UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): August 4, 2016

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: (800) 2FANNIE (800-232-6643)

(Former Name or Former Address, if Changed Since Last Report): ______________

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

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 August 4, 2016, Fannie Mae filed its quarterly report on Form 10-Q for the quarter ended June 30, 2016 and issued a news release reporting its financial results for the periods covered by the Form 10-Q. The news release, a copy of which is furnished as Exhibit 99.1 to this report, is incorporated herein by reference. A copy of the news release may also be found on Fannie Mae’s website, www.fanniemae.com, in the “About Us” section under “Investor Relations/Quarterly and Annual Results.” Information appearing on the company’s website is not incorporated into this report.

Item 7.01 Regulation FD Disclosure.

On August 4, 2016, Fannie Mae posted to its website a 2016 Second Quarter Credit Supplement presentation consisting primarily of information about Fannie Mae’s guaranty book of business. The presentation, a copy of which is furnished as Exhibit 99.2 to this report, is incorporated herein by reference. A copy of the presentation may also be found on Fannie Mae’s website, www.fanniemae.com, in the “About Us” section under “Investor Relations/Quarterly and Annual Results.”

Item 9.01 Financial Statements and Exhibits.

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

SIGNATURES

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

FEDERAL NATIONAL MORTGAGE ASSOCIATION

By /s/ David C. Benson

David C. Benson

Executive Vice President and
Chief Financial Officer

Date: August 4, 2016

EXHIBIT INDEX

The following exhibits are submitted herewith:

Exhibit Number	Description of Exhibit
99.1	News release, dated August 4, 2016
99.2	2016 Second Quarter Credit Supplement presentation, dated August 4, 2016

Fannie Mae

Resource Center: 1-800-232-6643

Exhibit 99.1

Contact: Pete Bakel
202-752-2034
Date: August 4, 2016

Fannie Mae Reports Net Income of $2.9 Billion and Comprehensive Income of $2.9 Billion for Second Quarter 2016

- Fannie Mae expects to pay $2.9 billion in dividends to Treasury in September 2016. With the expected September dividend payment, the company will have paid a total of $151.4 billion in dividends to Treasury.
- Fannie Mae was the largest provider of liquidity to the mortgage market in the second quarter of 2016, providing approximately $145 billion in mortgage financing that enabled families to buy, refinance, or rent homes.
- Fannie Mae is focused on serving its customers' needs, implementing innovative tools that deliver greater value and certainty to lenders, and helping make predictable long-term fixed-rate mortgages, including the 30-year fixed-rate mortgage, a reality for families across the country.
- Fannie Mae continued to lay off risk to private capital in the mortgage market and reduce taxpayer risk through its Connecticut Avenue Securities™ (CAS), Credit Insurance Risk Transfer™ (CIRT™), and other types of risk-sharing transactions. Through the second quarter of 2016, Fannie Mae had transferred a significant portion of the mortgage credit risk on over $660 billion in unpaid principal balance of mortgage loans pursuant to these transactions.

WASHINGTON, DC — Fannie Mae (FNMA/OTC) reported net income of $2.9 billion and comprehensive income of $2.9 billion for the second quarter of 2016. The company reported a positive net worth of $4.1 billion as of June 30, 2016. As a result, the company expects to pay Treasury a $2.9 billion dividend in September 2016.

"We had another quarter of solid financial performance," said Timothy J. Mayopoulos, president and chief executive officer. "We are carrying through on actions to strengthen our company, support the housing market, and bring innovation to the market for the benefit of consumers, lenders, and taxpayers. We remain a steady, continuous source of mortgage financing to ensure broad access to quality rental housing and predictable long-term mortgages, including the 30-year fixed-rate mortgage."

Second Quarter 2016 Results — Fannie Mae's net income of $2.9 billion and comprehensive income of $2.9 billion for the second quarter of 2016 compares to net income of $1.1 billion and comprehensive income of $936 million for the first quarter of 2016. The increase in net income was due primarily to:

- Lower fair value losses in the second quarter of 2016 driven by smaller decreases in longer-term interest rates during the quarter.
- Higher credit-related income in the second quarter of 2016 attributable primarily to an increase in home prices and a decrease in actual and projected mortgage interest rates, as well as a decrease in foreclosed property expense.
- Higher net revenues driven primarily by an increase in mortgage prepayments.

SUMMARY OF SECOND QUARTER 2016 RESULTS

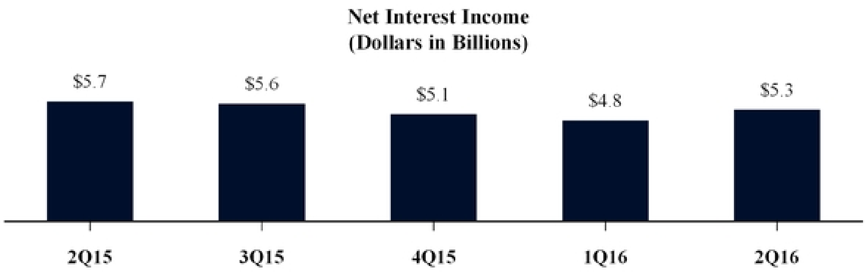
Summary of Financial Results

(Dollars in Millions)	2Q16	1Q16	Variance	2Q16	2Q15	Variance
Net interest income	$ 5,286	$ 4,769	$ 517	$ 5,286	$ 5,677	$ (391)
Fee and other income	174	203	(29)	174	556	(382)
Net revenues	5,460	4,972	488	5,460	6,233	(773)
Investment gains, net	398	69	329	398	514	(116)
Fair value gains (losses), net	(1,667)	(2,813)	1,146	(1,667)	2,606	(4,273)
Administrative expenses	(678)	(688)	10	(678)	(689)	11
Credit-related income (expense)						
Benefit (provision) for credit losses	1,601	1,184	417	1,601	(1,033)	2,634
Foreclosed property expense	(63)	(334)	271	(63)	(182)	119
Total credit-related income (expense)	1,538	850	688	1,538	(1,215)	2,753
Temporary Payroll Tax Cut Continuation Act of 2011 (TCCA) fees	(453)	(440)	(13)	(453)	(397)	(56)
Other expenses, net	(254)	(264)	10	(254)	(202)	(52)
Income before federal income taxes	4,344	1,686	2,658	4,344	6,850	(2,506)
Provision for federal income taxes	(1,398)	(550)	(848)	(1,398)	(2,210)	812
Net income attributable to Fannie Mae	$ 2,946	$ 1,136	$ 1,810	$ 2,946	$ 4,640	$ (1,694)
Total comprehensive income attributable to Fannie Mae	$ 2,869	$ 936	$ 1,933	$ 2,869	$ 4,359	$ (1,490)
Dividends distributed or available for distribution to senior preferred stockholder	$ (2,869)	$ (919)	$ (1,950)	$ (2,869)	$ (4,359)	$ 1,490

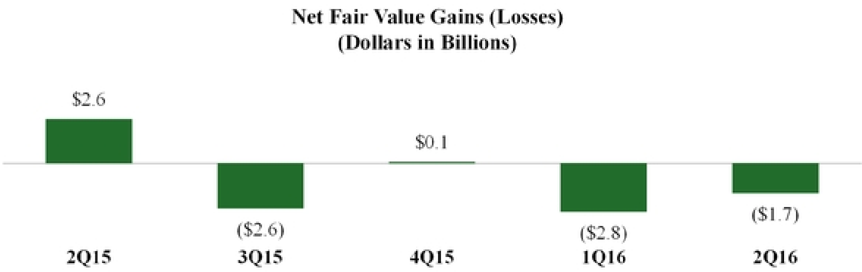
Net revenues, which consist of net interest income and fee and other income, were $5.5 billion for the second quarter of 2016, compared with $5.0 billion for the first quarter of 2016.

Net interest income, which includes guaranty fee revenue, was $5.3 billion for the second quarter of 2016 compared with $4.8 billion for the first quarter of 2016. Net interest income for the second quarter of 2016 was driven by guaranty fee revenue and interest income earned on mortgage assets in the company's retained mortgage portfolio.

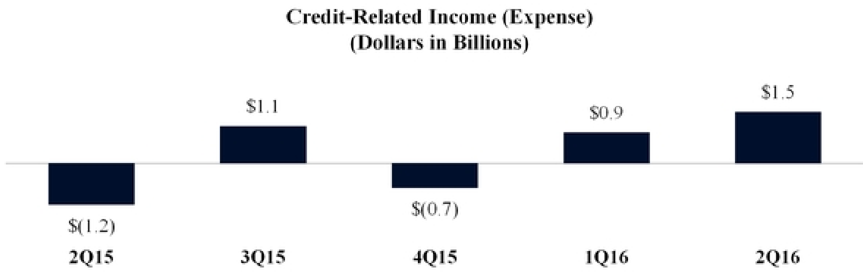
In recent years, an increasing portion of Fannie Mae's net interest income has been derived from guaranty fees rather than from the company's retained mortgage portfolio assets. This is a result of both the impact of guaranty fee increases implemented in 2012 and the reduction of the company's retained mortgage portfolio. Approximately two-thirds of the company's net interest income in the second quarter of 2016 was derived from its guaranty business. The company expects that guaranty fees will continue to account for an increasing portion of its net interest income.



Net fair value losses were $1.7 billion in the second quarter of 2016, compared with $2.8 billion in the first quarter of 2016. Fair value losses for the second quarter of 2016 were due primarily to decreases in longer-term interest rates negatively impacting the value of the company’s risk management derivatives. The estimated fair value of the company’s financial instruments may fluctuate substantially from period to period because of changes in interest rates, the yield curve, mortgage and credit spreads, implied volatility, and activity related to these financial instruments.



Credit-related income, which consists of a benefit for credit losses and foreclosed property expense, was $1.5 billion in the second quarter of 2016, compared with $850 million in the first quarter of 2016. Credit-related income in the second quarter of 2016 was due primarily to a benefit for credit losses for the quarter attributable primarily to an increase in home prices and a decrease in actual and projected mortgage interest rates.



VARIABILITY OF FINANCIAL RESULTS

Fannie Mae expects to remain profitable on an annual basis for the foreseeable future; however, certain factors, such as changes in interest rates or home prices, could result in significant volatility in our financial results from quarter to quarter or year to year. Fannie Mae's future financial results also will be affected by a number of other factors, including: the company's guaranty fee rates; the volume of single-family mortgage originations in the future; the size, composition, and quality of its retained mortgage portfolio and guaranty book of business; and economic and housing market conditions. Although Fannie Mae expects to remain profitable on an annual basis for the foreseeable future, due to the company's expectation of continued declining capital and the potential for significant volatility in its financial results, the company could experience a net worth deficit in a future quarter, particularly as the company's capital reserve amount approaches or reaches zero. The company's expectations for its future financial results do not take into account the impact on its business of potential future legislative or regulatory changes, which could have a material impact on the company's financial results, particularly the enactment of housing finance reform legislation. For additional information on factors that affect the company's financial results, please refer to "Executive Summary" in the company's quarterly report on Form 10-Q for the quarter ended June 30, 2016 (Second Quarter 2016 Form 10-Q).

SUMMARY OF SECOND QUARTER 2016 BUSINESS SEGMENT RESULTS

The business groups running Fannie Mae's three reporting segments consist of its Single-Family business, its Multifamily business, and its Capital Markets group. These business groups engage in complementary business activities in pursuing Fannie Mae's vision to be America's most valued housing partner and to provide liquidity, access to credit and affordability in all U.S. housing markets at all times, while effectively managing and reducing risk to Fannie Mae's business, taxpayers, and the housing finance system. In support of this vision, Fannie Mae is focused on: advancing a sustainable and reliable business model that reduces risk to the housing finance system and taxpayers; providing reliable, large-scale access to affordable mortgage credit for qualified borrowers and helping struggling homeowners; and serving customer needs and improving the company's business efficiency.

Business Segments

(Dollars in Millions)	2Q16	1Q16	Variance	2Q16	2Q15	Variance
Single-Family Segment:						
Guaranty fee income	$ 3,260	$ 3,222	$ 38	$ 3,260	$ 3,092	$ 168
Credit-related income (expense)	1,535	828	707	1,535	(1,238)	2,773
TCCA fees	(453)	(440)	(13)	(453)	(397)	(56)
Other	(599)	(587)	(12)	(599)	(412)	(187)
Income before federal income taxes	3,743	3,023	720	3,743	1,045	2,698
Provision for federal income taxes	(1,093)	(643)	(450)	(1,093)	(419)	(674)
Net income	$ 2,650	$ 2,380	$ 270	$ 2,650	$ 626	$ 2,024
Multifamily Segment:						
Guaranty fee income	$ 400	$ 385	$ 15	$ 400	$ 357	$ 43
Credit-related income	3	22	(19)	3	23	(20)
Other	(24)	(36)	12	(24)	27	(51)
Income before federal income taxes	379	371	8	379	407	(28)
Provision for federal income taxes	(40)	(38)	(2)	(40)	(41)	1
Net income	$ 339	$ 333	$ 6	$ 339	$ 366	$ (27)
Capital Markets Segment:						
Net interest income	$ 1,080	$ 1,092	$ (12)	$ 1,080	$ 1,513	$ (433)
Investment gains, net	2,088	1,415	673	2,088	1,562	526
Fair value gains (losses), net	(1,730)	(2,803)	1,073	(1,730)	2,555	(4,285)
Other	(287)	(299)	12	(287)	(230)	(57)
Income (loss) before federal income taxes	1,151	(595)	1,746	1,151	5,400	(4,249)
Benefit (provision) for federal income taxes	(265)	131	(396)	(265)	(1,750)	1,485
Net income (loss)	$ 886	$ (464)	$ 1,350	$ 886	$ 3,650	$ (2,764)

Single-Family Business

- Single-Family net income was $2.7 billion in the second quarter of 2016, compared with $2.4 billion in the first quarter of 2016. Net income in the second quarter of 2016 was driven primarily by guaranty fee income and credit-related income.
- Single-Family guaranty fee income was $3.3 billion for the second quarter of 2016, compared with $3.2 billion in the first quarter of 2016. The increase in guaranty fee income in the second quarter of 2016 was driven primarily by loans with higher guaranty fees becoming a larger part of the company's Single-Family guaranty book of business due primarily to the cumulative impact of guaranty fee price increases implemented in 2012.
- Single-Family credit-related income was $1.5 billion in the second quarter of 2016, compared with $828 million in the first quarter of 2016. Credit-related income in the second quarter of 2016 was due primarily to a benefit for credit losses for the quarter attributable primarily to an increase in home prices and a decrease in actual and projected mortgage interest rates.
- The Single-Family guaranty book of business was $2.82 trillion as of both June 30, 2016 and March 31, 2016.

Multifamily Business

- Multifamily net income was $339 million in the second quarter of 2016, compared with $333 million in the first quarter of 2016. Net income in the second quarter of 2016 was driven primarily by guaranty fee income.
- Multifamily guaranty fee income was $400 million for the second quarter of 2016, compared with $385 million for the first quarter of 2016. The increase in guaranty fee income in the second quarter of 2016 was driven primarily by loans with higher guaranty fees becoming a larger part of the company's Multifamily guaranty book of business, while loans with lower guaranty fees continue to liquidate.
- Multifamily new business volume totaled $22.8 billion for the first half of 2016, of which approximately 67 percent counted toward the Federal Housing Finance Agency's (FHFA) 2016 multifamily production volume cap.
- The Multifamily guaranty book of business was $225.2 billion as of June 30, 2016, compared with $220.7 billion as of March 31, 2016.

Capital Markets

- Capital Markets had net income of $886 million in the second quarter of 2016, compared with a net loss of $464 million in the first quarter of 2016. Capital Markets' net income in the second quarter of 2016 was driven primarily by net investment gains and net interest income, partially offset by fair value losses.
- Capital Markets net investment gains were $2.1 billion in the second quarter of 2016, compared with $1.4 billion in the first quarter of 2016. Net investment gains for the second quarter of 2016 were due primarily to gains on sales of available-for-sale securities in the second quarter of 2016.
- Capital Markets net interest income was $1.1 billion in both the second quarter of 2016 and the first quarter of 2016. Net interest income was driven primarily by interest income earned on mortgage assets in the company's retained mortgage portfolio.
- Capital Markets net fair value losses were $1.7 billion in the second quarter of 2016, compared with $2.8 billion in the first quarter of 2016. Net fair value losses for the second quarter of 2016 were due primarily to fair value losses on risk management derivatives driven by decreases in longer-term interest rates during the quarter.
- Capital Markets retained mortgage portfolio balance decreased to $316.3 billion as of June 30, 2016, compared with $332.6 billion as of March 31, 2016, resulting from purchases of $75.4 billion and sales and liquidations of $91.8 billion during the second quarter of 2016.

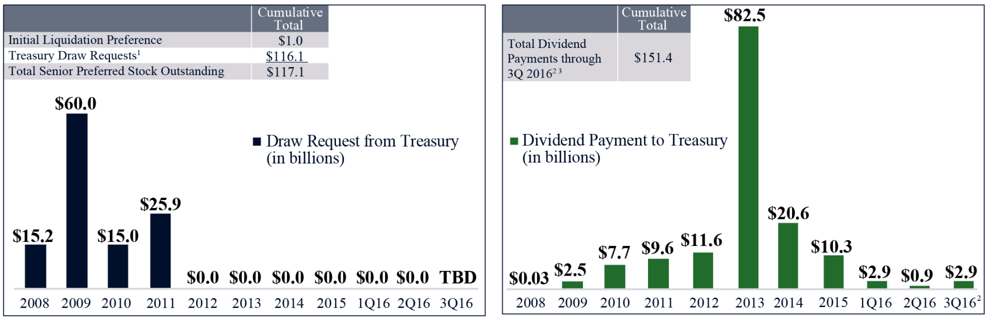
BUILDING A SUSTAINABLE HOUSING FINANCE SYSTEM

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

ABOUT FANNIE MAE'S CONSERVATORSHIP

Fannie Mae has operated under the conservatorship of FHFA since September 6, 2008. Fannie Mae has not received funds from Treasury since the first quarter of 2012. The funding the company has received under its senior preferred stock purchase agreement with Treasury has provided the company with the capital and liquidity needed to fulfill its mission of providing liquidity and support to the nation's housing finance markets and to avoid a trigger of mandatory receivership under the Federal Housing Finance Regulatory Reform Act of 2008. For periods through June 30, 2016, Fannie Mae has requested cumulative draws totaling $116.1 billion and paid $148.5 billion in dividends to Treasury. Under the senior preferred stock purchase agreement, the payment of dividends does not offset prior draws. As a result, Treasury maintains a liquidation preference of $117.1 billion on the company's senior preferred stock.

Treasury Draws and Dividend Payments



(1) Treasury draw requests are shown in the period for which requested and do not include the initial $1.0 billion liquidation preference of Fannie Mae's senior preferred stock, for which Fannie Mae did not receive any cash proceeds. The payment of dividends does not offset prior Treasury draws.

(2) Fannie Mae expects to pay a dividend for the third quarter of 2016 calculated based on the company's net worth of $4.1 billion as of June 30, 2016 less a capital reserve amount of $1.2 billion.

(3) Amounts may not sum due to rounding.

In August 2012, the terms governing the company's dividend obligations on the senior preferred stock were amended. The amended senior preferred stock purchase agreement does not allow the company to build a capital reserve. Beginning in 2013, the required senior preferred stock dividends each quarter equal the amount, if any, by which the company's net worth as of the end of the immediately preceding fiscal quarter exceeds an applicable capital reserve amount. The capital reserve amount is $1.2 billion for each quarter of 2016 and will be reduced by $600 million each year until it reaches zero in 2018.

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

Fannie Mae is not permitted to redeem the senior preferred stock prior to the termination of Treasury's funding commitment under the senior preferred stock purchase agreement. The limited circumstances under which Treasury's funding commitment will terminate are described in "Business—Conservatorship and Treasury Agreements" in the company's annual report on Form 10-K for the year ended December 31, 2015 (2015 Form 10-K).

CREDIT RISK TRANSFER TRANSACTIONS

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

These transactions transfer a portion of the mortgage credit risk associated with losses on specified reference pools of single-family mortgage loans to investors in CAS or to panels of reinsurers or insurers in CIRT transactions. Approximately 19 percent of the loans in the company's single-family conventional guaranty book of business as of June 30, 2016, measured by unpaid principal balance, were included in a reference pool for a CAS or CIRT transaction. The company also has executed other types of risk-sharing transactions in addition to its CAS and CIRT transactions. In the aggregate, Fannie Mae's credit risk transfer transactions completed through June 30, 2016 transferred a significant portion of the mortgage credit risk on single-family mortgages with an unpaid principal balance of over $660 billion. The mezzanine risk positions we sell in a CAS transaction and the insurance layer we obtain in a CIRT transaction typically exceed our estimated stress losses for the associated reference pool of loans.

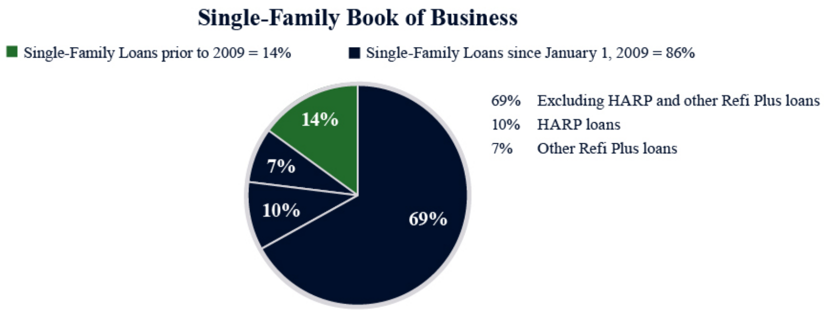
The loans Fannie Mae has included in its single-family credit risk transfer transactions have been limited to specified categories of loans it has acquired in recent years. Loan categories the company has targeted for credit risk transfer transactions generally consist of fixed-rate 30-year single-family conventional loans that meet certain credit performance characteristics, are non-Refi Plus™ and have loan-to-value (LTV) ratios between 60 percent and 97 percent. These targeted loan categories constituted over half of the company's loan acquisitions for the twelve months ended June 2015, and over 95 percent of the loans in these categories that the company acquired in the twelve months ended June 2015 were included in a subsequent credit risk transfer transaction. Loans are included in reference pools for credit risk transfer transactions on a lagged basis; typically, about one year after the company initially acquired the loans. The portion of Fannie Mae's single-family loan acquisitions it includes in credit risk transfer transactions can vary from period to period based on market conditions and other factors.

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

CREDIT QUALITY

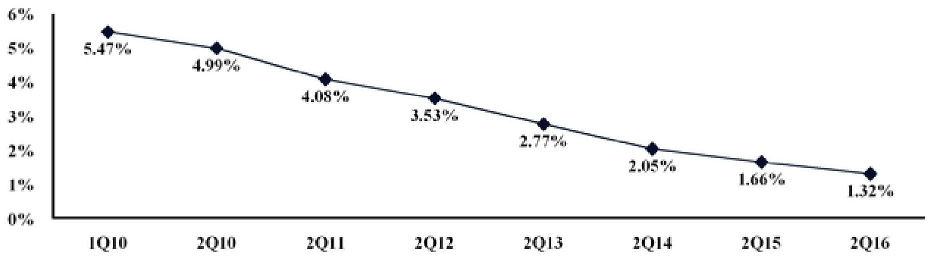
While continuing to make it possible for families to buy, refinance, or rent homes, Fannie Mae has maintained responsible credit standards. Fannie Mae has seen the effect of the actions it took, beginning in 2008, to significantly strengthen its underwriting and eligibility standards to promote sustainable homeownership and stability in the housing market. Fannie Mae actively monitors the credit risk profile and credit performance of the company's single-family loan acquisitions, in conjunction with housing market and economic conditions, to determine if its pricing, eligibility, and underwriting criteria accurately reflects the risk associated with loans the company acquires or guarantees. Single-family conventional loans acquired by Fannie Mae in the second quarter of 2016 had a weighted average borrower FICO credit score at origination of 749 and a weighted average original LTV ratio of 75 percent.

Fannie Mae's single-family conventional guaranty book of business as of June 30, 2016 consisted of single-family loans acquired prior to 2009; non-Refi Plus loans acquired beginning in 2009; loans acquired through the Administration's Home Affordable Refinance Program® (HARP®); and other loans acquired pursuant to the company's Refi Plus initiative, excluding HARP loans. The company's Refi Plus initiative, which started in April 2009 and includes HARP, provides expanded refinance opportunities for eligible Fannie Mae borrowers, and may involve the refinance of existing Fannie Mae loans with high LTV ratios, including loans with LTV ratios in excess of 100 percent.



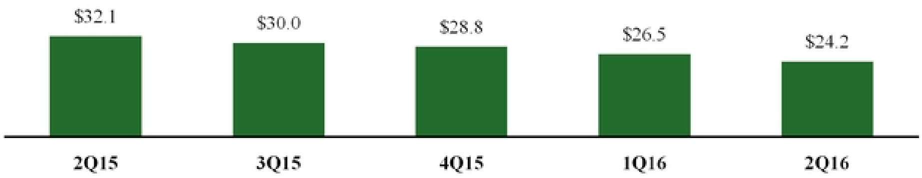
The single-family serious delinquency rate for Fannie Mae's book of business has decreased for 25 consecutive quarters since the first quarter of 2010 and was 1.32 percent as of June 30, 2016, compared with 5.47 percent as of March 31, 2010. This decrease is primarily the result of home retention solutions, foreclosure alternatives and completed foreclosures, improved loan payment performance, and the company's acquisition of loans with stronger credit profiles since the beginning of 2009. In recent periods, nonperforming loan sales have also contributed to the decrease in the company's serious delinquency rate. The company's single-family serious delinquency rate and the period of time that loans remain seriously delinquent continue to be negatively impacted by the length of time required to complete a foreclosure in some states. Longer foreclosure timelines result in these loans remaining in the company's book of business for a longer time, which has caused the company's serious delinquency rate to decrease more slowly in the last few years than it would have if the pace of foreclosures had been faster. The slow pace of foreclosures in certain areas of the country has negatively affected the company's single-family serious delinquency rates, foreclosure timelines, and financial results, and may continue to do so. Other factors such as the pace of loan modifications, the timing and volume of future nonperforming loan sales the company makes, servicer performance, changes in home prices, unemployment levels, and other macroeconomic conditions also influence serious delinquency rates.

Single-Family Serious Delinquency Rate



Total loss reserves, which reflect the company's estimate of the probable losses the company has incurred in its guaranty book of business, including concessions it granted borrowers upon modification of their loans, decreased to $24.2 billion as of June 30, 2016 from $26.5 billion as of March 31, 2016. The decrease in the company's total loss reserves for the second quarter of 2016 was primarily driven by an increase in home prices, mortgage loan liquidations, and a decrease in actual and projected mortgage interest rates. The company's loss reserves have declined substantially from their peak and are expected to decline further.

Total Loss Reserves
(Dollars in Billions)



SERVING CUSTOMER NEEDS AND IMPROVING BUSINESS EFFICIENCY

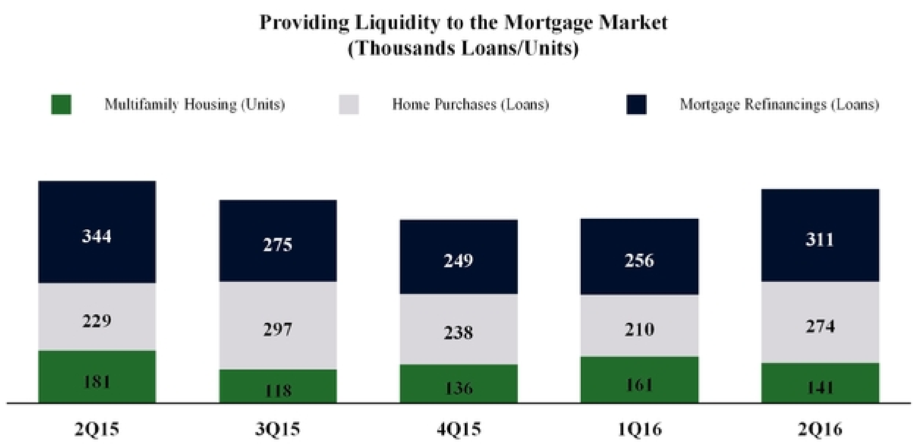
Fannie Mae is engaged in various initiatives to better serve its customers' needs and improve its business efficiency. The company is committed to providing its lender partners with the products, services, and tools they need to serve the market more effectively and efficiently. To further this commitment, Fannie Mae is focused on continuing to revise and clarify its representation and warranty framework, implementing innovative new and enhanced tools that deliver greater value and certainty to lenders, and making its customers' interactions with Fannie Mae simpler and more efficient. For additional information on the company's efforts to serve its customer needs and improve its business efficiency, please refer to "Executive Summary" in the company's Second Quarter 2016 Form 10-Q and 2015 Form 10-K.

PROVIDING LIQUIDITY AND SUPPORT TO THE MARKET

Liquidity

Fannie Mae provided approximately $145 billion in liquidity to the mortgage market in the second quarter of 2016, through its purchases of loans and guarantees of loans and securities, which resulted in approximately:

- 274,000 home purchases
- 311,000 mortgage refinancings
- 141,000 units of multifamily housing



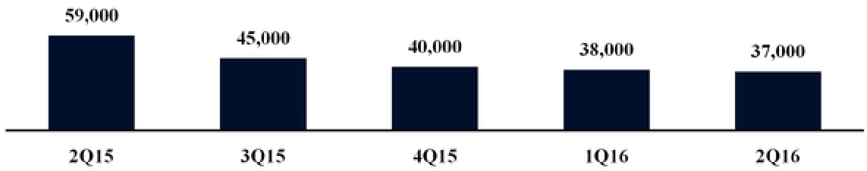
The company was one of the largest issuers of single-family mortgage-related securities in the secondary market in the second quarter of 2016, with an estimated market share of new single-family mortgage-related securities issuances of 38 percent, compared with 37 percent in the first quarter of 2016 and 37 percent in the second quarter of 2015.

Fannie Mae also remained a continuous source of liquidity in the multifamily market in the second quarter of 2016. As of March 31, 2016 (the latest date for which information is available), the company owned or guaranteed approximately 19 percent of the outstanding debt on multifamily properties.

Refinancing Initiatives

Through the company's Refi Plus initiative, which offers refinancing flexibility to eligible Fannie Mae borrowers and includes HARP, the company acquired approximately 37,000 loans in the second quarter of 2016. Refinancings delivered to Fannie Mae through Refi Plus in the second quarter of 2016 reduced borrowers' monthly mortgage payments by an average of $204. The company expects the volume of refinancings under HARP to continue to decline between now and the program's expiration on December 31, 2016, due to a decrease in the population of borrowers with loans that have high LTV ratios who are willing to refinance and would benefit from refinancing.

Refi Plus Refinancings



Home Retention Solutions and Foreclosure Alternatives

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

Single-Family Loan Workouts

	For the Six Months Ended June 30,			
	2016		2015	
	Unpaid Principal Balance	Number of Loans	Unpaid Principal Balance	Number of Loans
	(Dollars in Millions)			
Home retention solutions:				
Modifications	$ 7,003	42,177	$ 8,800	52,914
Repayment plans and forbearances completed	395	2,825	476	3,423
Total home retention solutions	7,398	45,002	9,276	56,337
Foreclosure alternatives:				
Short sales	1,214	5,887	1,610	7,781
Deeds-in-lieu of foreclosure	502	3,317	629	4,004
Total foreclosure alternatives	1,716	9,204	2,239	11,785
Total loan workouts	$ 9,114	54,206	$ 11,515	68,122
Loan workouts as a percentage of single-family guaranty book of business	0.65%	0.63%	0.81%	0.79%

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

- Fannie Mae provided approximately 27,000 loan workouts during the second quarter of 2016 enabling borrowers to avoid foreclosure.
- Fannie Mae completed approximately 21,000 loan modifications during the second quarter of 2016.

FORECLOSURES AND REO

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

Single-Family Foreclosed Properties

	For the Six Months Ended June 30,	
	2016	2015
Single-family foreclosed properties (number of properties):		
Beginning of period inventory of single-family foreclosed properties (REO)	57,253	87,063
Total properties acquired through foreclosure	30,371	44,161
Dispositions of REO	(41,643)	(62,507)
End of period inventory of single-family foreclosed properties (REO)	45,981	68,717
Carrying value of single-family foreclosed properties (dollars in millions)	$ 5,301	$ 7,997
Single-family foreclosure rate	0.35%	0.51%

- Fannie Mae acquired 14,004 single-family REO properties, primarily through foreclosure, in the second quarter of 2016, compared with 16,367 in the first quarter of 2016.
- As of June 30, 2016, the company's inventory of single-family REO properties was 45,981, compared with 52,289 as of March 31, 2016. The carrying value of the company's single-family REO was $5.3 billion as of June 30, 2016.
- The company's single-family foreclosure rate was 0.35 percent for the six months ended June 30, 2016. This reflects the annualized total number of single-family properties acquired through foreclosure or deeds-in-lieu of foreclosure as a percentage of the total number of loans in Fannie Mae's single-family guaranty book of business.

Fannie Mae's financial statements for the second quarter of 2016 are available in the accompanying Annex; however, investors and interested parties should read the company's Second Quarter 2016 Form 10-Q, which was filed today with the Securities and Exchange Commission and is available on Fannie Mae's website, www.fanniemae.com. The company provides further discussion of its financial results and condition, credit performance, and other matters in its Second Quarter 2016 Form 10-Q. Additional information about the company's credit performance, the characteristics of its guaranty book of business, its foreclosure-prevention efforts, and other measures is contained in the "2016 Second Quarter Credit Supplement" at www.fanniemae.com.

# # #

In this release, the company has presented a number of estimates, forecasts, expectations, and other forward-looking statements, including statements regarding: its future dividend payments to Treasury; the impact of and future plans with respect to the company's credit risk transfer transactions; the sources of its future net interest income; the company's future profitability; the factors that will affect the company's future financial results; the factors that will affect the company's future single-family serious delinquency rates; the future volume of its HARP *refinancings; the future fair value of the company's financial instruments; the company's future loss reserves; and the impact of the company's actions to reduce credit losses. These estimates, forecasts, expectations, and statements are forward-looking statements based on the company's current assumptions regarding numerous factors, including future interest rates and home prices, the future performance of its loans and the future guaranty fee rates applicable to the loans the company acquires. Actual results, and future projections, could be materially different from what is set forth in the forward-looking statements as a result of: home price changes; interest rate changes, including negative interest rates; changes in unemployment rates; other macroeconomic and housing market variables; the company's future serious delinquency rates; the company's future guaranty fee pricing and the impact of that pricing on the company's guaranty fee revenues and competitive environment; government policy; credit availability; changes in borrower behavior, including increases in the number of underwater borrowers who strategically default on their mortgage loans; the volume of loans it modifies; the effectiveness of its loss mitigation strategies; significant changes in modification and foreclosure activity; the volume and pace of future nonperforming loan sales and their impact on the company's results and serious delinquency rates; the effectiveness of its management of its real estate owned inventory and pursuit of contractual remedies; changes in the fair value of its assets and liabilities; future legislative or regulatory requirements or changes that have a significant impact on the company's business, such as the enactment of housing finance reform legislation; future updates to the company's models relating to loss reserves, including the assumptions used by these models; changes in generally accepted accounting principles; changes to the company's accounting policies; whether the company's counterparties meet their obligations in full; effects from activities the company takes to support the mortgage market and help borrowers; the company's future objectives and activities in support of those objectives, including actions the company may take to reach additional underserved creditworthy borrowers; actions the company may be required to take by FHFA, in its role as the company's conservator or as its regulator, such as changes in the type of business the company does or the implementation of a single security; limitations on the company's business imposed by FHFA, in its role as the company's conservator or as its regulator; the conservatorship and its effect on the company's business; the investment by Treasury and its effect on the company's business; the uncertainty of the company's future; challenges the company faces in retaining and hiring qualified employees; the deteriorated credit performance of many loans in the company's guaranty book of business; a decrease in the company's credit ratings; defaults by one or more institutional counterparties; resolution or settlement agreements the company may enter into with its counterparties; operational control weaknesses; changes in the fiscal and monetary policies of the Federal Reserve, including any change in the Federal Reserve's policy toward the reinvestment of principal payments of mortgage-backed securities or any future sales of such securities; changes in the structure and regulation of the financial services industry; the company's ability to access the debt markets; disruptions in the housing, credit, and stock markets; government investigations and litigation; the company's reliance on and the performance of the company's servicers; conditions in the foreclosure environment; global political risks; natural disasters, environmental disasters, terrorist attacks, pandemics, or other major disruptive events; information security breaches; and many other factors, including those discussed in the "Risk Factors" section of and elsewhere in the company's annual report on Form 10-K for the year ended December 31, 2015 and the company's quarterly report on Form 10-Q for the quarter ended June 30, 2016, and elsewhere in this release.*

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

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

ANNEX

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

	As of	
	June 30, 2016	December 31, 2015
ASSETS		
Cash and cash equivalents	$ 23,619	$ 14,674
Restricted cash (includes $33,121 and $25,865, respectively, related to consolidated trusts)	37,697	30,879
Federal funds sold and securities purchased under agreements to resell or similar arrangements	22,325	27,350
Investments in securities:		
Trading, at fair value (includes $1,111 and $135, respectively, pledged as collateral)	39,167	39,908
Available-for-sale, at fair value (includes $179 and $285, respectively, related to consolidated trusts)	13,180	20,230
Total investments in securities	52,347	60,138
Mortgage loans:		
Loans held for sale, at lower of cost or fair value	4,277	5,361
Loans held for investment, at amortized cost:		
Of Fannie Mae	224,036	233,054
Of consolidated trusts	2,825,355	2,809,180
Total loans held for investment (includes $13,413 and $14,075, respectively, at fair value)	3,049,391	3,042,234
Allowance for loan losses	(23,799)	(27,951)
Total loans held for investment, net of allowance	3,025,592	3,014,283
Total mortgage loans	3,029,869	3,019,644
Deferred tax assets, net	35,953	37,187
Accrued interest receivable (includes $7,281 and $6,974, respectively, related to consolidated trusts)	8,018	7,726
Acquired property, net	5,500	6,766
Other assets	19,565	17,553
Total assets	$ 3,234,893	$ 3,221,917
LIABILITIES AND EQUITY		
Liabilities:		
Accrued interest payable (includes $8,200 and $8,194, respectively, related to consolidated trusts)	$ 9,548	$ 9,794
Debt:		
Of Fannie Mae (includes $10,650 and $11,133, respectively, at fair value)	362,418	386,135
Of consolidated trusts (includes $32,798 and $23,609, respectively, at fair value)	2,849,486	2,811,536
Other liabilities (includes $368 and $448, respectively, related to consolidated trusts)	9,372	10,393
Total liabilities	3,230,824	3,217,858
Commitments and contingencies	—	—
Fannie Mae stockholders' equity:		
Senior preferred stock, 1,000,000 shares issued and outstanding	117,149	117,149
Preferred stock, 700,000,000 shares are authorized—555,374,922 shares issued and outstanding	19,130	19,130
Common stock, no par value, no maximum authorization—1,308,762,703 shares issued and 1,158,082,750 shares outstanding	687	687
Accumulated deficit	(126,638)	(126,942)
Accumulated other comprehensive income	1,130	1,407
Treasury stock, at cost, 150,679,953 shares	(7,401)	(7,401)
Total Fannie Mae stockholders' equity	4,057	4,030
Noncontrolling interest	12	29
Total equity	4,069	4,059
Total liabilities and equity	$ 3,234,893	$ 3,221,917

See Notes to Condensed Consolidated Financial Statements in the Second Quarter 2016 Form 10-Q

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Interest income:				
Trading securities	$ 128	$ 116	$ 248	$ 231
Available-for-sale securities	170	294	373	670
Mortgage loans (includes $23,866 and $24,267, respectively, for the three months ended and $48,492 and $48,889, respectively, for the six months ended related to consolidated trusts)	26,256	26,682	53,217	53,726
Other	46	34	94	67
Total interest income	26,600	27,126	53,932	54,694
Interest expense:				
Short-term debt	57	33	108	62
Long-term debt (includes $19,521 and $19,528, respectively, for the three months ended and $40,179 and $40,043, respectively, for the six months ended related to consolidated trusts)	21,257	21,416	43,769	43,888
Total interest expense	21,314	21,449	43,877	43,950
Net interest income	5,286	5,677	10,055	10,744
Benefit (provision) for credit losses	1,601	(1,033)	2,785	(500)
Net interest income after benefit (provision) for credit losses	6,887	4,644	12,840	10,244
Investment gains, net	398	514	467	856
Fair value gains (losses), net	(1,667)	2,606	(4,480)	687
Fee and other income	174	556	377	864
Non-interest income (loss)	(1,095)	3,676	(3,636)	2,407
Administrative expenses:				
Salaries and employee benefits	331	331	695	682
Professional services	232	251	447	522
Occupancy expenses	46	43	91	86
Other administrative expenses	69	64	133	122
Total administrative expenses	678	689	1,366	1,412
Foreclosed property expense	63	182	397	655
Temporary Payroll Tax Cut Continuation Act of 2011 (“TCCA”) fees	453	397	893	779
Other expenses, net	254	202	518	197
Total expenses	1,448	1,470	3,174	3,043
Income before federal income taxes	4,344	6,850	6,030	9,608
Provision for federal income taxes	(1,398)	(2,210)	(1,948)	(3,080)
Net income	2,946	4,640	4,082	6,528
Other comprehensive loss:				
Changes in unrealized gains on available-for-sale securities, net of reclassification adjustments and taxes	(75)	(280)	(273)	(371)
Other	(2)	(1)	(4)	(2)
Total other comprehensive loss	(77)	(281)	(277)	(373)
Total comprehensive income attributable to Fannie Mae	$ 2,869	$ 4,359	$ 3,805	$ 6,155
Net income attributable to Fannie Mae	2,946	4,640	4,082	6,528
Dividends distributed or available for distribution to senior preferred stockholder	(2,869)	(4,359)	(3,788)	(6,155)
Net income attributable to common stockholders	$ 77	$ 281	$ 294	$ 373
Earnings per share:				
Basic	$ 0.01	$ 0.05	0.05	0.06
Diluted	0.01	0.05	0.05	0.06
Weighted-average common shares outstanding:				
Basic	5,762	5,762	5,762	5,762
Diluted	5,893	5,893	5,893	5,893

See Notes to Condensed Consolidated Financial Statements in the Second Quarter 2016 Form 10-Q

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

	For the Six Months Ended June 30,	
	2016	**2015**
Net cash used in operating activities	$ (3,982)	$ (1,506)
Cash flows provided by investing activities:		
Proceeds from maturities and paydowns of trading securities held for investment	1,109	484
Proceeds from sales of trading securities held for investment	1,313	992
Proceeds from maturities and paydowns of available-for-sale securities	1,778	2,279
Proceeds from sales of available-for-sale securities	7,584	5,311
Purchases of loans held for investment	(97,024)	(98,042)
Proceeds from repayments of loans acquired as held for investment of Fannie Mae	11,804	12,487
Proceeds from sales of loans acquired as held for investment of Fannie Mae	1,964	366
Proceeds from repayments and sales of loans acquired as held for investment of consolidated trusts	238,188	259,429
Net change in restricted cash	(6,818)	(4,846)
Advances to lenders	(57,956)	(62,110)
Proceeds from disposition of acquired property and preforeclosure sales	8,557	11,384
Net change in federal funds sold and securities purchased under agreements to resell or similar arrangements	5,025	8,940
Other, net	(661)	(65)
Net cash provided by investing activities	114,863	136,609
Cash flows used in financing activities:		
Proceeds from issuance of debt of Fannie Mae	432,025	213,648
Payments to redeem debt of Fannie Mae	(456,586)	(249,610)
Proceeds from issuance of debt of consolidated trusts	171,004	167,880
Payments to redeem debt of consolidated trusts	(244,631)	(265,969)
Payments of cash dividends on senior preferred stock to Treasury	(3,778)	(3,716)
Other, net	30	(46)
Net cash used in financing activities	(101,936)	(137,813)
Net increase (decrease) in cash and cash equivalents	8,945	(2,710)
Cash and cash equivalents at beginning of period	14,674	22,023
Cash and cash equivalents at end of period	$ 23,619	$ 19,313
Cash paid during the period for:		
Interest	$ 52,354	$ 52,679
Income taxes	610	370

See Notes to Condensed Consolidated Financial Statements in the Second Quarter 2016 Form 10-Q

Fannie Mae

Exhibit 99.2

2016 Second Quarter Credit Supplement

August 04, 2016

Fannie Mae

- This presentation includes information about Fannie Mae, including information contained in Fannie Mae's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, the "2016 Q2 Form 10-Q." Some of the terms used in these materials are defined and discussed more fully in the 2016 Q2 Form 10-Q and in Fannie Mae's Form 10-K for the year ended December 31, 2015, the "2015 Form 10-K." These materials should be reviewed together with the 2016 Q2 Form 10-Q and the 2015 Form 10-K, copies of which are available through the "SEC Filings" page in the "About Us/Investor Relations" section of Fannie Mae's website at www.fanniemae.com.

- Some of the information in this presentation is based upon information that we received from third-party sources such as sellers and servicers of mortgage loans. Although we generally consider this information reliable, we do not independently verify all reported information.

- Due to rounding, amounts reported in this presentation may not add to totals indicated (or 100%).

- Unless otherwise indicated data labeled as "YTD 2016" is as of June 30, 2016 or for the first six months of 2016.

Fannie Mae

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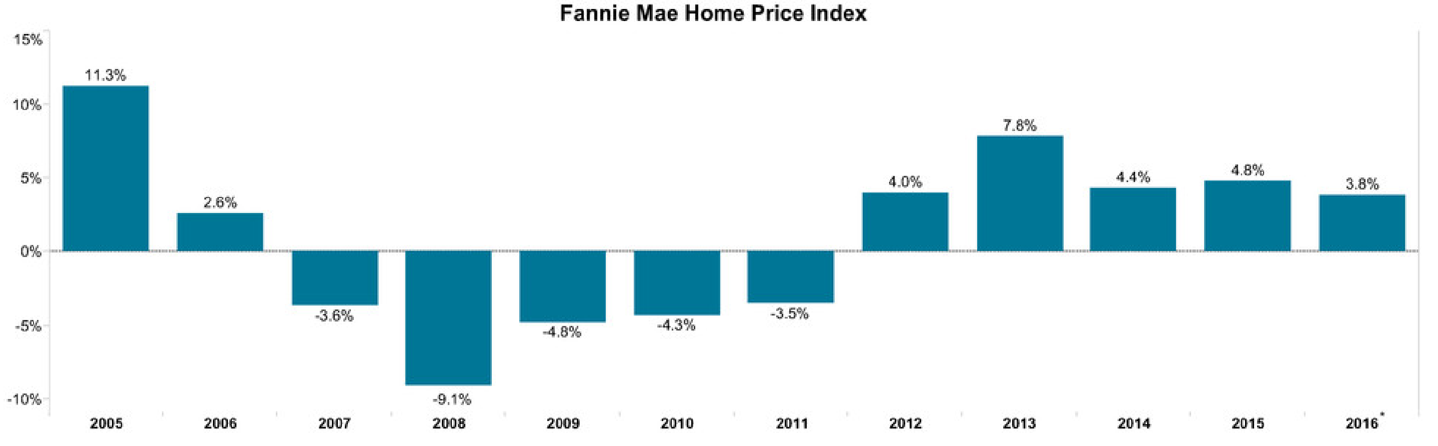
Home Price Growth/Decline Rates in the U.S.



S&P/Case-Shiller Index

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016**
13.5%	1.7%	-5.4%	-12.0%	-3.9%	-4.1%	-3.9%	6.5%	10.7%	4.5%	5.3%	0.8%

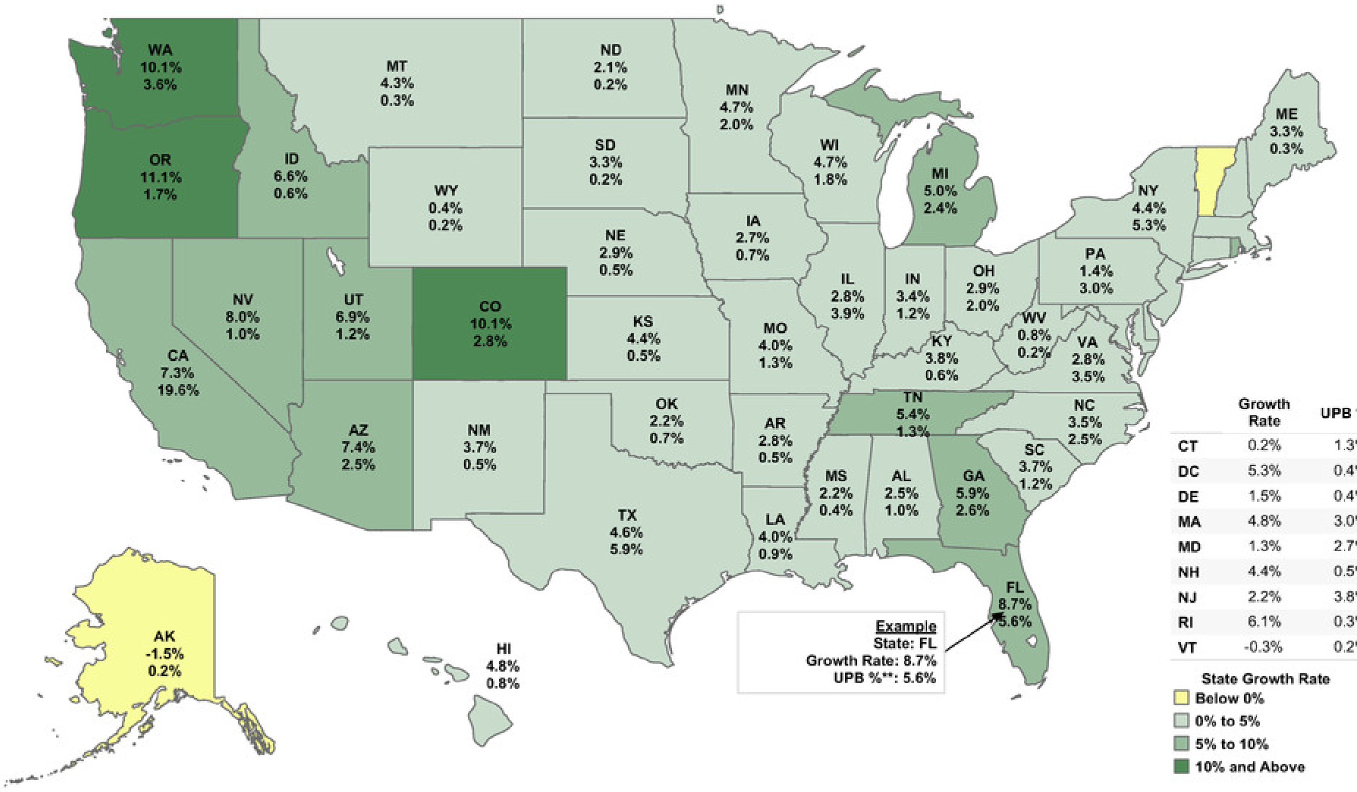
* Year-to-date as of June 2016.
**Year-to-date as of Q1 2016. As comparison, Fannie Mae's index for the same period is 1.0%.

Based on our home price index, we estimate that home prices on a national basis increased by 2.8% in the second quarter of 2016 and by 3.8% in the first half of 2016, following increases of 4.8% in 2015, 4.4% in 2014 and 7.8% in 2013. Despite the recent increases in home prices, we estimate that, through June 30, 2016, home prices on a national basis remained 2.8% below their peak in the third quarter of 2006. Our home price estimates are based on preliminary data and are subject to change as additional data become available.

Note: Estimate based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of June 2016. Including subsequent data may lead to materially different results.

One Year Home Price Change as of 2016 Q2*

United States: 4.7%



	Growth Rate	UPB %**
CT	0.2%	1.3%
DC	5.3%	0.4%
DE	1.5%	0.4%
MA	4.8%	3.0%
MD	1.3%	2.7%
NH	4.4%	0.5%
NJ	2.2%	3.8%
RI	6.1%	0.3%
VT	-0.3%	0.2%

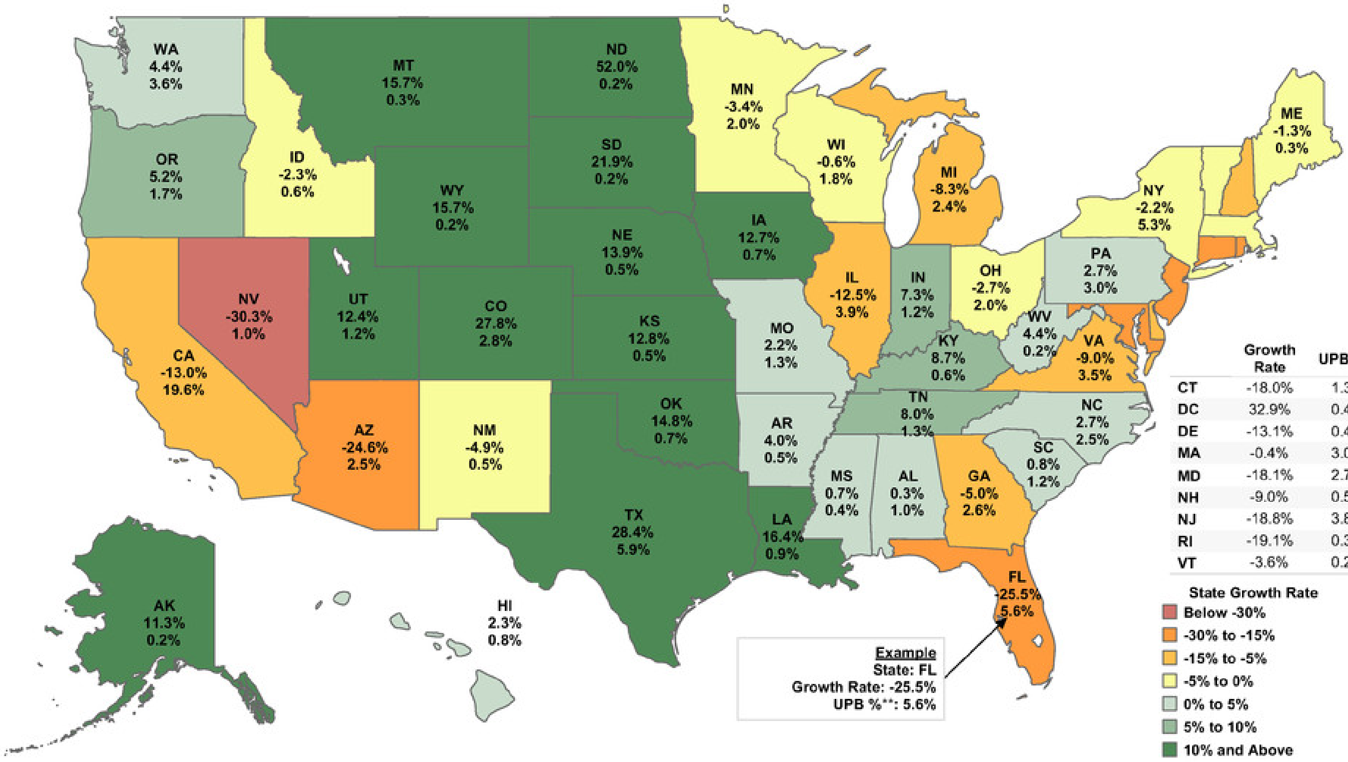
*Source: Fannie Mae. Home price estimates are based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of June 2016. UPB estimates are based on data available through the end of June 2016. Including subsequent data may lead to materially different results.

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

Fannie Mae™

Home Price Change From 2006 Q3 Through 2016 Q2*

United States: -2.8%



	Growth Rate	UPB %**
CT	-18.0%	1.3%
DC	32.9%	0.4%
DE	-13.1%	0.4%
MA	-0.4%	3.0%
MD	-18.1%	2.7%
NH	-9.0%	0.5%
NJ	-18.8%	3.8%
RI	-19.1%	0.3%
VT	-3.6%	0.2%

*Source: Fannie Mae. Home price estimates are based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of June 2016. UPB estimates are based on data available through the end of June 2016. Including subsequent data may lead to materially different results.

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

Note: Home prices on a national basis reached a peak in the third quarter of 2006.

Credit Characteristics of Single-Family Business Acquisitions[(1)]

Acquisition Period	Q2 2016 Single-Family Acquisitions	Q2 2016 Excl. Refi Plus[(2)]	Q1 2016 Single-Family Acquisitions	Q1 2016 Excl. Refi Plus[(2)]	Full Year 2015 Single-Family Acquisitions	Full Year 2015 Excl. Refi Plus[(2)]	Q4 2015 Single-Family Acquisitions	Q4 2015 Excl. Refi Plus[(2)]	Q3 2015 Single-Family Acquisitions	Q3 2015 Excl. Refi Plus[(2)]	Q2 2015 Single-Family Acquisitions	Q2 2015 Excl. Refi Plus[(2)]
Unpaid Principal Balance (UPB) ($B)	$135.0	$129.2	$102.2	$96.4	$471.4	$441.0	$105.6	$99.7	$124.5	$117.6	$128.1	$118.9
Weighted Average Origination Note Rate	3.83%	3.82%	4.02%	4.01%	3.98%	3.97%	4.04%	4.04%	4.05%	4.04%	3.87%	3.86%
Origination Loan-to-Value (LTV) Ratio												
<= 60%	18.5%	18.0%	18.7%	18.1%	18.2%	17.5%	17.5%	16.9%	17.1%	16.6%	19.6%	18.8%
60.01% to 70%	13.9%	13.8%	13.9%	13.8%	13.7%	13.6%	13.1%	13.0%	12.6%	12.5%	14.4%	14.3%
70.01% to 80%	38.9%	39.7%	39.6%	40.8%	40.0%	41.3%	39.7%	40.8%	40.1%	41.3%	39.7%	41.2%
80.01% to 90%	12.3%	12.2%	12.2%	12.0%	12.5%	12.3%	13.1%	13.0%	12.8%	12.7%	11.8%	11.6%
90.01% to 100%	16.0%	16.3%	15.0%	15.3%	14.9%	15.2%	15.9%	16.3%	16.6%	16.9%	13.8%	14.1%
> 100%	0.4%	0.0%	0.6%	0.0%	0.8%	0.0%	0.7%	0.0%	0.7%	0.0%	0.8%	0.0%
Weighted Average Origination LTV Ratio	74.7%	74.8%	74.5%	74.6%	74.8%	74.8%	75.3%	75.4%	75.6%	75.7%	74.0%	74.0%
FICO Credit Scores[(3)]												
< 620	0.4%	0.0%	0.5%	0.0%	0.6%	0.0%	0.6%	0.0%	0.6%	0.0%	0.6%	0.0%
620 to < 660	4.2%	3.8%	5.2%	4.7%	4.7%	4.2%	5.3%	4.8%	5.0%	4.5%	4.3%	3.7%
660 to < 700	11.8%	11.4%	13.0%	12.6%	12.1%	11.7%	13.0%	12.6%	12.6%	12.2%	11.1%	10.6%
700 to < 740	21.0%	21.1%	21.4%	21.5%	20.4%	20.5%	21.2%	21.3%	20.7%	20.8%	19.7%	19.8%
>=740	62.5%	63.6%	59.8%	61.2%	62.1%	63.5%	59.9%	61.2%	61.1%	62.4%	64.3%	65.8%
Weighted Average FICO Credit Score	749	751	746	748	748	750	746	748	747	749	750	753
Certain Characteristics												
Fixed-rate	98.5%	98.5%	97.7%	97.6%	97.5%	97.4%	97.2%	97.1%	97.5%	97.4%	98.1%	98.0%
Adjustable-rate	1.5%	1.5%	2.3%	2.4%	2.5%	2.6%	2.8%	2.9%	2.5%	2.6%	1.9%	2.0%
Alt-A[(4)]	0.3%	0.0%	0.4%	0.0%	0.4%	0.0%	0.4%	0.0%	0.3%	0.0%	0.4%	0.0%
Interest Only	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Investor	6.1%	5.7%	7.1%	6.6%	7.8%	7.2%	7.4%	6.8%	7.7%	7.2%	7.7%	7.0%
Condo/Co-op	9.9%	10.0%	9.7%	9.7%	10.0%	10.0%	9.9%	10.0%	10.0%	10.1%	10.3%	10.4%
Refinance	53.4%	51.3%	53.7%	50.9%	54.7%	51.6%	49.7%	46.7%	46.1%	42.9%	59.7%	56.6%
Loan Purpose												
Purchase	46.6%	48.7%	46.3%	49.1%	45.3%	48.4%	50.3%	53.3%	53.9%	57.1%	40.3%	43.4%
Cash-out refinance	18.4%	19.2%	20.4%	21.6%	18.6%	19.9%	19.3%	20.5%	18.2%	19.3%	18.1%	19.5%
Other refinance	35.0%	32.1%	33.4%	29.4%	36.1%	31.7%	30.4%	26.2%	27.9%	23.6%	41.6%	37.0%

Top 3 Geographic Concentrations	Q2 2016 Single-Family Acquisitions	Q1 2016 Single-Family Acquisitions	Full Year 2015 Single-Family Acquisitions	Q4 2015 Single-Family Acquisitions	Q3 2015 Single-Family Acquisitions	Q2 2015 Single-Family Acquisitions
California	23.0%	21.7%	23.0%	21.0%	20.6%	24.8%
Texas	7.1%	7.6%	7.2%	7.2%	8.0%	6.9%
Florida	5.4%	5.8%	5.0%	5.3%	5.2%	4.9%

(1) Percentage calculated based on unpaid principal balance of loans at time of acquisition. Single-family business acquisitions refer to single-family mortgage loans we acquire through purchase or securitization transactions.
(2) Single-family business acquisitions for the applicable period excluding loans acquired under our Refi Plus initiative, which includes the Home Affordable Refinance Program ® ("HARP ®"). Our Refi Plus initiative provides expanded refinance opportunities for eligible Fannie Mae borrowers, and may involve the refinance of existing Fannie Mae loans with high loan-to-value ratios, including loans with loan-to-value ratios in excess of 100%.
(3) FICO credit score is as of loan origination, as reported by the seller of the mortgage loan.
(4) Newly originated Alt-A loans for the applicable periods consist of the refinance of existing loans under our Refi Plus initiative. For a description of our Alt-A loan classification criteria, refer to Fannie Mae's 2016 Q2 Form 10-Q.

Credit Risk Profile Summary of Single-Family Business Acquisitions[1]

Credit Profile for Single-Family Acquisitions

FICO Credit Score[2] — For the Six Months Ended June 30, 2016	Origination LTV Ratio <= 60%	60.01% to 80%	80.01% to 100%	> 100%	Total
>=740	12.6%	32.8%	15.8%	0.2%	61.3%
660 to < 740	5.0%	17.6%	10.8%	0.2%	33.5%
620 to < 660	0.9%	2.5%	1.2%	0.1%	4.6%
< 620	0.1%	0.2%	0.1%	0.1%	0.5%
Total	18.6%	53.1%	27.8%	0.5%	100.0%

FICO Credit Score[2] — For the Six Months Ended June 30, 2015	Origination LTV Ratio <= 60%	60.01% to 80%	80.01% to 100%	> 100%	Total
>=740	13.5%	35.1%	14.7%	0.3%	63.6%
660 to < 740	4.6%	16.8%	9.7%	0.3%	31.4%
620 to < 660	0.8%	2.4%	1.1%	0.1%	4.4%
< 620	0.1%	0.2%	0.2%	0.1%	0.6%
Total	19.1%	54.5%	25.6%	0.8%	100.0%

FICO Credit Score[2] — Change in Acquisitions Profile	Origination LTV Ratio <= 60%	60.01% to 80%	80.01% to 100%	> 100%	Total
>=740	-0.9%	-2.3%	1.1%	-0.1%	-2.3%
660 to < 740	0.4%	0.8%	1.1%	-0.1%	2.2%
620 to < 660	0.1%	0.1%	0.1%	0.0%	0.2%
<620	0.0%	0.0%	0.0%	0.0%	-0.1%
Total	-0.5%	-1.4%	2.2%	-0.3%	0.0%

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

FICO Credit Score[2] — For the Six Months Ended June 30, 2016	Origination LTV Ratio <= 60%	60.01% to 80%	80.01% to 95%	>95%	Total
>=740	12.6%	33.8%	15.2%	1.0%	62.6%
660 to < 740	4.7%	17.7%	9.8%	1.0%	33.2%
620 to < 660	0.8%	2.4%	0.9%	0.1%	4.2%
Total	18.1%	54.0%	25.9%	2.0%	100.0%

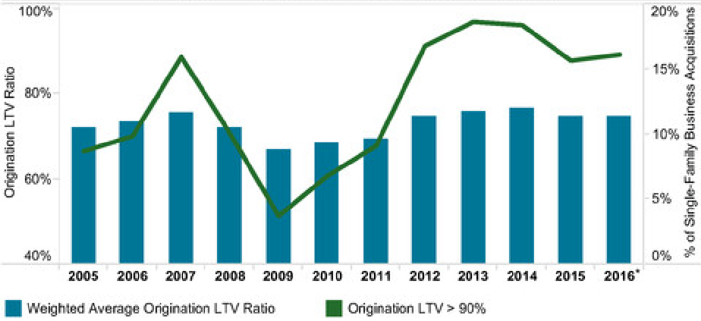
FICO Credit Score[2] — For the Six Months Ended June 30, 2015	Origination LTV Ratio <= 60%	60.01% to 80%	80.01% to 95%	>95%	Total
>=740	13.4%	36.6%	14.5%	0.6%	65.1%
660 to < 740	4.3%	17.1%	9.0%	0.7%	31.0%
620 to < 660	0.7%	2.3%	0.8%	0.1%	3.9%
Total	18.3%	56.0%	24.4%	1.3%	100.0%

FICO Credit Score[2] — Change in Acquisitions Profile	Origination LTV Ratio <= 60%	60.01% to 80%	80.01% to 95%	>95%	Total
>=740	-0.8%	-2.7%	0.7%	0.4%	-2.5%
660 to < 740	0.5%	0.6%	0.8%	0.3%	2.2%
620 to < 660	0.1%	0.1%	0.1%	0.0%	0.3%
Total	-0.3%	-2.0%	1.6%	0.7%	0.0%

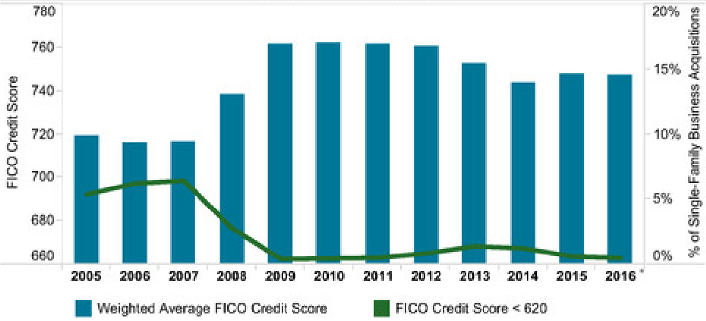
(1) Percentage calculated based on unpaid principal balance of loans at time of acquisition. Single-family business acquisitions refer to single-family mortgage loans we acquire through purchase or securitization transactions.
(2) FICO credit score is as of loan origination, as reported by the seller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

Certain Credit Characteristics of Single-Family Business Acquisitions: 2005 - 2016[1]

Origination Loan-to-Value (OLTV) Ratio

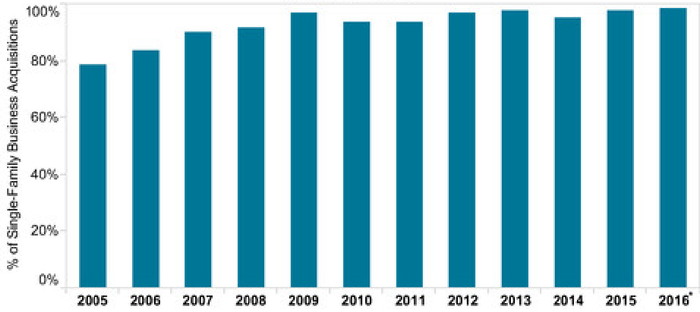


FICO Credit Score[2]

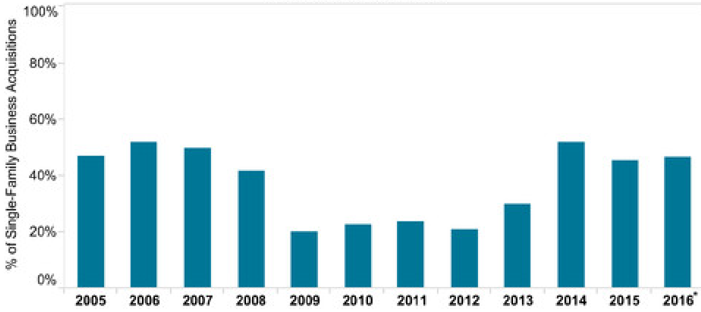


Product Feature

Share of Single-Family Business Acquisitions: Fixed-rate Product



Share of Single-Family Business Acquisitions: Loan Purpose - Purchase

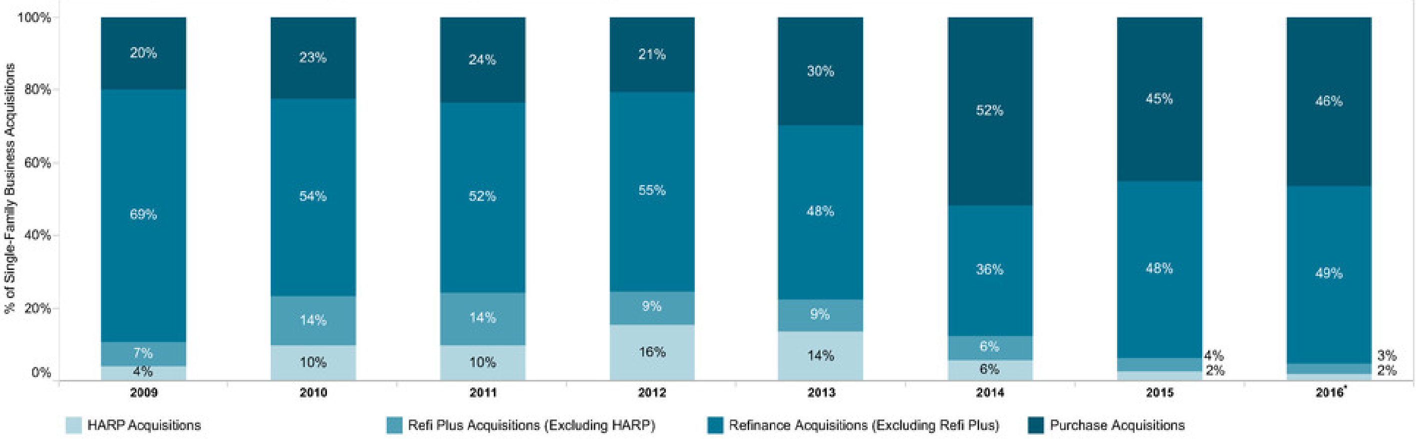


* Year-to-date through June 30, 2016.

(1) Percentage calculated based on unpaid principal balance of loans at time of acquisition. Single-family business acquisitions refer to single-family mortgage loans we acquire through purchase or securitization transactions.

(2) FICO credit score is as of loan origination, as reported by the seller of the mortgage loan. Loans acquired after 2009 with FICO credit scores below 620 primarily consist of the refinance of existing loans under our Refi Plus initiative, which includes HARP.

Single-Family Business Acquisitions by Loan Purpose



Credit Characteristics of Single-Family Business Acquisitions Under the Refi Plus Initiative[1]

Acquisition Year	2009		2010		2011		2012		2013		2014		2015		2016*	
	HARP	Refi Plus (Excl. HARP)	HARP	Refi Plus (Excl. HARP)	HARP	Refi Plus (Excl. HARP)	HARP	Refi Plus (Excl. HARP)	HARP	Refi Plus (Excl. HARP)	HARP	Refi Plus (Excl. HARP)	HARP	Refi Plus (Excl. HARP)	HARP	Refi Plus (Excl. HARP)
Unpaid Principal Balance (UPB) ($B)	$27.9	$44.7	$59.0	$80.5	$55.6	$81.2	$129.9	$73.8	$99.5	$64.4	$21.5	$23.5	$11.2	$19.2	$4.1	$7.4
Weighted Average Origination Note Rate	5.05%	4.85%	5.00%	4.68%	4.78%	4.44%	4.14%	3.89%	4.04%	3.80%	4.62%	4.39%	4.23%	4.08%	4.16%	4.02%
Origination LTV Ratio																
<=80%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%
80.01% to 105%	99.1%	0.0%	94.4%	0.0%	88.1%	0.0%	57.2%	0.0%	58.4%	0.0%	73.3%	0.0%	78.0%	0.0%	80.0%	0.0%
105.01% to 125%	0.9%	0.0%	5.6%	0.0%	11.9%	0.0%	22.1%	0.0%	21.5%	0.0%	16.9%	0.0%	15.0%	0.0%	14.1%	0.0%
>125%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.7%	0.0%	20.1%	0.0%	9.9%	0.0%	7.0%	0.0%	5.9%	0.0%
Weighted Average Origination LTV Ratio	90.7%	63.3%	92.2%	62.3%	94.3%	60.2%	111.0%	61.1%	109.8%	60.2%	101.5%	61.3%	98.4%	60.4%	97.5%	60.4%
FICO Credit Scores[2]																
< 620	1.2%	0.8%	2.0%	1.4%	2.1%	1.7%	3.7%	2.9%	6.7%	5.3%	10.6%	9.3%	9.5%	8.8%	9.6%	9.9%
620 to < 660	2.5%	1.7%	3.6%	2.4%	3.8%	2.8%	6.0%	4.2%	9.5%	6.9%	14.5%	11.2%	14.6%	10.5%	15.6%	11.9%
660 to < 740	31.9%	23.0%	33.1%	23.9%	32.6%	25.6%	33.8%	26.0%	38.7%	31.9%	41.0%	36.5%	41.1%	34.4%	43.6%	37.5%
>=740	64.4%	74.5%	61.2%	72.3%	61.5%	70.0%	56.6%	66.9%	45.1%	55.8%	33.9%	43.0%	34.8%	46.3%	31.2%	40.7%
Weighted Average FICO Credit Score	749	762	746	760	746	758	738	753	722	737	704	717	706	722	702	714

* Year-to-date through June 30, 2016.

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

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

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

As of June 30, 2016	Overall Book	Origination Year									
		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007 and Earlier
Unpaid Principal Balance (UPB) ($B)[1]	$2,767.5	$191.1	$424.9	$273.7	$463.6	$531.7	$201.6	$166.9	$116.4	$46.1	$351.5
Share of Single-Family Conventional Guaranty Book	100.0%	6.9%	15.4%	9.9%	16.8%	19.2%	7.3%	6.0%	4.2%	1.7%	12.7%
Average Unpaid Principal Balance[1]	$161,368	$225,812	$211,803	$183,417	$176,774	$179,334	$148,216	$146,831	$143,262	$140,478	$98,169
Serious Delinquency Rate	1.32%	0.00%	0.08%	0.32%	0.36%	0.30%	0.42%	0.57%	0.95%	5.22%	4.58%
Weighted Average Origination LTV Ratio	75.0%	74.6%	75.0%	77.0%	76.7%	76.4%	71.2%	71.1%	69.6%	74.8%	75.0%
Origination LTV Ratio > 90%	16.5%	16.1%	16.3%	19.7%	20.5%	19.0%	12.4%	10.3%	6.5%	12.6%	14.1%
Weighted Average Mark-to-Market LTV Ratio	59.8%	72.9%	68.7%	65.8%	58.2%	52.7%	48.5%	50.1%	52.0%	65.9%	63.2%
Mark-to-Market LTV Ratio > 100% and <= 125%	1.9%	0.3%	0.4%	0.8%	1.9%	1.6%	0.2%	0.3%	0.3%	4.8%	7.5%
Mark-to-Market LTV Ratio > 125%	0.6%	0.1%	0.1%	0.2%	0.5%	0.4%	0.0%	0.0%	0.0%	1.1%	2.7%
Weighted Average FICO Credit Score[2]	744	748	748	743	750	759	757	756	752	713	699
FICO < 620[2]	2.2%	0.5%	0.6%	1.3%	1.7%	1.1%	0.8%	0.8%	0.9%	6.4%	9.2%
Interest Only	1.9%	0.0%	0.0%	0.0%	0.2%	0.3%	0.5%	0.9%	1.1%	8.6%	12.2%
Negative Amortizing	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%
Fixed-rate	93.4%	98.6%	97.7%	96.0%	97.8%	97.8%	95.7%	96.3%	97.3%	72.3%	69.9%
Primary Residence	88.1%	89.8%	88.3%	86.4%	86.1%	88.7%	87.1%	89.2%	90.6%	88.0%	89.3%
Condo/Co-op	9.4%	9.7%	9.9%	9.8%	10.1%	8.8%	8.4%	8.2%	8.7%	10.6%	9.2%
Credit Enhanced[3]	19.4%	27.1%	30.3%	38.2%	18.7%	12.5%	7.8%	5.5%	4.8%	23.9%	16.3%
Cumulative Default Rate[4]	n/a	0.0%	0.0%	0.1%	0.2%	0.3%	0.3%	0.6%	0.8%	4.9%	n/a

(1) Excludes non-Fannie Mae securities held in portfolio and those Alt-A and subprime wraps for which Fannie Mae does not have loan-level information. Fannie Mae had access to detailed loan-level information for approximately 99% of its single-family conventional guaranty book of business as of June 30, 2016.
(2) FICO credit score is as of loan origination, as reported by the seller of the mortgage loan. Loans acquired after 2009 with FICO credit scores below 620 primarily consist of the refinance of existing loans under our Refi Plus initiative, which includes HARP.
(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.
(4) Defaults include loan foreclosures, short sales, sales to third parties at the time of foreclosure and deeds-in-lieu of foreclosure. Cumulative Default Rate is the total number of single-family conventional loans in the guaranty book of business originated in the identified year that have defaulted, divided by the total number of single-family conventional loans in the guaranty book of business originated in the identified year. For 2007 and earlier cumulative default rates, refer to slide 18.

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

As of June 30, 2016	Categories Not Mutually Exclusive [1]							
	Interest Only Loans	Loans with FICO < 620 [2]	Loans with FICO ≥ 620 and < 660 [2]	Loans with Origination LTV Ratio > 90%	Loans with FICO < 620 [2] and Origination LTV Ratio > 90%	Alt-A Loans [3]	Refi Plus Including HARP [4]	Subtotal of Certain Product Features [1]
Unpaid Principal Balance (UPB) ($B) [5]	$53.0	$60.2	$150.6	$455.3	$18.3	$94.7	$463.2	$942.7
Share of Single-Family Conventional Guaranty Book	1.9%	2.2%	5.4%	16.5%	0.7%	3.4%	16.7%	34.1%
Average Unpaid Principal Balance [5]	$227,434	$117,027	$134,736	$171,724	$132,282	$145,854	$149,919	$151,269
Serious Delinquency Rate	7.01%	7.04%	4.34%	2.03%	8.04%	5.68%	0.74%	2.43%
Acquisition Years 2005-2008	81.9%	40.2%	28.0%	8.6%	29.9%	58.6%	0.0%	16.2%
Weighted Average Origination LTV Ratio	74.3%	81.9%	79.1%	103.3%	108.4%	78.7%	86.6%	85.8%
Origination LTV Ratio > 90%	8.2%	30.3%	22.9%	100.0%	100.0%	16.3%	39.4%	48.3%
Weighted Average Mark-to-Market LTV Ratio	78.0%	69.9%	67.4%	83.0%	89.7%	71.3%	63.8%	69.7%
Mark-to-Market LTV Ratio > 100% and <= 125%	14.1%	8.4%	5.6%	7.2%	18.2%	10.5%	4.9%	4.8%
Mark-to-Market LTV Ratio > 125%	4.8%	3.2%	2.0%	2.4%	7.8%	3.7%	1.3%	1.5%
Weighted Average FICO Credit Score [2]	722	583	642	730	583	711	733	719
FICO < 620 [2]	1.6%	100.0%	0.0%	4.0%	100.0%	3.0%	5.2%	6.4%
Fixed-rate	23.7%	84.2%	87.7%	96.2%	89.0%	65.8%	98.9%	90.5%
Primary Residence	85.7%	94.4%	93.1%	92.7%	94.1%	77.0%	84.4%	89.8%
Condo/Co-op	14.5%	4.7%	6.1%	9.8%	5.9%	9.7%	9.4%	8.8%
Credit Enhanced [6]	13.6%	22.2%	22.0%	64.6%	53.0%	10.0%	12.1%	34.0%

(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) FICO credit score is as of loan origination, as reported by the seller of the mortgage loan.
(3) For a description of our Alt-A loan classification criteria, refer to Fannie Mae's 2016 Q2 Form 10-Q.
(4) Our Refi Plus initiative, which started in April 2009, includes the Home Affordable Refinance Program ("HARP"). Our Refi Plus initiative provides expanded refinance opportunities for eligible Fannie Mae borrowers, and may involve the refinance of existing Fannie Mae loans with high loan-to-value ratios, including loans with loan-to-value ratios in excess of 100%.
(5) Excludes non-Fannie Mae securities held in portfolio and those Alt-A and subprime wraps for which Fannie Mae does not have loan-level information. Fannie Mae had access to detailed loan-level information for approximately 99% of its single-family conventional guaranty book of business as of June 30, 2016.
(6) 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.

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

	SF Conventional Guaranty Book of Business as of June 30, 2016 (1)				Seriously Delinquent Loans as of June 30, 2016 (2)		Real Estate Owned (REO)				Credit Loss
Select States (5)	Unpaid Principal Balance (UPB) ($B)	Share of Single-Family Conventional Guaranty Book	Weighted Average Mark-to-Market LTV Ratio	Mark-to-Market LTV >100%	Seriously Delinquent Loan Share (2)	Serious Delinquency Rate (2)	Q2 2016 Acquisitions (# of properties)	Q2 2016 Dispositions (# of properties)	REO Ending Inventory as of 6/30/16	Average Days to Foreclosure (3)	% of YTD 2016 Credit Losses (4)
California	$543.7	19.6%	50.7%	1.4%	5.4%	0.52%	494	841	1,767	654	1.5%
Texas	$164.2	5.9%	58.0%	0.1%	3.5%	0.69%	353	491	894	729	0.7%
Florida	$155.1	5.6%	65.6%	8.3%	11.1%	2.27%	1,920	3,674	5,751	1,407	7.5%
New York	$147.7	5.3%	56.3%	2.7%	10.5%	3.03%	644	828	2,589	1,741	21.9%
Illinois	$108.8	3.9%	66.7%	5.7%	5.3%	1.57%	836	1,529	3,675	890	8.0%
New Jersey	$106.2	3.8%	65.9%	6.3%	9.3%	3.88%	1,007	1,223	4,189	1,755	17.7%
Washington	$98.5	3.6%	56.3%	0.7%	1.9%	0.81%	205	300	879	1,010	0.8%
Virginia	$96.4	3.5%	62.2%	1.9%	1.9%	0.83%	378	448	1,036	584	1.7%
Pennsylvania	$83.3	3.0%	63.7%	1.8%	4.8%	1.77%	638	908	1,914	936	4.6%
Massachusetts	$81.7	3.0%	56.9%	0.8%	2.8%	1.55%	300	391	1,322	1,306	2.2%
Regions (6)											
Midwest	$409.2	14.8%	64.6%	2.6%	16.7%	1.16%	3,148	4,638	10,641	675	17.3%
Northeast	$509.8	18.4%	61.1%	3.1%	33.1%	2.53%	3,377	4,251	12,435	1,433	53.0%
Southeast	$609.0	22.0%	64.0%	3.8%	27.7%	1.53%	4,508	7,398	13,704	975	19.9%
Southwest	$463.8	16.8%	60.2%	1.1%	11.5%	0.81%	1,813	2,039	4,487	655	5.5%
West	$775.7	28.0%	53.0%	1.6%	11.0%	0.68%	1,158	1,986	4,714	939	4.4%
Total	$2,767.5	100.0%	59.8%	2.4%	100.0%	1.32%	14,004	20,312	45,981	972	100.0%

(1) Based on the unpaid principal balance (UPB) of the single-family conventional guaranty book of business as of June 30, 2016. Excludes non-Fannie Mae securities held in portfolio and those Alt-A and subprime wraps for which Fannie Mae does not have loan-level information. Fannie Mae had access to detailed loan-level information for approximately 99% of its single-family conventional guaranty book of business as of June 30, 2016.

(2) "Seriously delinquent loans" refers to single-family conventional loans that are 90 days or more past due or in the foreclosure process. "Seriously delinquent loan share" refers to the percentage of our single-family seriously delinquent loan population in the applicable state or region. "Serious delinquency rate" refers to the number of single-family conventional loans that were seriously delinquent in the applicable state or region, divided by the number of loans in our single-family conventional guaranty book of business in that state or region.

(3) Measured from the borrowers' last paid installment on their mortgages to when the related properties were added to our REO inventory for foreclosures completed during the first six months of 2016. Home Equity Conversion Mortgages (HECMs) insured by HUD are excluded from this calculation.

(4) Expressed as a percentage of credit losses for the single-family guaranty book of business. Credit losses consist of (a) charge-offs, net of recoveries and (b) foreclosed property expense (income), adjusted to exclude the impact of fair value losses resulting from credit-impaired loans acquired from MBS trusts. For information on total credit losses, refer to Fannie Mae's 2016 Q2 Form 10-Q.

(5) Select states represent the top ten states in UPB of the single-family conventional guaranty book of business as of June 30, 2016.

(6) For information on which states are included in each region, refer to the single-family mortgage credit risk management discussion in Fannie Mae's 2016 Q2 Form 10-Q.

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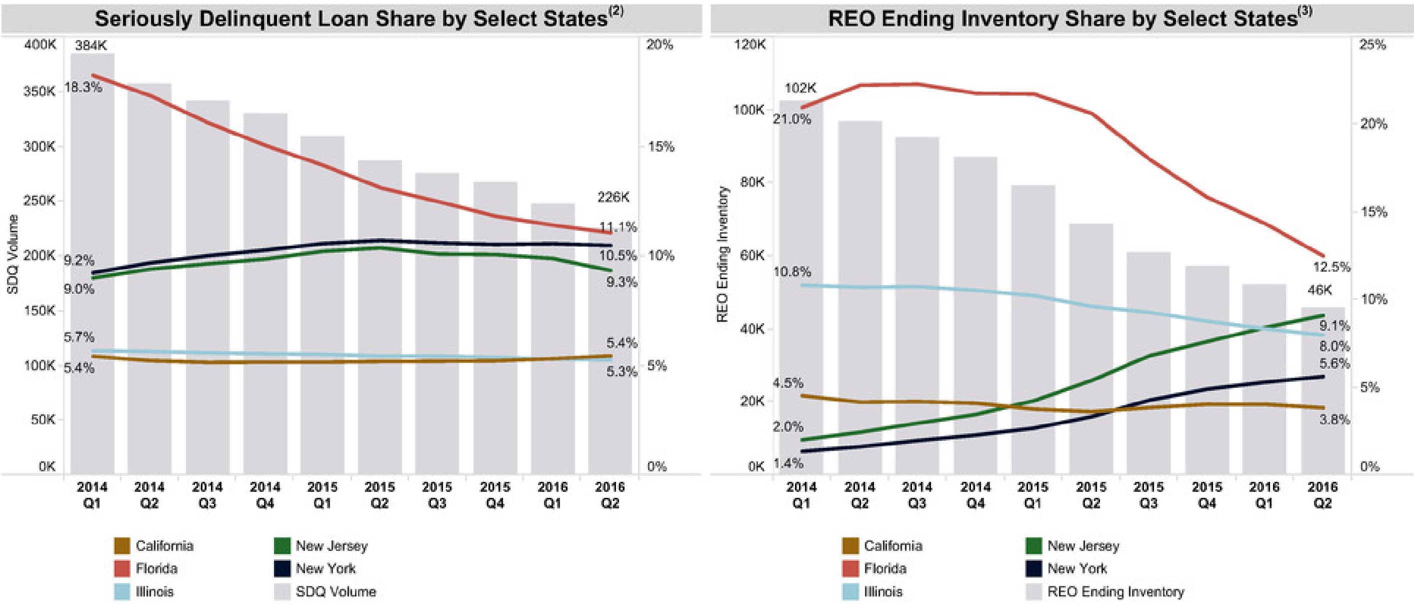
Seriously Delinquent Loan and REO Ending Inventory Share by Select States[1]

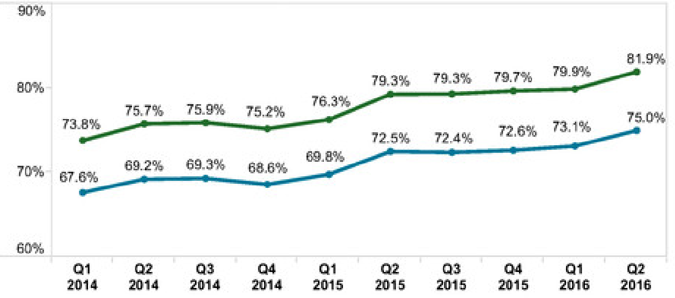


Our single-family serious delinquency rate and the period of time that loans remain seriously delinquent continue to be negatively impacted by the length of time required to complete a foreclosure in some states. Longer foreclosure timelines result in these loans remaining in our book of business for a longer time, which has caused our serious delinquency rate to decrease more slowly in the last few years than it would have if the pace of foreclosures had been faster.

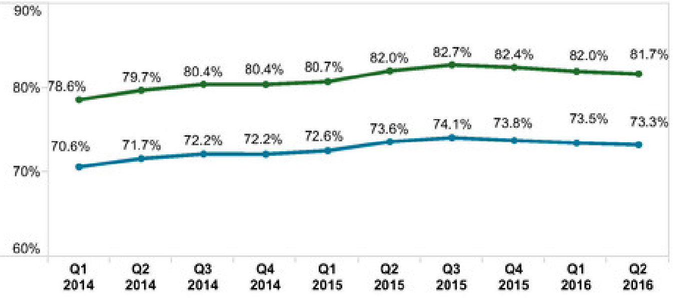
(1) Based on states with the largest volume of seriously delinquent loans in our single-family conventional guaranty book of business as of June 30, 2016.
(2) "Seriously delinquent loan share" refers to the percentage of our single-family seriously delinquent loan population in the applicable state.
(3) Share of REO ending inventory calculated as the number of properties in the single-family REO ending inventory for the state divided by the total number of single-family properties in the REO ending inventory for the specified time period.

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

REO[1] Direct Sale Dispositions: Sales Prices to UPB[2]



Short Sales: Sales Prices to UPB[2]



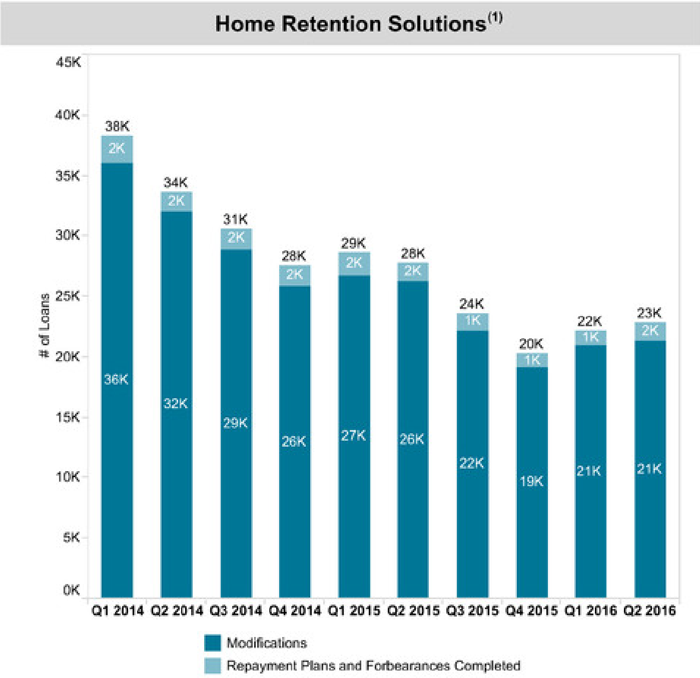
Net Sales Prices to UPB Trends for Top 10 States[2][3]

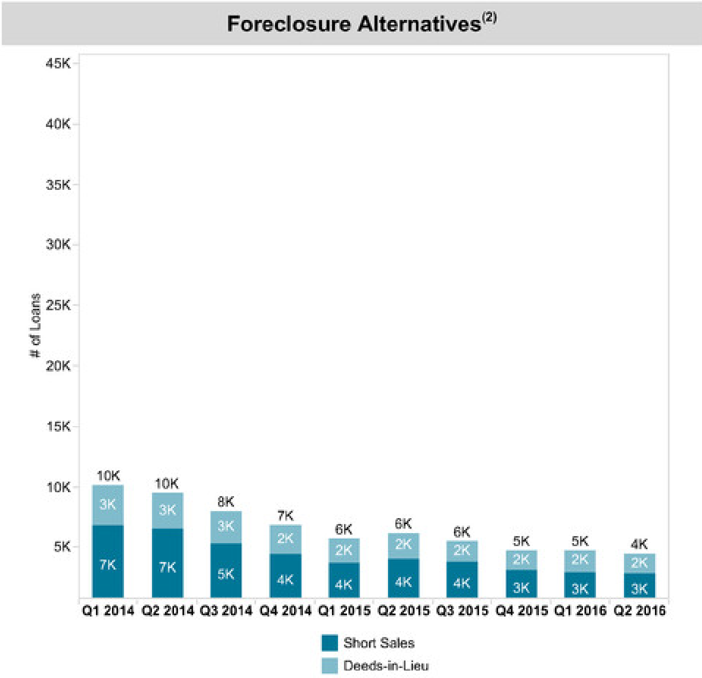
REO Net Sales Prices to UPB	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Florida	73.5%	74.8%	77.5%	78.3%	79.5%
Illinois	64.5%	63.9%	60.9%	63.9%	63.2%
New Jersey	57.7%	58.8%	58.5%	59.6%	61.0%
Maryland	67.5%	67.3%	69.5%	71.4%	73.8%
Pennsylvania	63.0%	61.3%	62.8%	61.0%	66.6%
Ohio	62.7%	63.4%	62.9%	62.6%	62.4%
Michigan	64.6%	65.7%	66.8%	66.0%	65.7%
New York	61.7%	62.9%	67.8%	61.4%	64.5%
California	84.0%	83.1%	84.3%	82.6%	86.6%
Georgia	78.3%	77.5%	78.0%	79.4%	81.3%

Short Sales Net Sales Prices to UPB	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Florida	72.7%	72.0%	72.3%	73.9%	71.8%
Illinois	64.5%	66.8%	66.3%	66.1%	65.8%
New Jersey	65.7%	66.9%	66.6%	66.0%	64.9%
California	78.3%	80.0%	81.3%	79.4%	81.2%
New York	72.8%	73.1%	74.1%	72.1%	71.6%
Maryland	70.3%	70.6%	69.1%	71.2%	70.8%
Nevada	71.5%	70.5%	69.5%	71.2%	74.4%
Arizona	77.0%	77.5%	78.8%	74.8%	79.1%
Virginia	77.9%	76.7%	77.2%	77.5%	80.3%
Pennsylvania	75.0%	74.5%	72.1%	75.1%	73.6%

(1) Includes REO properties that have been sold to a third party (excluding properties that have been repurchased by the seller/servicer, acquired by a mortgage insurance company, redeemed by a borrower, or sold through the FHFA Rental Pilot).
(2) Sales Prices to UPB are calculated as the sum of sales proceeds received divided by the aggregate unpaid principal balance (UPB) of the related loans. Gross sales price represents the contract sale price. Net sales price represents the contract sale price less charges/credits paid by or due to the seller or other parties at closing.
(3) The states shown had the greatest volume of properties sold in the first six months of 2016 in each respective category.

Single-Family Loan Workouts





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

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

	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1
Modifications[2]	37,337	39,159	36,044	32,010	28,861	25,908	26,700	26,214	22,199	19,099	20,899
% Current or Paid Off											
3 Months Post Modification	83%	84%	83%	79%	79%	80%	79%	77%	76%	78%	79%
6 Months Post Modification	79%	79%	76%	72%	74%	74%	72%	69%	69%	72%	n/a
9 Months Post Modification	76%	74%	72%	71%	71%	70%	68%	67%	67%	n/a	n/a
12 Months Post Modification	73%	73%	72%	70%	69%	67%	67%	67%	n/a	n/a	n/a
15 Months Post Modification	72%	72%	71%	67%	67%	66%	66%	n/a	n/a	n/a	n/a
18 Months Post Modification	72%	71%	70%	66%	67%	67%	n/a	n/a	n/a	n/a	n/a
21 Months Post Modification	72%	71%	69%	68%	68%	n/a	n/a	n/a	n/a	n/a	n/a
24 Months Post Modification	72%	70%	70%	69%	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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

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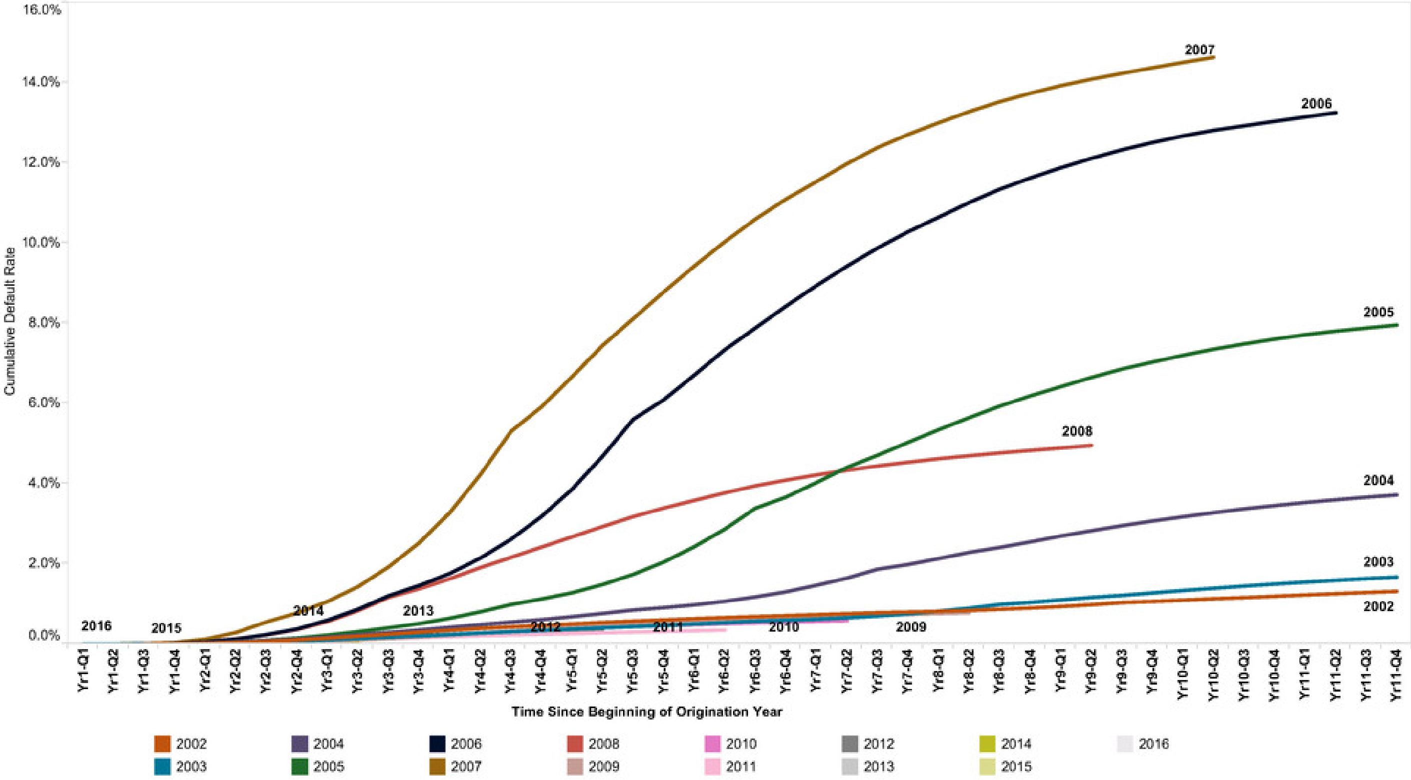
Credit Loss Concentration of Single-Family Conventional Guaranty Book of Business

	% of Single-Family Conventional Guaranty Book of Business[1]						% of Single-Family Credit Losses[2]					
Certain Product Features[3]	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
Negative Amortizing	0.1%	0.1%	0.2%	0.2%	0.3%	0.3%	0.4%	1.2%	0.9%	0.8%	0.5%	1.2%
Interest Only	1.9%	2.1%	2.5%	2.9%	3.7%	4.7%	11.8%	18.0%	10.2%	18.7%	21.8%	25.8%
FICO < 620[4]	2.2%	2.3%	2.5%	2.6%	2.9%	3.2%	13.6%	11.1%	12.1%	7.0%	7.8%	7.9%
FICO 620 to < 660[4]	5.4%	5.5%	5.5%	5.5%	6.0%	6.7%	20.7%	18.3%	17.6%	15.7%	14.2%	14.7%
Origination LTV Ratio > 90%	16.5%	16.3%	15.9%	15.1%	12.8%	10.0%	18.6%	16.4%	15.3%	20.8%	16.8%	14.0%
FICO < 620 and Origination LTV Ratio > 90%[4]	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	3.1%	2.7%	2.9%	2.0%	2.3%	2.2%
Alt-A[5]	3.4%	3.7%	4.2%	4.7%	5.6%	6.6%	26.0%	29.3%	17.4%	26.0%	23.7%	27.3%
Subprime[6]	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	1.5%	1.6%	1.3%	-0.2%	1.1%	0.6%
Refi Plus including HARP	16.7%	17.6%	19.1%	19.5%	16.5%	11.2%	13.3%	7.8%	10.4%	7.4%	3.5%	1.4%
Vintage												
2009 - 2016	85.6%	84.1%	80.5%	76.2%	65.3%	51.6%	17.9%	10.3%	13.3%	10.0%	5.1%	2.4%
2005 - 2008	9.2%	10.1%	12.2%	14.7%	21.7%	30.4%	65.5%	77.6%	74.7%	77.6%	81.8%	82.9%
2004 & Prior	5.2%	5.8%	7.3%	9.1%	13.1%	18.0%	16.7%	12.1%	12.0%	12.4%	13.1%	14.8%
Select State[7]												
New York	5.3%	5.4%	5.5%	5.6%	5.6%	5.6%	21.9%	16.4%	4.8%	1.9%	0.9%	0.6%
New Jersey	3.8%	3.9%	4.0%	4.0%	4.0%	4.0%	17.7%	21.6%	7.2%	3.7%	2.0%	0.8%
Illinois	3.9%	4.0%	4.1%	4.1%	4.2%	4.3%	8.0%	7.8%	10.9%	12.9%	9.6%	3.5%
Florida	5.6%	5.6%	5.6%	5.7%	6.0%	6.3%	7.5%	20.8%	32.6%	28.9%	21.4%	11.0%
Pennsylvania	3.0%	3.0%	3.0%	3.1%	3.1%	3.0%	4.6%	3.4%	4.2%	3.0%	1.6%	0.8%
Maryland	2.7%	2.7%	2.7%	2.8%	2.8%	2.9%	3.7%	3.8%	5.9%	3.1%	1.8%	0.6%
Ohio	2.0%	2.0%	2.1%	2.1%	2.2%	2.3%	3.5%	2.2%	4.2%	4.1%	3.3%	2.1%
Connecticut	1.3%	1.3%	1.3%	1.4%	1.4%	1.4%	2.6%	2.3%	2.8%	1.4%	0.9%	0.3%
Massachusetts	3.0%	3.0%	3.0%	3.1%	3.1%	3.1%	2.2%	1.9%	1.0%	0.8%	1.0%	1.2%
Michigan	2.4%	2.4%	2.4%	2.4%	2.5%	2.5%	2.0%	1.5%	1.7%	3.2%	4.5%	5.8%
All Other States	66.9%	66.7%	66.2%	65.8%	65.1%	64.6%	26.4%	18.4%	24.7%	37.1%	53.2%	73.2%

(1) Based on the unpaid principal balance (UPB) of the single-family conventional guaranty book of business as of December 31 for the time periods noted, with the exception of 2016 which is as of June 30, 2016.
(2) Based on the single-family credit losses for the year ended December 31 for the time periods noted, with the exception of 2016 which is through June 30, 2016. Credit losses consist of (a) charge-offs, net of recoveries and (b) foreclosed property expense (income), adjusted to exclude the impact of fair value losses resulting from credit-impaired loans acquired from MBS trusts. Does not reflect the impact of recoveries that have not been allocated to specific loans. Negative values are the result of recoveries on previously recognized credit losses. Beginning in 2015, includes the impact of credit losses associated with our redesignation from held for investment to held for sale of certain nonperforming single-family loans expected to be sold in the foreseeable future. Also, 2015 credit losses include the impact of our approach to adopting the charge-off provisions of the Federal Housing Finance Agency's Advisory Bulletin AB 2012-02, "Framework for Adversely Classifying Loans, Other Real Estate Owned, and Other Assets and Listing Assets for Special Mention" on January 1, 2015.
(3) Loans with multiple product features are included in all applicable categories. Categories are not mutually exclusive.
(4) FICO credit score is as of loan origination, as reported by the seller of the mortgage loan.
(5) Newly originated Alt-A loans acquired after 2008 consist of the refinance of existing loans under our Refi Plus Initiative. For a description of our Alt-A loan classification criteria, refer to Fannie Mae's 2016 Q2 Form 10-Q.
(6) For a description of our subprime loan classification criteria, refer to Fannie Mae's 2015 Form 10-K.
(7) Select states represent the top ten states with the highest percentage of single-family credit losses for the six months ended June 30, 2016.

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



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

Data as of June 30, 2016 is not necessarily indicative of the ultimate performance of the loans and performance is likely to change, perhaps materially, in future periods.

Multifamily Credit Profile by Loan Attributes

As of June 30, 2016	Loan Count	UPB ($B)	% of Multifamily Guaranty Book of Business	% DUS ® Loans [1]	% Seriously Delinquent [2]	YTD 2016 Multifamily Credit Losses ($M) [3]	2015 Multifamily Credit Losses ($M) [3]	2014 Multifamily Credit Losses ($M) [3]
Total Multifamily Guaranty Book of Business	29,342	$223.5	100%	96%	0.07%	$8	($56)	($46)
Lender Risk-Sharing								
Lender Risk-Sharing	27,004	$206.9	93%	98%	0.08%	$13	($32)	($20)
No Recourse to the Lender	2,338	$16.6	7%	72%	0.04%	($6)	($24)	($26)
Origination LTV Ratio [4]								
Less than or equal to 70%	18,344	$120.2	54%	94%	0.06%	$0	($24)	($11)
Greater than 70% and less than or equal to 80%	9,490	$98.3	44%	99%	0.10%	$5	($34)	($38)
Greater than 80%	1,508	$5.1	2%	94%	0.03%	$3	$2	$3
Delegated Underwriting and Servicing (DUS) Loans [5]								
DUS - Small Balance Loans [6]	7,666	$14.3	6%	100%	0.19%	$3	$3	$11
DUS - Non Small Balance Loans	13,786	$200.5	90%	100%	0.06%	$3	($57)	($67)
Total	**21,452**	**$214.8**	**96%**	**100%**	**0.07%**	**$6**	**($54)**	**($57)**
Non-Delegated Underwriting and Servicing (Non-DUS) Loans								
Non-DUS - Small Balance Loans [6]	7,566	$4.9	2%	0%	0.32%	$1	$2	$11
Non-DUS - Non Small Balance Loans	324	$3.9	2%	0%	0.00%	$0	($5)	$0
Total	**7,890**	**$8.8**	**4%**	**0%**	**0.18%**	**$1**	**($2)**	**$11**
Maturity Dates								
Loans maturing in 2016	430	$1.3	1%	83%	0.68%	$0	($6)	$8
Loans maturing in 2017	2,389	$10.9	5%	77%	0.20%	($1)	($15)	($19)
Loans maturing in 2018	2,249	$12.8	6%	96%	0.07%	$2	$0	($4)
Loans maturing in 2019	2,252	$17.5	8%	98%	0.30%	$1	($2)	$1
Loans maturing in 2020	2,531	$16.1	7%	97%	0.13%	$3	($1)	$2
Other maturities	19,491	$165.0	74%	97%	0.03%	$3	($32)	($34)
Loan Size Distribution								
Less than or equal to $750K	5,639	$1.4	1%	22%	0.24%	$0	$1	$5
Greater than $750K and less than or equal to $3M	8,986	$13.9	6%	80%	0.26%	$4	$9	$19
Greater than $3M and less than or equal to $5M	4,011	$14.6	7%	92%	0.21%	$6	$9	($9)
Greater than $5M and less than or equal to $25M	8,746	$93.2	42%	98%	0.06%	($2)	($60)	($53)
Greater than $25M	1,960	$100.4	45%	98%	0.04%	($1)	($15)	($9)
Interest Rate Type								
Fixed	21,971	$179.2	80%	96%	0.09%	$3	($22)	$2
Variable	7,371	$44.3	20%	96%	0.02%	$5	($34)	($49)

(1) Represents the percentage of loans for a given category (row) comprised of DUS loans, measured by unpaid principal balance.
(2) Multifamily loans are classified as seriously delinquent when payment is 60 days or more past due.
(3) Dollar amount of multifamily credit-related losses/(gains) for the applicable period and category. Total credit losses for each period may not tie to sum of all categories due to rounding.
(4) Weighted average origination loan-to-value ratio is 66% as of June 30, 2016.
(5) Under the Delegated Underwriting and Servicing, or DUS, program, Fannie Mae acquires individual, newly originated mortgages from specially approved DUS lenders using DUS underwriting standards and/or DUS loan documents. Because DUS lenders generally share the risk of loss with Fannie Mae, they are able to originate, underwrite, close and service most loans without our pre-review.
(6) Multifamily loans with an original unpaid balance of up to $3 million nationwide or up to $5 million in high cost markets.

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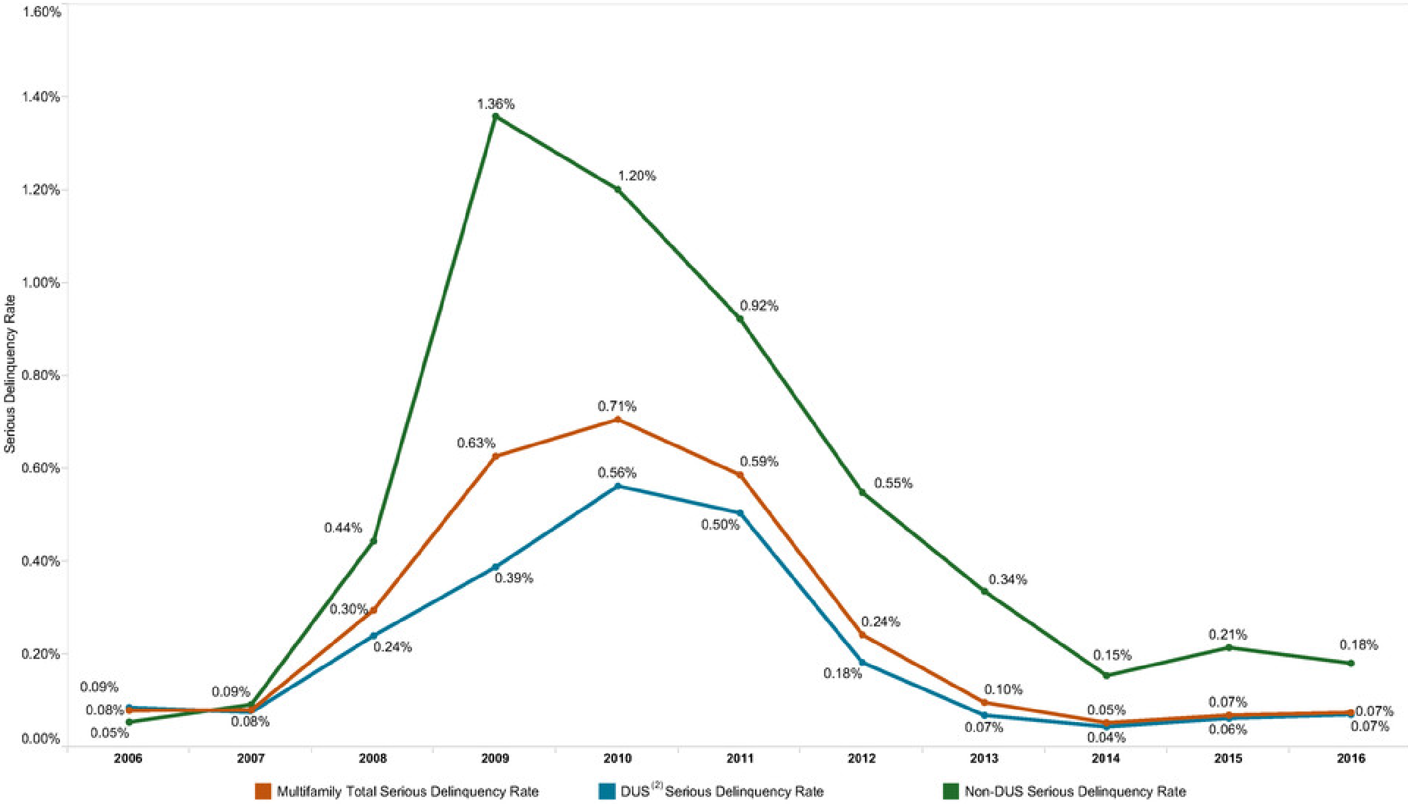
Multifamily Credit Profile by Loan Attributes (cont.)

As of June 30, 2016	UPB ($B)	% of Multifamily Guaranty Book of Business	% DUS Loans[1]	% Seriously Delinquent[2]	YTD 2016 Multifamily Credit Losses ($M)[3]	2015 Multifamily Credit Losses ($M)[3]	2014 Multifamily Credit Losses ($M)[3]
Total Multifamily Guaranty Book of Business	$223.5	100%	96%	0.07%	$8	($56)	($46)
By Acquisition Year							
2016	$22.8	10%	99%	0.00%	$0	$0	$0
2015	$41.8	19%	99%	0.02%	$0	$0	$0
2014	$27.3	12%	99%	0.00%	$0	$0	$0
2013	$24.1	11%	98%	0.05%	$0	$0	$0
2012	$26.7	12%	97%	0.15%	$2	$0	$0
2011	$17.7	8%	97%	0.11%	$0	$2	$0
2010	$12.4	6%	96%	0.07%	$2	($1)	$2
2009	$11.5	5%	97%	0.11%	$2	$4	($3)
2008	$9.7	4%	92%	0.08%	$2	($20)	($4)
2007	$11.4	5%	69%	0.34%	$0	($17)	($17)
Prior to 2007	$18.1	8%	94%	0.12%	$0	($24)	($25)
Regions							
Midwest	$19.7	9%	97%	0.16%	$1	$1	($3)
Northeast	$38.2	17%	89%	0.05%	$0	$4	$4
Southeast	$53.4	24%	99%	0.08%	$7	($19)	($22)
Southwest	$47.9	21%	99%	0.12%	$0	($11)	($21)
West	$64.3	29%	95%	0.02%	($1)	($31)	($4)
Select States							
California	$48.0	21%	94%	0.02%	$0	$0	($2)
Texas	$25.3	11%	99%	0.17%	$0	($6)	($33)
New York	$23.1	10%	83%	0.02%	$0	$1	$2
Florida	$15.0	7%	99%	0.00%	$0	($3)	($8)
Washington	$8.4	4%	98%	0.01%	$0	$1	$0
Targeted Affordable Segment							
Privately Owned with Subsidy[4]	$30.2	13%	97%	0.09%	$4	($4)	($4)
Asset Class[5]							
Conventional/Co-op	$200.2	90%	96%	0.08%	$7	($56)	($37)
Seniors Housing	$12.2	5%	98%	0.00%	$0	$7	($3)
Manufactured Housing	$6.0	3%	100%	0.00%	$0	$0	($2)
Student Housing	$5.1	2%	100%	0.06%	$0	($7)	($4)
DUS & Non-DUS Lenders/Servicers							
DUS: Bank (Direct, Owned Entity, or Subsidiary)	$90.6	41%	96%	0.05%	$0	($45)	($28)
DUS: Non-Bank Financial Institution	$128.2	57%	100%	0.09%	$7	($12)	($25)
Non-DUS: Bank (Direct, Owned Entity, or Subsidiary)	$4.3	2%	0%	0.15%	$0	$0	$2
Non-DUS: Non-Bank Financial Institution	$0.3	0%	0%	0.00%	$0	$0	$6
Non-DUS: Public Agency/Non Profit	$0.1	0%	0%	0.00%	$0	$0	$0

(1) Represents the percentage of loans for a given category (row) comprised of DUS loans, measured by unpaid principal balance.
(2) Multifamily loans are classified as seriously delinquent when payment is 60 days or more past due.
(3) Dollar amount of multifamily credit-related losses/(gains) for the applicable period and category. Total credit losses for each period will not tie to sum of all categories due to rounding.
(4) The Multifamily Affordable Business Channel focuses on financing properties that are under an agreement that provides long-term affordability, such as properties with rent subsidies or income restrictions.
(5) See https://www.fanniemae.com/multifamily/products for definitions.

Serious Delinquency[1] Rates of Multifamily Book of Business

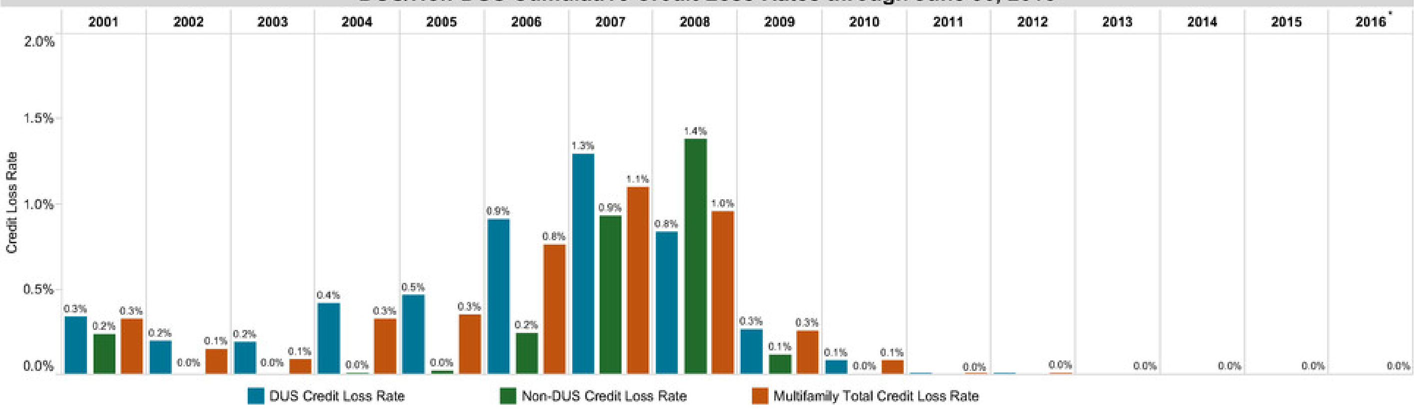


(1) Multifamily loans are classified as seriously delinquent when payment is 60 days or more past due. Serious delinquency rate represents the year-end percentage of unpaid principal balance that is seriously delinquent as of December 31 for the time periods noted, with the exception of 2016 which is as of June 30.

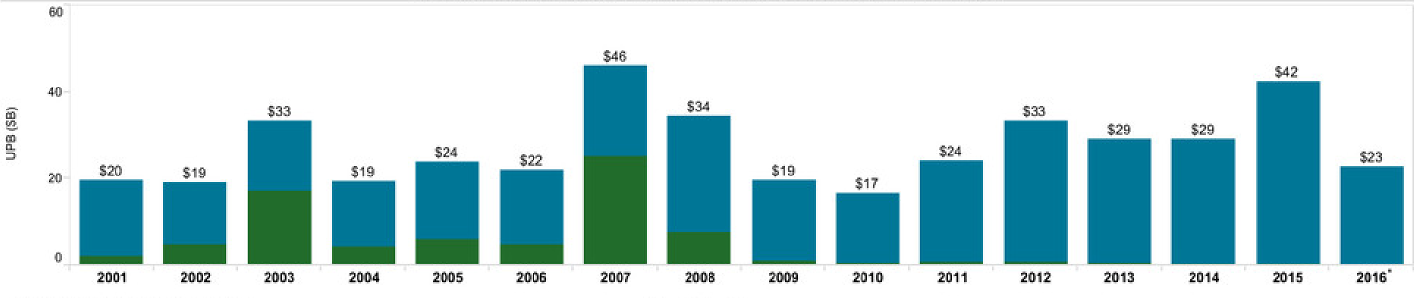
(2) Under the Delegated Underwriting and Servicing, or DUS, program, Fannie Mae acquires individual, newly originated mortgages from specially approved DUS lenders using DUS underwriting standards and/or DUS loan documents. Because DUS lenders generally share the risk of loss with Fannie Mae, they are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

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

DUS/Non-DUS Cumulative Credit Loss Rates through June 30, 2016 (1)



DUS/Non-DUS Acquisition Unpaid Principal Balance ($B)(2)



* Year-to-date through June 30, 2016.

(1) Cumulative credit loss rate is the cumulative credit losses (gains) through June 30, 2016 on the multifamily loans that were acquired in the applicable period, as a percentage of the total acquired unpaid principal balance of multifamily loans in the applicable period.

(2) Acquisition unpaid principal balance represents the total Multifamily volume acquired through purchase or securitization transactions for the applicable period.