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): May 10, 2010

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 May 10, 2010, Fannie Mae filed its quarterly report on Form 10-Q for the quarter ended March 31, 2010 ("Q1 2010 Form 10-Q"), and issued a news release reporting its financial results for the periods covered by the Q1 2010 Form 10-Q. The news release, a copy of which is furnished as Exhibit 99.1 to this report, is incorporated herein by reference.

On May 10, 2010, Fannie Mae also made available to investors an Overview and FAQ of the Impact of New Accounting Standards on Fannie Mae's 2010 First Quarter Form 10-Q that contains summarized information, including financial results, from its Q1 2010 Form 10-Q. The Overview has been filed as Exhibit 99.1 to the Q1 2010 Form 10-Q and also is furnished as Exhibit 99.2 to this report and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On May 10, 2010, Fannie Mae posted to its Web site a 2010 First Quarter Credit Supplement presentation consisting primarily of information about Fannie Mae's mortgage credit book of business. The presentation, a copy of which is furnished as Exhibit 99.3 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/ David C. Hisey

David C. Hisey
Executive Vice President and Deputy Chief Financial Officer

Date: May 10, 2010

EXHIBIT INDEX

The following exhibits are submitted herewith:

Exhibit Number	Description of Exhibit
99.1	News release, dated May 10, 2010
99.2	Impact of New Accounting Standards on Fannie Mae’s 2010 First Quarter Form 10-Q: Overview and FAQ
99.3	2010 First Quarter Credit Supplement presentation, dated May 10, 2010

FannieMae NEWS RELEASE

Resource Center: 1-800-732-6643

Contacts: Todd Davenport
202-752-5115

Number: 5024a

Date: May 10, 2010

Fannie Mae Reports First-Quarter 2010 Results

WASHINGTON, DC — Fannie Mae (FNM/NYSE) reported a net loss of $11.5 billion in the first quarter of 2010, compared with a net loss of $15.2 billion in the fourth quarter of 2009. Including $1.5 billion of dividends on our senior preferred stock held by the U.S. Department of Treasury, the net loss attributable to common stockholders was $13.1 billion, or ($2.29) per diluted share, compared with a loss of $16.3 billion, or ($2.87) per diluted share, in the fourth quarter of 2009. Our first-quarter results were driven primarily by credit-related expenses, which remain at elevated levels due to weaknesses in the economy and the housing market.

The first-quarter loss resulted in a net worth deficit of $8.4 billion as of March 31, 2010, taking into account a $3.3 billion reduction in our deficit related to the adoption of new accounting standards, as well as unrealized gains on available-for-sale securities during the first quarter. The Acting Director of the Federal Housing Finance Agency has therefore asked Treasury to provide us $8.4 billion on or prior to June 30, 2010.

“In the first quarter we continued to serve as a leading source of liquidity to the mortgage market, and we made solid progress in our ongoing efforts to keep people in their homes,” said Fannie Mae President and CEO Mike Williams. “Working with our lender partners, we completed 94,000 loan modifications in the quarter, more than half of which were conversions of trial modifications under the Obama Administration’s Home Affordable Modification Program.”

During the first quarter of 2010, Fannie Mae purchased or guaranteed an estimated $191.4 billion in loans, measured by unpaid principal balance, including approximately $40 billion in delinquent loans purchased in March from our mortgage-backed securities trusts (see “Purchase of Delinquent Loans from MBS Trusts” below). Not including the delinquent-loan purchases, our purchases and guarantees financed approximately 516,000 conventional single-family loans, and approximately 61,000 multifamily units. Our estimated market share of new single-family mortgage-related securities issuances was 40.8 percent in the first quarter of 2010, compared with 38.9 percent in the fourth quarter of 2009. Our mortgage credit book of business was $3.18 trillion as of March 31, 2010, compared with $3.23 trillion as of December 31, 2009.

We have maintained pricing and eligibility standards that promote sustainable homeownership and stability in the housing market, and the risk profile of the loans we acquired remained strong. For single-family loan acquisitions in the first quarter of 2010, the weighted average original loan-to-value ratio was 69 percent and the weighted average FICO credit score was 758. That was consistent with our 2009 single-family loan acquisitions, which had a weighted average original loan-to-value ratio of 67 percent and a weighted average FICO credit score of 761. The ultimate performance of these and all our loans will be affected by macroeconomic trends, including unemployment, the economy, and home prices.

“Promoting sustainable homeownership and maintaining ready access to liquidity are our guiding principles in serving the residential markets,” said Williams. “The strong credit characteristics of our acquisitions during the quarter are evidence that we continue to strike an appropriate balance in providing liquidity while also applying the lessons of the recent credit cycle.”

MBS Consolidation

The Financial Accounting Standards Board last year issued new accounting standards that govern the transfer of financial assets and the consolidation of variable interest entities. We prospectively adopted these new accounting standards and are reporting under them for the first time in our first-quarter 2010 condensed consolidated financial statements.

Implementation of these standards constitutes a fundamental change in the basis of presentation of Fannie Mae’s consolidated financial statements, primarily because the standards require us to consolidate the substantial majority of our MBS trusts. As a result, the trusts’ underlying assets (principally mortgage loans) and liabilities held by third parties (principally MBS certificates issued by the trusts) are now recorded on our condensed consolidated balance sheets. These new accounting standards do not change the economic risk to our business, specifically our exposure to liquidity, credit, and interest rate risks. We refer to January 1, 2010 as the “transition date” for our adoption of these new standards.

Balance Sheets

Our balance sheets reflect several changes related to the new accounting standards, including:

- A significant increase in loans and debt and a decrease in trading and available-for-sale securities.
- Separate presentation of the elements of the consolidated MBS trusts (such as mortgage loans, debt, accrued interest receivable and payable) on the face of our condensed consolidated balance sheets.
- Significant increase in allowance for loan losses and significant decrease in reserve for guaranty losses.
- Elimination of substantially all previously recorded guaranty assets and guaranty obligations.

Statements of Operations

Our statements of operations reflect several changes related to the new accounting standards, including:

- A significant increase in interest income and interest expense attributable to the assets and liabilities of the consolidated MBS trusts, and a separate presentation of the elements of the consolidated MBS trusts (interest income and interest expense) on the face of our condensed consolidated statements of operations.
- Reclassification of the substantial majority of guaranty fee income and trust management income to interest income.
- A decrease to the provision for credit losses (which consists of the provision for loan losses and provision for guaranty losses) and a corresponding decrease in net interest income due to recognizing interest expense on the debt of consolidated MBS trusts and not accruing interest income on underlying nonperforming consolidated loans.
- Elimination of fair value losses on credit-impaired loans acquired from MBS trusts we have consolidated, as the underlying loans in our MBS trusts are already recognized in our condensed consolidated balance sheets.
- Our portfolio securitization transactions that reflect transfers of assets to consolidated MBS trusts do not qualify as sales, thereby reducing the amount we recognize as portfolio securitization gains and losses. We also no longer recognize gains or losses on the sale from our portfolio of available-for-sale MBS securities that were issued by consolidated MBS trusts, because these securities are eliminated in consolidation.
- We no longer recognize fair value gains or losses on trading MBS that were issued by consolidated MBS trusts, which reduces the amount of securities subject to recognition of changes in fair value in our condensed consolidated statements of operations.

SUMMARY OF FIRST-QUARTER RESULTS

(dollars in millions, except per share amounts) (1)	1Q10	4Q09	Variance	1Q10	1Q09	Variance
Net interest income	$ 2,789	$ 3,697	$ (908)	$ 2,789	$ 3,248	$ (459)
Guaranty fee income	54	1,877	(1,823)	54	1,752	(1,698)
Fee and other income	179	190	(11)	179	192	(13)
Net revenues	3,022	5,764	(2,742)	3,022	5,192	(2,170)
Investment gains, net	166	495	(329)	166	223	(57)
Net other-than-temporary impairments	(236)	(2,516)	2,280	(236)	(5,653)	5,417
Fair value losses, net	(1,705)	(638)	(1,067)	(1,705)	(1,460)	(245)
Losses from partnership investments	(58)	(5,287)	5,229	(58)	(357)	299
Administrative expenses	(605)	(612)	7	(605)	(523)	(82)
Credit-related expenses (2)	(11,884)	(11,920)	36	(11,884)	(20,872)	8,988
Other non-interest expenses	(296)	(701)	405	(296)	(358)	62
Net losses and expenses	(14,618)	(21,179)	6,561	(14,618)	(29,000)	14,382
Loss before federal income taxes	(11,596)	(15,415)	3,819	(11,596)	(23,808)	12,212
Benefit for federal income taxes	67	242	(175)	67	623	(556)
Net loss	(11,529)	(15,173)	3,644	(11,529)	(23,185)	11,656
Less: Net income (loss) attributable to the noncontrolling interest	(1)	(2)	1	(1)	17	(18)
Net loss attributable to Fannie Mae	$ (11,530)	$ (15,175)	$ 3,645	$ (11,530)	$ (23,168)	$ 11,638
Preferred stock dividends	(1,527)	(1,151)	(376)	(1,527)	(29)	(1,498)
Net loss attributable to common stockholders	$ (13,057)	$ (16,326)	$ 3,269	$ (13,057)	$ (23,197)	$ 10,140
Diluted loss per common share	$ (2.29)	$ (2.87)	$ 0.58	$ (2.29)	$ (4.09)	$ 1.80

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

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

Net revenue was $3.0 billion in the first quarter of 2010, down 48 percent from $5.8 billion in the fourth quarter of 2009, due primarily to the adoption of the new accounting standards.

- Net interest income was $2.8 billion, down 25 percent from $3.7 billion in the fourth quarter of 2009. The assets and liabilities of our newly consolidated trusts increased both our interest income and our interest expense, but our net interest income decreased because we do not recognize interest income on the mortgage loans of consolidated trusts that have been placed on nonaccrual status. In the first quarter of 2010, interest income that we did not recognize for nonaccrual mortgage loans was $2.7 billion.

- Guaranty fee income was $54 million, down substantially from $1.9 billion in the fourth quarter of 2009. Under the new accounting standards, we now recognize both contractual guaranty fees and the amortization of deferred cash fees received after December 31, 2009 through interest income, thereby reducing guaranty fee income to only those amounts related to unconsolidated trusts and other credit enhancement arrangements, such as our long-term standby commitments.

Credit-related expenses, which are the total provision for credit losses plus foreclosed property expense, were $11.9 billion in the first quarter. As of the consolidation transition date, we no longer recognize fair value losses on credit-impaired loans newly acquired from MBS trusts that we consolidated. However, during the first quarter of 2010 we recognized a higher level of impairments as compared with the fourth quarter of 2009 because loan modifications, which result in the loans being treated as individually impaired, increased substantially. In aggregate, the increase in individual impairment, as well as the high level of nonperforming loans, delinquencies, and defaults due to the general deterioration in our guaranty book of business, resulted in a provision for credit losses that was in line with the provision for credit losses in the fourth quarter of 2009 despite the reduction in fair-value losses on credit-impaired loans acquired from MBS trusts.

Credit losses increased to $5.1 billion in the first quarter of 2010 from $4.1 billion in the fourth quarter of 2009, reflecting the increase in the number of defaults, which was partially offset by a slight reduction in loss severity. Credit losses remained substantially lower than our credit-related expenses during the first quarter of 2010 due partly to our home retention and foreclosure alternative efforts and partly to changes in the foreclosure process in a number of states and foreclosure processing backlogs in some jurisdictions.

Our single-family serious delinquency rate increased to 5.47 percent as of March 31, 2010 from 5.38 percent as of December 31, 2009, but grew at a slower pace than in each quarter of 2009 as we continued to work with our servicers to reduce delays in completing workouts and more modifications and foreclosure alternatives are being pursued. We believe that growth in our serious delinquency rate during the first quarter was also slowed by improved employment trends in the economy. The period of time that loans remain seriously delinquent continues to remain extended.

Combined loss reserves were $60.8 billion, or 1.99 percent of our guaranty book of business, as of March 31, 2010, compared with $64.4 billion, or 2.08 percent of our guaranty book of business, as of December 31, 2009. The decrease was primarily due to a difference in the methodology used to estimate incurred losses under our allowance for loan losses versus under our reserve for guaranty losses. Our guaranty reserve considers not only the principal and interest due on a loan at the current balance sheet date, but also an estimate of any interest payments that we expect to be missed between the balance sheet date and loan acquisition or foreclosure. However, our loan loss allowance considers only our net recorded investment in the loan at the balance sheet date, which includes interest income only while the loan was on accrual status.

When we consolidated trusts at the transition date, we decreased our reserve for guaranty losses by $54.1 billion and increased our allowance for loan losses by $43.6 billion. In addition to recognizing mortgage loans held by newly consolidated trusts at the transition date, we also recognized the accrued interest receivable associated with them, which included delinquent interest that we previously considered in estimating our reserve for guaranty losses. As a result, we reclassified $7.0 billion from “Reserve for guaranty losses” to a valuation allowance within “Accrued interest receivable, net” in our condensed consolidated balance sheet.

Total nonperforming loans in our guaranty book of business were $223.9 billion as of March 31, 2010, compared with $216.5 billion as of December 31, 2009.

Net fair value losses were $1.7 billion in the first quarter, compared with $638 million in the fourth quarter of 2009. We recognized $2.8 billion of fair value losses on our derivatives in the first quarter of 2010 due to declining interest rates that led to a decrease in the fair value of our pay-fixed derivatives, partially offset by an increase in the fair value of receive-fixed swap derivatives; a decrease in implied interest rate volatility that reduced the fair value of our pay-fixed options; and time decay on our purchased options. The losses on our derivatives were partially offset by $1.1 billion of fair value gains on our trading securities due to declining mortgage interest rates and narrowing spreads on CMBS during the quarter.

Net other-than-temporary impairment was $236 million in the first quarter, compared with $2.5 billion in the fourth quarter of 2009. The level of impairments fell sharply from the fourth quarter due primarily to a smaller decline in the present value of projected cash flows on Alt-A and subprime securities in our portfolio.

We provide further discussion of our financial results and condition, credit performance, fair value balance sheets and other matters in our quarterly report on Form 10-Q for the quarter ended March 31, 2010, which was filed today with the Securities and Exchange Commission. Further information about our credit performance, the characteristics of our guaranty book of business, the drivers of our credit losses, our foreclosure-prevention efforts, and other measures is contained in the “First Quarter 2010 Credit Supplement” on Fannie Mae’s Web site, www.fanniemae.com.

Net Worth and U.S. Treasury Funding

As noted above, the Acting Director of FHFA has requested $8.4 billion of funds from Treasury on our behalf under the terms of the senior preferred stock purchase agreement between Fannie Mae and Treasury to eliminate our net worth deficit as of March 31, 2010.

On March 31, 2010, Treasury provided to us $15.3 billion to cure our net worth deficit as of December 31, 2009. As a result of this draw, the aggregate liquidation preference of the senior preferred stock increased from $60.9 billion to $76.2 billion as of March 31, 2010. It will increase to $84.6 billion upon the receipt of funds from Treasury to eliminate our first-quarter 2010 net worth deficit.

Due to current trends in the housing and financial markets, we continue to expect to have a net worth deficit in future periods, and therefore will be required to obtain additional funding from Treasury pursuant to the senior preferred stock purchase agreement.

Fair Value Update

The fair value of our net assets, including the impact of adopting the new accounting standards and capital transactions, decreased by $46.4 billion from December 31, 2009, which resulted in a fair value net deficit of $145.2 billion as of March 31, 2010. Included in this decrease was $52.3 billion primarily associated with recording delinquent loans underlying consolidated MBS trusts and eliminating our net guaranty obligations related to MBS trusts that were consolidated on January 1, 2010 as a result of adopting the new accounting standards. The fair value of our guaranty obligations is a measure of the credit risk related to mortgage loans underlying Fannie Mae MBS that we assume through our guaranty. With consolidation of MBS trusts and the elimination of our guaranty obligation, we no longer valued our credit risk associated with delinquent loans in consolidated MBS trusts using our guaranty obligation models and began valuing those delinquent loans based on nonperforming loan prices. The estimated fair value of our net assets presented in our non-GAAP consolidated fair value balance sheets does not represent an estimate of our net realizable value, liquidation value or our market value as a whole; nor does it represent an estimate of the value we expect to receive from operating the company or what we expect to draw from the Treasury under the terms of our senior preferred stock purchase agreement.

Had we continued to value our credit risk associated with delinquent loans in consolidated MBS trusts using our guaranty obligation models rather than valuing those loans based on nonperforming loan prices, the fair value of our net assets at March 31, 2010 would have been a net deficit of approximately $104 billion, a $5 billion increase to our December 31, 2009 net deficit of $99 billion. For more information on the change in our fair value net deficit, please refer to “Supplemental Non-GAAP Information—Fair Value Balance Sheets” in our quarterly report on Form 10-Q for the period ended March 31, 2010, which was filed today with the SEC.

Homeowner Assistance Initiatives

During 2009 and continuing through the first quarter of 2010, the prolonged economic stress and high levels of unemployment hindered the efforts of many delinquent borrowers to bring their loans current. In the first quarter of 2010, we completed home retention workouts (modifications, repayment plans, forbearances, and HomeSaver Advance™ loans) for over 105,000 loans with an aggregate unpaid principal balance of $20.3 billion. On a loan count basis, this represented a 111 percent increase over home retention workouts completed in the fourth quarter of 2009.

If we are unable to provide a viable home retention solution for a problem loan, we seek to offer foreclosure alternatives, primarily preforeclosure sales and deeds-in-lieu of foreclosure. We have increasingly relied on foreclosure alternatives as a growing number of borrowers have faced longer-term economic hardships that cannot be solved through a home retention solution, and we expect the volume of our foreclosure alternatives to increase in 2010.

In the first quarter of 2010, Fannie Mae, in conjunction with our servicing partners, took the following home retention and foreclosure prevention actions:

- **Loan modifications**, including permanent HAMP modifications, of 93,756, compared with 41,759 in the fourth quarter of 2009. This figure does not include HAMP modifications in trial periods.
- **Repayment plans/forbearances** completed of 8,682, compared with 5,353 in the fourth quarter of 2009.
- **HomeSaver Advance loans** of 2,588, compared with 2,759 in the fourth quarter of 2009.
- **Preforeclosure sales** and **deeds-in-lieu of foreclosure** of 17,326, compared with 13,459 in the fourth quarter of 2009.

During the first quarter of 2010, as in the fourth quarter of 2009, we acquired or guaranteed approximately 417,000 loans that were refinances.

Home Affordable Modification Program

As of the March 31, 2010 reporting period, approximately 296,000 Fannie Mae loans were in trial modification periods under the Home Affordable Modification Program, as reported by servicers to the system of record for the program, compared with 291,000 as of the December 31, 2009 reporting period. In addition to participating in the Home Affordable Modification Program, Fannie Mae serves as the program administrator on behalf of Treasury.

Home Affordable Refinance Program

In the first quarter, approximately 142,000 Fannie Mae loans were refinanced through our Refi Plus initiative, compared with 109,000 in the fourth quarter. Included in those totals were approximately 54,000 loans that were refinanced under the Home Affordable Refinance Program during the first quarter and 42,000 in the fourth quarter.

On average, borrowers who refinanced during the first quarter through our Refi Plus initiatives reduced their monthly mortgage payments by $145, or $1,740 annually. In addition, borrowers refinancing under the Home Affordable Refinance Program were able to benefit from lower levels of mortgage insurance and higher loan-to-value ratios than those that would be allowed under our traditional standards.

Additional information about the Home Affordable Modification Program and the Home Affordable Refinance Program, including a description of eligibility requirements, is available at www.MakingHomeAffordable.gov.

Alternative Modification™ Option

We recently announced an Alternative Modification option for Fannie Mae borrowers who were eligible for and accepted a HAMP trial modification plan, stayed current during their trial period, but were subsequently denied a permanent modification because they were unable to demonstrate compliance with the eligibility requirements for a permanent modification. Alternative Modifications are available only for borrowers who were in a HAMP trial modification that was initiated by March 1, 2010, and who made all required payments during their HAMP trial period.

Foreclosure Activity

We acquired 61,929 single-family real estate-owned properties through foreclosure in the first quarter of 2010, compared with 47,189 in the fourth quarter of 2009. As of March 31, 2010, our inventory of single-family real estate owned properties was 109,989, compared with 86,155 as of December 31, 2009. The carrying value of our single-family REO was $11.4 billion, compared with $8.5 billion as of December 31, 2009.

Our single-family foreclosure rate, which reflects the annualized number of single-family properties acquired through foreclosure as a percentage of the total number of loans in our conventional single-family mortgage credit book of business, was 1.36 percent on an annualized basis in the first quarter, compared with 1.03 percent in the fourth quarter of 2009.

Despite the increase in our foreclosure rate during the first quarter of 2010, foreclosure levels were lower than what they otherwise would have been due to our directive to servicers to delay foreclosure sales until the loan servicer verifies that the borrower is ineligible for a HAMP modification and that all other foreclosure prevention alternatives have been exhausted. The continued weak economy and high unemployment rates, as well as the prolonged decline in home prices on a national basis, continue to result in an increase in the percentage of our mortgage loans that transition from delinquent to foreclosure status and significantly reduced the values of our foreclosed single-family properties. Further, we have seen an increase in the percentage of our properties that we are unable to market for sale in the first quarter of 2010. The most common reasons we are unable to market properties for sale are: (1) properties are within the period during which state law allows the original owner to redeem the property by paying the past due balance; (2) properties are still occupied and the eviction process is not yet complete; or (3) properties are being repaired. As we are unable to market a higher portion of our inventory, it slows the pace at which we can dispose of our properties.

Although we have expanded our loan workout initiatives to keep borrowers in their homes, we expect our foreclosures to increase during 2010 as a result of the adverse impact that the weak economy and high unemployment have had and are expected to have on the financial condition of borrowers.

Purchase of Delinquent Loans from MBS Trusts

As discussed in “MBS Consolidation” above, as of the transition date, we no longer recognize fair value losses on credit-impaired loans newly acquired from MBS trusts we have consolidated, as the underlying loans in our MBS trusts are already recognized in our condensed consolidated balance sheets. Without these fair value losses, the cost of purchasing most delinquent loans from Fannie Mae MBS trusts and holding them in our portfolio is less than the cost of advancing delinquent payments to holders of the Fannie Mae MBS. As a result, we have significantly increased our purchases of loans from single-family MBS trusts that are delinquent as to four or more consecutive monthly payments. In March 2010, we purchased approximately 216,000 delinquent loans with an unpaid principal balance of approximately $40 billion from MBS trusts. As of March 31, 2010, the total unpaid principal balance of all loans in single-family MBS trusts that were delinquent four or more months was approximately $94 billion. In April 2010, we purchased approximately 229,000 delinquent loans with an unpaid principal balance of approximately $46 billion from our MBS trusts. We expect to continue to purchase a significant portion of the remaining delinquent population within a few months subject to market conditions, servicer capacity, and other constraints including the limit on the mortgage assets that we may own pursuant to our senior preferred stock purchase agreement with Treasury.

Business Segment Results

Fannie Mae conducts its activities through three complementary businesses: Single-Family Credit Guaranty, Housing and Community Development (HCD), and Capital Markets. Our Single-Family Credit Guaranty business works with our lender customers to securitize single-family mortgage loans into Fannie Mae MBS and to facilitate the purchase of single-family mortgage loans for our mortgage portfolio. HCD works with our lender customers to securitize multifamily mortgage loans into Fannie Mae MBS and to facilitate the purchase of multifamily mortgage loans for our mortgage portfolio. Our HCD business also makes debt and equity investments to increase the supply of affordable housing. Our Capital Markets group manages our investment activity in mortgage loans, mortgage-related securities and other investments.

Although we continue to manage Fannie Mae based on these business segments, we have changed the presentation of segment financial information that is currently evaluated by management. While some line items in our segment results were not impacted by either the change from the new accounting standards or changes to our segment presentation, others were impacted materially, which reduces the comparability of our segment results with prior periods. Under the current segment reporting structure, the sum of the results for our three business segments does not equal our condensed consolidated results of operations as we separate the activity related to our consolidated trusts from the results generated by our three segments.

Single-Family Credit Guaranty book of business was $2.88 trillion as of March 31, 2010, compared with $2.91 trillion on December 31, 2009. Single-family guaranty fee income was $1.8 billion, compared with $2.1 billion for the fourth quarter of 2009. The Single-Family business lost $12.6 billion in the first quarter of 2010 due primarily to credit-related expenses of $11.9 billion. We also did not recognize $2.7 billion of interest income on nonaccrual loans primarily due to our adoption of the new accounting standards. The Single-Family business lost $9.6 billion in the fourth quarter of 2009.

Housing and Community Development's multifamily guaranty book of business was $186.1 billion as of March 31, 2010, compared with $185.3 billion as of December 31, 2009. HCD recorded a net benefit of $42 million from credit-related expenses in the first quarter of 2010, compared with $977 million of expenses in the fourth quarter of 2009. HCD earned $99 million in the first quarter of 2010, compared with a loss of $6.2 billion in the fourth quarter of 2009, which was driven by losses on our low-income housing tax credit partnership investments.

Capital Markets' net interest income was $3.1 billion in the first quarter of 2010, compared with $3.7 billion in the fourth quarter of 2009. Fair value losses were $1.2 billion in the first quarter of 2010, compared with $638 million in the fourth quarter of 2009. Net other-than-temporary impairment was $236 million in the first quarter of 2010, compared with $2.5 billion in the fourth quarter of 2009. The net mortgage investment portfolio balance was $764.8 billion, compared with $772.7 billion on January 1, 2010, resulting from purchases of $99.7 billion, liquidations of $27.9 billion, and sales of $79.8 billion during the quarter. Capital Markets earned $2.1 billion in the first quarter of 2010, compared with $572 million in the fourth quarter of 2009.

# # #

Certain statements in this news release may be considered forward-looking statements within the meaning of the federal securities laws, including those relating to future market conditions; our future performance, including net worth; our receipt of funds from Treasury under the senior preferred stock purchase agreement; our future purchases of delinquent loans; our future plans; and our future business activities, including the volume of foreclosures and foreclosure alternatives. Although Fannie Mae believes that the expectations set forth in these statements are based upon reasonable assumptions, future conditions and events may differ materially from what is indicated in any forward-looking statements. Factors that could cause actual conditions or events to differ materially from those described in these forward-looking statements include, but are not limited to, legislative or other governmental actions relating to our business or the financial markets; our ability to manage our business to a positive net worth; adverse effects from activities we undertake to support the mortgage market and help borrowers; the investment by Treasury and its effect on our business; changes in the structure and regulation of the financial services industry, including government efforts to improve economic conditions; the conservatorship and its effect on our business (including our business strategies and practices); the depth and duration of weakness in the housing market and economic conditions, including the extent of home price declines and unemployment rates; the level and volatility of interest rates and credit spreads; the accuracy of subjective estimates used in critical accounting policies; and other factors described in Fannie Mae's quarterly report on Form 10-Q for the quarter ended March 31, 2010, and Fannie Mae's annual report on Form 10-K for the year ended December 31, 2009, including the "Risk Factors" and "Forward-Looking Statements" sections of these reports.

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 providing funds to 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
(Dollars in millions, except share amounts)
(Unaudited)

	As of	
	March 31, 2010	December 31, 2009
ASSETS		
Cash and cash equivalents (includes cash of consolidated trusts of $446 and $2,092, respectively)	$ 30,477	$ 6,812
Restricted cash (includes restricted cash of consolidated trusts of $42,731 and $-, respectively)	45,479	3,070
Federal funds sold and securities purchased under agreements to resell or similar arrangements	62,446	53,684
Investments in securities:		
Trading, at fair value (includes securities of consolidated trusts of $32 and $5,599, respectively)	72,529	111,939
Available-for-sale, at fair value (includes securities of consolidated trusts of $624 and $10,513, respectively, and securities pledged as collateral that may be sold or repledged of $- and $1,148, respectively)	108,667	237,728
Total investments in securities	181,196	349,667
Mortgage loans:		
Loans held for sale, at lower of cost or fair value	980	18,462
Loans held for investment, at amortized cost		
Of Fannie Mae	309,991	256,434
Of consolidated trusts (includes loans pledged as collateral that may be sold or repledged of $2,895 and $1,947, respectively)	2,679,336	129,590
Total loans held for investment	2,989,327	386,024
Allowance for loan losses	(60,569)	(9,925)
Total loans held for investment, net of allowance	2,928,758	376,099
Total mortgage loans	2,929,738	394,561
Advances to lenders	4,151	5,449
Accrued interest receivable:		
Of Fannie Mae	4,333	3,774
Of consolidated trusts	13,939	519
Allowance for accrued interest receivable	(7,611)	(536)
Total accrued interest receivable, net of allowance	10,661	3,757
Acquired property, net	12,369	9,142
Derivative assets, at fair value	435	1,474
Guaranty assets	473	8,356
Deferred tax assets, net	1,906	909
Partnership investments	1,853	2,372
Servicer and MBS trust receivable	679	18,329
Other assets	11,892	11,559
Total assets	$ 3,293,755	$ 869,141
LIABILITIES AND EQUITY (DEFICIT)		
Liabilities:		
Accrued interest payable:		
Of Fannie Mae	$ 5,006	$ 4,951
Of consolidated trusts	10,558	29
Federal funds purchased and securities sold under agreements to repurchase	180	—
Short-term debt:		
Of Fannie Mae	207,822	200,437
Of consolidated trusts	6,343	—
Long-term debt:		
Of Fannie Mae (includes debt at fair value of $3,258 and $3,274, respectively)	576,307	567,950
Of consolidated trusts (includes debt at fair value of $310 and $-, respectively)	2,472,192	6,167
Derivative liabilities, at fair value	957	1,029
Reserve for guaranty losses (includes $33 and $4,772, respectively, related to Fannie Mae MBS included in Investments in securities)	233	54,430
Guaranty obligations	827	13,996
Partnership liabilities	2,020	2,541
Servicer and MBS trust payable	9,799	25,872
Other liabilities	9,882	7,020
Total liabilities	3,302,126	884,422
Commitments and contingencies (Note 17)	—	—
Fannie Mae stockholders' equity (deficit):		
Senior preferred stock, 1,000,000 shares issued and outstanding	76,200	60,900
Preferred stock, 700,000,000 shares are authorized—578,598,631 and 579,735,457 shares issued and outstanding, respectively	20,291	20,348
Common stock, no par value, no maximum authorization—1,267,426,377 and 1,265,674,761 shares issued, respectively; 1,115,813,353 and 1,113,358,051 shares outstanding, respectively	665	664
Additional paid-in capital	604	2,083
Accumulated deficit	(95,061)	(90,237)
Accumulated other comprehensive loss	(3,754)	(1,732)
Treasury stock, at cost, 151,613,024 and 152,316,710 shares, respectively	(7,396)	(7,398)
Total Fannie Mae stockholders' deficit	(8,451)	(15,372)
Noncontrolling interest	80	91
Total deficit	(8,371)	(15,281)
Total liabilities and equity (deficit)	$ 3,293,755	$ 869,141

See Notes to Condensed Consolidated Financial Statements

FANNIE MAE
(In conservatorship)

Condensed Consolidated Statements of Operations
(Dollars and shares in millions, except per share amounts)
(Unaudited)

	For the Three Months Ended March 31, 2010	For the Three Months Ended March 31, 2009
Interest income:		
Trading securities	$ 315	$ 990
Available-for-sale securities	1,473	3,721
Mortgage loans:		
Of Fannie Mae	3,298	4,707
Of consolidated trusts	34,321	891
Other	39	127
Total interest income	39,446	10,436
Interest expense:		
Short-term debt:		
Of Fannie Mae	116	1,107
Of consolidated trusts	2	—
Long-term debt:		
Of Fannie Mae	5,081	5,992
Of consolidated trusts	31,458	89
Total interest expense	36,657	7,188
Net interest income	2,789	3,248
Provision for loan losses	(11,939)	(2,509)
Net interest income (loss) after provision for loan losses	(9,150)	739
Guaranty fee income (includes imputed interest of $29 and $150 for the three months ended March 31, 2010 and 2009, respectively)	54	1,752
Investment gains, net	166	223
Other-than-temporary impairments	(186)	(5,653)
Noncredit portion of other-than-temporary impairments recognized in other comprehensive loss	(50)	—
Net other-than-temporary impairments	(236)	(5,653)
Fair value losses, net	(1,705)	(1,460)
Debt extinguishment losses, net (includes debt extinguishment losses related to consolidated trusts of $69 for the three months ended March 31, 2010)	(124)	(79)
Losses from partnership investments	(58)	(357)
Fee and other income	179	192
Non-interest loss	(1,724)	(5,382)
Administrative expenses:		
Salaries and employee benefits	324	293
Professional services	194	143
Occupancy expenses	41	48
Other administrative expenses	46	39
Total administrative expenses	605	523
Provision (benefit) for guaranty losses	(36)	17,825
Foreclosed property expense (income)	(19)	538
Other expenses	172	279
Total expenses	722	19,165
Loss before federal income taxes	(11,596)	(23,808)
Benefit for federal income taxes	(67)	(623)
Net loss	(11,529)	(23,185)
Less: Net (income) loss attributable to the noncontrolling interest	(1)	17
Net loss attributable to Fannie Mae	(11,530)	(23,168)
Preferred stock dividends	(1,527)	(29)
Net loss attributable to common stockholders	$ (13,057)	$ (23,197)
Loss per share — Basic and Diluted	$ (2.29)	$ (4.09)
Weighted-average common shares outstanding — Basic and Diluted	5,692	5,666

See Notes to Condensed Consolidated Financial Statements

FANNIE MAE
(In conservatorship)

Condensed Consolidated Statements of Cash Flows

(Dollars in millions)
(Unaudited)

	For the Three Months Ended March 31, 2010	2009
Cash flows used in operating activities:		
Net loss	$ (11,529)	$ (23,185)
Amortization of debt of Fannie Mae cost basis adjustments	364	1,326
Amortization of debt of consolidated trusts cost basis adjustments	(68)	(2)
Provision for loan and guaranty losses	11,903	20,334
Valuation (gains) losses	(990)	5,403
Current and deferred federal income taxes	(67)	(1,713)
Derivatives fair value adjustments	891	(3)
Purchases of loans held for sale	(17)	(33,332)
Proceeds from repayments of loans held for sale	9	295
Net change in trading securities, excluding non-cash transfers	(31,679)	1,949
Other, net	(1,720)	(1,417)
Net cash used in operating activities	(32,903)	(30,345)
Cash flows provided by investing activities:		
Purchases of trading securities held for investment	(6,695)	—
Proceeds from maturities of trading securities held for investment	805	2,656
Proceeds from sales of trading securities held for investment	15,068	38
Purchases of available-for-sale securities	(107)	(22,697)
Proceeds from maturities of available-for-sale securities	4,120	9,731
Proceeds from sales of available-for-sale securities	6,154	53,972
Purchases of loans held for investment	(19,863)	(9,859)
Proceeds from repayments of loans held for investment of Fannie Mae	3,250	10,974
Proceeds from repayments of loans held for investment of consolidated trusts	130,226	3,020
Net change in restricted cash	3,174	—
Advances to lenders	(10,338)	(22,877)
Proceeds from disposition of acquired property	7,678	4,554
Reimbursements to servicers for loan advances	(11,748)	(4,434)
Net change in federal funds sold and securities purchased under agreements to resell or similar arrangements	(9,135)	13,405
Other, net	(382)	(195)
Net cash provided by investing activities	112,207	38,288
Cash flows used in financing activities:		
Proceeds from issuance of short-term debt of Fannie Mae	192,421	360,173
Proceeds from issuance of short-term debt of consolidated trusts	3,332	—
Payments to redeem short-term debt of Fannie Mae	(185,156)	(417,553)
Payments to redeem short-term debt of consolidated trusts	(9,513)	—
Proceeds from issuance of long-term debt of Fannie Mae	100,604	105,057
Proceeds from issuance of long-term debt of consolidated trusts	83,692	—
Payments to redeem long-term debt of Fannie Mae	(92,355)	(65,290)
Payments to redeem long-term debt of consolidated trusts	(162,617)	(127)
Proceeds from senior preferred stock purchase agreement with Treasury	15,300	15,200
Net change in federal funds purchased and securities sold under agreements to repurchase	180	(65)
Other, net	(1,527)	(25)
Net cash used in financing activities	(55,639)	(2,630)
Net increase in cash and cash equivalents	23,665	5,313
Cash and cash equivalents at beginning of period	6,812	17,933
Cash and cash equivalents at end of period	$ 30,477	$ 23,246
Cash paid during the period for:		
Interest	$ 40,660	$ 7,806
Income taxes	—	848
Non-cash activities (excluding transition-related impacts — see Note 2)**:**		
Mortgage loans acquired by assuming debt	$ 130,042	$ 13
Net transfers from mortgage loans held for investment of consolidated trusts to mortgage loans held for investment of Fannie Mae	55,074	—
Transfers from advances to lenders to investments in securities	—	13,131
Transfers from advances to lenders to loans held for investment of consolidated trusts	11,012	—
Net transfers from mortgage loans to acquired property	2,233	916

See Notes to Condensed Consolidated Financial Statements

FANNIE MAE
(In conservatorship)

Condensed Consolidated Statements of Changes in Equity (Deficit)
(Dollars and shares in millions, except per share amounts)
(Unaudited)

	Fannie Mae Stockholders' Equity											
	Shares Outstanding											
	Senior Preferred	Preferred	Common	Senior Preferred	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Treasury Stock	Non Controlling Interest	Total Equity (Deficit)
Balance as of December 31, 2008	1	597	1,085	$ 1,000	$ 21,222	$ 650	$ 3,621	$ (26,790)	$ (7,673)	$ (7,344)	$ 157	$ (15,157)
Change in investment in noncontrolling interest	—	—	—	—	—	—	—	—	—	—	(3)	(3)
Comprehensive loss:												
Net loss	—	—	—	—	—	—	—	(23,168)	—	—	(17)	(23,185)
Other comprehensive loss, net of tax effect:												
Changes in net unrealized losses on available-for sale securities (net of tax of $271)	—	—	—	—	—	—	—	—	505	—	—	505
Reclassification adjustment for other-than-temporary impairments recognized in net loss (net of tax of $1,979)	—	—	—	—	—	—	—	—	3,674			3,674
Reclassification adjustment for gains included in net loss (net of tax of $17)	—	—	—	—	—	—	—	—	32	—	—	32
Unrealized gains on guaranty assets and guaranty fee buy-ups	—	—	—	—	—	—	—	—	29	—	—	29
Prior service cost and actuarial gains, net of amortization for defined benefit plans	—	—	—	—	—	—	—	—	15	—	—	15
Total comprehensive loss												(18,930)
Senior preferred stock dividends	—	—	—	—	—	—	(25)	—	—	—	—	(25)
Increase to senior preferred liquidation preference	—	—	—	15,200	—	—	—	—	—	—	—	15,200
Conversion of convertible preferred stock into common stock	—	(12)	19	—	(593)	10	583	—	—	—	—	—
Other	—	—	1	—	—	—	19	1	—	(34)	—	(14)
Balance as of March 31, 2009	1	585	1,105	$ 16,200	$ 20,629	$ 660	$ 4,198	$ (49,957)	$ (3,418)	$ (7,378)	$ 137	$ (18,929)
Balance as of December 31, 2009	1	580	1,113	$ 60,900	$ 20,348	$ 664	$ 2,083	$ (90,237)	$ (1,732)	$ (7,398)	$ 91	$ (15,281)
Cumulative effect from the adoption of the accounting standards on transfers of financial assets and consolidation	—	—	—	—	—	—	—	6,706	(3,394)	—	(14)	3,298
Balance as of January 1, 2010, adjusted	1	580	1,113	60,900	20,348	664	2,083	(83,531)	(5,126)	(7,398)	77	(11,983)
Change in investment in noncontrolling interest	—	—	—	—	—	—	—	—	—	—	2	2
Comprehensive loss:												
Net income (loss)	—	—	—	—	—	—	—	(11,530)	—	—	1	(11,529)
Other comprehensive loss, net of tax effect:												
Changes in net unrealized losses on available-for-sale securities, (net of tax of $710)	—	—	—	—	—	—	—	—	1,318	—	—	1,318
Reclassification adjustment for other-than-temporary impairments recognized in net loss (net of tax of $81)	—	—	—	—	—	—	—	—	155	—	—	155
Reclassification adjustment for losses included in net loss (net of tax of $56)	—	—	—	—	—	—	—	—	(103)	—	—	(103)
Prior service cost and actuarial gains, net of amortization for defined benefit plans	—	—	—	—	—	—	—	—	2	—	—	2
Total comprehensive loss												(10,157)
Senior preferred stock dividends	—	—	—	—	—	—	(1,527)	—	—	—	—	(1,527)
Increase to senior preferred liquidation preference	—	—	—	15,300	—	—	—	—	—	—	—	15,300
Conversion of convertible preferred stock into common stock	—	(1)	2	—	(57)	1	56	—	—	—	—	—
Other	—	—	1	—	—	—	(8)	—	—	2	—	(6)
Balance as of March 31, 2010	1	579	1,116	$ 76,200	$ 20,291	$ 665	$ 604	$ (95,061)	$ (3,754)	$ (7,396)	$ 80	$ (8,371)

See Notes to Condensed Consolidated Financial Statements

Supplemental Non-GAAP Consolidated Fair Value Balance Sheets

	As of March 31, 2010			As of December 31, 2009[1]		
	GAAP Carrying Value	Fair Value Adjustment[2]	Estimated Fair Value	GAAP Carrying Value	Fair Value Adjustment[2]	Estimated Fair Value
	(Dollars in millions)					
Assets:						
Cash and cash equivalents	$ 75,956	$ —	$ 75,956[3]	$ 9,882	$ —	$ 9,882[3]
Federal funds sold and securities purchased under agreements to resell or similar arrangements	62,446	—	62,446[3]	53,684	(28)	53,656[3]
Trading securities	72,529	—	72,529[3]	111,939	—	111,939[3]
Available-for-sale securities	108,667	—	108,667[3]	237,728	—	237,728[3]
Mortgage loans:						
Mortgage loans held for sale	980	2	982[3]	18,462	153	18,615[3]
Mortgage loans held for investment, net of allowance for loan losses:						
Of Fannie Mae	284,316	(13,532)	270,784[3]	246,509	(5,209)	241,300[3]
Of consolidated trusts	2,644,442	(4,998)[4]	2,639,444[3]	129,590	(45)	129,545[3]
Total mortgage loans	2,929,738	(18,528)	2,911,210	394,561	(5,101)	389,460
Advances to lenders	4,151	(279)	3,872[3]	5,449	(305)	5,144[3]
Derivative assets at fair value	435	—	435[3]	1,474	—	1,474[3]
Guaranty assets and buy-ups, net	473	337	810[3][5]	9,520	5,104	14,624[3][5]
Total financial assets	3,254,395	(18,470)	3,235,925[3]	824,237	(330)	823,907[3]
Master servicing assets and credit enhancements	573	4,354	4,927[5][6]	651	5,917	6,568[5][6]
Other assets	38,787	(263)	38,524[6]	44,253	373	44,626[6]
Total assets	$ 3,293,755	$ (14,379)	$ 3,279,376	$ 869,141	$ 5,960	$ 875,101
Liabilities:						
Federal funds purchased and securities sold under agreements to repurchase	$ 180	$ —	$ 180[3]	$ —	$ —	$ —[3]
Short-term debt:						
Of Fannie Mae	207,822	44	207,866[3]	200,437	56	200,493[3]
Of consolidated trusts	6,343	(1)	6,342[3]	—	—	—[3]
Long-term debt:						
Of Fannie Mae	576,307[7]	20,528	596,835[3]	567,950[7]	19,473	587,423[3]
Of consolidated trusts	2,472,192[7]	98,762[4]	2,570,954[3]	6,167[7]	143	6,310[3]
Derivative liabilities at fair value	957	—	957[3]	1,029	—	1,029[3]
Guaranty obligations	827	3,497	4,324[3]	13,996	124,586	138,582[3]
Total financial liabilities	3,264,628	122,830	3,387,458[3]	789,579	144,258	933,837[3]
Other liabilities	37,498	(447)	37,051[8]	94,843	(54,878)	39,965[8]
Total liabilities	3,302,126	122,383	3,424,509	884,422	89,380	973,802
Equity (deficit):						
Fannie Mae stockholders' equity (deficit):						
Senior preferred[9]	76,200	—	76,200	60,900	—	60,900
Preferred	20,291	(19,485)	806	20,348	(19,629)	719
Common	(104,942)	(117,277)	(222,219)	(96,620)	(63,791)	(160,411)
Total Fannie Mae stockholders' deficit/non-GAAP fair value of net assets	**$ (8,451)**	**$ (136,762)**	**$ (145,213)**	**$ (15,372)**	**$ (83,420)**	**$ (98,792)**
Noncontrolling interests	80	—	80	91	—	91
Total deficit	(8,371)	(136,762)	(145,133)	(15,281)	(83,420)	(98,701)
Total liabilities and equity (deficit)	$ 3,293,755	$ (14,379)	$ 3,279,376	$ 869,141	$ 5,960	$ 875,101

Explanation and Reconciliation of Non-GAAP Measures to GAAP Measures

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

(2) Each of the amounts listed as a “fair value adjustment” represents the difference between the carrying value included in our GAAP condensed consolidated balance sheets and our best judgment of the estimated fair value of the listed item.

(3) We determined the estimated fair value of these financial instruments in accordance with the fair value accounting standard as described in “Note 16, Fair Value.”

(4) Fair value exceeds the carrying value of consolidated loans and debt of consolidated trusts due to the fact that the loans and debt were consolidated in our GAAP condensed consolidated balance sheet at unpaid principal balance. Also impacting the difference between fair value and carrying value of the consolidated loans is the credit component of the loan. This credit component is reflected in the net guarantee obligation, which is included in the consolidated loan fair value, but was presented as a separate line item in our fair value balance sheet in prior periods.

(5) In our GAAP condensed consolidated balance sheets, we report the guaranty assets as a separate line item. Other guaranty related assets are within the “Other assets” line items and they include buy-ups, master servicing assets and credit enhancements. On a GAAP basis, our guaranty assets totaled $473 million and $8.4 billion as of March 31, 2010 and December 31, 2009, respectively. The associated buy-ups totaled $0.6 million and $1.2 billion as of March 31, 2010 and December 31, 2009, respectively.

(6) The line items “Master servicing assets and credit enhancements” and “Other assets” together consist of the assets presented on the following six line items in our GAAP condensed consolidated balance sheets: (a) Total accrued interest receivable, net of allowance; (b) Acquired property, net; (c) Deferred tax assets, net; (d) Partnership investments; (e) Servicer and MBS trust receivable and (f) Other assets. The carrying value of these items in our GAAP condensed consolidated balance sheets together totaled $39.4 billion and $46.1 billion as of March 31, 2010 and December 31, 2009, respectively. We deduct the carrying value of the buy-ups associated with our guaranty obligation, which totaled $0.6 million and $1.2 billion as of March 31, 2010 and December 31, 2009, respectively, from “Other assets” reported in our GAAP condensed consolidated balance sheets because buy-ups are a financial instrument that we combine with guaranty assets in our disclosure in “Note 16, Fair Value.” We have estimated the fair value of master servicing assets and credit enhancements based on our fair value methodologies described in Note 16.

(7) Includes certain long-term debt instruments that we elected to report at fair value in our GAAP condensed consolidated balance sheets of $3.3 billion as of March 31, 2010 and December 31, 2009.

(8) The line item “Other liabilities” consists of the liabilities presented on the following six line items in our GAAP condensed consolidated balance sheets: (a) Accrued interest payable of Fannie Mae; (b) Accrued interest payable of consolidated trusts; (c) Reserve for guaranty losses; (d) Partnership liabilities; (e) Servicer and MBS trust payable; and (f) Other liabilities. The carrying value of these items in our GAAP condensed consolidated balance sheets together totaled $37.5 billion and $94.8 billion as of March 31, 2010 and December 31, 2009, respectively. The GAAP carrying values of these other liabilities generally approximate fair value. We assume that certain other liabilities, such as deferred revenues, have no fair value. Although we report the “Reserve for guaranty losses” as a separate line item in our condensed consolidated balance sheets, it is incorporated into and reported as part of the fair value of our guaranty obligations in our non-GAAP supplemental consolidated fair value balance sheets.

(9) The amount included in “estimated fair value” of the senior preferred stock is the liquidation preference, which is the same as the GAAP carrying value, and does not reflect fair value.

Impact of New Accounting Standards on Fannie Mae's 2010 First Quarter Form 10-Q: Overview and FAQ

Fannie Mae provides this guide as an exhibit to its quarterly report on Form 10-Q filed on May 10, 2010. It is neither comprehensive nor a substitute for the information in the full filing. This guide is intended for distribution only with either the Form 10-Q or Fannie Mae's press release (including Annex 1), dated May 10, 2010, relating to the Form 10-Q.

> Form 10-Q (link) *> Press Release (link)*

Overview of the Adoption of New Accounting Standards

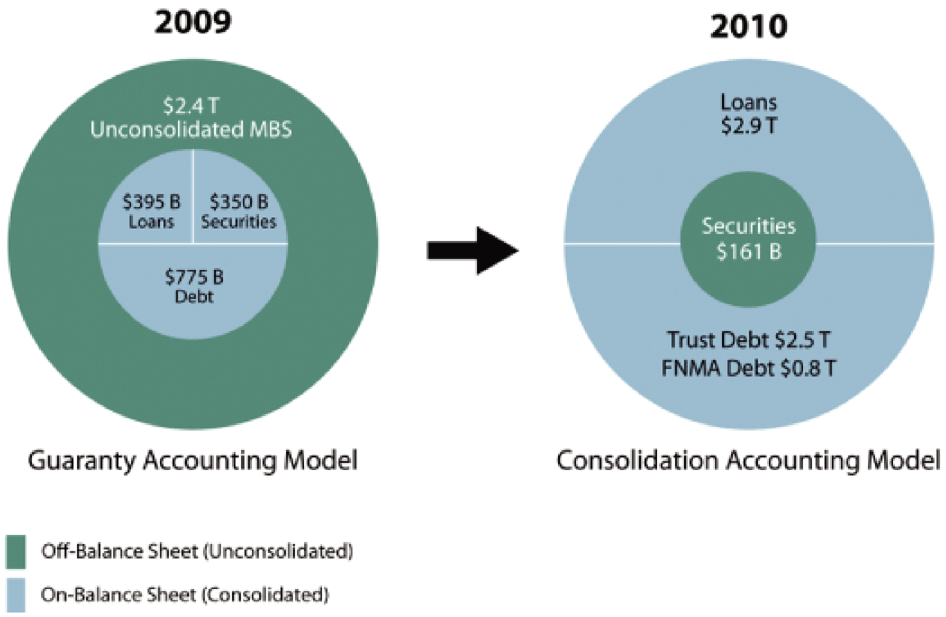
The Financial Accounting Standards Board last year issued new accounting standards governing the transfer of financial assets and the consolidation of variable interest entities ("VIEs"). We have interests in various entities that are considered VIEs, most notably securitization trusts that we created to hold whole loans that back Fannie Mae mortgage-backed securities ("MBS"). We prospectively adopted these standards, resulting in the majority of our single-class securitization trusts being consolidated by us on-balance sheet, and we are reporting under them for the first time in our first quarter 2010 consolidated financial statements.

These standards affect a broad range of companies that guarantee or sponsor securitized debt trusts, including trusts backed by the following assets: mortgage loans, credit cards, student loans and commercial paper. The new standards will require that companies make a determination as to whether to consolidate such trusts on-balance sheet.

These new standards do not change the economic risk to our business, specifically our exposure to liquidity, credit, and interest rate risks. However, these changes have had a substantial impact on our consolidated financial statements, as well as the notes that accompany them, primarily because the standards require us to consolidate the substantial majority of the MBS trusts we guarantee.

Impact on Balance Sheet:

In consolidation, the trusts' underlying assets (principally mortgage loans) and liabilities held by third parties (principally MBS certificates issued by the trusts) are now recorded on our consolidated balance sheet. At the transition date of January 1, 2010, the assets and liabilities of newly consolidated trusts resulted in a net increase to both total assets and total liabilities of $2.4 trillion. This fundamental change to the face of our consolidated balance sheet between December 31, 2009 and January 1, 2010 is depicted in the chart below:



Impact on Statement of Operations:

Our statement of operations also reflects material changes due to our adoption of the new accounting standards. Most significantly, we no longer recognize guaranty fee income from consolidated trusts. Instead, guaranty fees from these trusts are reported as a component of interest income on mortgage loans.

Although virtually all of the revenue that would previously have been recorded as guaranty fees is now recorded as a component of interest income, our net interest income and net interest yield declined in the first quarter of 2010 compared to the prior year. There are two major factors that led to this decline:

Nonaccruals: We do not recognize interest income on nonperforming loans of consolidated trusts that are more than 60 days delinquent. However, we continue to recognize interest expense on these nonaccrual loans. Because the amount of these loans on our balance sheet increased with consolidation, we saw a significant increase in interest income that was not recognized in our statement of operations. Prior to January 1, 2010, the delinquent interest payments on the loans underlying our unconsolidated MBS trusts were considered in the determination of our combined reserve for credit losses. After consolidation, our combined reserve for credit losses will no longer need to contemplate these delinquent interest payments. The unrecognized income on nonperforming loans was $2.7 billion, or 33 basis points of yield, in the first quarter of 2010 compared with $233 million, or 10 basis points of yield, in the first quarter of 2009.

Yield: Net interest income now includes revenues previously included in guaranty fees related to the previously unconsolidated MBS trusts, which collectively have a much lower yield than revenues generated by our retained portfolio. For the first quarter of 2009, the interest earning assets had a net interest yield of 145 basis points on average assets of $895.6 billion; for the first quarter of 2010, the interest earning assets had a net interest yield of 34 basis points on average assets of $3.2 trillion.

The table below provides a broad overview of the most significant changes to our condensed consolidated financial statements resulting from the consolidation of MBS trusts.

Financial Statement	Accounting and Presentation Changes
Balance Sheet	• Significant increase in loans and debt and significant decrease in trading and available-for-sale securities
	• Separate presentation of the elements of the consolidated MBS trusts (such as mortgage loans, debt, accrued interest receivable and payable) on the face of our condensed consolidated balance sheets
	• Reclassification of substantially all of the previously recorded reserve for guaranty losses to allowance for loan losses and accrued interest receivable
	• Elimination of substantially all previously recorded guaranty assets and guaranty obligations
Statement of Operations	• Significant increase in interest income and interest expense attributable to the assets and liabilities of the consolidated MBS trusts
	• Decrease to provision for credit losses (comprised of provision for loan losses and provision for guaranty losses) and a corresponding decrease in net interest income due to recognizing interest expense on the debt of consolidated MBS trusts when we are not accruing interest income on underlying nonperforming consolidated loans
	• Separate presentation of the elements of the consolidated MBS trusts (interest income and interest expense) on the face of our condensed consolidated statements of operations
	• Reclassification of the substantial majority of guaranty fee income and trust management income to interest income
	• Elimination of fair value losses on credit-impaired loans acquired from MBS trusts we have consolidated, as the underlying loans in our MBS trusts are already recognized in our condensed consolidated balance sheets
Statement of Cash Flows	• Significant change in the amounts of cash flows from investing and financing activities

The net impact of the adoption of the new accounting standards on January 1, 2010 was a $3.3 billion reduction in our net worth deficit, which was $8.4 billion as of March 31, 2010.

Our Form 10-Q filed concurrently with the Securities and Exchange Commission explains and, where possible, quantifies the effect of the new standards, specifically in “Note 2 — Adoption of the New Accounting Standards on the Transfers of Financial Assets & Consolidation of Variable Interest Entities” (“*Note 2”).* The following questions and answers supplement that document.

Frequently Asked Questions

1) **Does consolidation affect the presentation of previously reported financial results?**

No. Because we adopted the new accounting standards prospectively, there is no impact on historical results. Readers of our Form 10-Q should note that, as a result of the prospective adoption of the new standards, our Balance Sheet, Statement of Operations and Statement of Cash Flows are not presented on a comparable basis to prior periods. *{See "Note 2," and "PART I, Item 2, Executive Summary"}*

2) **Does the adoption of the new accounting standards change your overall risk position and do you now own the assets held in consolidated trusts?**

No. The assets that underlie each MBS trust continue to be legally isolated from Fannie Mae for the benefit of MBS certificateholders. Accordingly, the new accounting standards do not change the economic risk to our business, specifically our exposure to liquidity, credit, and interest rate risks. Our exposure to the risk associated with our guaranty of the timely payment of principal and interest on loans in our MBS trusts is not affected by whether those loans are recorded on- or off-balance sheet. We are consolidating the MBS trusts we guarantee based on whether we control the trust, which reflects our assessment of our power to influence the trust's performance and our exposure to potential losses through our guaranty.

3) **Does the additional debt added through consolidation increase liquidity risk?**

The Company's legal obligations and funding requirements are unchanged by the new accounting. We continue to fund our business through issuances of short-term and long-term debt securities. This is separate and distinct from mortgage loans originated by lenders in the primary mortgage market that we securitize into Fannie Mae MBS. Accordingly, while the accounting for the MBS trusts has changed, the liquidity management and funding risk of the company are unchanged.

4) **Do you quantify your results of operations, including net loss and per share amounts, without showing the effect of the new accounting standards?**

No. The new accounting standards required a prospective treatment. As such, the results of the quarter ended March 31, 2010 are not comparable with prior periods. We did not create non-GAAP metrics to show what results may have been absent the impact of the new accounting standards. Readers interested in additional financial information used by Fannie Mae to manage our businesses and assess our performance should refer to the segment disclosures for our three business segments—Single-Family, Housing and Community Development, and Capital Markets. The presentation of our segment disclosures also have been prospectively changed to include the effects of the adoption of the new standards and to align with how we manage our businesses. *{See "PART I, Item 2, Business Segment Results," and "PART I, Item 1, Note 13—Segment Reporting"}*

5) Does this change affect any of the operational decisions you make?

Yes, it may impact some operational decisions. For example, under our single-family MBS trust documents, Fannie Mae has the option to purchase from our MBS trusts loans that are delinquent as to four or more consecutive monthly payments. In February 2010, we announced that we intended to increase significantly our purchases of delinquent loans from single-family MBS trusts, and we have done so. In March 2010, we purchased approximately 216,000 delinquent loans with an unpaid principal balance of approximately $40 billion from MBS trusts; in April 2010, we purchased approximately 229,000 delinquent loans with an unpaid principal balance of $46 billion. We expect to continue to purchase a significant portion of our remaining delinquent loan population within a few months subject to market conditions, servicer capacity, and other constraints including the limit on the mortgage assets that we may own pursuant to the senior preferred stock purchase agreement.

Prior to the adoption of the new standards, the majority of our MBS trusts were unconsolidated, with the loans recorded off-balance sheet. When acquiring a credit impaired loan from an unconsolidated MBS trust we are required to recognize a loss reflecting the difference between the fair value of the acquired loan and our acquisition cost, which is the loan's unpaid principal balance plus any accrued interest. Under the new accounting standards, we have consolidated the vast majority of our MBS trusts. We are not required to recognize a fair value loss associated with the acquisition of credit-impaired loans from consolidated MBS trusts, as these loans are already recorded on our balance sheet. Without these fair value losses, the cost of purchasing most delinquent loans from Fannie Mae MBS trusts and holding them in our portfolio is less than the cost of advancing delinquent payments to holders of the Fannie Mae MBS. Our purchases of delinquent loans from consolidated MBS trusts will help Fannie Mae preserve capital, which will reduce the amount of additional draws from the U.S. Department of the Treasury. *{See "PART 1, Item 2, Executive Summary, Purchases from our Single-Family MBS Trusts"}*

6) Have you consolidated any of your resecuritization trusts, such as REMICs?

We have concluded that we will not consolidate resecuritization trusts except where we hold substantially all of the outstanding beneficial interests issued by the multi-class resecuritization trust. Although we guarantee that multi-class MBS certificateholders will receive timely payment of principal and interest as required by the trust, these trusts do not constitute additional credit risk because the ultimate underlying assets are MBS for which we have already provided a guaranty. Where the multi-class resecuritization trust comprises Fannie Mae MBS, we generally consolidate the underlying loan collateral of the MBS.

7) Does Fannie Mae continue to hold any assets and liabilities in off-balance-sheet entities?

Yes. Where we have determined that Fannie Mae does not control the entity, the associated assets and liabilities held in the entity will remain off-balance sheet. For example, Fannie Mae generally does not consolidate our MBS trusts backed by government guaranteed loans. Table 32 in our Form 10-Q, "On-and Off-Balance Sheet MBS and Other

Guaranty Arrangements," provides additional information on the unpaid principal balances of unconsolidated Fannie Mae MBS and other guarantees.

8) **How do the new accounting standards affect assets, liabilities, and net worth?**

Assets: Our total assets at March 31, 2010 are $3.3 trillion. This is an increase of $2.4 trillion over December 31, 2009 and is primarily the result of new accounting standards that went into affect on January 1, 2010. We recorded a transition adjustment on January 1, 2010 of $2.4 trillion, which primarily reflected the recording of mortgage loans held in MBS trusts on the balance sheet at their unpaid principal balance as of the transition date.

Liabilities: Our total liabilities at March 31, 2010 are $3.3 trillion. This is an increase of $2.4 trillion over December 31, 2009 and is primarily the result of new accounting standards that went into affect on January 1, 2010. The new accounting standards have resulted in the recognition of the securities issued by MBS trusts held by third parties as long-term debt on Fannie Mae's consolidated balance sheet which is recorded at the unpaid principal balance of the loans underlying the MBS securities.

Net Worth: The transition adjustment resulted in a $3.3 billion benefit, decreasing our net worth deficit as of January 1, 2010. The transition adjustment includes a net decrease in our accumulated deficit of $6.7 billion, a net increase to our accumulated other comprehensive loss of $3.4 billion and a decrease to our noncontrolling interest of $14 million. Our net worth deficit was $8.4 billion as of March 31, 2010.

9) **How has this changed the items reported on your balance sheet?**

We have added "Of Fannie Mae" and "Of consolidated trusts" to the face of our condensed consolidated balance sheet. This provides greater clarity about our mortgage loans, accrued interest receivable, long-term debt, short-term debt and accrued interest payable. For further information on the amounts of debt outstanding "Of Fannie Mae" and "Of consolidated trusts," readers should refer to Table 28 in our Form 10-Q.

Loans: Under the new accounting standards, the transfer of mortgage loans to a trust and the sale of the related securities in a portfolio securitization transaction generally no longer qualify for sale treatment since the underlying loans and debt remain on the balance sheet after the sale has been completed. As a result, mortgage loans acquired with the intent to securitize via trusts that are consolidated are classified as held-for-investment on our consolidated balance sheets before and after they are securitized. Additionally, due to this change in accounting treatment we reclassified the majority of our held-for-sale loans to held-for-investment at the transition date. {See "Note 2"}

Securities: While the financial statement presentation for our investments in securities has not changed, we reported a substantial decrease in our investments in securities. Because we recognized the underlying assets of our consolidated MBS trusts, we derecognized any Fannie Mae MBS we owned that were issued by the consolidated trusts, which, at the transition date resulted in a net decrease of $189 billion in our investments in MBS that are classified as trading and available-for-sale securities. Purchases of Fannie Mae MBS are no longer reported as assets, but instead reduce the debt reported on our consolidated balance sheet. Accordingly, when we purchase Fannie Mae MBS issued by a consolidated trust, we account for the transaction in the consolidated financial statements as debt extinguishment; when we sell Fannie Mae MBS issued by consolidated trusts, we account for the transaction as issuance of debt by consolidated trusts. {See "Note 2"}

Guaranty Asset and Liability: For trusts that are not consolidated by us, and other guarantees that are not impacted by the new accounting standards, we continue to recognize at inception a guaranty obligation, representing our obligation to stand ready to perform over the term of the guaranty, as well as a guaranty asset, representing the present value of cash flows expected to be received as compensation over the life of the guaranty. However, for consolidated trusts, our guaranty to the trust represents intracompany activity that must be eliminated for purposes of our consolidated financial statements. Thus, upon consolidation of a trust, we derecognize the related guaranty asset and guaranty obligation from our condensed consolidated balance sheets.

10) What is the effect on your statement of operations?

Guaranty Fee Income: Although we continue to serve as guarantor of timely payments of principal and interest on our MBS trusts, we do not recognize guaranty fee income from trusts that we consolidate. Instead, guaranty fees from consolidated trusts (contractual guaranty fees and the amortization of deferred cash fees received after December 31, 2009) are reported as a component of interest income on mortgage loans. For consolidated trusts, our guaranty related assets and liabilities recorded through December 31, 2009 were recognized into our total deficit upon the adoption of the new accounting standards, therefore we no longer recognize income or loss from amortizing these assets and liabilities nor recognize changes in their fair value. The guaranty fee income that we continue to report relates to guarantees to unconsolidated trusts and other credit enhancements that we have provided.

Interest Income: The interest income earned on mortgage loans held by the newly consolidated trusts is recorded in our condensed consolidated statement of operations as loan interest income. This interest income was not recorded on our condensed consolidated statement of operations prior to the transition date as the trusts were considered off-balance sheet.

Prior to our adoption of the new accounting standards, we reported interest income on mortgage loans held by us and by trusts we consolidated (because we owned all or a significant portion of the MBS issued by the MBS trust), collectively as "Interest income on mortgage loans." Effective at the transition date, we report "Interest income on mortgage loans of Fannie Mae" and "Interest income on mortgage loans held by consolidated trusts." Prior period amounts have been reclassified to conform to our current period presentation.

Although virtually all revenue that would previously have been recorded as guaranty fee income is now recorded a component of net interest income, net interest income decreased in the first quarter of 2010 compared with the first quarter of 2009. This decrease primarily reflects the fact that we do not recognize interest income on nonperforming loans delinquent more than 60 days on our balance sheet. Because the amount of these loans on our balance sheet increased with consolidation, we saw a significant increase in interest income that was not recognized in our statement of operations. Prior to January 1, 2010, the delinquent interest payments on the loans underlying our unconsolidated MBS trusts were considered in the determination of our combined reserve for credit losses. After consolidation, our combined reserve for credit losses will no longer need to contemplate these delinquent interest payments. The unrecognized income on nonperforming loans was $2.7 billion, or 33 basis points of yield, in the first quarter of 2010 compared with $233 million, or 10 basis points of yield, in the first quarter of 2009.

Interest Expense: The interest expense generated on debt of consolidated trusts is now recorded in our condensed consolidated statements of operations as interest expense on short-term and long-term debt. Effective at the transition date, we report “Interest expense on debt of Fannie Mae” and “Interest expense on debt of consolidated trusts.”

Provision for Credit Losses: We record a provision for credit losses each period so that our allowance for loan losses reflects the probable credit losses incurred, but not yet recognized, on loans recorded in our condensed consolidated balance sheets. Our provision for loan losses has been affected by the change in accounting standards in the following two ways:

Reclassification of the Reserve for Guaranty Losses: We maintain an allowance for loan losses related to HFI loans reported in our condensed consolidated balance sheets and a reserve for guaranty losses related to loans held by unconsolidated trusts. Since the majority of our MBS trusts were consolidated at the transition date, we increased our “Allowance for loan losses” and decreased our “Reserve for guaranty losses.” We use a different methodology in estimating incurred losses under our allowance for loan losses than we do under our reserve for guaranty losses. We expect that this will result in lower credit-related expenses.

***Fair Value Losses*:** We no longer recognize the acquisition of loans from MBS trusts that we have consolidated as a purchase. At the time we acquire delinquent loans from our consolidated MBS trusts, we are not required to record a fair value loss reflecting the difference between the fair value of an acquired loan and its acquisition cost, as these loans are already reflected in our condensed consolidated balance sheet. As a result, while we purchased significantly more delinquent loans in the first quarter of 2010 compared to the first quarter of 2009, we had a significant decline in fair value losses on credit impaired loans acquired from MBS trusts.

Exhibit 99.3

Fannie Mae
2010 First Quarter Credit Supplement

FannieMae

May 10, 2010

- These materials present tables and other information about Fannie Mae, including information contained in Fannie Mae's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, the "2010 Q1 Form 10-Q." Some of the terms used in these materials are defined and discussed more fully in the 2010 Q1 Form 10-Q. These materials should be reviewed together with the 2010 Q1 Form 10-Q, copies of which are available in the "Investor Information" 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.

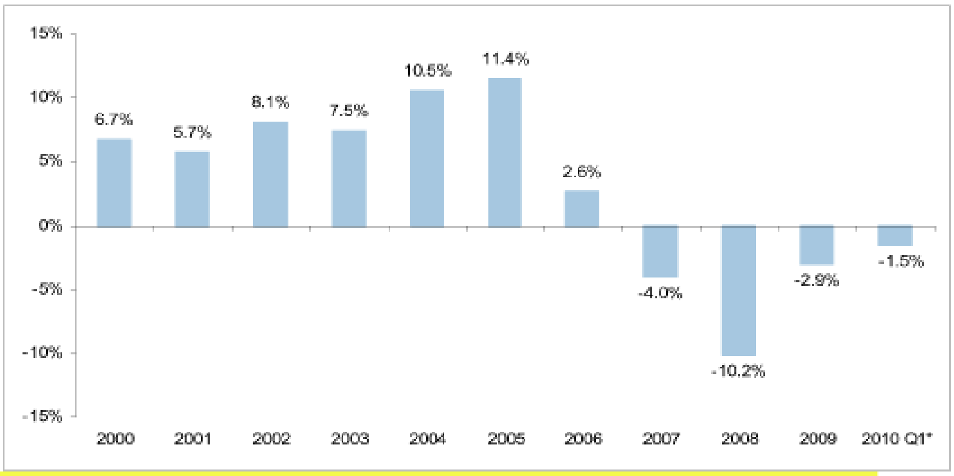
FannieMae

Table of Contents

Slide

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

Fannie Mae Home Price Index



S&P/Case-Shiller Index	**9.8%**	**7.7%**	**10.6%**	**10.7%**	**14.6%**	**14.7%**	**-0.3%**	**-8.5%**	**- 18.3%**	**-2.5%**

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

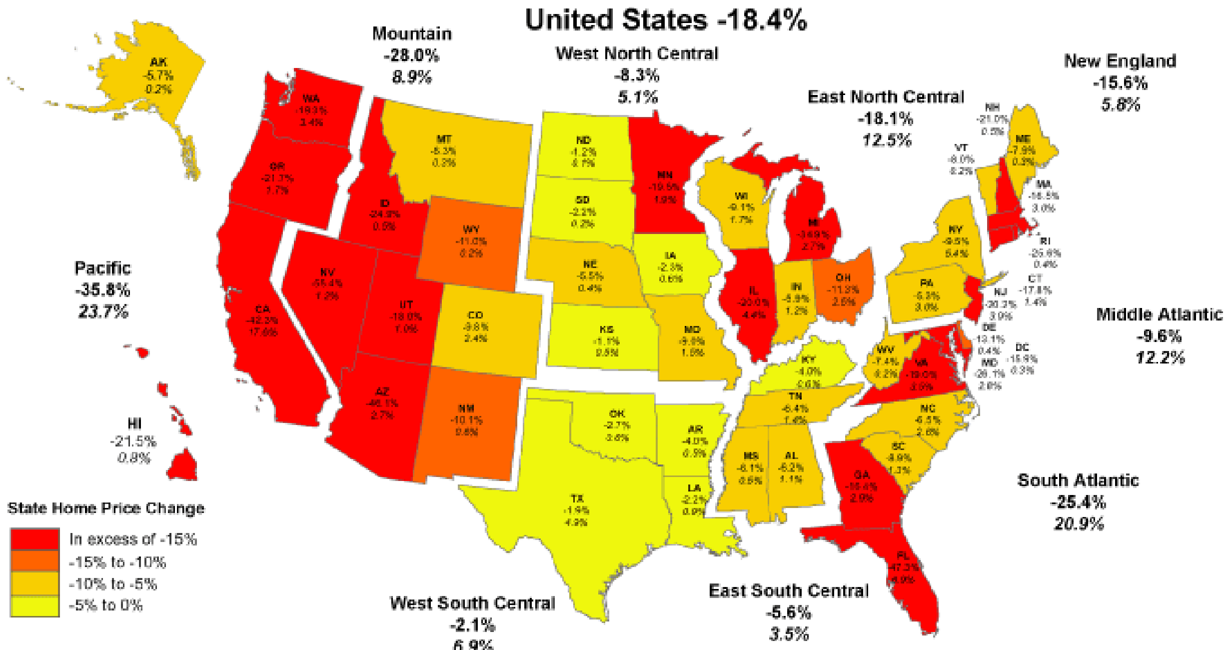
* Initial estimate based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of March 2010, supplemented by preliminary data available for April and May 2010. Including subsequent data may lead to materially different results.

We expect peak-to-trough declines in home prices to be in the 18% to 23% range (comparable to a decline of 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 for each individual property by number of properties, whereas the S&P/Case-Shiller index weights expectations of home price declines based on property value, causing declines in home prices on higher priced homes to have a greater effect on the overall result; and (2) our estimates do not include known sales of foreclosed homes because we believe that differing maintenance practices and the forced nature of the sales make foreclosed home prices less representative of market values, whereas the S&P/Case-Shiller index includes sales of foreclosed homes. The S&P/Case Shiller comparison numbers shown above for the peak-to-trough forecast are calculated using our models and assumptions, but modified to use these two factors (weighting of expectations based on property value and the inclusion 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 only 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.

FannieMae

Home Price Declines Peak-to-Current (by State) as of 2010 Q1



- Top %: State/Region Home Price Decline Rate % from applicable peak in that state through March 31, 2010
- Bottom %: % of Fannie Mae single-family conventional guaranty book of business by unpaid principal balance as of March 31, 2010

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

Initial estimate based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of March 2010, supplemented by preliminary data available for April and May 2010. 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	2010 Q1	2009	2008	2007	2006
Unpaid Principal Balance (billions)	$ 116.0	$ 684.7	$ 557.2	$ 643.8	$ 515.8
Weighted Average Origination Note Rate	4.89%	4.93%	6.00%	6.51%	6.45%
Original Loan-to-Value Ratio					
<= 60%	30.4%	32.6%	22.7%	16.7%	18.6%
>60% and <= 70%	15.5%	17.0%	16.1%	13.5%	15.1%
>70% and <= 80%	37.3%	39.9%	39.5%	44.7%	49.6%
>80% and <= 90%	9.4%	6.9%	11.7%	9.1%	6.8%
>90% and <= 100%	5.6%	3.3%	10.0%	15.8%	9.7%
> 100%	1.8%	0.4%	0.1%	0.1%	0.2%
Weighted Average Original Loan-to-Value Ratio	68.5%	66.8%	72.0%	75.5%	73.4%
FICO Scores [2]					
0 to < 620	0.7%	0.4%	2.8%	6.4%	6.2%
>= 620 and < 660	2.1%	1.5%	5.7%	11.5%	11.2%
>=660 and < 700	7.8%	6.5%	13.9%	19.2%	19.6%
>=700 and < 740	17.8%	17.2%	21.7%	22.6%	23.0%
>=740	71.5%	74.4%	55.8%	40.1%	39.7%
Missing	0.1%	0.1%	0.1%	0.1%	0.2%
Weighted Average FICO [2]	758	761	738	716	716
Product					
Fixed-rate	92.0%	96.6%	91.7%	90.1%	83.4%
Adjustable-rate	8.0%	3.4%	8.3%	9.9%	16.6%
Alt-A	0.0%	0.0%	3.1%	16.7%	21.8%
Subprime	0.0%	0.0%	0.3%	0.7%	0.7%
Interest Only	2.2%	1.0%	5.6%	15.2%	15.2%
Negative Amortizing	0.0%	0.0%	0.0%	0.3%	3.1%
Refinance	78.5%	79.9%	58.6%	50.4%	48.3%
HARP [3]	11.9%	3.8%	—	—	—
HARP Weighted Average Original Loan-to-Value Ratio [3]	91.7%	90.7%	—	—	—
Investor	4.9%	2.5%	5.6%	6.5%	7.0%
Condo/Co-op	10.0%	8.2%	10.3%	10.4%	10.5%

(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 purchase for our mortgage portfolio and single-family mortgage loans we securitize into Fannie Mae MBS.
(2) FICO Credit scores reported in the table are those provided by the sellers of the mortgage loans at time of delivery.
(3) The Home Affordable Refinance Program (HARP) started in April 2009.

FannieMae

Fannie Mae Credit Profile by Key Product Features

Credit Characteristics of Single-Family Conventional Guaranty Book of Business

As of March 31, 2010	Categories Not Mutually Exclusive [1] Negative Amortizing Loans	Interest Only Loans	Loans with FICO < 620[3]	Loans with FICO ≥ 620 and < 660[3]	Loans with Original LTV Ratio > 90%	Loans with FICO < 620 and Original LTV Ratio > 90%[3]	Alt-A Loans	Subprime Loans	Sub-total of Key Product Features[1]	Overall Book
Unpaid Principal Balance (billions) [2]	$13.0	$177.3	$107.0	$225.1	$262.8	$23.4	$238.3	$7.2	$821.2	$2,797.8
Share of Single-Family Conventional Guaranty Book	0.5%	6.3%	3.8%	8.0%	9.4%	0.8%	8.5%	0.3%	29.4%	100.0%
Average Unpaid Principal Balance [2]	$128,617	$243,452	$123,789	$138,534	$144,817	$118,474	$165,907	$148,830	$152,136	$153,780
Serious Delinquency Rate	10.09%	20.82%	17.86%	13.20%	12.93%	26.94%	16.22%	31.47%	13.13%	5.47%
Origination Years 2005-2007	59.7%	77.7%	54.8%	52.8%	51.4%	68.2%	73.4%	80.5%	57.6%	34.3%
Weighted Average Original Loan-to-Value Ratio	71.2%	75.5%	76.6%	77.3%	97.2%	98.1%	73.0%	77.2%	79.7%	71.3%
Original Loan-to-Value Ratio > 90%	0.3%	9.1%	21.9%	20.7%	100.0%	100.0%	5.4%	6.8%	32.0%	9.4%
Weighted Average Mark-to-Market Loan-to-Value Ratio	99.7%	108.5%	84.0%	85.8%	105.8%	106.5%	94.1%	99.6%	92.8%	75.9%
Mark-to-Market Loan-to-Value Ratio > 100% and <= 125%	14.3%	23.9%	15.6%	15.6%	32.7%	35.0%	16.3%	20.2%	19.9%	9.5%
Mark-to-Market Loan-to-Value Ratio > 125%	34.5%	27.1%	9.2%	10.7%	15.8%	16.8%	18.8%	18.5%	14.1%	6.3%
Weighted Average FICO [3]	706	725	588	641	700	592	717	622	687	731
FICO < 620 [3]	7.4%	1.3%	100.0%	—	8.9%	100.0%	0.7%	48.6%	13.0%	3.8%
Fixed-rate	0.3%	38.1%	91.2%	90.9%	93.2%	91.9%	71.6%	76.5%	80.2%	91.2%
Primary Residence	69.0%	85.0%	96.7%	94.2%	97.0%	99.4%	77.2%	96.6%	89.6%	89.9%
Condo/Co-op	14.1%	16.5%	4.9%	6.8%	9.9%	6.0%	10.9%	4.4%	9.7%	9.4%
Credit Enhanced [4]	67.1%	24.4%	32.0%	32.3%	85.4%	91.1%	27.6%	59.9%	39.6%	16.8%
% 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 2009 Q1 Credit Losses [5]	1.8%	34.2%	10.7%	16.0%	22.5%	4.9%	39.2%	2.0%	77.7%	100.0%
% of 2009 Q2 Credit Losses [5]	2.2%	32.2%	9.2%	16.0%	19.7%	3.5%	41.2%	1.1%	76.0%	100.0%
% of 2009 Q3 Credit Losses [5]	1.8%	31.8%	8.6%	15.3%	18.9%	3.2%	39.1%	1.6%	74.4%	100.0%
% of 2009 Q4 Credit Losses [5]	2.0%	32.6%	7.7%	15.1%	17.1%	2.6%	39.0%	1.3%	73.2%	100.0%
% of 2010 Q1 Credit Losses [5]	2.6%	30.7%	7.1%	14.1%	16.3%	2.5%	36.5%	1.0%	70.3%	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 which constituted over 99% of its single-family conventional guaranty book of business as of March 31, 2010.

(3) FICO Credit scores reported in the table are those provided by the sellers of the mortgage loans at 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 2010 Q1 Form 10-Q.

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 March 31, 2010	**Overall Book**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**2004 and Earlier**
Unpaid Principal Balance (billions) (1)	$2,797.6	$61.7	$660.4	$334.2	$401.8	$277.8	$280.6	$781.2
Share of Single-Family Conventional Guaranty Book	100.0%	2.2%	23.6%	11.9%	14.4%	9.9%	10.0%	27.9%
Average Unpaid Principal Balance (1)	$153,780	$219,774	$216,324	$193,161	$183,158	$167,729	$156,345	$104,375
Serious Delinquency Rate	5.47%	0.00%	0.08%	4.51%	14.85%	13.42%	7.58%	3.08%
Weighted Average Original Loan-to-Value Ratio	71.3%	68.7%	67.0%	73.4%	77.6%	74.8%	72.3%	69.3%
Original Loan-to-Value Ratio > 90%	9.4%	8.3%	4.0%	10.8%	19.7%	11.7%	8.4%	7.7%
Weighted Average Mark-to-Market Loan-to-Value Ratio	75.9%	68.5%	67.9%	81.5%	99.4%	100.0%	86.5%	56.5%
Mark-to-Market Loan-to-Value Ratio > 100% and <= 125%	9.5%	2.2%	1.2%	13.3%	23.8%	18.8%	13.6%	3.3%
Mark-to-Market Loan-to-Value Ratio > 125%	6.3%	0.0%	0.0%	2.9%	16.5%	19.8%	11.8%	1.3%
Weighted Average FICO (2)	731	757	761	736	709	712	720	722
FICO < 620 (2)	3.8%	0.8%	0.4%	2.6%	7.3%	6.0%	4.5%	4.7%
Interest Only	6.3%	2.0%	1.0%	5.5%	15.4%	17.2%	10.0%	1.7%
Negative Amortizing	0.5%	0.0%	0.0%	0.0%	0.1%	1.2%	1.4%	0.7%
Fixed-rate	91.2%	93.1%	96.8%	92.7%	89.4%	84.9%	83.6%	91.5%
Primary Residence	89.9%	90.3%	92.7%	88.3%	88.2%	86.4%	87.5%	91.3%
Condo/Co-op	9.4%	9.6%	8.3%	11.4%	11.4%	11.7%	10.3%	7.3%
Credit Enhanced (3)	16.8%	5.8%	6.6%	24.0%	31.5%	24.9%	18.5%	12.0%
% of 2007 Credit Losses (4)	100.0%	—	—	—	1.9%	21.3%	23.6%	53.2%
% of 2008 Credit Losses (4)	100.0%	—	—	0.5%	27.9%	34.9%	19.3%	17.3%
% of 2009 Credit Losses (4)	100.0%	—	0.0%	4.8%	36.0%	30.9%	16.4%	11.9%
% of 2009 Q1 Credit Losses (4)	100.0%	—	0.0%	2.6%	34.0%	31.7%	17.6%	14.1%
% of 2009 Q2 Credit Losses (4)	100.0%	—	0.0%	4.3%	34.6%	31.7%	16.6%	12.7%
% of 2009 Q3 Credit Losses (4)	100.0%	—	0.0%	5.4%	37.5%	30.3%	15.8%	11.1%
% of 2009 Q4 Credit Losses (4)	100.0%	—	0.0%	6.0%	36.8%	30.4%	16.2%	10.6%
% of 2010 Q1 Credit Losses (4)	100.0%	0.0%	0.1%	6.6%	36.6%	30.2%	16.0%	10.6%
Cumulative Default Rate (5)	—	0.00%	0.00%	0.57%	3.34%	3.92%	2.47%	—

(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 which constituted over 99% of its single-family conventional guaranty book of business as of March 31, 2010.

(2) FICO Credit scores reported in the table are those provided by the sellers of the mortgage loans at time of delivery.

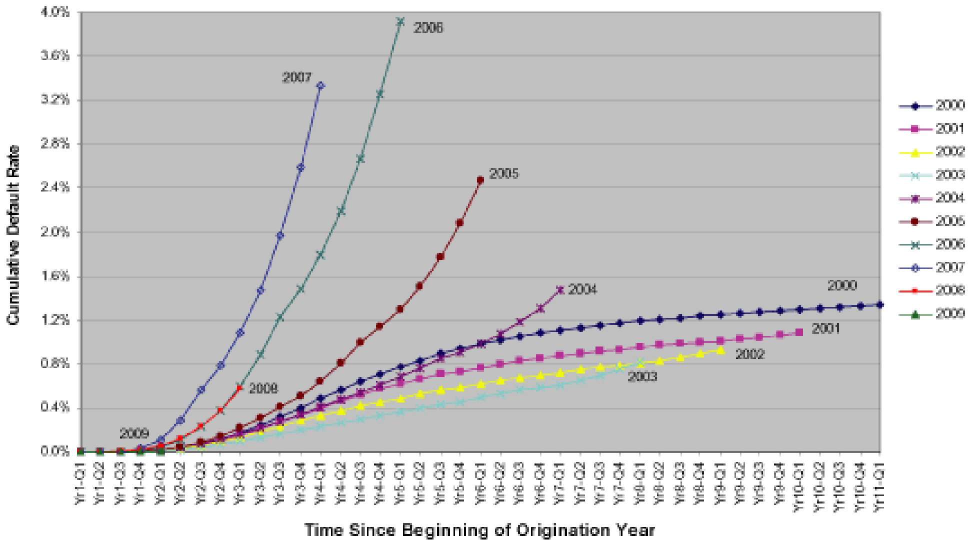
(3) Unpaid principal balance of all loans with credit enhancement as a percentage of unpaid principal balance of single-family conventional guaranty book of business for which Fannie Mae has access to loan-level information. Includes primary mortgage insurance, pool insurance, lender recourse and other 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 2010 Q1 Form 10-Q.

(5) 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. For 2000 to 2004 cumulative default rates, refer to slide 8.

Fannie Mae Single-Family Cumulative Default Rates

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



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 March 31, 2010 are not necessarily indicative of the ultimate performance of the loans and performance is likely to change, perhaps materially, in future periods.

FannieMae

Fannie Mae Credit Profile by State

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

As of March 31, 2010	Overall Book	AZ	CA	FL	NV	Select Midwest States [5]
Unpaid Principal Balance (billions) [1]	$2,797.6	$74.8	$492.3	$192.7	$34.2	$302.0
Share of Single-Family Conventional Guaranty Book	100.0%	2.7%	17.6%	6.9%	1.2%	10.8%
Average Unpaid Principal Balance [1]	$153,780	$158,093	$215,267	$143,808	$174,828	$123,154
Serious Delinquency Rate	5.47%	8.76%	5.72%	13.27%	13.95%	5.65%
Origination Years 2005-2007	34.3%	50.0%	29.4%	53.1%	53.2%	31.7%
Weighted Average Original Loan-to-Value Ratio	71.3%	73.8%	63.8%	73.2%	74.6%	74.7%
Original Loan-to-Value Ratio > 90%	9.4%	10.1%	3.2%	10.4%	9.5%	12.1%
Weighted Average Mark-to-Market Loan-to-Value Ratio	75.9%	103.2%	76.5%	103.0%	130.0%	79.5%
Mark-to-Market Loan-to-Value Ratio >100% and <=125%	9.5%	19.4%	11.3%	19.1%	16.5%	13.7%
Mark-to-Market Loan-to-Value Ratio >125%	6.3%	27.5%	10.8%	28.6%	50.8%	4.4%
Weighted Average FICO [2]	731	730	740	720	727	726
FICO < 620 [2]	3.8%	3.2%	2.2%	5.0%	2.9%	4.7%
Interest Only	6.3%	13.1%	10.1%	10.5%	18.2%	3.7%
Negative Amortizing	0.5%	0.6%	1.5%	1.0%	1.6%	0.1%
Fixed-rate	91.2%	86.2%	86.7%	87.4%	78.9%	91.5%
Primary Residence	89.9%	83.4%	88.7%	82.0%	80.2%	93.7%
Condo/Co-op	9.4%	5.2%	11.9%	15.2%	7.3%	10.7%
Credit Enhanced [3]	16.8%	17.7%	8.2%	19.5%	20.5%	20.1%
% 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 2009 Q1 Credit Losses [4]	100.0%	12.2%	26.3%	12.0%	7.2%	13.8%
% of 2009 Q2 Credit Losses [4]	100.0%	11.0%	24.7%	14.6%	6.3%	16.2%
% of 2009 Q3 Credit Losses [4]	100.0%	9.3%	23.9%	16.7%	6.9%	14.9%
% of 2009 Q4 Credit Losses [4]	100.0%	11.2%	23.6%	17.1%	6.0%	14.4%
% of 2010 Q1 Credit Losses [4]	100.0%	10.8%	24.9%	18.0%	4.6%	14.6%

(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 which constituted over 99% of its single-family conventional guaranty book of business as of March 31, 2010.

(2) FICO Credit scores reported in the table are those provided by the sellers of the mortgage loans at 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 2010 Q1 Form 10-Q.

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

FannieMae

Fannie Mae Single-Family Serious Delinquency Rates by State and Region [1]

State	March 31, 2010	December 31, 2009	September 30, 2009	June 30, 2009	March 31, 2009
Arizona	8.76%	8.80%	7.87%	6.54%	5.00%
California	5.72%	5.73%	5.06%	4.23%	3.33%
Florida	13.27%	12.82%	11.31%	9.71%	8.07%
Nevada	13.95%	13.00%	11.16%	9.33%	7.05%
Select Midwest States [2]	5.65%	5.62%	4.98%	4.16%	3.36%
All conventional single-family loans	5.47%	5.38%	4.72%	3.94%	3.15%
Region [3]					
Midwest	4.96%	4.97%	4.42%	3.71%	3.02%
Northeast	4.74%	4.53%	3.91%	3.20%	2.53%
Southeast	7.22%	7.06%	6.18%	5.21%	4.24%
Southwest	4.17%	4.19%	3.71%	3.07%	2.45%
West	5.55%	5.45%	4.77%	3.96%	3.06%
All conventional single-family loans	5.47%	5.38%	4.72%	3.94%	3.15%

(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 Fannie Mae's 2010 Q1 Form 10-Q.

FannieMae

Home Price Growth/Decline and Fannie Mae Real Estate Owned (REO) in Selected States

State	REO Acquisitions (Number of Properties)				REO Inventory as of March 31, 2010	REO Inventory as of March 31, 2009	5-Year Annualized HP Growth April 2005 to March 2010[1]	1-Year HP Growth April 2009 to March 2010[1]
	2010 Q1	2009	2008	2007				
Arizona	5,374	12,854	5,532	751	7,779	4,826	-6.2%	-2.9%
California	8,700	19,565	10,624	1,681	14,676	8,207	-7.8%	-0.7%
Florida	6,556	13,282	6,159	1,714	9,304	3,840	-7.3%	-2.1%
Nevada	1,451	6,075	2,906	530	2,550	2,405	-12.8%	-11.4%
Select Midwest States [2]	12,058	28,464	23,668	16,678	26,389	16,127	-3.3%	-1.4%
All other States	27,790	65,377	45,763	27,767	49,291	26,966	0.5%	-0.9%
Total	61,929	145,617	94,652	49,121	109,989	62,371	-1.7%	-1.1%

(1) Initial estimate based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of March 2010, supplemented by preliminary data available for April and May 2010. Including subsequent data may lead to materially different results.

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

REO Net Sales Prices Compared With Unpaid Principal Balances of Mortgage Loans					
2010 Q1	2009 Q4	2009 Q3	2009 Q2	2009 Q1	2008 Q4
56%	56%	54%	54%	57%	61%

FannieMae

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

		Origination Year [2]				
As of March 31, 2010	Alt-A [1]	2008	2007	2006	2005	2004 and Earlier
Unpaid principal balance (billions) [3]	$236.3	$6.1	$62.5	$67.1	$45.4	$57.4
Share of Alt-A	100.0%	2.5%	26.2%	28.1%	19.0%	24.1%
Weighted Average Original Loan-to-Value Ratio	73.0%	67.4%	75.1%	74.2%	72.7%	70.1%
Original Loan-to-Value Ratio > 90%	5.4%	2.4%	8.6%	4.7%	3.3%	4.5%
Weighted Average Mark-to-Market Loan-to-Value Ratio	94.1%	78.2%	105.5%	105.4%	97.7%	63.5%
Mark-to-Market Loan-to-Value Ratio > 100% and <=125%	16.3%	12.5%	22.9%	19.4%	16.5%	5.6%
Mark-to-Market Loan-to-Value Ratio > 125%	18.8%	4.5%	23.5%	27.6%	20.7%	3.2%
Weighted Average FICO [4]	717	727	712	714	723	721
FICO < 620 [4]	0.7%	0.2%	0.5%	0.5%	0.4%	1.4%
Adjustable-rate	28.4%	11.6%	23.6%	30.9%	39.9%	23.2%
Interest Only	29.6%	7.1%	38.2%	38.6%	29.5%	12.1%
Negative Amortizing	2.9%	0.0%	0.0%	4.0%	6.6%	2.1%
Investor	17.8%	18.5%	19.6%	17.3%	19.9%	14.7%
Condo/Co-op	10.9%	7.0%	9.9%	11.9%	13.1%	9.4%
California	22.0%	20.4%	22.3%	20.0%	20.8%	25.0%
Florida	11.6%	9.3%	12.2%	13.3%	12.9%	8.2%
Credit Enhanced [5]	27.6%	13.9%	25.1%	33.9%	31.8%	21.2%
2009 Q1 Serious Delinquency Rate	9.54%	4.20%	13.51%	13.67%	8.86%	3.97%
2009 Q2 Serious Delinquency Rate	11.91%	6.52%	17.05%	16.78%	10.97%	5.02%
2009 Q3 Serious Delinquency Rate	13.97%	8.72%	20.19%	19.43%	12.72%	5.95%
2009 Q4 Serious Delinquency Rate	15.63%	10.55%	22.72%	21.57%	14.24%	6.73%
2010 Q1 Serious Delinquency Rate	16.22%	11.57%	23.71%	22.26%	14.82%	7.04%
% of 2007 Credit Losses [6]	27.8%	—	0.7%	9.8%	9.7%	7.7%
% of 2008 Credit Losses [6]	45.6%	0.0%	12.4%	20.2%	9.7%	3.4%
% of 2009 Credit Losses [6]	39.6%	0.4%	13.4%	15.8%	7.3%	2.7%
% of 2009 Q1 Credit Losses [6]	39.2%	0.2%	12.2%	16.2%	7.7%	2.9%
% of 2009 Q2 Credit Losses [6]	41.2%	0.3%	13.5%	16.9%	7.7%	2.8%
% of 2009 Q3 Credit Losses [6]	39.1%	0.5%	13.7%	15.3%	7.2%	2.5%
% of 2009 Q4 Credit Losses [6]	39.0%	0.6%	13.7%	15.2%	7.0%	2.5%
% of 2010 Q1 Credit Losses [6]	36.5%	0.6%	12.8%	14.4%	6.5%	2.3%
Cumulative Default Rate [7]	—	2.15%	7.28%	7.93%	5.22%	—

(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) As a result of our decision to discontinue the purchase of newly originated Alt-A loans effective January 1, 2009, no comparable data will be provided for 2009 and 2010.

(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 which constituted over 99% of its single-family conventional guaranty book of business as of March 31, 2010.

(4) FICO Credit scores reported in the table are those provided by the sellers of the mortgage loans at time of delivery.

(5) 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 March 31, 2010, 9.7% of unpaid principal balance of Alt-A loans carried only primary mortgage insurance (no deductible), 15.5% had only pool insurance (which is generally subject to a deductible), 2.1% had primary mortgage insurance and pool insurance, and 0.4% carried other credit enhancement such as lender recourse.

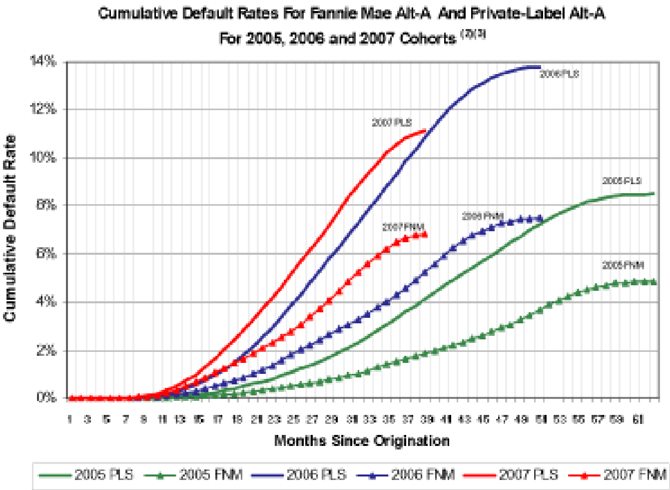
(6) Expressed as a percentage of credit losses for the single-family guaranty book of business. For information on total credit losses, refer to Fannie Mae's 2010 Q1 Form 10-Q.

(7) 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.

Fannie Mae Alt-A Loans Versus Loans Underlying Private-Label Alt-A Securities

Fannie Mae Alt-A Versus Private-Label Security Conforming Alt-A

	Fannie Mae Alt-A Outstanding Alt-A loans in Fannie Mae's Single-Family Guaranty Book of Business as of February 2010	Private-Label Alt-A Outstanding loans backing non-agency Conforming Alt-A MBS as of February 2010
FICO	718	709
Original Loan-to-Value Ratio	73%	75%
Combined Loan-to-Value Ratio at Origination (1)	77%	81%
Geography		
California	22%	27%
Florida	12%	14%
Product Type		
Fixed-Rate	72%	51%
Adjustable-Rate	28%	49%
Interest Only	20%	24%
Negative Amortizing	3%	20%
Investor	18%	21%



(1) Includes first liens and any subordinate liens present at origination.

(2) The Cumulative Default Rate is based upon the number of months between the loan origination month/year and default month/year.

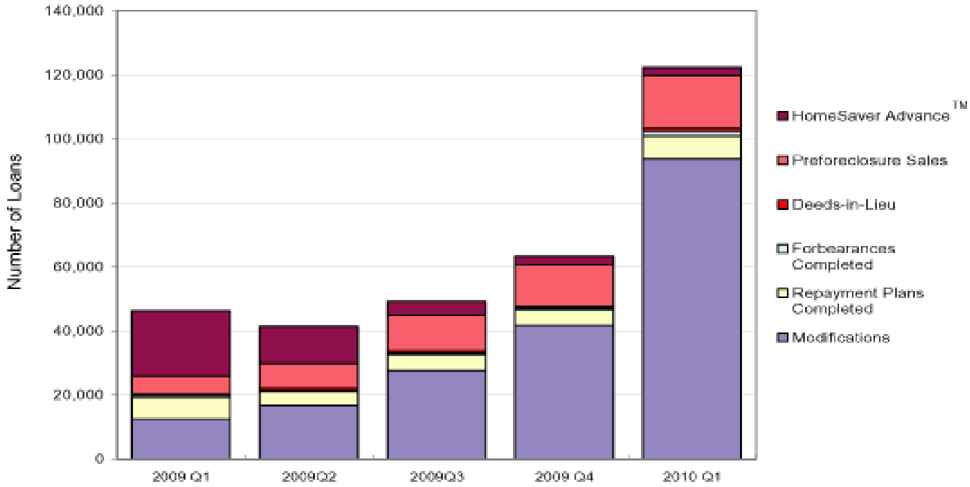
(3) Due to low amount of Alt-A loans originated in 2008 and 2009, no comparable data has been provided for these years.

Data as of February 2010 are not necessarily indicative of the ultimate performance of the loans and performance is likely to change, perhaps materially, in future periods.

Note: Private-label securities data source: First American CoreLogic, LoanPerformance data, which estimates it captures 97% of Alt-A private-label securities.

FannieMae

Fannie Mae 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, which was implemented beginning in March 2009, but do not reflect loans currently in trial modifications under that program. Information on Fannie Mae loans under the Home Affordable Modification Program is provided on Slide 15.
- 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 without the added expense of a foreclosure proceeding.
- 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.

FannieMae

Home Affordable Modification Program (HAMP)

Fannie Mae Loans Under HAMP

As of March 31, 2010 reporting period	Active HAMP Trials	Permanent HAMP Modification
Total	296,295	79,658
Modification Structure		
Rate Reduction	100%	100%
Term Extension	45%	43%
Forbearance	22%	22%
Median Monthly Principal and Interest Reduction	$468	$486
% of March 31, 2010 SDQ Loans [(1)]	22%	

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

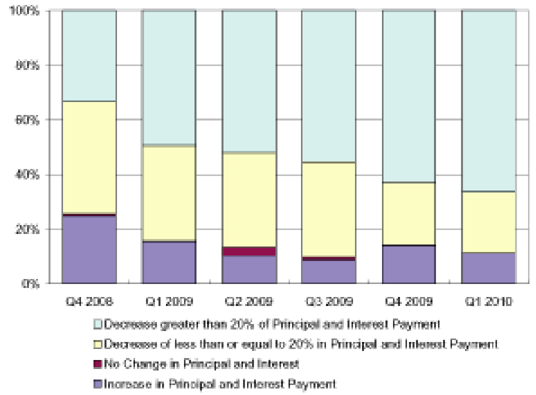
(1) Re-performance rates for modified single-family loans, including permanent HAMP modifications, are presented on Slide 16.

- 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 in default is not eligible for HAMP, our servicers are required to exhaust all other workout alternatives before proceeding to foreclosure.

FannieMae

Fannie Mae Modifications of Single-Family Delinquent Loans

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



Re-performance Rates of Modified Single Family Loans(1)(3)

% Current and Performing	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009
3 Months post modification	55%	62%	63%	57%	78%
6 months post modification	41%	46%	50%	47%	n/a
9 months post modification	32%	36%	44%	n/a	n/a
12 Months post modification	27%	35%	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 made under the Administration's Home Affordable Modification Program, which was implemented beginning in March 2009, but do not reflect loans currently in trial modifications under that program. Information on the Home Affordable Modification Program is provided on Slide 15.

(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.

(3) Includes loans that paid off.

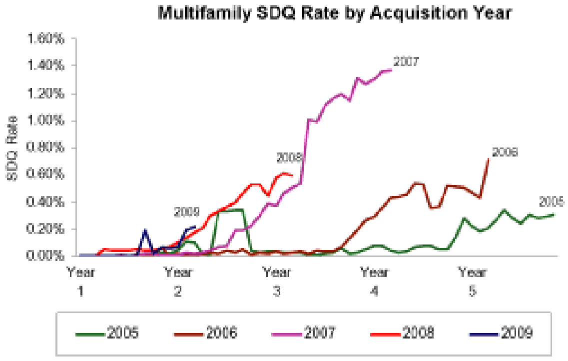
FannieMae

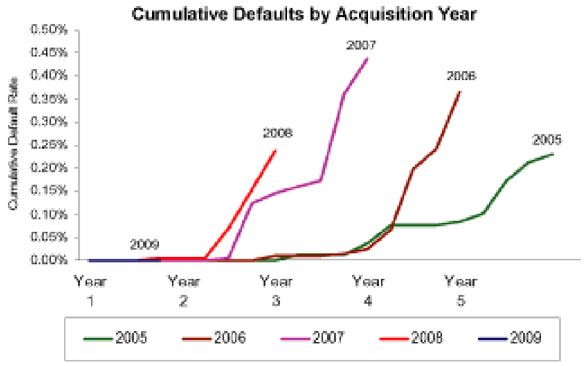
Fannie Mae Multifamily Credit Profile by Loan Attributes

As of March 31, 2010 [5]	Unpaid Principal Balance (Billions)	% of Multifamily Guaranty Book of Business	% Seriously Delinquent [3]	% of 2010 Q1 Credit Losses
Total Multifamily Guaranty Book of Business [1] [2]	$183.5	100%	0.79%	100%
Originating loan-to-value ratio:				
Less than or equal to 80%	$173.9	95%	0.78%	95%
Greater than 80%	$9.6	5%	0.91%	5%
Loan Size Distribution:				
Less than or equal to $750K	$4.6	3%	1.46%	3%
Greater than $750K and less than or equal to $3M	$23.0	13%	1.22%	19%
Greater than $3M and less than or equal to $5M	$17.3	9%	1.14%	30%
Greater than $5M and less than or equal to $25M	$75.4	41%	0.87%	46%
Greater than $25M	$63.3	34%	0.39%	2%
Credit Enhanced Loans:				
Credit Enhanced	$163.7	89%	0.69%	76%
Non-Credit Enhanced	$19.8	11%	1.56%	24%
Delegated Underwriting and Servicing (DUS ®) Loans: [4]				
DUS ®	$139.1	76%	0.55%	84%
Remaining Book	$44.4	24%	1.52%	16%
Maturity Dates:				
Loans maturing in 2010	$3.8	2%	2.50%	7%
Loans maturing in 2011	$8.4	5%	1.32%	10%
Loans maturing in 2012	$15.3	8%	1.43%	1%
Loans maturing in 2013	$21.1	11%	0.53%	2%
Loans maturing in 2014	$15.9	9%	0.70%	12%
Other	$119.0	65%	0.67%	69%

(1) Excludes loans that have been defeased. Defeasance is prepayment of a loan through substitution of collateral, such as Treasury securities.
(2) Consists of the portion of our multifamily guaranty book of business for which we have access to detailed loan level information, which constituted over 99% of our total multifamily guaranty book of business as of March 31, 2010.
(3) Multifamily loans and securities that are 60 days or more past due.
(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) Numbers may not sum due to rounding.

Fannie Mae Multifamily Credit Profile by Acquisition Year





As of March 31, 2010 [5]	Unpaid Principal Balance (Billions)	% of Multifamily Guaranty Book of Business	% Seriously Delinquent [3]	% of 2010 Credit Losses
Total Multifamily Guaranty Book of Business [1] [2]	$183.5	100%	0.79%	100%
By Acquisition Year:[4]				
2010	$3.2	2%	0.00%	0%
2009	$19.4	11%	0.21%	0%
2008	$33.4	18%	0.59%	10%
2007	$43.4	24%	1.37%	23%
2006	$19.5	10%	0.71%	25%
2005	$17.7	9%	0.28%	6%
Prior to 2005	$47.0	26%	0.90%	37%

(1) Excludes loans that have been defeased. Defeasance is prepayment of a loan through substitution of collateral, such as Treasury securities.
(2) Consists of the portion of our multifamily guaranty book of business for which we have access to detailed loan level information, which constituted over 99% of our total multifamily guaranty book of business as of March 31, 2010.
(3) Multifamily loans and securities that are 60 days or more past due.
(4) Includes only active loans.
(5) Numbers may not sum due to rounding.