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): October 29, 2021

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

Fannie Mae

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

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

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

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

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

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

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

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

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

Emerging growth company ☐

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

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

Item 2.02 Results of Operations and Financial Condition.

On October 29, 2021, Fannie Mae filed its quarterly report on Form 10-Q for the quarter ended September 30, 2021 and is issuing a news release reporting its financial results for the periods covered by the Form 10-Q. Copies of the news release and a financial supplement are furnished as Exhibits 99.1 and 99.2, respectively, to this report and are incorporated herein by reference. Copies may also be found on Fannie Mae’s website, www.fanniemae.com, in the “About Us” section under “Investor Relations/Quarterly and Annual Results.” Information appearing on the company’s website is not incorporated into this report.

Item 9.01 Financial Statements and Exhibits.

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

Exhibit Number	Description of Exhibit
99.1	News release, dated October 29, 2021
99.2	Q3 2021 Financial Supplement, dated October 29, 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

FEDERAL NATIONAL MORTGAGE ASSOCIATION

By: /s/ David C. Benson
David C. Benson
President (and Interim Chief Financial Officer)

Date: October 29, 2021

Fannie Mae

Contact: Pete Bakel **Resource Center: 1-800-732-6643**
202-752-2034 **Exhibit 99.1**
Date: October 29, 2021

Fannie Mae Reports Net Income of $4.8 Billion for Third Quarter 2021

- $4.8 billion net income for the third quarter of 2021 compared with $7.2 billion for the second quarter of 2021
- Net worth increased to $42.2 billion as of September 30, 2021
- $312.7 billion in liquidity provided to the Single-Family and Multifamily mortgage markets in the third quarter of 2021
- $115.4 billion of Single-Family home purchase acquisitions in the third quarter of 2021 of which nearly 50% were for first-time homebuyers
- 166,000 units of rental housing financed in the third quarter of 2021, more than 90% of which were affordable to families earning at or below 120% of area median income, providing support for both workforce and affordable housing
- Nearly 1.4 million single-family forbearance plans initiated to help borrowers since the onset of the COVID-19 pandemic; as of September 30, 2021, approximately 1.2 million of these loans have exited forbearance, including approximately 727,000 through reinstatement or payoff, and approximately 359,000 through the company's payment deferral option
- Home price growth in the first nine months of 2021 was 16.0%, the highest nine-month growth rate in the history of Fannie Mae's home price index

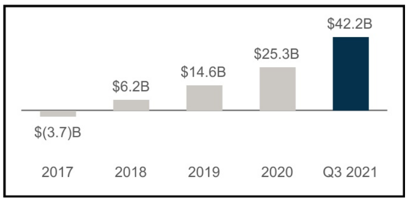
"It was another strong quarter for the housing market and for Fannie Mae. Our results reflect the credit quality of our guaranty book, a growing economy, strong home price growth, and low interest rates. However, rising home prices, while good for homeowners and others involved with selling a home, can negatively impact affordability for first-time homebuyers. For too many lower- and middle-income families, affordable housing options are scarce and inequities persist in the housing economy. We look forward to continuing to work with FHFA and others to advance equitable and sustainable access to homeownership and affordable, quality rental housing for communities across America."

Hugh R. Frater, Chief Executive Officer

Q3 2021 Key Results

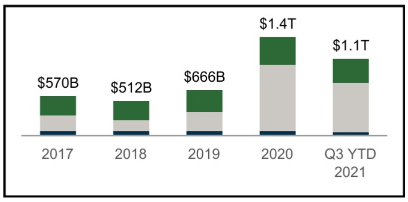
$42.2 Billion Net Worth

Increase of $4.8 billion in third quarter 2021



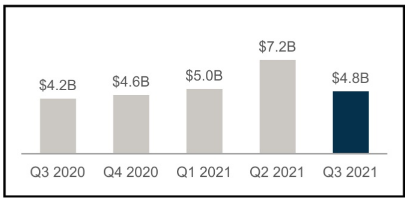
$1.1 Trillion Supporting Housing Activity

SF Home Purchases SF Refinancings MF Rental Units



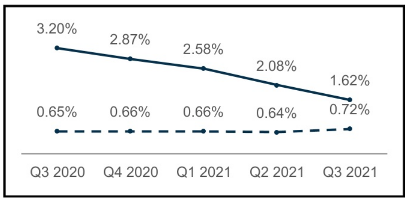
$4.8 Billion Net Income

Decrease of $2.3 billion compared with second quarter 2021



Single-Family SDQ Rate

SDQ Rate ------SDQ Rate without Forbearances



Summary of Financial Results

(Dollars in millions)	Q321	Q221	Variance	% Change	Q320	Variance	% Change
Net interest income	$ 6,972	$ 8,286	$ (1,314)	(16)%	$ 6,656	316	5 %
Fee and other income	111	103	8	8 %	93	18	19 %
Net revenues	7,083	8,389	(1,306)	(16)%	6,749	334	5 %
Investment gains, net	243	646	(403)	(62)%	653	(410)	(63)%
Fair value losses, net	(17)	(446)	429	96 %	(327)	310	95 %
Administrative expenses	(745)	(746)	1	— %	(762)	17	2 %
Credit-related income	868	2,547	(1,679)	(66)%	430	438	102 %
Temporary Payroll Tax Cut Continuation Act of 2011 (TCCA) fees	(781)	(758)	(23)	(3)%	(679)	(102)	(15)%
Other expenses, net*	(543)	(598)	55	9 %	(686)	143	21 %
Income before federal income taxes	6,108	9,034	(2,926)	(32)%	5,378	730	14 %
Provision for federal income taxes	(1,266)	(1,882)	616	33 %	(1,149)	(117)	(10)%
Net income	$ 4,842	$ 7,152	$ (2,310)	(32)%	$ 4,229	$ 613	14 %
Total comprehensive income	$ 4,828	$ 7,120	$ (2,292)	(32)%	$ 4,216	$ 612	15 %
Net worth	$ 42,173	$ 37,345	$ 4,828	13 %	$ 20,693	$ 21,480	104 %

* Other expense, net also includes credit enhancement expense and change in expected credit enhancement recoveries

Financial Highlights

- Net income decreased $2.3 billion in the third quarter of 2021 compared with the second quarter of 2021 driven primarily by a decrease in credit-related income and lower net interest income.
- Credit-related income decreased $1.7 billion in the third quarter of 2021 compared with the second quarter of 2021 driven primarily by a decrease in the volume of loan redesignations, less benefit from both actual and forecasted home price growth, and increases in interest rates. Credit-related income in the third quarter of 2021 was driven primarily by strong actual and forecasted home price growth and a reduction in the company's estimate of losses it expects to incur as a result of the COVID-19 pandemic.
- Net interest income decreased $1.3 billion in the third quarter of 2021 compared with the second quarter of 2021 driven primarily by a decrease in net amortization income. Single-family mortgage loan prepayment activity slowed in the third quarter of 2021 compared to the second quarter of 2021; however, refinancing activity remained strong due to the continued low interest-rate environment.
- Strong earnings for the third quarter of 2021 support Fannie Mae's continued efforts to build capital; however, the company remains significantly undercapitalized as of September 30, 2021.

Single-Family Business Financial Results

(Dollars in millions)	Q321	Q221	Variance	% Change	Q320	Variance	% Change
Net interest income	**$ 5,870**	$ 7,323	$ (1,453)	(20)%	**$ 5,870**	$ —	— %
Fee and other income	**86**	80	6	8 %	**73**	13	18 %
Net revenues	**5,956**	7,403	(1,447)	(20)%	**5,943**	13	— %
Investment gains, net	**222**	658	(436)	(66)%	**583**	(361)	(62)%
Fair value losses, net	**(31)**	(386)	355	92 %	**(244)**	213	87 %
Administrative expenses	**(620)**	(619)	(1)	— %	**(634)**	14	2 %
Credit-related income	**807**	2,525	(1,718)	(68)%	**478**	329	69 %
Temporary Payroll Tax Cut Continuation Act of 2011 (TCCA) fees	**(781)**	(758)	(23)	(3)%	**(679)**	(102)	(15)%
Other expenses, net*	**(463)**	(591)	128	22 %	**(629)**	166	26 %
Income before federal income taxes	**5,090**	8,232	(3,142)	(38)%	**4,818**	272	6 %
Provision for federal income taxes	**(1,065)**	(1,725)	660	38 %	**(1,049)**	(16)	(2)%
Net income	**$ 4,025**	$ 6,507	$ (2,482)	(38)%	**$ 3,769**	$ 256	7 %
Average charged guaranty fee on new conventional acquisitions, net of TCCA	47.3 bps	47.9 bps	(0.6) bps	(1)%	44.9 bps	2.4 bps	5 %
Average charged guaranty fee on conventional guaranty book of business, net of TCCA	45.4 bps	45.2 bps	0.2 bps	— %	44.4 bps	1.0 bps	2 %

* Other expense, net also includes credit enhancement expense and change in expected credit enhancement recoveries

Key Business Highlights

- Single-family conventional acquisition volume was $296.4 billion in the third quarter of 2021, compared with $373.3 billion in the second quarter of 2021. Purchase acquisitions decreased from $129.5 billion in the second quarter of 2021 to $115.4 billion in the third quarter of 2021, of which nearly 50% were for first-time homebuyers. Refinance acquisitions were $180.9 billion in the third quarter of 2021, a decline from $243.8 billion in the second quarter of 2021, but remained at a high level due to the continued low interest-rate environment.
- Average single-family conventional guaranty book of business during the third quarter of 2021 increased from the second quarter of 2021 by 2.3%. Record home price appreciation in the first nine months of 2021 has reduced the weighted-average mark-to-market loan-to-value ratio of our single-family conventional guaranty book of business to 54% as of September 30, 2021. The weighted average FICO credit score of the company's single-family conventional guaranty book of business was 752 as of September 30, 2021.
- Average charged guaranty fee, net of TCCA fees, on the single-family conventional guaranty book increased from 45.2 basis points for the three months ended June 30, 2021 to 45.4 basis points for the three months ended September 30, 2021. Average charged guaranty fee on newly acquired single-family conventional loans, net of TCCA fees, decreased 0.6 basis points compared with the second quarter of 2021. Removal of the adverse market refinance fee in August 2021 contributed to the decrease.
- As of September 30, 2021, 1.2% of the single-family guaranty book of business based on loan count, or 206,293 loans, was in forbearance, the vast majority of which was related to the COVID-19 pandemic, compared with 1.8% as of June 30, 2021. Since the start of the pandemic, 81% of loans that entered forbearance have successfully exited.
- Single-family serious delinquency rate decreased to 1.62% as of September 30, 2021, from 2.08% as of June 30, 2021, due to the on-going economic recovery and the decline in the number of the company's single-family loans in a COVID-19 forbearance plan. Single-family serious delinquency rate excluding loans in forbearance increased from 0.64% as of June 30, 2021 to 0.72% as of September 30, 2021 primarily due to loans exiting forbearance without resolving their delinquency. Single-family seriously delinquent loans are loans that are 90 days or more past due or in the foreclosure process.

Multifamily Business Financial Results

(Dollars in millions)	Q321	Q221	Variance	% Change	Q320	Variance	% Change
Net interest income	**$ 1,102**	$ 963	$ 139	14 %	$ 786	$ 316	40 %
Fee and other income	**25**	23	2	9 %	20	5	25 %
Net revenues	**1,127**	986	141	14 %	806	321	40 %
Fair value gains (losses), net	**14**	(60)	74	NM	(83)	97	NM
Administrative expenses	**(125)**	(127)	2	2 %	(128)	3	2 %
Credit-related income (expenses)	**61**	22	39	177 %	(48)	109	NM
Credit enhancement expense	**(59)**	(55)	(4)	(7)%	(51)	(8)	(16)%
Change in expected credit enhancement recoveries	**(14)**	13	(27)	NM	—	(14)	NM
Other income (expense), net	**14**	23	(9)	(39)%	64	(50)	(78)%
Income before federal income taxes	**1,018**	802	216	27 %	560	458	82 %
Provision for federal income taxes	**(201)**	(157)	(44)	(28)%	(100)	(101)	(101)%
Net income	**$ 817**	$ 645	$ 172	27 %	$ 460	$ 357	78 %
Average charged guaranty fee rate on multifamily guaranty book of business	77.5 bps	76.8 bps	0.7 bps	1 %	73.3 bps	4.2 bps	6 %

NM - Not meaningful

Key Business Highlights

- New multifamily business volume was $16.4 billion in the third quarter of 2021, resulting in $48.8 billion for the first nine months of 2021. The Federal Housing Finance Agency (FHFA) established a 2021 multifamily volume cap of $70 billion, of which 50% must be mission-driven, focused on specified affordable and underserved market segments, and 20% must be affordable to residents earning 60% of area median income or below. Multifamily business that meets the minimum 20% requirement also counts as meeting the minimum 50% requirement. In October 2021, FHFA announced that the multifamily loan purchase cap for 2022 will be $78 billion. As in 2021, a minimum of 50% of loan purchases must be mission-driven, focused on specified affordable and underserved market segments. In addition, 25% of loan purchases must be affordable to residents earning 60% or less of area median income, up from the 20% requirement in 2021.
- The multifamily guaranty book of business grew by $6.2 billion in the third quarter of 2021 to $408.1 billion. The average charged guaranty fee on the multifamily book increased from 76.8 basis points for the second quarter of 2021 to 77.5 basis points for the third quarter of 2021.
- Through September 30, 2021, 1.6% of our multifamily guaranty book of business as of March 31, 2020, based on unpaid principal balance, had been in a COVID-19-related forbearance at some point in time. As of September 30, 2021, nearly 90% of the loans in the company's multifamily guaranty book of business that had received a forbearance, measured by unpaid principal balance, were in a repayment plan or reinstated. Only 0.1% of the multifamily book, or $362 million in unpaid principal balance, was still in active forbearance.
- The multifamily serious delinquency rate continued to decrease in the third quarter to 0.42% as of September 30, 2021 from 0.53% as of June 30, 2021, driven primarily by the on-going economic recovery resulting in loans that received forbearance completing repayment plans or otherwise reinstating. The multifamily serious delinquency rate, excluding loans that received a forbearance, remained at 0.03% as of September 30, 2021. Multifamily seriously delinquent loans are loans that are 60 days or more past due.

Additional Matters

Fannie Mae's condensed consolidated balance sheets and condensed statements of operations and income for the third quarter of 2021 are available in the accompanying Annex; however, investors and interested parties should read the company's Third Quarter 2021 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 Third Quarter 2021 Form 10-Q. Additional information about the company's financial and credit performance is contained in Fannie Mae's "Q3 2021 Financial Supplement" at www.fanniemae.com.

# # #

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

Fannie Mae helps make the 30-year fixed-rate mortgage and affordable rental housing possible for millions of people in America. We partner with lenders to create housing opportunities for people 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
Condensed Consolidated Balance Sheets - (Unaudited)
(Dollars in millions)

	As of	
	September 30, 2021	**December 31, 2020**
ASSETS		
Cash and cash equivalents	**$ 67,377**	$ 38,337
Restricted cash and cash equivalents (includes $59,370 and $68,308, respectively, related to consolidated trusts)	**66,087**	77,286
Federal funds sold and securities purchased under agreements to resell or similar arrangements (includes $27,110 and $0, respectively, related to consolidated trusts)	**27,610**	28,200
Investments in securities:		
Trading, at fair value (includes $5,567 and $6,544, respectively, pledged as collateral)	**97,209**	136,542
Available-for-sale, at fair value (with an amortized cost of $873 and $1,606, net of allowance for credit losses of $0 and $3 as of September 30, 2021 and December 31, 2020, respectively)	**886**	1,697
Total investments in securities	**98,095**	138,239
Mortgage loans:		
Loans held for sale, at lower of cost or fair value	**7,489**	5,197
Loans held for investment, at amortized cost:		
Of Fannie Mae	**70,936**	112,726
Of consolidated trusts	**3,831,578**	3,546,521
Total loans held for investment (includes $5,301 and 6,490, respectively, at fair value)	**3,902,514**	3,659,247
Allowance for loan losses	**(6,334)**	(10,552)
Total loans held for investment, net of allowance	**3,896,180**	3,648,695
Total mortgage loans	**3,903,669**	3,653,892
Advances to lenders	**9,924**	10,449
Deferred tax assets, net	**13,128**	12,947
Accrued interest receivable, net (includes $9,544 and $9,635, respectively, related to consolidated trusts and net of an allowance of $118 and $216 as of September 30, 2021 and December 31, 2020, respectively)	**9,895**	9,937
Acquired property, net	**1,261**	1,261
Other assets	**12,163**	15,201
Total assets	**$ 4,209,209**	$ 3,985,749
LIABILITIES AND EQUITY		
Liabilities:		
Accrued interest payable (includes $8,563 and $8,955, respectively, related to consolidated trusts)	**$ 9,299**	$ 9,719
Debt:		
Of Fannie Mae (includes $2,633 and $3,728, respectively, at fair value)	**234,843**	289,572
Of consolidated trusts (includes $23,020 and $24,586, respectively, at fair value)	**3,907,626**	3,646,164
Other liabilities (includes $1,233 and $1,523, respectively, related to consolidated trusts)	**15,268**	15,035
Total liabilities	**4,167,036**	3,960,490
Commitments and contingencies (Note 13)	**—**	—
Fannie Mae stockholders' equity:		
Senior preferred stock (liquidation preference of $158,844 and $142,192, respectively)	**120,836**	120,836
Preferred stock, 700,000,000 shares are authorized—555,374,922 shares issued and outstanding	**19,130**	19,130
Common stock, no par value, no maximum authorization—1,308,762,703 shares issued and 1,158,087,567 shares outstanding	**687**	687
Accumulated deficit	**(91,123)**	(108,110)
Accumulated other comprehensive income	**43**	116
Treasury stock, at cost, 150,675,136 shares	**(7,400)**	(7,400)
Total stockholders' equity (See Note 1: Senior Preferred Stock Purchase Agreement and Senior Preferred Stock for information on the related dividend obligation and liquidation preference)	**42,173**	25,259
Total liabilities and equity	**$ 4,209,209**	$ 3,985,749

See Notes to Condensed Consolidated Financial Statements in the Third Quarter 2021 Form 10-Q

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Interest income:				
Trading securities	**$ 134**	$ 177	**$ 396**	$ 712
Available-for-sale securities	**11**	19	**48**	76
Mortgage loans	**24,798**	25,810	**73,083**	81,755
Federal funds sold and securities purchased under agreements to resell or similar arrangements	**5**	14	**17**	135
Other	**33**	33	**106**	92
Total interest income	**24,981**	26,053	**73,650**	82,770
Interest expense:				
Short-term debt	**—**	(19)	**(4)**	(175)
Long-term debt	**(18,009)**	(19,378)	**(51,646)**	(64,815)
Total interest expense	**(18,009)**	(19,397)	**(51,650)**	(64,990)
Net interest income	**6,972**	6,656	**22,000**	17,780
Benefit (provision) for credit losses	**937**	501	**4,290**	(2,094)
Net interest income after benefit (provision) for credit losses	**7,909**	7,157	**26,290**	15,686
Investment gains, net	**243**	653	**934**	644
Fair value gains (losses), net	**(17)**	(327)	**321**	(1,621)
Fee and other income	**111**	93	**301**	303
Non-interest income (loss)	**337**	419	**1,556**	(674)
Administrative expenses:				
Salaries and employee benefits	**(376)**	(386)	**(1,128)**	(1,161)
Professional services	**(184)**	(230)	**(582)**	(673)
Other administrative expenses	**(185)**	(146)	**(529)**	(431)
Total administrative expenses	**(745)**	(762)	**(2,239)**	(2,265)
Foreclosed property expense	**(69)**	(71)	**(105)**	(161)
Temporary Payroll Tax Cut Continuation Act of 2011 (“TCCA”) fees	**(781)**	(679)	**(2,270)**	(1,976)
Credit enhancement expense	**(233)**	(325)	**(791)**	(1,061)
Change in expected credit enhancement recoveries	**(42)**	(48)	**(117)**	413
Other expenses, net	**(268)**	(313)	**(867)**	(792)
Total expenses	**(2,138)**	(2,198)	**(6,389)**	(5,842)
Income before federal income taxes	**6,108**	5,378	**21,457**	9,170
Provision for federal income taxes	**(1,266)**	(1,149)	**(4,470)**	(1,935)
Net income	**4,842**	4,229	**16,987**	7,235
Other comprehensive loss:				
Changes in unrealized losses on available-for-sale securities, net of reclassification adjustments and taxes	**(10)**	(11)	**(64)**	(4)
Other, net of taxes	**(4)**	(2)	**(9)**	(7)
Total other comprehensive loss	**(14)**	(13)	**(73)**	(11)
Total comprehensive income	**$ 4,828**	$ 4,216	**$ 16,914**	$ 7,224
Net income	**$ 4,842**	$ 4,229	**$ 16,987**	$ 7,235
Dividends distributed or amounts attributable to senior preferred stock	**(4,828)**	(4,216)	**(16,914)**	(7,224)
Net income attributable to common stockholders	**$ 14**	$ 13	**$ 73**	$ 11
Earnings per share:				
Basic	**$ 0.00**	$ 0.00	**$ 0.01**	$ 0.00
Diluted	**0.00**	0.00	**0.01**	0.00
Weighted-average common shares outstanding:				
Basic	**5,867**	5,867	**5,867**	5,867
Diluted	**5,893**	5,893	**5,893**	5,893

See Notes to Condensed Consolidated Financial Statements in the Third Quarter 2021 Form 10-Q

EXHIBIT 99.2

Financial Supplement Q3 2021

October 29, 2021

- Some of the terms and other information in this presentation are defined and discussed more fully in Fannie Mae's Form 10-Q for the quarter ended September 30, 2021 ("Q3 2021 Form 10-Q") and Form 10-K for year ended December 31, 2020 ("2020 Form 10-K"). This presentation should be reviewed together with the Q3 2021 Form 10-Q and the 2020 Form 10-K, which are available at www.fanniemae.com in the "About Us—Investor Relations—SEC Filings" section. Information on or available through the company's website is not part of this supplement.
- Some of the information in this presentation is based upon information from third-party sources such as sellers and servicers of mortgage loans. Although Fannie Mae generally considers this information reliable, Fannie Mae does not independently verify all reported information.
- Due to rounding, amounts reported in this presentation may not sum to totals indicated (i.e. 100%), or amounts shown as 100% may not reflect the entire population.
- Unless otherwise indicated "Q3 YTD 2021" data is as of September 30, 2021 or for the first nine months of 2021. Data for prior years is as of December 31 or for the full year indicated.
- Note references are to endnotes, appearing on pages 27 to 30.
- Terms used in presentation

  CAS: Connecticut Avenue Securities®

  CIRT™: Credit Insurance Risk Transfer™

  CRT: Credit risk transfer

  DSCR: Weighted-average debt service coverage ratio

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

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

  FHFA: The Federal Housing Finance Agency

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

  LTV ratio: Loan-to-value ratio

  MSA: Metropolitan statistical area

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

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

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

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

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

  UPB: Unpaid principal balance

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Overview

Corporate Financial Highlights

Summary of Q3 2021 Financial Results

(Dollars in millions)	Q3 2021	Q2 2021	Variance	Q3 YTD 2021	Q3 YTD 2020	Variance
Net interest income	**$6,972**	$8,286	$(1,314)	**$22,000**	$17,780	$4,220
Fee and other income	**111**	103	8	**301**	303	(2)
Net revenues	**7,083**	8,389	(1,306)	**22,301**	18,083	4,218
Investment gains, net	**243**	646	(403)	**934**	644	290
Fair value gains (losses), net	**(17)**	(446)	429	**321**	(1,621)	1,942
Administrative expenses	**(745)**	(746)	1	**(2,239)**	(2,265)	26
Credit-related income (expense)	**868**	2,547	(1,679)	**4,185**	(2,255)	6,440
TCCA fees	**(781)**	(758)	(23)	**(2,270)**	(1,976)	(294)
Other expenses, net[1]	**(543)**	(598)	55	**(1,775)**	(1,440)	(335)
Income before federal income taxes	**6,108**	9,034	(2,926)	**21,457**	9,170	12,287
Provision for federal income taxes	**(1,266)**	(1,882)	616	**(4,470)**	(1,935)	(2,535)
Net income	**$4,842**	$7,152	$(2,310)	**$16,987**	$7,235	$9,752
Total comprehensive income	**$4,828**	$7,120	$(2,292)	**$16,914**	$7,224	$9,690
Net worth	**$42,173**	$37,345	$4,828	**$42,173**	$20,693	$21,480
Net worth ratio[2]	1.0 %	0.9 %		1.0 %	0.5 %	

Q3 Key Highlights

$4.8 billion third quarter 2021 net income, with net worth reaching $42.2 billion as of September 30, 2021

Net income decreased $2.3 billion in the third quarter of 2021 compared with the second quarter of 2021 primarily driven by:

Credit-related income

- Decreased $1.7 billion in the third quarter of 2021 compared with the second quarter of 2021 driven primarily by a decrease in volume of loan redesignations, less benefit from both actual and forecasted home price growth, and increases in interest rates. Credit-related income in the third quarter of 2021 was driven primarily by strong actual and forecasted home price growth and a reduction in the company's estimate of losses it expects to incur as a result of the COVID-19 pandemic.

Net interest income

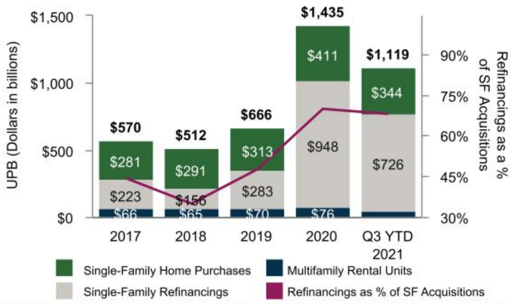
- Decreased $1.3 billion in the third quarter of 2021 compared with the second quarter of 2021, driven primarily by a decrease in net amortization income. Single-family mortgage loan prepayment activity slowed in the third quarter of 2021 compared to the second quarter of 2021; however, refinancing activity remained strong due to the continued low interest-rate environment.

Guaranty Book of Business Highlights

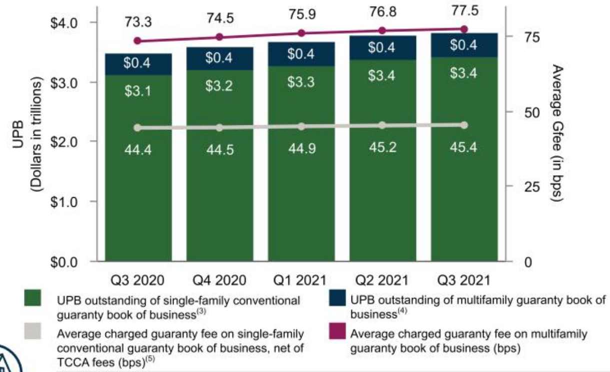
Market Liquidity Provided

Total liquidity provided in the third quarter of 2021 was $312.7 billion

Unpaid Principal Balance	Units
$115.4B	376K Single-Family Home Purchases
$180.9B	674K Single-Family Refinancings
$16.4B	166K Multifamily Rental Units



Outstanding Conventional Guaranty Book of Business at Period End

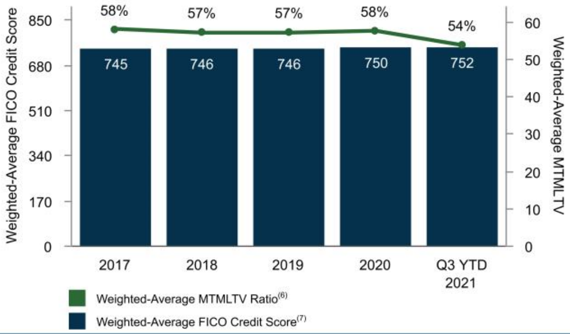


Highlights

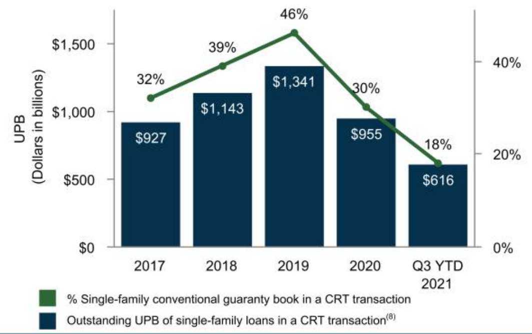
- Fannie Mae provided $312.7 billion in total liquidity in the third quarter of 2021.
- Refinancings continued to drive the majority of the company's acquisition volumes in the third quarter of 2021, with 674,000 single-family refinance loans delivered during the quarter due to the continued low rate environment; however, the volumes were lower than in the first and second quarters of 2021 as the pace of refinance activity continued to slow.
- Average charged guaranty fee continued to increase for both the company's single-family and multifamily segments.

Single-Family Credit Characteristics

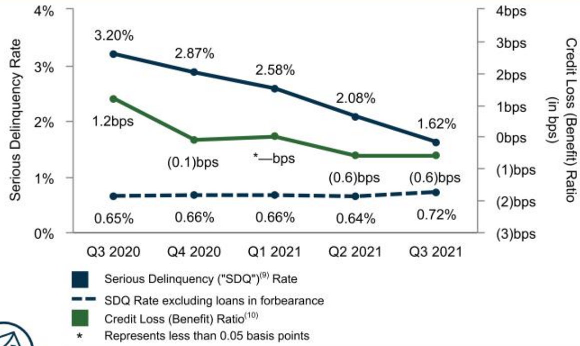
Certain Credit Characteristics of Guaranty Book



Guaranty Book in a CRT



Credit Ratios

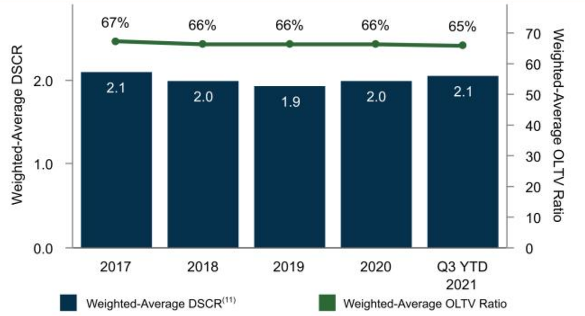


Highlights

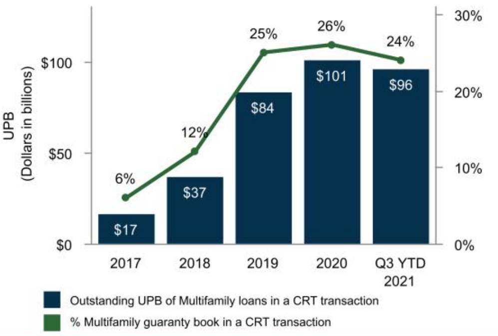
- The credit characteristics of the single-family conventional guaranty book of business continued to remain strong in the third quarter of 2021 with a weighted-average MTMLTV ratio of 54% and weighted-average FICO credit score of 752.
- The company did not enter into any new credit risk transfer transactions from April 2020 through September 2021. As a result, the percentage of the single-family conventional guaranty book of business covered by CRT declined to 18% as of September 30, 2021. In October 2021, the company entered into new credit risk transfer transactions transferring mortgage credit risk via the CAS and CIRT programs.
- The single-family SDQ rate decreased compared with June 30, 2021 due to the on-going economic recovery and the decline in the number of the company's single-family loans in a COVID-19 forbearance plan. The single-family SDQ rate excluding loans in forbearance increased to 0.72% primarily due to loans exiting forbearance without resolving their delinquency.

Multifamily Credit Characteristics

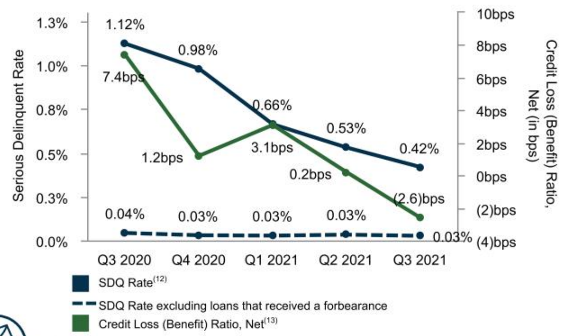
Certain Credit Characteristics of Guaranty Book



Guaranty Book in a CRT



Credit Ratios



Highlights

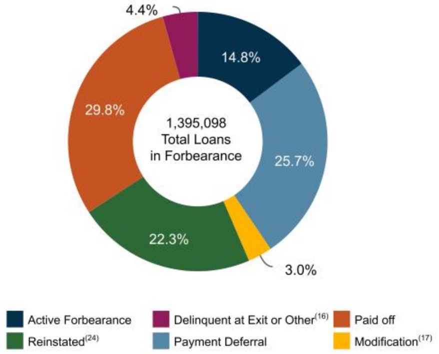
- The credit characteristics of the multifamily guaranty book of business remained strong in Q3 2021 with a weighted-average OLTV ratio of 65% and weighted-average DSCR of 2.1.
- As of September 30, 2021, substantially all of the multifamily guaranty book of business was covered by DUS loss sharing. Additionally, 24% had back-end coverage through the company's CRT programs. In October 2021, the company entered into a new credit risk transfer transaction, transferring mortgage credit risk through its Multifamily CIRT program.
- The multifamily SDQ rate continued to decrease in Q3 2021, primarily driven by the on-going economic recovery resulting in loans that received a forbearance completing repayment plans or otherwise reinstating. The multifamily SDQ rate, excluding loans that received a forbearance, remained at 0.03%.

Single-Family Conventional and Multifamily Guaranty Books of Business in Forbearance

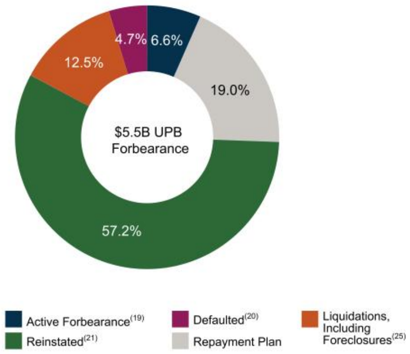
Single-Family Delinquency Status of Loans in Forbearance[14]

Multifamily Delinquency Status of Loans in Forbearance[14]

Single-Family Loan Forbearance Status[15] As of September 30, 2021

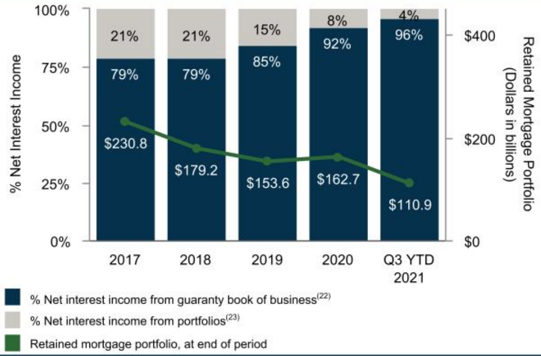


Multifamily Loan Forbearance Status[18] As of September 30, 2021

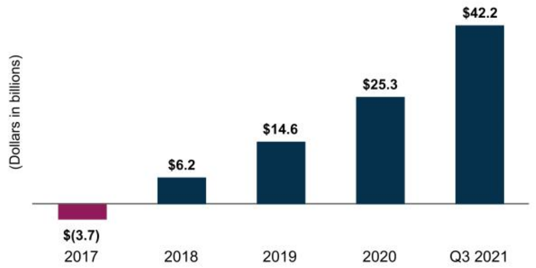


Portfolio and Liquidity Management

Sources of Net Interest Income and Retained Mortgage Portfolio Balance

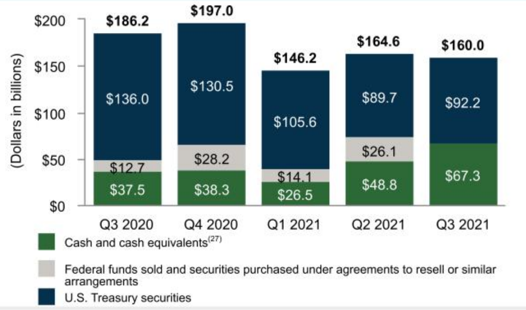


Net Worth of Fannie Mae



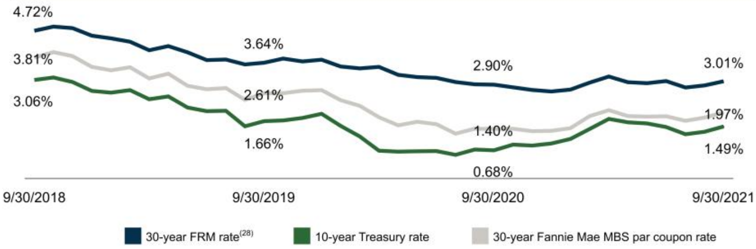
Aggregate Indebtedness of Fannie Mae(26)

Other Investments Portfolio ("OIP")

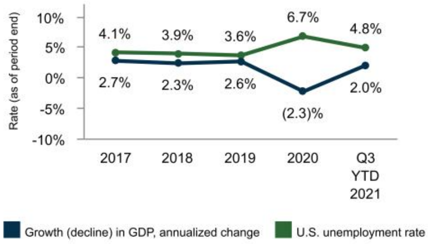


Key Market Economic Indicators

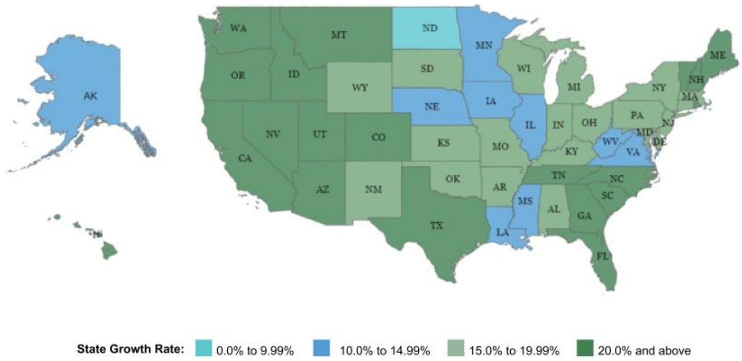
Benchmark Interest Rates



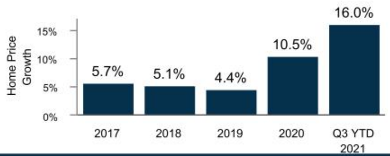
U.S. GDP Growth (Decline) Rate and Unemployment Rate[29]



One Year Home Price Growth Rate Q3 2021[30] United States 19.6%



Single-Family Home Price Growth Rate[30]



Top 10 States by UPB[30]

State	One Year Home Price Growth Rate Q3 2021	Share of Single-Family Conventional Guaranty Book
CA	20.6%	19.4 %
TX	21.3%	6.6 %
FL	26.0%	6.0 %
NY	15.1%	4.6 %
WA	24.2%	4.0 %
NJ	18.7%	3.4 %
CO	22.7%	3.3 %
IL	13.7%	3.2 %
VA	14.8%	3.2 %
NC	22.8%	2.9 %

Single-Family Business

Fannie Mae

Single-Family Highlights

Q3 2021

$5,870M
Net interest income

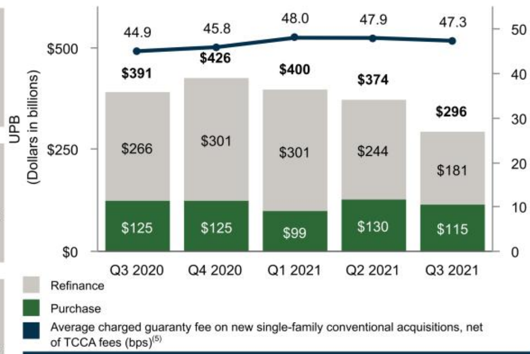
$222M
Investment gains, net

$(31)M
Fair value losses, net

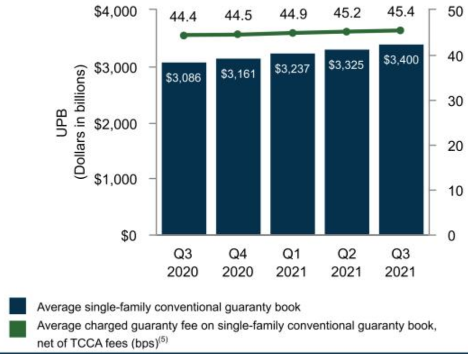
$807M
Credit-related income

$4,025M
Net income

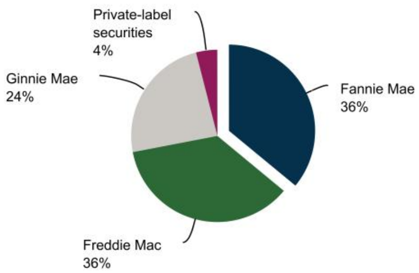
Single-Family Conventional Loan Acquisitions[3]



Single-Family Conventional Guaranty Book of Business[3]



Single-Family Mortgage-Related Securities Share of Issuances Q3 2021



Highlights

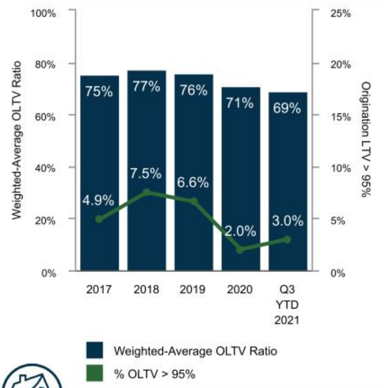
- Single-family conventional acquisition volume was $296.4 billion in the third quarter of 2021. Purchase acquisitions decreased to $115.4 billion, of which nearly 50% were for first-time homebuyers. Refinance acquisitions were $180.9 billion in the third quarter of 2021, a decline compared with the second quarter of 2021, but remained at a high level due to the continued low interest-rate environment.
- The average single-family conventional guaranty book of business increased during the quarter by 2.3%.
- The average charged guaranty fee, net of TCCA fees on Q3 2021 acquisitions decreased 0.6 basis points compared with Q2 2021. Removal of the adverse market refinance fee in August 2021 contributed to the decrease.

Credit Characteristics of Single-Family Conventional Loan Acquisitions

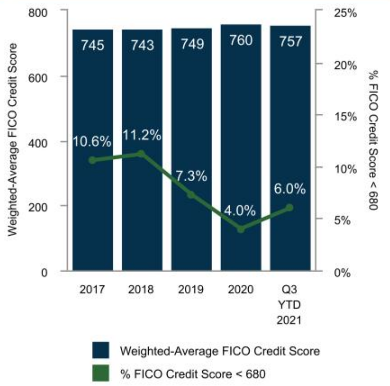
Certain Credit Characteristics of Single-Family Conventional Loans by Acquisition Period | Q3 YTD 2021 Acquisition Credit Profile by Certain Loan Features

Categories are not mutually exclusive	Q3 2020	Q4 2020	Full Year 2020	Q1 2021	Q2 2021	Q3 2021	OLTV Ratio >95%	Home-Ready®(32)	FICO Credit Score < 680(7)	DTI Ratio > 43%(31)
Total UPB (Dollars in billions)	$391.4	$425.6	$1,358.8	$400.5	$373.3	$296.4	$29.2	$31.5	$62.4	$234.1
Weighted-Average OLTV Ratio	71%	70%	71%	68%	70%	70%	97%	82%	71%	72%
OLTV Ratio > 95%	3%	2%	2%	2%	2%	4%	100%	25%	1%	3%
Weighted-Average FICO® Credit Score(7)	762	762	760	761	757	753	748	748	658	748
FICO Credit Score < 680(7)	4%	4%	4%	4%	6%	8%	2%	7%	100%	7%
DTI Ratio > 43%(31)	19%	20%	21%	20%	22%	24%	22%	39%	27%	100%
Fixed-rate	100%	100%	100%	100%	99%	99%	100%	100%	100%	100%
Owner Occupied	92%	91%	92%	91%	93%	95%	100%	100%	97%	91%
HomeReady®(32)	2%	3%	2%	3%	3%	3%	27%	100%	4%	5%

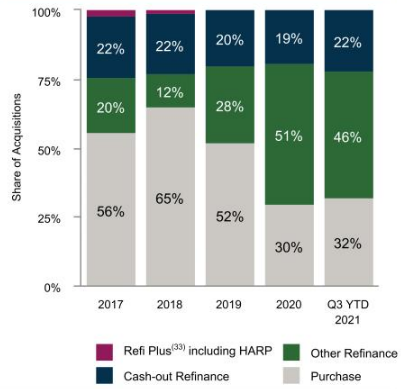
Origination Loan-to-Value Ratio



FICO Credit Score(7)



Acquisitions by Loan Purpose



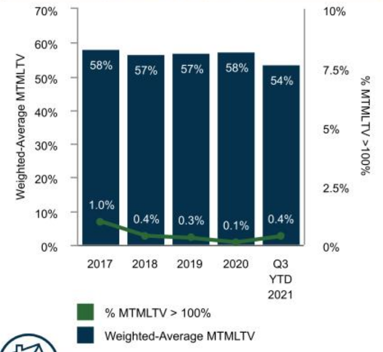
Credit Characteristics of Single-Family Conventional Guaranty Book of Business

Certain Credit Characteristics of Single-Family Conventional Guaranty Book of Business by Origination Year and Loan Features(3)(34)

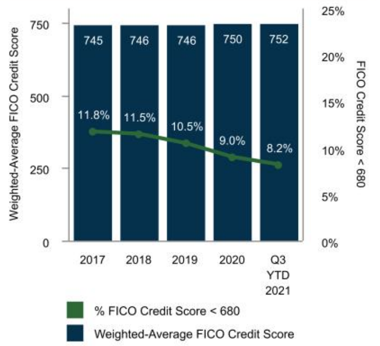
As of September 30, 2021

		Origination Year						Certain Loan Features				
Categories are not mutually exclusive	Overall Book	2008 & Earlier	2009-2017	2018	2019	2020	2021	OLTV Ratio > 95%	HomeReady®(32)	FICO Credit Score < 680(7)	Refi Plus Including HARP(33)	DTI Ratio > 43%(31)
Total UPB (Dollars in billions)	$3,422.0	$105.3	$946.3	$111.3	$229.1	$1,107.3	$922.7	$162.7	$100.5	$281.0	$165.5	$766.8
Average UPB	$195,844	$84,164	$136,296	$172,195	$209,838	$262,118	$278,183	$161,739	$178,732	$149,207	$110,637	$208,520
Share of Single-Family Conventional Guaranty Book	100%	3%	28%	3%	7%	32%	27%	5%	3%	8%	5%	22%
Loans in Forbearance by UPB(35)	1.2%	4.2%	1.9%	4.4%	2.9%	0.6%	0.1%	2.7%	2.3%	4.0%	2.2%	2.2%
Share of Loans with Credit Enhancement(36)	33%	11%	47%	74%	57%	24%	21%	80%	77%	35%	42%	37%
Serious Delinquency Rate(9)	1.62%	5.64%	1.92%	4.38%	2.67%	0.48%	0.06%	3.52%	2.36%	5.22%	2.35%	2.77%
Weighted-Average OLTV Ratio	72%	75%	74%	77%	76%	71%	69%	104%	86%	76%	85%	74%
OLTV Ratio > 95%	5%	9%	7%	10%	8%	3%	3%	100%	34%	8%	29%	6%
Amortized OLTV Ratio(37)	67%	69%	63%	72%	72%	69%	69%	93%	83%	71%	74%	71%
Weighted-Average Mark-to-Market LTV Ratio(6)	54%	37%	38%	54%	57%	59%	65%	68%	70%	52%	37%	55%
Weighted-Average FICO Credit Score(7)	752	696	748	733	746	761	757	730	741	650	727	740
FICO Credit Score < 680(7)	8%	38%	11%	17%	9%	4%	6%	15%	10%	100%	23%	12%

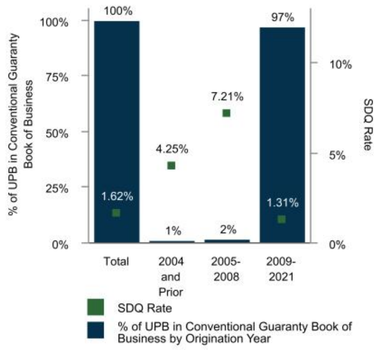
Mark-to-Market Loan-to-Value (MTMLTV) Ratio(6)



FICO Credit Score(7)

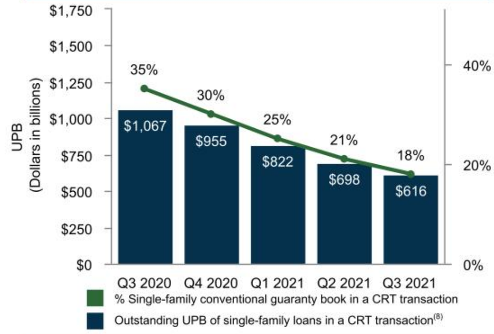


SDQ Rate by Vintage(9) as of September 30, 2021



Single-Family Credit Risk Transfer

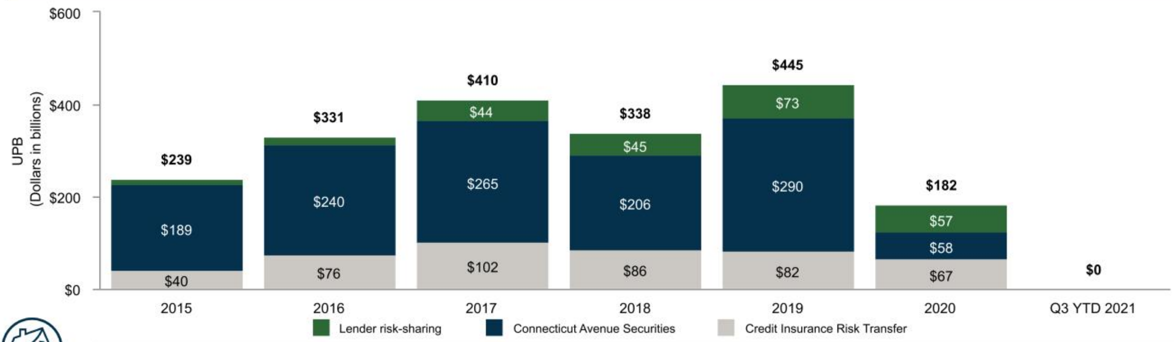
Single-Family Credit Risk Transfer



Single-Family Loans with Credit Enhancement

Credit Enhancement Outstanding UPB (dollars in billions)	2019 Outstanding UPB	2019 % of Book[38] Outstanding	2020 Outstanding UPB	2020 % of Book[38] Outstanding	Q3 YTD 2021 Outstanding UPB	Q3 YTD 2021 % of Book[38] Outstanding
Primary mortgage insurance & other[39]	$653	22%	$681	21%	**$694**	**20%**
Connecticut Avenue Securities[40]	$919	31%	$608	19%	**$411**	**12%**
Credit Insurance Risk Transfer[8]	$275	10%	$216	7%	**$125**	**4%**
Lender risk-sharing[40]	$147	5%	$131	4%	**$80**	**2%**
(Less: loans covered by multiple credit enhancements)	($438)	(15)%	($304)	(9)%	**($182)**	**(5)%**
Total single-family loans with credit enhancement	$1,556	53%	$1,332	42%	**$1,128**	**33%**

Single-Family Credit Risk Transfer Issuance

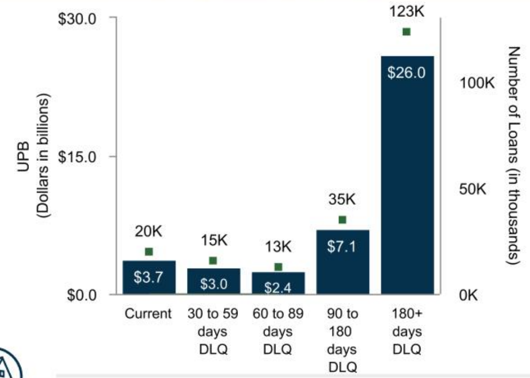


Single-Family Conventional Guaranty Book of Business in Forbearance

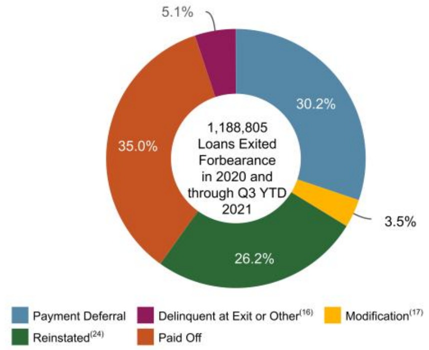
Certain Credit Characteristics of Single-Family Loans in Forbearance[41]

As of September 30, 2021		Origination Year					
Categories are not mutually exclusive	**Total**	2008 & Earlier	2009-2017	2018	2019	2020	2021
Total UPB (Dollars in billions)	**$42.2**	$4.4	$18.1	$4.9	$6.5	$7.0	$1.3
Average UPB	**$204,568**	$127,764	$186,070	$221,814	$260,268	$299,573	$322,704
Share of Single-Family Conventional Guaranty Book based on Loan Count	**1.2%**	0.2%	0.6%	0.1%	0.1%	0.1%	0.1%
Share of Single-Family Conventional Guaranty Book based on UPB[42]	**1.2%**	0.1%	0.5%	0.1%	0.2%	0.2%	0.1%
MTMLTV Ratio > 80% without Mortgage Insurance	**0.6%**	0.4%	0.2%	0.0%	0.0%	0.0%	0.0%
DTI Ratio > 43%[31]	**40.6%**	4.3%	15.7%	6.1%	7.0%	6.4%	1.1%
FICO Credit Score < 680[7]	**26.6%**	5.2%	11.3%	3.6%	3.3%	2.6%	0.6%
OLTV Ratio > 95%	**10.3%**	1.1%	4.4%	1.7%	2.0%	1.0%	0.1%

Delinquency Status of Loans in Forbearance as of September 30, 2021[14]

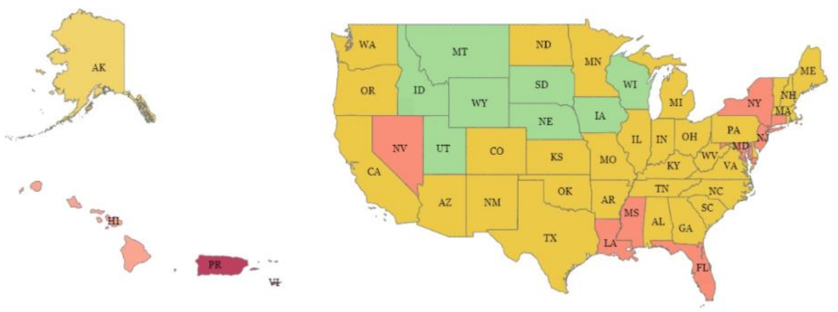


Single-Family Loan Forbearance Exits



Single-Family Problem Loan Statistics

Single-Family Serious Delinquency Rate by State as of September 30, 2021(9)

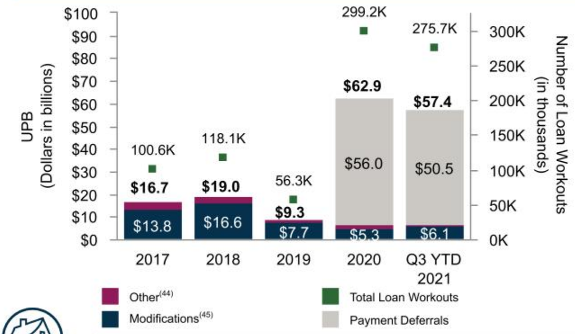


Top 10 States by UPB

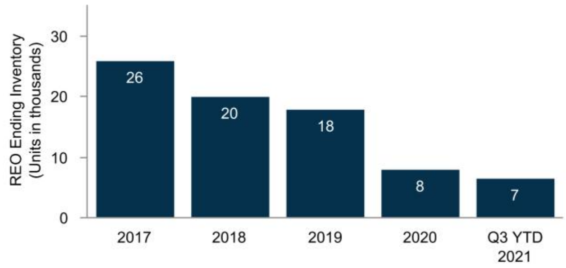
State	Serious Delinquency Rate[9]	Average Months to Foreclosure[43]
CA	1.38%	30
TX	1.92%	29
FL	2.11%	43
NY	2.92%	65
WA	1.13%	38
NJ	2.58%	42
CO	1.06%	30
IL	1.99%	25
VA	1.49%	17
NC	1.34%	26

State SDQ Rate:
- 0.51% to 0.99%
- 1.00% to 1.99%
- 2.00% to 2.99%
- 3.00% and above

Single-Family Loan Workouts



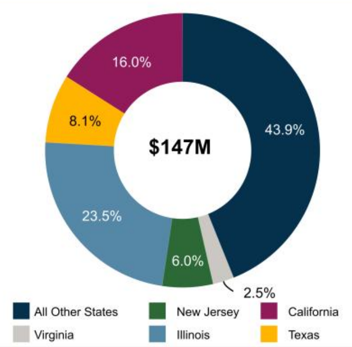
Single-Family REO Ending Inventory



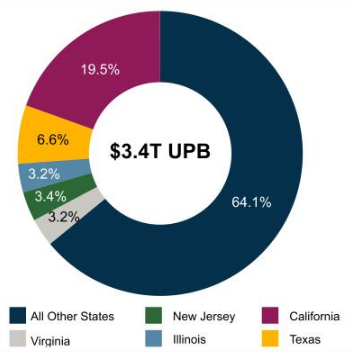
Credit Loss Concentration of Single-Family Conventional Guaranty Book of Business

Certain Product Features Categories are not mutually exclusive	% of Single-Family Conventional Guaranty Book of Business[38][46]					% of Single-Family Credit Losses and Redesignation Write-Offs[46]				
	2017	2018	2019	2020	Q3 YTD 2021	2017	2018	2019	2020	Q3 YTD 2021
Credit losses and redesignation write-offs by period (Dollars in millions)	$2,963	$2,457	$1,719	$514	**$147**	100.0%	100.0%	100.0%	100.0%	**100.0%**
Alt-A[47]	2.5%	1.9%	1.5%	1.1%	**0.8%**	21.9%	22.4%	16.6%	14.0%	**2.7%**
Interest-only	1.2%	0.8%	0.5%	0.3%	**0.2%**	15.7%	15.4%	11.5%	9.1%	**1.3%**
Origination LTV Ratio > 95%	6.6%	6.8%	6.9%	5.7%	**4.8%**	16.9%	14.9%	16.0%	14.4%	**13.9%**
FICO Credit Score < 680 and OLTV Ratio > 95%[7]	1.6%	1.4%	1.3%	0.9%	**0.7%**	8.7%	8.7%	9.4%	8.8%	**7.0%**
FICO Credit Score < 680[7]	11.8%	11.4%	10.5%	9.0%	**8.2%**	45.4%	46.3%	43.1%	41.4%	**42.9%**
Refi Plus including HARP	13.2%	11.4%	9.5%	6.7%	**4.8%**	15.9%	13.2%	15.8%	16.6%	**24.0%**
Vintage	2017	2018	2019	2020	Q3 YTD 2021	2017	2018	2019	2020	Q3 YTD 2021
2009 - 2021	90%	92%	94%	96%	**97%**	23%	20%	27%	33%	**87%**
2005 - 2008	6%	5%	4%	2%	**2%**	65%	66%	61%	54%	**5%**
2004 & Prior	4%	3%	2%	2%	**1%**	12%	14%	12%	13%	**8%**

% of Q3 YTD 2021 Single-Family Credit Losses and Redesignation Write-Offs by State[46][48]

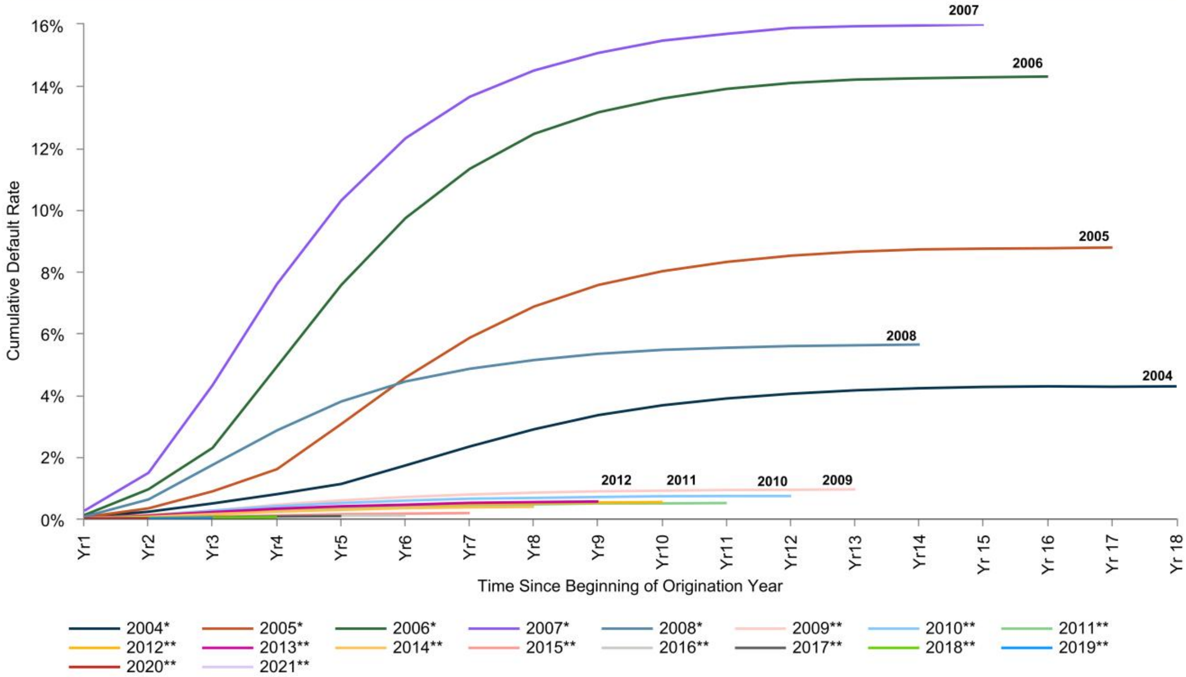


% of Single-Family Conventional Guaranty Book of Business by State as of September 30, 2021



Single-Family Cumulative Default Rates

Cumulative Default Rates of Single-Family Conventional Guaranty Book of Business by Origination Year[49]



* Loans originated prior to 2009 represent only 3% of the single-family conventional guaranty book of business as of September 30, 2021.
**As of September 30, 2021, cumulative default rates on the loans originated in each individual year from 2009-2021 were less than 1%.

Multifamily Business

Multifamily Highlights

Q3 2021

$1,102M
Net interest income

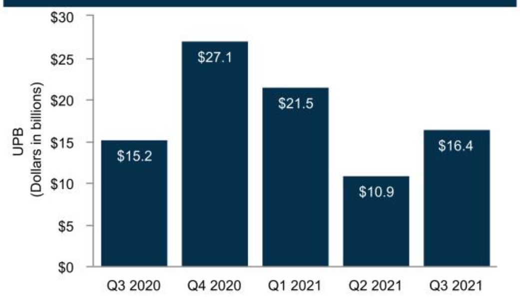
$25M
Fee and other income

$14M
Fair value gains, net

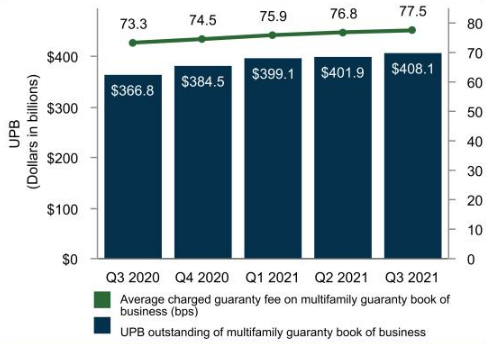
$61M
Credit-related income

$817M
Net income

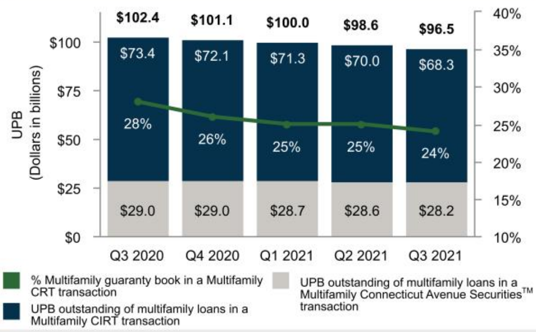
Multifamily New Business Volume



Multifamily Guaranty Book of Business(4)



Multifamily Credit Risk Transfer



Highlights

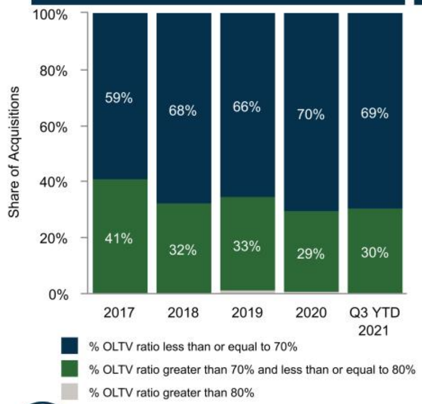
- New multifamily business volume was $16.4 billion in the third quarter of 2021, resulting in $48.8 billion for the first nine months of 2021.
- FHFA established a 2021 multifamily volume cap of $70 billion of which 50% must be mission-driven, focused on specified affordable and underserved market segments, and 20% must be affordable to residents earning 60% of area median income or below.
- The multifamily guaranty book of business increased by $6.2 billion to $408.1 billion in the third quarter of 2021.
- The average charged guaranty fee on the multifamily book increased from 76.8 basis points for the second quarter of 2021 to 77.5 basis points for the third quarter of 2021.

Credit Characteristics of Multifamily Loan Acquisitions

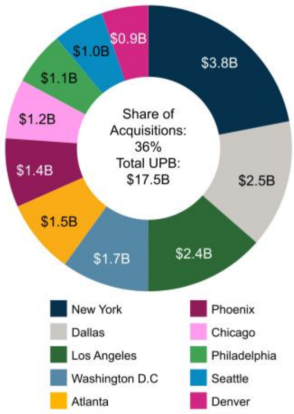
Certain Credit Characteristics of Multifamily Loans by Acquisition Period[4]

Categories are not mutually exclusive	2017	2018	2019	2020	Q3 YTD 2021
Total UPB (Dollars in billions)	$67.1	$65.4	$70.2	$76.0	**$48.8**
Weighted-Average OLTV Ratio	67%	65%	66%	64%	**65%**
Loan Count	3,861	3,723	4,113	5,051	**3,215**
% Lender Recourse[50]	100%	100%	100%	99%	**100%**
% DUS[51]	98%	99%	100%	99%	**99%**
% Full Interest-Only	26%	33%	33%	38%	**35%**
Weighted-Average OLTV Ratio on Full Interest-Only Acquisitions	58%	58%	59%	58%	**59%**
Weighted-Average OLTV Ratio on Non-Full Interest-Only Acquisitions	70%	68%	69%	68%	**68%**
% Partial Interest-Only[52]	57%	53%	56%	50%	**53%**

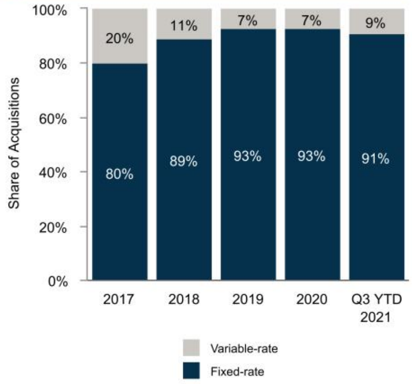
Origination Loan-to-Value Ratio[4]



Top 10 MSAs by Q3 YTD 2021 Acquisition UPB[4]



Acquisitions by Note Type[4]

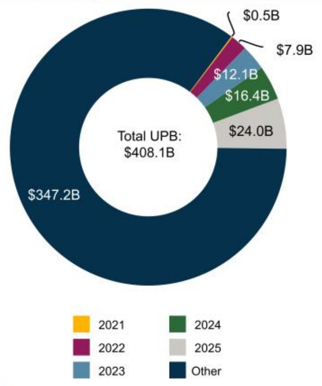


Credit Characteristics of Multifamily Guaranty Book of Business

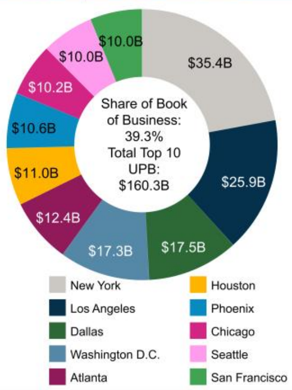
Certain Credit Characteristics of Multifamily Guaranty Book of Business by Acquisition Year, Asset Class, or Targeted Affordable Segment(4)

As of September 30, 2021		Acquisition Year							Asset Class or Targeted Affordable Segment				
Categories are not mutually exclusive	Overall Book	2008 & Earlier	2009-2016	2017	2018	2019	2020	2021	Conventional /Co-op(53)	Seniors Housing(53)	Student Housing(53)	Manufactured Housing(53)	Privately Owned with Subsidy(54)
Total UPB (Dollars in billions)	$408.1	$7.5	$94.3	$54.5	$59.5	$68.3	$75.3	$48.7	$359.0	$16.9	$14.5	$17.7	$46.7
% of Multifamily Guaranty Book	100%	2%	23%	13%	15%	17%	18%	12%	88%	4%	4%	4%	11%
Loan Count	29,208	2,966	7,820	2,945	3,308	3,937	5,020	3,212	26,313	644	657	1,594	3,872
Average UPB (Dollars in millions)	$14.0	$2.5	$12.1	$18.5	$18.0	$17.4	$15.0	$15.2	$13.6	$26.3	$22.1	$11.1	$12.1
Loans in Forbearance by UPB(35)	0.1%	0.0%	0.2%	0.2%	0.0%	0.1%	0.0%	0.0%	0.1%	0.2%	0.0%	0.0%	0.0%
Weighted-Average OLTV Ratio	65%	68%	66%	66%	65%	66%	64%	65%	65%	66%	66%	65%	68%
Weighted-Average DSCR(11)	2.1	3.1	1.9	2.0	1.9	1.9	2.4	2.2	2.1	1.7	1.8	2.2	2.2
% Fixed rate	91%	26%	92%	88%	93%	94%	94%	91%	92%	63%	84%	94%	84%
% Full Interest-Only	32%	28%	23%	30%	35%	33%	38%	35%	33%	13%	27%	24%	25%
% Partial Interest-Only(52)	51%	17%	48%	54%	53%	56%	50%	53%	50%	58%	64%	58%	43%
% Small Balance Loans(55)	43%	90%	50%	31%	27%	34%	36%	29%	43%	14%	25%	51%	49%
% DUS(51)	99%	91%	99%	98%	100%	100%	99%	99%	99%	98%	100%	100%	98%
Serious Delinquency Rate(12)	0.42%	0.07%	0.74%	0.83%	0.50%	0.29%	0.08%	0.00%	0.29%	1.17%	3.27%	0.02%	0.14%

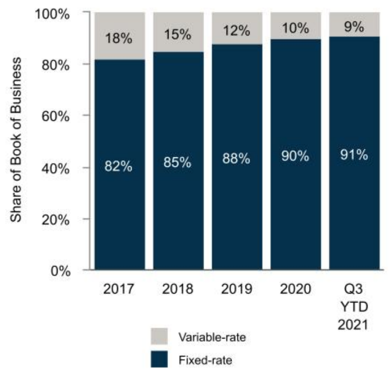
UPB by Maturity Year as of September 30, 2021(4)



Top 10 MSAs by UPB as of September 30, 2021(4)

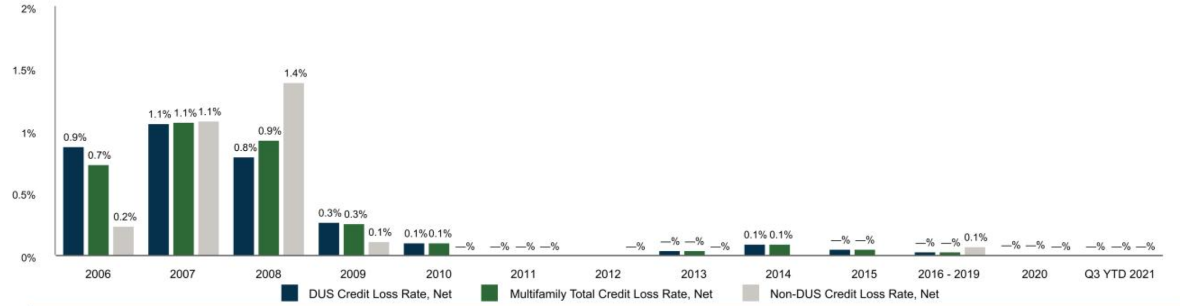


Multifamily Guaranty Book of Business by Note Type(4)

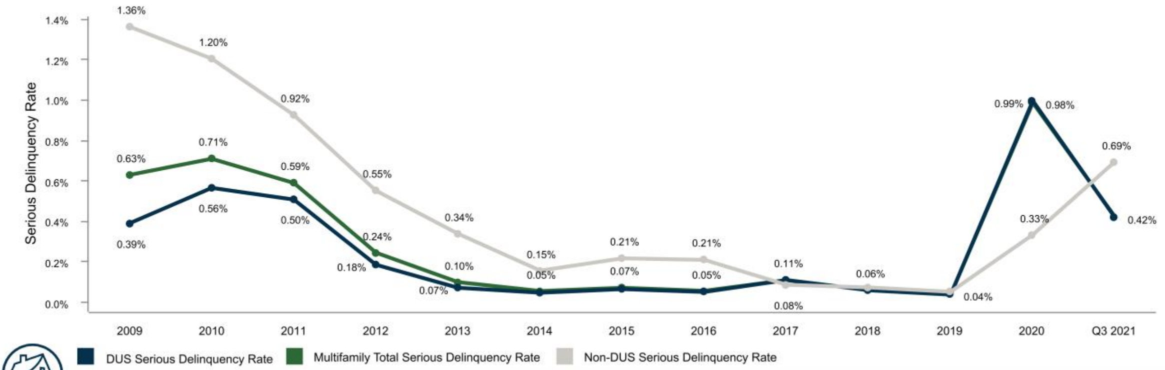


Multifamily Serious Delinquency Rates and Credit Losses

DUS/Non-DUS Cumulative Credit Loss Rates by Acquisition Year Through Q3 YTD 2021 (51)(56)



Serious Delinquency Rates (12)(51)



Endnotes

Endnotes

(1) Other expenses, net are comprised of credit enhancement expense, change in expected credit enhancement recoveries, debt extinguishment gains and losses, housing trust fund expenses, loan subservicing costs, servicer fees paid in connection with certain loss mitigation activities, and gains and losses from partnership investments.

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

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

(4) The multifamily guaranty book of business consists of: (a) multifamily mortgage loans of Fannie Mae; (b) multifamily mortgage loans underlying Fannie Mae MBS; and (c) other credit enhancements that the company provided on multifamily mortgage assets. It excludes non-Fannie Mae multifamily mortgage-related securities held in the retained mortgage portfolio for which Fannie Mae does not provide a guaranty. Data reflects the latest available information as of September 30, 2021.

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

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

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

(8) Includes mortgage pool insurance transactions covering loans with an unpaid principal balance of approximately $1.6 billion outstanding as of September 30, 2021.

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

(10) Calculated based on the amount of write-offs, recoveries and foreclosed property income or expenses annualized divided by the average single-family conventional guaranty book of business during the period.

(11) Weighted-average debt service coverage ratio, or "DSCR", is calculated using the most recent property financial operating statements. When operating statement information is not available, the DSCR at the time of acquisition is used. If both are unavailable, the underwritten DSCR is used. Although the company uses the most recently available results from their multifamily borrowers, there is a lag in reporting, which typically can range from three to six months, but in some cases may be longer. Accordingly, the financial information Fannie Mae has received from borrowers may not reflect the most recent impacts of the COVID-19 pandemic. Co-op loans are excluded from this metric.

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

(13) Credit loss (benefit) ratio, net represents the annualized net credit loss or benefit for the period divided by the average unpaid principal balance of the multifamily guaranty book of business for the period. Net credit benefits are the result of recoveries on previously written-off amounts. Net credit losses include expected benefit of freestanding loss-sharing benefit, primarily multifamily DUS lender-risk sharing transactions.

Endnotes

(14) Pursuant to the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), for purposes of reporting to the credit bureaus, servicers must report a borrower receiving a COVID-19-related payment accommodation, such as a forbearance plan or loan modification, as current if the borrower was current prior to receiving the accommodation and the borrower makes all required payments in accordance with the accommodation. For purposes of the company's disclosures regarding delinquency status, loans receiving COVID-19-related payment forbearance are reported as delinquent according to the contractual terms of the loan.

(15) As a part of the company's relief programs, the company has authorized servicers to permit payment forbearance to borrowers experiencing a COVID-19-related financial hardship for up to 12 months without regard to the delinquency status of the loan, and for borrowers already in forbearance as of February 28, 2021, for a total of up to 18 months, provided that the forbearance does not result in the loan becoming greater than 18 months delinquent. The company estimates that, through September 30, 2021, approximately 8% of the single-family loans, based on loan count, in the single-family conventional guaranty book of business as of March 31, 2020 have been in a COVID-19-related forbearance at some point between then and September 30, 2021.

(16) Consists of 54,915 loans that were delinquent upon the expiration of the forbearance arrangement and 5,908 loans that exited forbearance through a repayment plan.

(17) Includes loans that are in trial modifications.

(18) Displays the status and percentage of UPB as of current period end of the multifamily loans in the guaranty book of business as well as loans that had liquidated prior to period end that have received a forbearance. Since the COVID-19 pandemic was declared a national emergency in March 2020, Fannie Mae has broadly offered forbearance to affected multifamily borrowers. Nearly all of the multifamily loans that received forbearance were associated with a COVID-19-related financial hardship.

(19) Includes loans that are in the process of extending their forbearance.

(20) Includes loans that are no longer in forbearance and are not on a repayment plan. Loans in this population may proceed to other loss mitigation activities, such as foreclosure or modification.

(21) Represents multifamily loans that are no longer in forbearance but are current according to the original terms of the loan, or have been modified and are performing under the modification.

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

(23) Includes interest income from assets held in the company's retained mortgage portfolio and other investments portfolio, as well as other assets used to generate lender liquidity. Also includes interest expense on the company's outstanding corporate debt and Connecticut Avenue Securities® debt.

(24) Represents single-family loans that are no longer in forbearance but are current according to the original terms of the loan. Also includes loans that remained current throughout the forbearance arrangement and continue to perform.

(25) Includes $686 million as of September 30, 2021 in multifamily loans that received a forbearance after the start of the COVID-19 pandemic and liquidated prior to period end. Multifamily loans that received a forbearance, but went to foreclosure prior to period end accounted for $215 million of these liquidations as of September 30, 2021, largely as a result of the foreclosure of loans within a seniors housing portfolio.

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

(27) Cash equivalents are comprised of overnight repurchase agreements and U.S. Treasuries that have a maturity at the date of acquisition of three months or less.

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

Endnotes

(29) U.S. Gross Domestic Product ("GDP") annual growth (decline) rate for periods prior to 2021 are based on the annual "percentage change from fourth quarter to fourth quarter one year ago" calculated by the Bureau of Economic Analysis and are subject to revision. GDP growth rate for Q3 YTD 2021 is the Advance Estimate published on October 28, 2021. U.S. unemployment rate is based upon the rate as of period end.

(30) Home price estimates are based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of September 2021. Including subsequent data may lead to materially different results. Home price growth rate is not seasonally adjusted. UPB estimates are based on data available through the end of September 2021, and the top 10 states are reported by UPB in descending order. One-year home price growth rate is for the 12-month period ending September 30, 2021.

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

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

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

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

(35) Consists of loans that are in an active forbearance as of September 30, 2021.

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

(37) Amortized origination loan-to-value ratio is calculated based on the current UPB of a loan at period end, divided by the home price at origination of the loan.

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

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

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

(41) Calculated based on the unpaid principal balance of loans in forbearance with the specific credit characteristic and vintage divided by the total unpaid principal balance of loans in forbearance in that origination year at period end.

(42) Share of single-family conventional guaranty book based on UPB was calculated based upon the unpaid principal balance of loans in forbearance by vintage divided by the total unpaid principal balance of the single-family conventional guaranty book of business at period end.

Endnotes

(43) Measured from the borrowers' last paid installment on their mortgages to when the related properties were added to the company's REO inventory for foreclosures completed during the nine months ended September 30, 2021. Home Equity Conversion Mortgages insured by the Department of Housing and Urban Development are excluded from this calculation.

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

(45) There were approximately 19,000 loans in a trial modification period that was not complete as of September 30, 2021.

(46) Credit losses and redesignation write-offs do not include gains (losses) on sales and other valuation adjustments. Percentages exclude the impact of recoveries that have not been allocated to specific loans.

(47) For a description of Alt-A loan classification criteria, refer to the glossary in Fannie Mae's 2020 Form 10-K. The company discontinued the purchase of newly originated Alt-A loans in 2009, except for those that represent the refinancing of a loan acquired prior to 2009, which has resulted in the acquisitions of Alt-A mortgage loans remaining low and the percentage of the book of business attributable to Alt-A to continue to decrease over time.

(48) Total amount of single-family credit losses includes those not directly associated with specific loans. Single-family credit losses by state exclude the impact of recoveries that have not been allocated to specific loans. Presents the five states with the highest credit losses for the applicable period among the company's top ten states by percentage of outstanding single-family conventional guaranty book of business.

(49) 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 September 30, 2021 is not necessarily indicative of the ultimate performance of the loans and performance may change, perhaps materially, in future periods.

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

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

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

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

(54) 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. The parameters to qualify under Privately Owned with Subsidy were expanded in Q3 2021, resulting in an increase in properties classified as targeted affordable volume.

(55) Small balance loans refers to multifamily loans with an original unpaid balance of up to $6 million nationwide.

(56) Cumulative net credit loss rate is the cumulative net credit losses (gains) through September 30, 2021 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. Net credit losses include expected benefit of freestanding loss-sharing benefit, primarily multifamily DUS lender-risk sharing transactions.