.7%	4.6%	2.5%	5.6%	6.5%	7.0%	6.4%	5.4%
Condo/Co-op	9.1%	10.5%	9.0%	8.6%	8.2%	10.3%	10.4%	10.5%	9.8%	8.8%

(1) Percentage calculated based on unpaid principal balance of loans at time of acquisition. Single-family business volume refers to both single-family mortgage loans we purchased for our mortgage portfolio and single-family mortgage loans we guaranty into Fannie Mae MBS. Beginning with the third quarter of 2011, we prospectively report loans underlying long-term standby commitments in the period in which the commitment was established, rather than at the time of actual delivery.

(2) The increase for 2010 and 2011 is the result of our Refi Plus™ initiative, which involves the refinance of existing Fannie Mae loans with loan-to-value ratios up to 125%.

(3) Refi Plus and Home Affordable Refinance Program (HARP) started in April 2009.

(4) FICO credit scores as reported by the seller of the mortgage loan at the time of delivery.

(5) Newly originated Alt-A loans acquired in 2009, 2010, and 2011 consist of the refinance of existing Alt-A loans under our Refi Plus initiative.

FannieMae

Fannie Mae Credit Profile by Key Product Features

Credit Characteristics of Single-Family Conventional Guaranty Book of Business

As of September 30, 2011	Categories Not Mutually Exclusive [1]								Sub-total of Key Product Features [1]	Overall Book
	Negative Amortizing Loans	Interest Only Loans	Loans with FICO < 620 [3]	Loans with FICO ≥ 620 and < 660 [3]	Loans with Origination LTV Ratio > 90%	Loans with FICO < 620 and Origination LTV Ratio > 90% [3]	Alt-A Loans	Subprime Loans		
Unpaid Principal Balance (billions) [2]	$9.5	$135.6	$90.2	$190.0	$271.3	$19.6	$188.4	$6.0	$723.9	$2,763.0
Share of Single-Family Conventional Guaranty Book	0.3%	4.9%	3.3%	6.9%	9.8%	0.7%	6.8%	0.2%	26.2%	100.0%
Average Unpaid Principal Balance [2]	$113,443	$242,160	$120,960	$133,977	$152,993	$118,369	$159,275	$147,235	$150,669	$155,769
Serious Delinquency Rate	7.79%	15.70%	13.56%	10.27%	8.42%	18.99%	12.71%	23.91%	9.80%	4.00%
Origination Years 2005-2008	55.8%	82.9%	60.4%	56.8%	47.9%	66.0%	71.7%	85.2%	58.0%	32.3%
Weighted Average Origination Loan-to-Value Ratio	70.7%	74.9%	76.7%	77.1%	97.5%	98.2%	73.3%	77.1%	81.1%	71.3%
Origination Loan-to-Value Ratio > 90%	0.3%	8.9%	21.7%	20.3%	100.0%	100.0%	6.5%	6.7%	37.5%	9.8%
Weighted Average Mark-to-Market Loan-to-Value Ratio	99.4%	115.3%	89.1%	89.9%	108.9%	112.4%	99.1%	108.5%	97.7%	77.8%
Mark-to-Market Loan-to-Value Ratio > 100% and <= 125%	12.9%	24.2%	17.2%	16.5%	33.6%	33.5%	18.1%	22.7%	22.3%	9.7%
Mark-to-Market Loan-to-Value Ratio > 125%	34.1%	34.0%	13.4%	14.3%	18.3%	24.3%	22.4%	25.9%	17.4%	7.1%
Weighted Average FICO [3]	707	725	588	641	711	591	717	620	691	737
FICO < 620 [3]	6.8%	1.4%	100.0%	—	7.2%	100.0%	0.9%	49.7%	12.5%	3.3%
Fixed-rate	0.7%	31.5%	80.9%	83.3%	88.4%	78.1%	66.8%	65.7%	75.9%	89.3%
Primary Residence	68.7%	85.3%	96.6%	94.1%	95.7%	99.1%	77.7%	96.8%	89.9%	89.5%
Condo/Co-op	13.6%	16.1%	4.8%	6.5%	10.1%	5.9%	10.4%	4.3%	9.6%	9.4%
Credit Enhanced [4]	56.4%	18.5%	29.6%	28.1%	73.7%	86.6%	17.8%	59.4%	35.7%	14.2%
% of 2007 Credit Losses [5]	0.9%	15.0%	18.8%	21.9%	17.4%	6.4%	27.8%	1.0%	72.3%	100.0%
% of 2008 Credit Losses [5]	2.9%	34.2%	11.8%	17.4%	21.3%	5.4%	45.6%	2.0%	81.3%	100.0%
% of 2009 Credit Losses [5]	2.0%	32.6%	8.8%	15.5%	19.2%	3.4%	39.6%	1.5%	75.0%	100.0%
% of 2010 Credit Losses [5]	1.9%	28.6%	8.0%	15.1%	15.9%	2.7%	33.2%	1.1%	68.4%	100.0%
% of Q1 2011 Credit Losses [5]	1.9%	27.9%	7.8%	14.9%	16.5%	2.3%	29.7%	0.9%	66.8%	100.0%
% of Q2 2011 Credit Losses [5] [6]	2.2%	27.5%	6.7%	14.1%	6.2%	1.0%	28.4%	-0.4%	59.9%	100.0%
% of Q3 2011 Credit Losses [5] [6]	-0.7%	24.5%	8.9%	14.5%	18.2%	3.0%	24.6%	0.9%	63.7%	100.0%

(1) Loans with multiple product features are included in all applicable categories. The subtotal is calculated by counting a loan only once even if it is included in multiple categories.

(2) 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 over 99% of its single-family conventional guaranty book of business as of September 30, 2011.

(3) FICO credit scores as reported by the seller of the mortgage loan at the time of delivery.

(4) Unpaid principal balance of all loans with credit enhancement as a percentage of unpaid principal balance of single-family conventional guaranty book of business for which Fannie Mae had access to loan level information. Includes primary mortgage insurance, pool insurance, lender recourse and other credit enhancement.

(5) Expressed as a percentage of credit losses for the single-family guaranty book of business. For information on total credit losses, refer to Fannie Mae's 2011 Q3 Form 10-Q.

(6) Credit losses are negative for some loan categories due to make-whole receivables which result in recoveries to credit losses.

FannieMae

Fannie Mae Credit Profile by Origination Year and Key Product Features

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

		Origination Year								
As of September 30, 2011	**Overall Book**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**2004 and Earlier**
Unpaid Principal Balance (billions) [1]	$2,763.0	$274.3	$554.0	$507.7	$209.5	$283.9	$196.8	$202.0	$534.7
Share of Single-Family Conventional Guaranty Book	100.0%	9.9%	20.0%	18.4%	7.6%	10.3%	7.1%	7.3%	19.4%
Average Unpaid Principal Balance[1]	$155,769	$196,836	$207,871	$199,062	$176,559	$175,251	$159,849	$146,503	$93,621
Serious Delinquency Rate	4.00%	0.02%	0.16%	0.45%	5.34%	12.63%	11.81%	7.13%	3.17%
Weighted Average Origination Loan-to-Value Ratio	71.3%	70.6%	69.0%	67.9%	74.8%	78.4%	75.3%	73.0%	70.3%
Origination Loan-to-Value Ratio > 90% [2]	9.8%	11.1%	7.4%	4.6%	12.7%	21.2%	12.5%	9.1%	8.7%
Weighted Average Mark-to-Market Loan-to-Value Ratio	77.8%	70.4%	69.3%	70.6%	89.5%	109.2%	108.4%	92.7%	59.3%
Mark-to-Market Loan-to-Value Ratio > 100% and <= 125%	9.7%	3.4%	3.3%	4.2%	21.2%	25.8%	21.5%	16.4%	4.9%
Mark-to-Market Loan-to-Value Ratio > 125%	7.1%	0.2%	0.2%	0.3%	9.0%	26.2%	27.1%	16.6%	2.4%
Weighted Average FICO[3]	737	758	762	760	730	704	707	716	718
FICO < 620 [3]	3.3%	0.6%	0.4%	0.4%	3.3%	8.4%	6.9%	5.1%	5.5%
Interest Only	4.9%	0.7%	1.1%	0.9%	6.0%	15.8%	17.3%	10.4%	2.0%
Negative Amortizing	0.3%	—	—	—	—	0.1%	1.2%	1.4%	0.8%
Fixed-rate	89.3%	92.3%	94.7%	97.3%	87.5%	79.3%	77.4%	79.4%	88.6%
Primary Residence	89.5%	87.1%	90.8%	92.2%	87.3%	88.3%	86.4%	87.0%	90.6%
Condo/Co-op	9.4%	9.5%	8.6%	8.5%	12.0%	11.4%	11.6%	10.6%	7.7%
Credit Enhanced [4]	14.2%	10.0%	7.0%	7.0%	27.4%	32.3%	22.0%	17.3%	12.0%
% of 2007 Credit Losses [5]	100.0%	—	—	—	—	1.9%	21.3%	23.6%	53.2%
% of 2008 Credit Losses [5]	100.0%	—	—	—	0.5%	27.9%	34.9%	19.3%	17.3%
% of 2009 Credit Losses [5]	100.0%	—	—	—	4.8%	36.0%	30.9%	16.4%	11.9%
% of 2010 Credit Losses [5]	100.0%	—	—	0.4%	7.0%	35.8%	29.2%	15.9%	11.7%
% of Q1 2011 Credit Losses [5]	100.0%	—	0.2%	1.0%	7.5%	36.5%	27.0%	16.1%	11.7%
% of Q2 2011 Credit Losses [5]	100.0%	—	0.7%	1.6%	0.1%	19.1%	33.2%	27.3%	18.0%
% of Q3 2011 Credit Losses [5]	100.0%	—	1.0%	2.0%	7.4%	34.6%	23.2%	16.6%	15.2%
Cumulative Default Rate [6]	—	0.0%	0.03%	0.13%	2.25%	8.33%	8.04%	4.80%	—

(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 over 99% of its single-family conventional guaranty book of business as of September 30, 2011.

(2) The increase for 2010 and 2011 is the result of our Refi Plus loans, which started in April 2009, and involve the refinance of existing Fannie Mae loans with loan-to-value ratios up to 125%.

(3) FICO credit scores as reported by the seller of the mortgage loan at the time of delivery.

(4) Unpaid principal balance of all loans with credit enhancement 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. Includes primary mortgage insurance, pool insurance, lender recourse and other credit enhancement.

(5) Expressed as a percentage of credit losses for the single-family guaranty book of business. For information on total credit losses, refer to Fannie Mae's 2011 Q3 Form 10-Q.

(6) Defaults include loan liquidations other than through voluntary pay-off or repurchase by lenders and include loan foreclosures, preforeclosure sales, sales to third parties 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 2000 to 2004 cumulative default rates, refer to slide 15.

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Fannie Mae Credit Profile by State

Credit Characteristics of Single-Family Conventional Guaranty Book of Business by State

As of September 30, 2011	Overall Book	AZ	CA	FL	NV	Select Midwest States [5]
Unpaid Principal Balance (billions) [1]	$2,763.0	$67.6	$510.2	$178.0	$29.2	$286.4
Share of Single-Family Conventional Guaranty Book	100.0%	2.4%	18.5%	6.4%	1.1%	10.4%
Average Unpaid Principal Balance [1]	$155,769	$150,960	$220,819	$140,281	$163,048	$122,269
Serious Delinquency Rate	4.00%	3.78%	2.70%	11.90%	7.53%	4.55%
Origination Years 2005-2008	32.3%	47.1%	27.2%	54.4%	52.5%	30.4%
Weighted Average Origination Loan-to-Value Ratio	71.3%	74.5%	64.8%	73.6%	74.9%	75.1%
Origination Loan-to-Value Ratio > 90%	9.8%	11.8%	4.5%	11.2%	10.2%	13.5%
Weighted Average Mark-to-Market Loan-to-Value Ratio	77.8%	110.3%	79.1%	106.6%	135.3%	81.6%
Mark-to-Market Loan-to-Value Ratio >100% and <=125%	9.7%	18.7%	10.0%	17.0%	15.1%	14.1%
Mark-to-Market Loan-to-Value Ratio >125%	7.1%	31.1%	11.3%	31.4%	50.8%	6.3%
Weighted Average FICO [2]	737	738	747	724	733	732
FICO < 620 [2]	3.3%	2.7%	1.8%	4.8%	2.7%	4.2%
Interest Only	4.9%	9.9%	7.4%	9.0%	13.8%	3.0%
Negative Amortizing	0.3%	0.4%	1.0%	0.8%	1.1%	0.1%
Fixed-rate	89.3%	83.7%	85.9%	83.7%	77.0%	89.1%
Primary Residence	89.5%	81.7%	87.8%	82.2%	79.2%	93.4%
Condo/Co-op	9.4%	4.7%	12.0%	14.2%	6.2%	10.9%
Credit Enhanced [3]	14.2%	13.9%	6.2%	16.2%	15.3%	18.1%
% of 2007 Credit Losses [4]	100.0%	1.8%	7.2%	4.7%	1.2%	46.6%
% of 2008 Credit Losses [4]	100.0%	8.0%	25.2%	10.9%	4.9%	21.1%
% of 2009 Credit Losses [4]	100.0%	10.8%	24.4%	15.5%	6.5%	14.8%
% of 2010 Credit Losses [4]	100.0%	10.0%	22.6%	17.5%	6.1%	13.6%
% of Q1 2011 Credit Losses [4]	100.0%	13.0%	29.2%	10.5%	7.5%	12.5%
% of Q2 2011 Credit Losses [4]	100.0%	17.5%	33.0%	3.3%	14.9%	6.1%
% of Q3 2011 Credit Losses [4]	100.0%	9.3%	25.2%	13.3%	5.8%	10.8%

(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 over 99% of its single-family conventional guaranty book of business as of September 30, 2011.

(2) FICO credit scores as reported by the seller of the mortgage loan at the time of delivery.

(3) Unpaid principal balance of all loans with credit enhancement 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. Includes primary mortgage insurance, pool insurance, lender recourse and other credit enhancement.

(4) Expressed as a percentage of credit losses for the single-family guaranty book of business. For information on total credit losses, refer to Fannie Mae's 2011 Q3 Form 10-Q.

(5) Select Midwest states are Illinois, Indiana, Michigan and Ohio.

Fannie Mae Alt-A Credit Profile by Key Product Features

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

As of September 30, 2011	Alt-A (1)	2011 (2)	2010 (2)	2009 (2)	2008	2007	2006	2005	2004 and Earlier
Unpaid principal balance (billions) (3)	$188.4	$4.4	$4.1	$1.5	$4.6	$46.5	$49.4	$34.6	$43.3
Share of Alt-A	100.0%	2.3%	2.2%	0.8%	2.4%	24.7%	26.2%	18.4%	23.0%
Weighted Average Origination Loan-to-Value Ratio	73.3%	73.4%	79.0%	74.6%	68.1%	75.0%	74.2%	72.8%	70.8%
Origination Loan-to-Value Ratio > 90% (4)	6.5%	22.9%	28.3%	20.0%	2.6%	8.5%	4.8%	3.3%	4.8%
Weighted Average Mark-to-Market Loan-to-Value Ratio	99.1%	73.5%	81.3%	79.5%	86.0%	114.1%	115.7%	102.8%	67.5%
Mark-to-Market Loan-to-Value Ratio > 100% and <=125%	18.1%	10.8%	15.8%	15.5%	17.2%	24.1%	22.1%	18.4%	7.9%
Mark-to-Market Loan-to-Value Ratio > 125%	22.4%	0.4%	0.5%	1.2%	9.6%	31.4%	33.1%	24.5%	5.0%
Weighted Average FICO (5)	717	744	734	736	724	710	712	722	719
FICO < 620 (5)	0.9%	2.5%	3.2%	3.5%	0.2%	0.6%	0.6%	0.4%	1.5%
Adjustable-rate	33.2%	2.3%	4.4%	3.7%	20.8%	33.1%	38.0%	43.3%	27.7%
Interest Only	27.6%	—	—	0.1%	7.2%	37.2%	37.4%	29.4%	13.3%
Negative Amortizing	2.6%	—	—	—	—	—	3.8%	6.0%	2.3%
Investor	17.6%	16.6%	11.9%	5.4%	18.6%	19.1%	16.8%	20.1%	15.8%
Condo/Co-op	10.4%	6.0%	9.6%	8.8%	6.7%	9.4%	11.3%	12.9%	9.7%
California	21.1%	22.2%	19.8%	16.3%	20.3%	21.2%	18.7%	20.2%	24.6%
Florida	11.9%	4.4%	3.5%	3.3%	9.7%	13.0%	14.1%	13.5%	8.9%
Credit Enhanced (6)	17.8%	2.1%	2.3%	1.6%	14.1%	18.2%	17.3%	20.7%	19.4%
2010 Serious Delinquent Rate	13.87%	—	0.44%	2.24%	10.29%	20.39%	19.41%	13.22%	6.44%
2011 Serious Delinquent Rate	12.71%	0.09%	1.60%	3.92%	10.57%	18.82%	17.96%	12.37%	6.54%
% of 2007 Credit Losses (7)	27.8%	—	—	—	—	0.7%	9.8%	9.7%	7.7%
% of 2008 Credit Losses (7)	45.6%	—	—	—	0.0%	12.4%	20.1%	9.7%	3.4%
% of 2009 Credit Losses (7)	39.6%	—	—	—	0.4%	13.4%	15.8%	7.3%	2.6%
% of 2010 Credit Losses (7)	33.2%	—	0.0%	0.0%	0.5%	11.8%	12.8%	5.7%	2.3%
% of Q1 2011 Credit Losses (7)	29.7%	—	—	—	0.4%	10.9%	11.3%	5.1%	2.0%
% of Q2 2011 Credit Losses (7) (8)	28.4%	—	0.1%	0.1%	-0.2%	4.7%	11.3%	9.0%	3.4%
% of Q3 2011 Credit Losses (7) (8)	24.6%	—	0.1%	0.1%	0.4%	10.0%	7.2%	4.5%	2.3%
Cumulative Default Rate (9)	—	—	0.34%	1.27%	6.68%	15.85%	15.20%	9.70%	—

(1) "Alt-A mortgage loan" generally refers to a mortgage loan that can be underwritten with reduced or alternative documentation than that required for a full documentation mortgage loan but may also include other alternative product features. In reporting our Alt-A exposure, we have classified mortgage loans as Alt-A if the lenders that deliver the mortgage loans to us have classified the loans as Alt-A based on documentation or other product features. We have classified private-label mortgage-related securities held in our investment portfolio as Alt-A if the securities were labeled as such when issued.
(2) Newly originated Alt-A loans acquired in 2009, 2010, and 2011 consist of the refinance of Alt-A existing loans under our Refi Plus initiative.
(3) 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 over 99% of its single-family conventional guaranty book of business as of September 30, 2011.
(4) The increase for 2009, 2010, and 2011 is the result of Refi Plus loans, which started in April 2009 and can have loan-to-value ratios up to 125%.
(5) FICO credit scores as reported by the seller of the mortgage loan at the time of delivery.
(6) Defined as unpaid principal balance of Alt-A loans with credit enhancement as a percentage of unpaid principal balance of all Alt-A loans. At September 30, 2011, 10.0% of unpaid principal balance of Alt-A loans carried only primary mortgage insurance (no deductible), 6.1% had only pool insurance (which is generally subject to a deductible), 1.2% had primary mortgage insurance and pool insurance, and 0.4% carried other credit enhancement such as lender recourse.
(7) Expressed as a percentage of credit losses for the single-family guaranty book of business. For information on total credit losses, refer to Fannie Mae's 2011 Q3 Form 10-Q.
(8) Q3 credit losses are negative (gain) for some loan categories due to a change in our estimates relating to make whole receivables. The increase in make whole receivables resulted in recoveries to credit losses.
(9) Defaults include loan liquidations other than through voluntary pay-off or repurchase by lenders and includes loan foreclosures, preforeclosure sales, sales to third parties 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.

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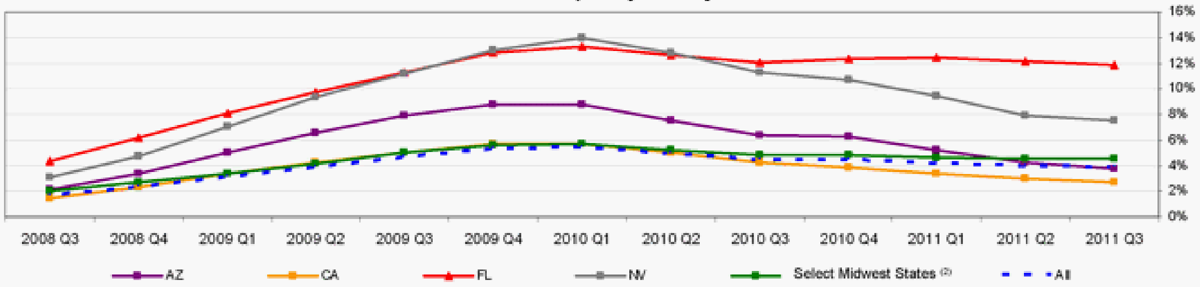
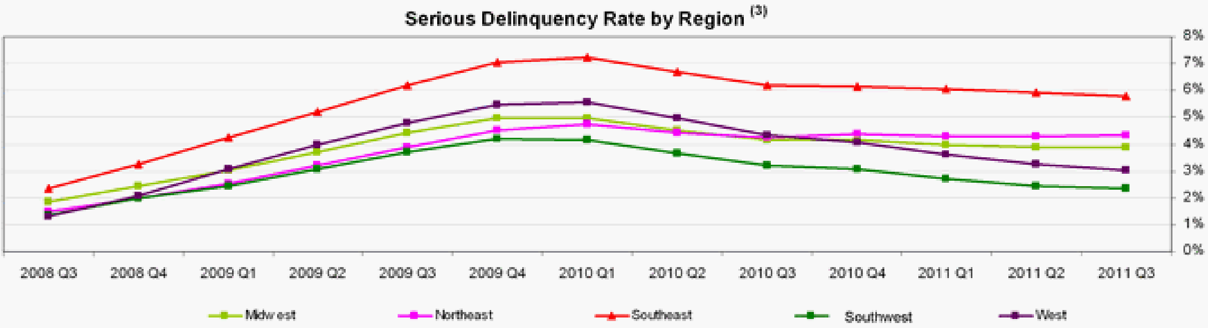
Fannie Mae Single-Family Serious Delinquency Rates by State and Region (1)

Serious Delinquency Rate by States



Serious Delinquency Rate by Region (3)



(1) Calculated based on the number of loans in Fannie Mae's single-family conventional guaranty book of business within each specified category.
(2) Select Midwest states are Illinois, Indiana, Michigan, and Ohio.
(3) For information on which states are included in each region, refer to footnote 9 to Table 36 in Fannie Mae's 2011 Q3 Form 10-Q.

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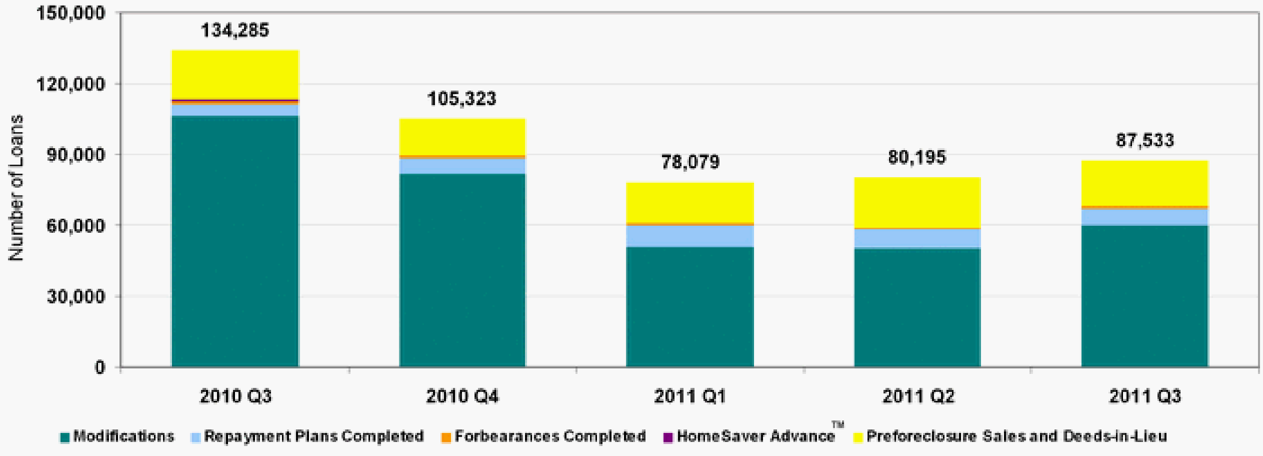
Fannie Mae Single-Family Completed Workouts by Type



- Modifications involve changes to the original mortgage loan terms, which may include a change to the product type, interest rate, amortization term, maturity date and/or unpaid principal balance. Modifications include completed modifications made under the Administration's Home Affordable Modification Program (HAMP), which was implemented in March 2009, but do not reflect loans currently in trial modifications. Information on Fannie Mae loans under the Home Affordable Modification Program is provided on Slide 12.
- Repayment plans involve plans to repay past due principal and interest over a reasonable period of time through temporarily higher monthly payments. Loans with completed repayment plans are included for loans that were at least 60 days delinquent at initiation.
- Forbearances involve an agreement to suspend or reduce borrower payments for a period of time. Loans with forbearance plans are included for loans that were at least 90 days delinquent at initiation.
- Deeds in lieu of foreclosure involve the borrower's voluntarily signing over title to the property.
- In a preforeclosure sale, the borrower, working with the servicer, sells the home prior to foreclosure to pay off all or part of the outstanding loan, accrued interest and other expenses from the sale proceeds.
- HomeSaver Advance ™ are unsecured, personal loans designed to help qualified borrowers bring their delinquent mortgage loans current after a temporary financial difficulty. The Program was retired on September 30, 2010.

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Home Affordable Modification Program (HAMP)

Fannie Mae Loans Under HAMP

As of September 30, 2011 reporting period	Active HAMP Trials	Active Permanent HAMP Modification (1)
Total	26,348	234,540
Modification Structure		
Rate Reduction	99%	100%
Term Extension	63%	66%
Forbearance	20%	27%
Median Monthly Principal and Interest Reduction	$415	$486
% of September 30, 2011 SDQ Loans (2)	3%	

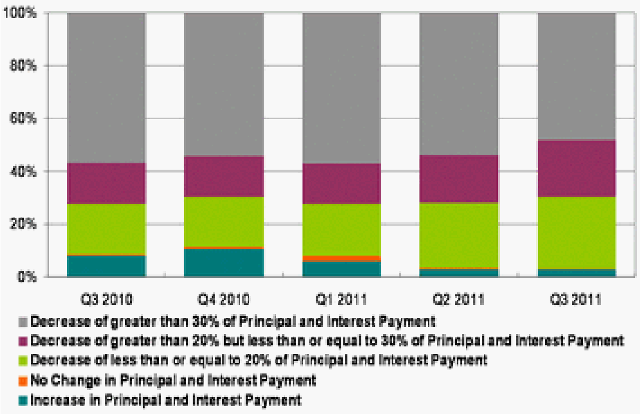
Data Source: United States Treasury Department as reported by servicers to the system of record for the Home Affordable Modification Program.

(1) Active Permanent HAMP modifications exclude modifications on loans that subsequently canceled because the loans were 90+ days delinquent or have paid off.
(2) Re-performance rates for modified single-family loans, including permanent HAMP modifications, are presented on Slide 14.

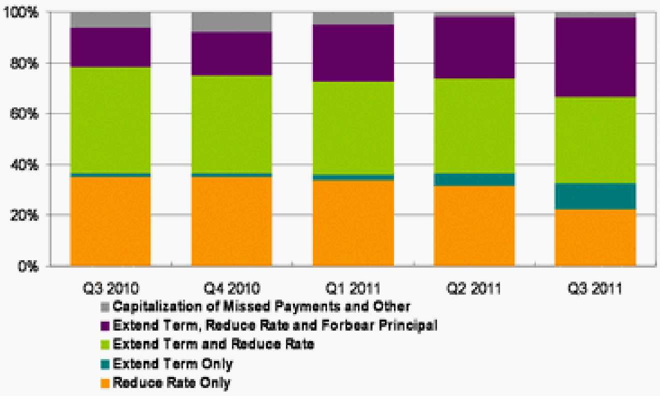
- Provides immediate payment relief to borrowers who are delinquent or in imminent risk of payment default.
- We require servicers to first evaluate all Fannie Mae problem loans for HAMP eligibility. If a borrower is not eligible for HAMP, our servicers are required to exhaust all other workout alternatives before proceeding to foreclosure.

Fannie Mae Single-Family Loan Modifications by Monthly Payment Change and Type

Change in Monthly Principal and Interest Payment of Modified Single-Family Loans(1)(2)



Modification Type of Single-Family Loans(1)(2)



(1) Excludes loans that were classified as subprime adjustable rate mortgages that were modified into fixed rate mortgages and were current at the time of modification. Modifications include permanent modifications, but do not reflect loans currently in trial modifications.

(2) Represents the change in the monthly principal and interest payment at the effective date of the modification. The monthly principal and interest payment on modified loans may vary, and may increase, during the remaining life of the loan.

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Performance of Fannie Mae Modified Loans

Re-performance Rates of Modified Single-Family Loans[1]

% Current and Performing [2]	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2
3 months post modification	57%	78%	80%	79%	78%	81%	84%	84%
6 months post modification	47%	69%	71%	73%	75%	77%	78%	n/a
9 months post modification	45%	62%	65%	71%	73%	72%	n/a	n/a
12 months post modification	42%	58%	65%	70%	70%	n/a	n/a	n/a
15 months post modification	40%	60%	63%	66%	n/a	n/a	n/a	n/a
18 months post modification	41%	58%	60%	n/a	n/a	n/a	n/a	n/a
21 months post modification	40%	56%	n/a	n/a	n/a	n/a	n/a	n/a

(1) Excludes loans that were classified as subprime adjustable rate mortgages that were modified into fixed rate mortgages and were current at the time of modification. Modifications include permanent modifications, but do not reflect loans currently in trial modifications.
(2) Includes loans that are paid off.

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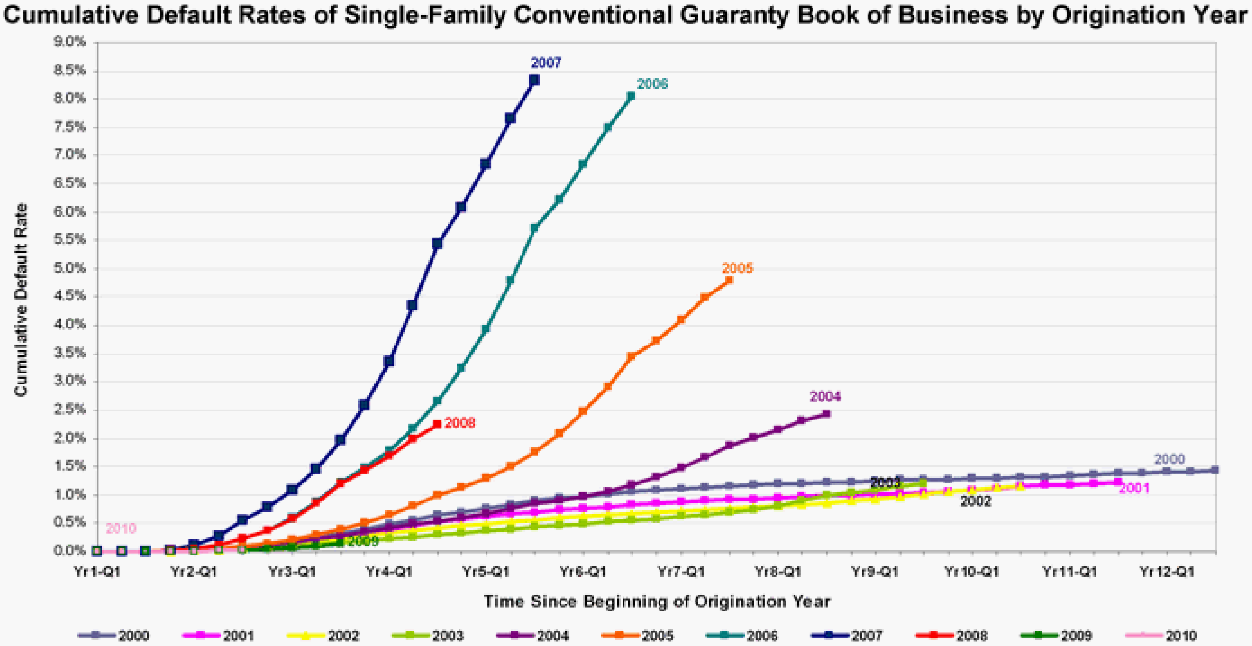
Fannie Mae Single-Family Cumulative Default Rates



Note: Defaults include loan liquidations other than through voluntary pay-off or repurchase by lenders and include loan foreclosures, preforeclosure sales, sales to third parties 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 September 30, 2011 are not necessarily indicative of the ultimate performance of the loans and performance is likely to change, perhaps materially, in future periods.

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Fannie Mae Single-Family Real Estate Owned (REO) in Selected States

State	REO Acquisitions (Number of Properties)							REO Inventory as of September 30, 2011	REO Inventory as of September 30, 2010
	Q3 2011	Q2 2011	Q1 2011	2010	2009	2008	2007		
Beginning Balance	135,719	153,224	162,489	86,155	63,538	33,729	25,125	NA	NA
Arizona	3,052	4,858	5,971	20,691	12,854	5,532	751	5,703	10,550
California	5,197	8,179	9,571	34,051	19,565	10,624	1,681	16,759	20,992
Florida	3,405	3,154	2,919	29,628	13,282	6,159	1,714	8,083	18,051
Nevada	1,467	3,099	2,678	9,418	6,075	2,906	530	3,872	5,368
Select Midwest States (1)	7,484	7,316	8,962	45,411	28,464	23,668	16,678	28,333	36,060
All other States	24,589	27,091	23,448	122,879	65,377	45,763	27,767	59,866	75,766
Total Acquisitions	45,194	53,697	53,549	262,078	145,617	94,652	49,121	NA	NA
Total Dispositions	(58,297)	(71,202)	(62,814)	(185,744)	(123,000)	(64,843)	(40,517)	NA	NA
Ending Inventory	122,616	135,719	153,224	162,489	86,155	63,538	33,729	NA	NA

(1) Select Midwest states are Illinois, Indiana, Michigan, and Ohio.

REO Net Sales Prices Compared With Unpaid Principal Balances of Mortgage Loans								
2011 Q3	2011 Q2	2011 Q1	2010	2009	2008	2007	2006	2005
56%	55%	54%	57%	55%	68%	78%	83%	87%

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Fannie Mae Multifamily Credit Profile by Loan Attributes

As of September 30, 2011	Loan Counts	Unpaid Principal Balance (Billions)	% of Multifamily Guaranty Book of Business (UPB)	% Seriously Delinquent [2]	% of 2010 Multifamily Credit Losses	% of 2011 YTD Multifamily Credit Losses
Total Multifamily Guaranty Book of Business [1]	40,698	$191.0	100%	0.57%	100%	100%
Credit Enhanced Loans:						
Credit Enhanced	36,464	$171.0	90%	0.54%	68%	79%
Non-Credit Enhanced	4,234	$20.0	10%	0.86%	32%	21%
Originating loan-to-value ratio: [3]						
Less than or equal to 70%	25,421	$100.8	53%	0.25%	8%	11%
Greater than 70% and less than or equal to 80%	12,011	$81.1	42%	0.87%	89%	81%
Greater than 80%	3,266	$9.1	5%	1.52%	3%	7%
Delegated Underwriting and Servicing (DUS ®) Loans: [4]						
DUS ® - Small Balance Loans [5]	7,766	$14.9	8%	0.64%	7%	7%
DUS ® - Non Small Balance Loans	11,242	$137.0	72%	0.46%	61%	72%
DUS ® - Total	**19,008**	**$151.8**	**79%**	**0.48%**	**68%**	**80%**
Non-DUS - Small Balance Loans [5]	20,383	$17.4	9%	1.27%	10%	13%
Non-DUS - Non Small Balance Loans	1,307	$21.8	11%	0.67%	22%	7%
Non-DUS - Total	**21,690**	**$39.2**	**21%**	**0.93%**	**32%**	**20%**
Maturity Dates:						
Loans maturing in 2011	244	$1.1	1%	3.68%	8%	4%
Loans maturing in 2012	1,641	$11.0	6%	0.41%	15%	8%
Loans maturing in 2013	3,293	$18.9	10%	0.45%	10%	6%
Loans maturing in 2014	2,674	$15.0	8%	0.56%	11%	9%
Loans maturing in 2015	3,232	$16.7	9%	0.45%	4%	7%
Other maturities	29,614	$128.4	67%	0.60%	52%	66%
Loan Size Distribution:						
Less than or equal to $750K	12,131	$3.9	2%	1.37%	2%	5%
Greater than $750K and less than or equal to $3M	14,813	$21.8	11%	1.11%	16%	17%
Greater than $3M and less than or equal to $5M	4,742	$17.2	9%	0.80%	17%	8%
Greater than $5M and less than or equal to $25M	7,968	$79.8	42%	0.63%	48%	55%
Greater than $25M	1,044	$68.4	36%	0.23%	17%	15%

(1) Excludes loans that have been defeased. Defeasance is prepayment of a loan through substitution of collateral.

(2) We classify multifamily loans as seriously delinquent when payment is 60 days or more past due.

(3) Weighted Average Original loan-to-value ratio is 66% as of September 30, 2011.

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

(5) Multifamily loans under $3 million and up to $5 million in high income areas.

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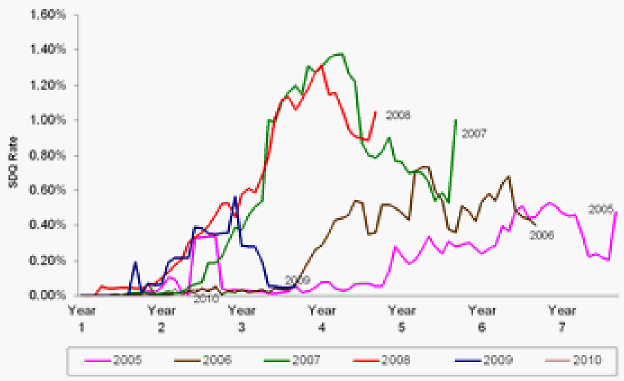
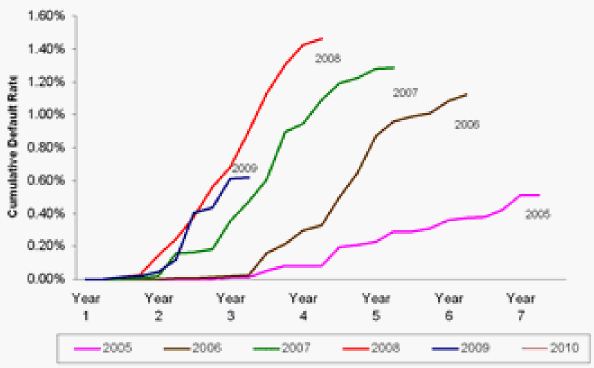
Fannie Mae Multifamily Credit Profile by Acquisition Year

Multifamily SDQ Rate by Acquisition Year



Cumulative Defaults by Acquisition Year



As of September 30, 2011	Unpaid Principal Balance (Billions)	% of Multifamily Guaranty Book of Business (UPB)	% Seriously Delinquent (2)	# of Seriously Delinquent loans (2)	% of 2010 Multifamily Credit Losses	% of 2011 YTD Multifamily Credit Losses
Total Multifamily Guaranty Book of Business (1)	$191.0	100%	0.57%	414	100%	100%
By Acquisition Year:						
2011	$17.0	9%	—	—	—	—
2010	$17.2	9%	0.04%	1	—	—
2009	$18.2	10%	0.05%	2	2%	9%
2008	$31.3	16%	1.05%	101	17%	27%
2007	$39.6	21%	1.00%	185	38%	24%
2006	$17.9	9%	0.40%	33	17%	8%
2005	$15.1	8%	0.48%	23	2%	5%
Prior to 2005	$34.6	18%	0.62%	69	25%	27%

(1) Excludes loans that have been defeased. Defeasance is prepayment of a loan through substitution of collateral.

(2) We classify multifamily loans as seriously delinquent when payment is 60 days or more past due.

FannieMae

Fannie Mae Multifamily Credit Profile

As of September 30, 2011	Unpaid Principal Balance (Billions)	% of Multifamily Guaranty Book of Business (UPB)	% Seriously Delinquent [2]	% of 2010 Multifamily Credit Losses	% of 2011 YTD Multifamily Credit Losses
Total Multifamily Guaranty Book of Business [1]	$191.0	100%	0.57%	100%	100%
Region: [3]					
Midwest	$15.9	8%	1.59%	10%	15%
Northeast	$41.7	22%	0.39%	5%	3%
Southeast	$37.7	20%	1.00%	40%	45%
Southwest	$30.7	16%	0.47%	40%	27%
Western	$64.9	34%	0.25%	6%	9%
Top Five States by UPB:					
California	$50.9	27%	0.17%	2%	1%
New York	$24.8	13%	0.27%	1%	0%
Texas	$15.0	8%	0.35%	12%	22%
Florida	$9.2	5%	2.74%	13%	9%
Virginia	$7.6	4%	—	0%	0%
Asset Class: [4]					
Conventional/Co-op	$169.7	89%	0.64%	99%	95%
Seniors Housing	$14.4	8%	—	—	—
Manufactured Housing	$4.5	2%	0.06%	0%	0%
Student Housing	$2.4	1%	—	1%	5%
Targeted Affordable Segment:					
Privately Owned with Subsidy [5]	$27.1	14%	0.30%	6%	17%
DUS & Non-DUS Lenders:					
DUS Lender: Bank (Direct, Owned Entity, or Subsidiary)	$78.8	41%	0.50%	53%	44%
DUS Lender Non-Bank Financial Institution	$95.7	50%	0.62%	40%	54%
Non-DUS Lender: Bank (Direct, Owned Entity, or Subsidiary)	$15.1	8%	0.67%	4%	2%
Non-DUS Lender: Non-Bank Financial Institution	$1.2	1%	0.53%	3%	1%
Non-DUS Lender: Public Agency/Non Profit	$0.2	0%	0.31%	0%	0%

(1) Excludes loans that have been defeased. Defeasance is prepayment of a loan through substitution of collateral.

(2) We classify multifamily loans as seriously delinquent when payment is 60 days or more past due.

(3) For information on which states are included in each region, refer to Fannie Mae's 2011 Q3 Form 10-Q.

(4) Asset Class Definitions: Conventional/Co-Op Housing: Privately owned multifamily properties or multifamily properties in which the residents collectively own the property through their shares in the cooperative corporation. Seniors Housing: Multifamily rental properties for senior citizens. Manufactured Housing: A residential real estate development consisting of housing sites for manufactured homes, related amenities, utility services, landscaping, roads and other infrastructure. Student Housing: Multifamily rental properties in which 80% or more of the units are leased to undergraduate and/or graduate students.

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

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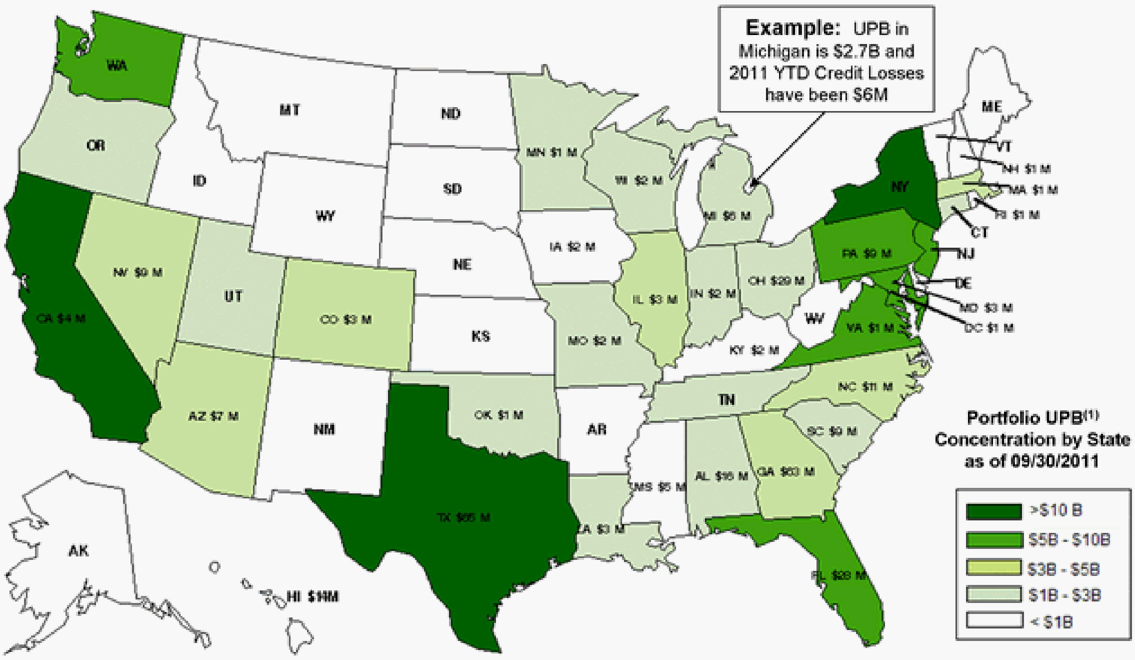
Fannie Mae Multifamily 2011 YTD Credit Losses by State ($ Millions)



Numbers: Represent 2011 YTD credit losses for each state which total $299M[2] as of September 30, 2011. States with no numbers had less than $1 million in credit losses in YTD 2011.
Shading: Represent Unpaid Principal Balance (UPB) for each state. These amounts total $191 billion as of September 30, 2011.

(1) Excludes loans that have been defeased. Defeasance is prepayment of a loan through substitution of collateral.
(2) Excludes $19M of credit related income from other Multifamily Mortgage Business investments.