# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, DC 20549**

## FORM 8-K

### CURRENT REPORT

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

**Date of Report (Date of earliest event reported): February 12, 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<br>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 February 12, 2021, Fannie Mae filed its annual report on Form 10-K for the year ended December 31, 2020 and is issuing a news release reporting its financial results for the periods covered by the Form 10-K. 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 February 12, 2021 |
| 99.2 | Financial Supplement for Q4 and Full Year 2020, dated February 12, 2021 |
| 104 | Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document included as Exhibit 101 |

**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/ Celeste M. Brown

Celeste M. Brown
Executive Vice President and
Chief Financial Officer

Date: February 12, 2021

Fannie Mae

**Contact:** Pete Bakel **Resource Center: 1-800-732-6643**
202-752-2034 **Exhibit 99.1**
**Date:** February 12, 2021

# Fannie Mae Reports Net Income of $11.8 Billion for 2020 and $4.6 Billion for Fourth Quarter 2020
## Provides Record Support for the Mortgage Market

- $11.8 billion annual net income and $4.6 billion fourth quarter 2020 net income, with net worth reaching $25.3 billion as of December 31, 2020
- $4.4 billion shift from $3.5 billion of credit-related income in 2019 to $900 million of credit-related expense in 2020 driven by the COVID-19 pandemic and the associated economic downturn
- Senior preferred stock purchase agreement was amended in January 2021, allowing Fannie Mae to continue to retain earnings to build capital
- $1.4 trillion in liquidity provided to Single-Family and Multifamily mortgage markets, highest on record
- 3.4 million refinanced loans helped homeowners take advantage of historically low interest rates
- 792 thousand units of rental housing financed, more than 90 percent affordable to families earning at or below 120% of area median income
- 1.3 million single-family mortgage forbearance plans initiated in 2020 to help borrowers through the COVID-19 pandemic

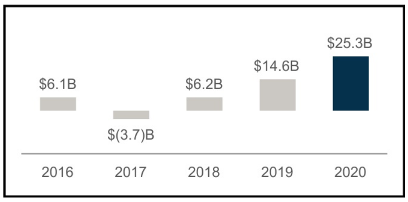
*"2020 presented the nation with an historic test and Fannie Mae rose to the challenge, delivering a record $1.4 trillion in mortgage liquidity to meet home purchase, refinancing, and rental housing needs. I am proud of our work to help homeowners and renters through the pandemic, our commitment to advance opportunity and equity for families across the country, and our necessary focus on safety and soundness. We will work with our mortgage industry partners to provide home financing to creditworthy borrowers in all market conditions and support the responsible exit from conservatorship."*

Hugh R. Frater, Chief Executive Officer

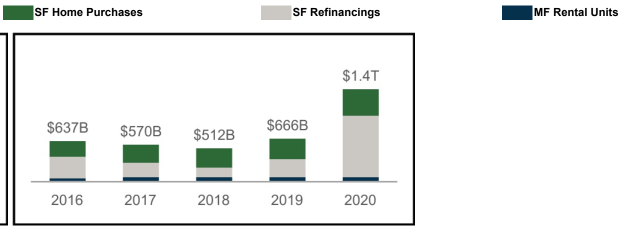
## 2020 Key Results

**$25.3 Billion Net Worth**

Increase of $10.7 billion in 2020

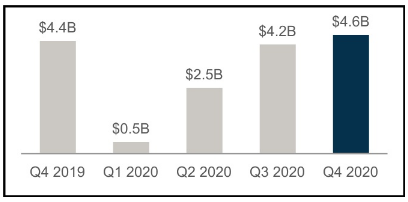



**$1.4 Trillion Supporting Housing Activity**

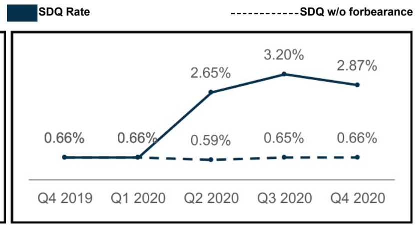



**$4.6 Billion Net Income**

Increase of $0.4 billion compared to third quarter 2020




**Single-Family SDQ Rate**



## Summary of Financial Results

| (Dollars in millions) | 2020 | 2019 | Variance | % Change | 4Q20 | 3Q20 | Variance | % Change |
|---|---|---|---|---|---|---|---|---|
| Net interest income | $ 24,866 | $ 21,293 | $ 3,573 | 17 % | $ 7,086 | $ 6,656 | $ 430 | 6 % |
| Fee and other income | 462 | 566 | (104) | (18)% | 159 | 93 | 66 | 71 % |
| **Net revenues** | 25,328 | 21,859 | 3,469 | 16 % | 7,245 | 6,749 | 496 | 7 % |
| Investment gains, net | 907 | 1,770 | (863) | (49)% | 263 | 653 | (390) | (60)% |
| Fair value losses, net | (2,501) | (2,214) | (287) | 13 % | (880) | (327) | (553) | 169 % |
| Administrative expenses | (3,068) | (3,023) | (45) | 1 % | (803) | (762) | (41) | 5 % |
| Total credit-related income (expenses) | (855) | 3,496 | (4,351) | (124)% | 1,400 | 430 | 970 | 226 % |
| Temporary Payroll Tax Cut Continuation Act of 2011 (“TCCA”) fees | (2,673) | (2,432) | (241) | 10 % | (697) | (679) | (18) | 3 % |
| Other expenses, net | (2,259) | (1,879) | (380) | 20 % | (819) | (686) | (133) | 19 % |
| **Income before federal income taxes** | 14,879 | 17,577 | (2,698) | (15)% | 5,709 | 5,378 | 331 | 6 % |
| Provision for federal income taxes | (3,074) | (3,417) | 343 | (10)% | (1,139) | (1,149) | 10 | (1)% |
| **Net income** | $ 11,805 | $ 14,160 | $ (2,355) | (17)% | $ 4,570 | $ 4,229 | $ 341 | 8 % |
| **Total comprehensive income** | $ 11,790 | $ 13,969 | $ (2,179) | (16)% | $ 4,566 | $ 4,216 | $ 350 | 8 % |
| **Net Worth** | $ 25,259 | $ 14,608 | $ 10,651 | 73 % | $ 25,259 | $ 20,693 | $ 4,566 | 22 % |

## Financial Highlights

- Net income decreased $2.4 billion in 2020 compared to 2019 driven primarily by a shift from credit-related income to credit-related expenses and a reduction in investment gains driven by a decrease in the volume of reperforming loan sales. The decrease was partially offset by an increase in net revenues driven by record levels of refinancing activity in 2020. Single-family acquisition volume was $1.4 trillion, the highest level on record, of which single-family refinance volume was $948 billion, the highest level since 2003.
- Net interest income increased $3.6 billion in 2020 compared to 2019 driven primarily by an increase in net amortization income due to high levels of refinancing activity in 2020 as interest rates declined to historically low levels in 2020 and remained low throughout the majority of the year.
- Credit-related expense was significantly impacted by the COVID-19 pandemic. Credit-related expense was $855 million in 2020, compared with credit-related income of $3.5 billion in 2019. The shift to credit-related expense in 2020 was driven by the impact of COVID-19 and the associated economic downturn, as well as a significant reduction in the volume of redesignations of reperforming single-family mortgage loans from held-for-investment to held-for-sale in 2020. This impact was partially offset by higher actual and forecasted home prices and lower actual and projected interest rates in 2020 compared to 2019.
- Investment gains were $907 million in 2020, compared with $1.8 billion in 2019. The decrease in 2020 was driven by a reduction in the unpaid principal balance of single-family reperforming loan sales during the year.

## Single-Family Business Financial Results

| (Dollars in millions) | 2020 | 2019 | Variance | % Change | 4Q20 | 3Q20 | Variance | % Change |
|---|---|---|---|---|---|---|---|---|
| Net interest income | $ **21,502** | $ 18,013 | $ 3,489 | 19 % | $ 6,152 | $ 5,870 | $ 282 | 5 % |
| Fee and other income | **368** | 453 | (85) | (19)% | 130 | 73 | 57 | 78 % |
| **Net revenues** | **21,870** | 18,466 | 3,404 | 18 % | 6,282 | 5,943 | 339 | 6 % |
| Investment gains, net | **728** | 1,589 | (861) | (54)% | 201 | 583 | (382) | (66)% |
| Fair value losses, net | **(2,539)** | (2,216) | (323) | 15 % | (805) | (244) | (561) | 230 % |
| Administrative expenses | **(2,559)** | (2,565) | 6 | — % | (671) | (634) | (37) | 6 % |
| Total credit-related income (expenses) | **(232)** | 3,515 | (3,747) | (107)% | 1,324 | 478 | 846 | 177 % |
| Temporary Payroll Tax Cut Continuation Act of 2011 ("TCCA") fees | **(2,673)** | (2,432) | (241) | 10 % | (697) | (679) | (18) | 3 % |
| Other expenses, net | **(2,107)** | (1,661) | (446) | 27 % | (706) | (629) | (77) | 12 % |
| **Income before federal income taxes** | **12,488** | 14,696 | (2,208) | (15)% | 4,928 | 4,818 | 110 | 2 % |
| Provision for federal income taxes | **(2,607)** | (2,859) | 252 | (9)% | (984) | (1,049) | 65 | (6)% |
| **Net income** | $ **9,881** | $ 11,837 | $ (1,956) | (17)% | $ 3,944 | $ 3,769 | $ 175 | 5 % |
| | | | | | | | | |
| Average charged guaranty fee on new conventional acquisitions, net of TCCA | 46.4 bps | 47.0 bps | (0.6) bps | (1)% | 45.8 bps | 44.9 bps | 0.9 bps | 2 % |
| Average charged guaranty fee on conventional guaranty book of business, net of TCCA | 44.2 bps | 43.4 bps | 0.8 bps | 2 % | 44.5 bps | 44.4 bps | 0.1 bps | — % |

## Key Business Highlights

- Single-family acquisition volume was $1.4 trillion in 2020, an increase of 135% compared with 2019, and the highest on record. The increase was driven by a $664 billion increase in refinance volume due to the historically low interest rate environment during the year, resulting in the highest level of refinance volumes since 2003. 38% of the company's single-family conventional guaranty book of business as of December 31, 2020 was originated in 2020.
- Average single-family conventional guaranty book of business during 2020 increased from 2019 by approximately $139 billion. Credit characteristics of the single-family conventional guaranty book of business remained strong, with a weighted-average mark-to-market loan-to-value ratio of 58% and weighted-average FICO credit score of 750.
- Average charged guaranty fee, net of Temporary Payroll Tax Cut Continuation Act of 2011 (TCCA) fees, on the single-family conventional guaranty book increased from 43.4 basis points as of December 31, 2019 to 44.2 basis points basis points as of December 31, 2020. Average charged guaranty fee on newly acquired conventional single-family loans, net of TCCA fees, decreased 0.6 basis points to 46.4 basis points in 2020 from 47.0 basis points in 2019, driven primarily by the stronger credit profile of the single-family loans acquired in 2020 compared with 2019.
- As of December 31, 2020, 3.0% of the single-family guaranty book of business based on loan count, or 524,555 loans, was in forbearance, the vast majority of which was related to the COVID-19 pandemic, compared to 4.1% as of September 30, 2020. As of December 31, 2020, 12% of the loans in forbearance were still current.
- Single-family serious delinquency rate decreased to 2.87% as of December 31, 2020, from 3.20% as of September 30, 2020, driven by loans exiting COVID-19-related forbearance arrangements. Single-family serious delinquency rate excluding loans in forbearance was 0.66% as of December 31, 2020 and 0.65% as of September 30, 2020. Single-family seriously delinquent loans are loans that are 90 days or more past due or in the foreclosure process.

## Multifamily Business Financial Results

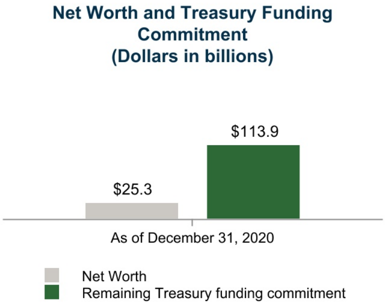
| (Dollars in millions) | 2020 | 2019 | Variance | % Change | 4Q20 | 3Q20 | Variance | % Change |
|---|---|---|---|---|---|---|---|---|
| Net interest income | **$ 3,364** | $ 3,280 | $ 84 | 3 % | $ 934 | $ 786 | $ 148 | 19 % |
| Fee and other income | **94** | 113 | (19) | (17)% | 29 | 20 | 9 | 45 % |
| **Net revenues** | **3,458** | 3,393 | 65 | 2 % | 963 | 806 | 157 | 19 % |
| Fair value gain (losses), net | **38** | 2 | 36 | 1,800 % | (75) | (83) | 8 | (10)% |
| Administrative expenses | **(509)** | (458) | (51) | 11 % | (132) | (128) | (4) | 3 % |
| Total credit-related income (expenses) | **(623)** | (19) | (604) | 3,179 % | 76 | (48) | 124 | (258)% |
| Credit enhancement expense | **(220)** | (207) | (13) | 6 % | (56) | (51) | (5) | 10 % |
| Change in expected credit enhancement recoveries | **144** | — | 144 | — % | (51) | — | (51) | — % |
| Other income, net | **103** | 170 | (67) | (173)% | 56 | 64 | (8) | (13)% |
| **Income before federal income taxes** | **2,391** | 2,881 | (490) | (17)% | 781 | 560 | 221 | 39 % |
| Provision for federal income taxes | **(467)** | (558) | 91 | (16)% | (155) | (100) | (55) | 55 % |
| **Net income** | **$ 1,924** | $ 2,323 | $ (399) | (17)% | $ 626 | $ 460 | $ 166 | 36 % |
| Average guaranty book of business Gfee | 74.5 bps | 71.8 bps | 2.7 bps | 4 % | 74.5 bps | 73.3 bps | 1.2 bps | 2 % |

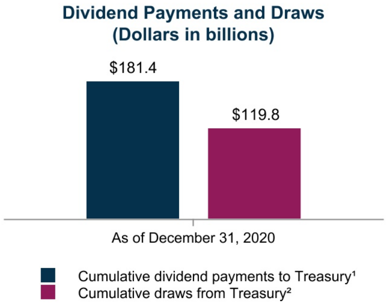
## Key Business Highlights

- New Multifamily business volume was $76 billion in 2020, the highest annual volume on record. Multifamily remained under the $100 billion FHFA volume cap announced in September 2019 with $94 billion in volume for the five-quarter period ending December 31, 2020, while meeting its goal under FHFA's volume cap for that period of acquiring at least 37.5% of its business volume in mission-driven housing, as defined by FHFA.
- The multifamily guaranty book of business increased by $46 billion in 2020 to $385 billion. The average charged guaranty fee on the multifamily book increased from 71.8 basis points for the year ending December 31, 2019 to 74.5 basis points for the year ending December 31, 2020. This resulted in an increase in guaranty fee revenue, which drove the increase in net interest income, but was partially offset by a decrease in yield maintenance revenue year over year.
- As of December 31, 2020, based on unpaid principal balance, 1.4% of Fannie Mae's multifamily guaranty book of business had received a forbearance plan, primarily as a result of the COVID-19 pandemic. More than half of those loans, measured by unpaid principal balance, were in a repayment plan and 0.4% of the book, or $1.7 billion, was still in active forbearance at year end.
- The multifamily serious delinquency rate decreased to 0.98% as of December 31, 2020 from 1.12% as of September 30, 2020. The multifamily serious delinquency rate excluding loans that have received a forbearance was 0.03% as of December 31, 2020. Multifamily seriously delinquent loans are loans that are 60 days or more past due.

## Net Worth, Treasury Funding, and Senior Preferred Stock Dividends

The charts below show information about Fannie Mae's net worth, the remaining amount of Treasury's funding commitment to Fannie Mae, senior preferred stock dividends the company has paid Treasury, and funds the company has drawn from Treasury pursuant to its funding commitment.




(1) Aggregate amount of dividends the company has paid to Treasury on the senior preferred stock from 2008 through December 31, 2020. Under the terms of the senior preferred stock purchase agreement, dividend payments the company makes to Treasury do not offset its draws of funds from Treasury.

(2) Aggregate amount of funds the company has drawn from Treasury pursuant to the senior preferred stock purchase agreement from 2008 through December 31, 2020.

## Conservatorship and Regulatory Highlights

- In November 2020, FHFA adopted a final rule establishing a new "enterprise regulatory capital framework" for Fannie Mae. (See "Business—Legislation and Regulation—GSE Act and Other Legislative and Regulatory Matters—Capital" in the company's 2020 Form 10-K.)
- In January 2021, a number of significant changes were made to the terms of the senior preferred stock purchase agreement between the company and Treasury and the dividend and liquidation provisions of the senior preferred stock, including the following:
    - The dividend provisions of the senior preferred stock were amended to permit Fannie Mae to retain increases in net worth until its net worth exceeds the amount of adjusted total capital necessary to meet the capital requirements and buffers under the enterprise regulatory capital framework. After the "capital reserve end date," which is defined as the last day of the second consecutive fiscal quarter during which it has maintained capital equal to, or in excess of, all of the capital requirements and buffers under the enterprise regulatory capital framework, the amount of quarterly dividends to Treasury will be the lesser of any quarterly increase in the company's net worth and a 10% annual rate on the then-current liquidation preference of the senior preferred stock.
    - At the end of each fiscal quarter, through and including the capital reserve end date, the liquidation preference of the senior preferred stock will be increased by an amount equal to the increase in the company's net worth, if any, during the immediately prior fiscal quarter.
    - The company may issue and retain up to $70 billion in proceeds from the sale of common stock without Treasury's prior consent, provided that (1) Treasury has already exercised the common stock warrant it holds in full, and (2) all currently pending significant litigation relating to Fannie Mae's conservatorship and to an amendment to the senior preferred stock purchase agreement made in August 2012 has been resolved, which may require Treasury's assent.
    - FHFA may release the company from conservatorship without Treasury's consent after (1) all currently pending significant litigation referred to above has been resolved, and (2) the company's common equity tier 1 capital, together with any other common stock it may issue in a public offering, equals or exceeds 3% of its "adjusted total assets" under the enterprise regulatory capital framework.
    - New restrictive covenants were added that will impact Fannie Mae's single-family and multifamily business activities.

Fannie Mae's Consolidated Balance Sheets and Statements of Operations and Income for the full year of 2020 are available in the accompanying Annex; however, investors and interested parties should read the company's 2020 Form 10-K, which was filed today with the Securities and Exchange Commission and is available on Fannie Mae's website, www.fanniemae.com. The company provides further discussion of its financial results and condition, credit performance, and other matters in its 2020 Form 10-K. Additional information about the company's financial and credit performance is contained in Fannie Mae's "Q4 and Full Year 2020 Financial Supplement" at www.fanniemae.com.

# # #

*In this release, the company has presented forward-looking statements regarding the company's business plans and the impact of recent amendments to the company's senior preferred stock purchase agreement with Treasury. Actual outcomes could be materially different from what is set forth in these forward-looking statements due to a variety of factors, including those described in "Forward-Looking Statements" and "Risk Factors" in the company's 2020 Form 10-K.*

*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 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
## Consolidated Balance Sheets
(Dollars in millions)

| | As of December 31, 2020 | As of December 31, 2019 |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | **$ 38,337** | $ 21,184 |
| Restricted cash (includes $68,308 and $33,294, respectively, related to consolidated trusts) | **77,286** | 40,223 |
| Federal funds sold and securities purchased under agreements to resell or similar arrangements | **28,200** | 13,578 |
| Investments in securities: | | |
| Trading, at fair value (includes $6,544 and $3,037, respectively, pledged as collateral) | **136,542** | 48,123 |
| Available-for-sale, at fair value (with an amortized cost of $1,606, net of allowance for credit losses of $3 as of December 31, 2020) | **1,697** | 2,404 |
| Total investments in securities | **138,239** | 50,527 |
| Mortgage loans: | | |
| Loans held for sale, at lower of cost or fair value | **5,197** | 6,773 |
| Loans held for investment, at amortized cost: | | |
| Of Fannie Mae | **112,726** | 94,911 |
| Of consolidated trusts | **3,546,521** | 3,241,494 |
| Total loans held for investment (includes $6,490 and $7,825, respectively, at fair value) | **3,659,247** | 3,336,405 |
| Allowance for loan losses | **(10,552)** | (9,016) |
| Total loans held for investment, net of allowance | **3,648,695** | 3,327,389 |
| Total mortgage loans | **3,653,892** | 3,334,162 |
| Advances to lenders | **10,449** | 6,453 |
| Deferred tax assets, net | **12,947** | 11,910 |
| Accrued interest receivable, net (includes $9,635 and $8,172, respectively, related to consolidated trusts and net of an allowance of $216 as of December 31, 2020) | **9,937** | 8,604 |
| Acquired property, net | **1,261** | 2,366 |
| Other assets | **15,201** | 14,312 |
| Total assets | **$ 3,985,749** | $ 3,503,319 |
| **LIABILITIES AND EQUITY** | | |
| Liabilities: | | |
| Accrued interest payable (includes $8,955 and $9,361, respectively, related to consolidated trusts) | **$ 9,719** | $ 10,228 |
| Debt: | | |
| Of Fannie Mae (includes $3,728 and $5,687, respectively, at fair value) | **289,572** | 182,247 |
| Of consolidated trusts (includes $24,586 and $21,880, respectively, at fair value) | **3,646,164** | 3,285,139 |
| Other liabilities (includes $1,523 and $376, respectively, related to consolidated trusts) | **15,035** | 11,097 |
| Total liabilities | **3,960,490** | 3,488,711 |
| Commitments and contingencies (Note 16) | **—** | — |
| Fannie Mae stockholders' equity: | | |
| Senior preferred stock (liquidation preference of $142,192 and $131,178, respectively) | **120,836** | 120,836 |
| Preferred stock, 700,000,000 shares are authorized—555,374,922 shares issued and outstanding | **19,130** | 19,130 |
| Common stock, no par value, no maximum authorization—1,308,762,703 shares issued and 1,158,087,567 shares outstanding | **687** | 687 |
| Accumulated deficit | **(108,110)** | (118,776) |
| Accumulated other comprehensive income | **116** | 131 |
| Treasury stock, at cost, 150,675,136 shares | **(7,400)** | (7,400) |
| Total stockholders' equity (See Note 1: Senior Preferred Stock Purchase Agreement and Senior Preferred Stock and Warrant for information on the related dividend obligation and liquidation preference) | **25,259** | 14,608 |
| Total liabilities and equity | **$ 3,985,749** | $ 3,503,319 |

See Notes to Consolidated Financial Statements in the 2020 Form 10-K

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

| | For the Three Months ended December 31, | | For the Year ended December 31, | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Interest income: | | | | |
| Trading securities | $ 162 | $ 350 | $ 874 | $ 1,627 |
| Available-for-sale securities | 22 | 37 | 98 | 175 |
| Mortgage loans | 24,561 | 28,929 | 106,316 | 117,374 |
| Federal funds sold and securities purchased under agreements to resell or similar arrangements | 11 | 145 | 146 | 843 |
| Other | 43 | 43 | 135 | 163 |
| Total interest income | 24,799 | 29,504 | 107,569 | 120,182 |
| Interest expense: | | | | |
| Short-term debt | (7) | (132) | (182) | (501) |
| Long-term debt | (17,706) | (23,450) | (82,521) | (98,388) |
| Total interest expense | (17,713) | (23,582) | (82,703) | (98,889) |
| Net interest income | 7,086 | 5,922 | 24,866 | 21,293 |
| Benefit (provision) for credit losses | 1,416 | 279 | (678) | 4,011 |
| Net interest income after benefit (provision) for credit losses | 8,502 | 6,201 | 24,188 | 25,304 |
| Investment gains, net | 263 | 923 | 907 | 1,770 |
| Fair value gain (losses), net | (880) | 84 | (2,501) | (2,214) |
| Fee and other income | 159 | 131 | 462 | 566 |
| Non-interest income (loss) | (458) | 1,138 | (1,132) | 122 |
| Administrative expenses: | | | | |
| Salaries and employee benefits | (393) | (363) | (1,554) | (1,486) |
| Professional services | (248) | (268) | (921) | (967) |
| Other administrative expenses | (162) | (155) | (593) | (570) |
| Total administrative expenses | (803) | (786) | (3,068) | (3,023) |
| Foreclosed property expense | (16) | (151) | (177) | (515) |
| Temporary Payroll Tax Cut Continuation Act of 2011 (“TCCA”) fees | (697) | (626) | (2,673) | (2,432) |
| Credit enhancement expense | (300) | (352) | (1,361) | (1,134) |
| Change in expected credit enhancement recoveries | (180) | — | 233 | — |
| Other expenses, net | (339) | (194) | (1,131) | (745) |
| Total expenses | (2,335) | (2,109) | (8,177) | (7,849) |
| Income before federal income taxes | 5,709 | 5,230 | 14,879 | 17,577 |
| Provision for federal income taxes | (1,139) | (865) | (3,074) | (3,417) |
| Net income | 4,570 | 4,365 | 11,805 | 14,160 |
| Other comprehensive loss: | | | | |
| Changes in unrealized gains (losses) on available-for-sale securities, net of reclassification adjustments and taxes | (19) | (94) | (23) | (179) |
| Other, net of taxes | 15 | (5) | 8 | (12) |
| Total other comprehensive loss | (4) | (99) | (15) | (191) |
| Total comprehensive income | $ 4,566 | $ 4,266 | $ 11,790 | $ 13,969 |
| Net income | $ 4,570 | $ 4,365 | $ 11,805 | $ 14,160 |
| Dividends distributed or amounts attributable to senior preferred stock | (4,566) | (4,266) | (11,790) | (13,969) |
| Net income attributable to common stockholders | $ 4 | $ 99 | $ 15 | $ 191 |
| Earnings per share: | | | | |
| Basic | $ 0.00 | $ 0.02 | $ 0.00 | $ 0.03 |
| Diluted | 0.00 | 0.02 | 0.00 | 0.03 |
| Weighted-average common shares outstanding: | | | | |
| Basic | 5,867 | 5,762 | 5,867 | 5,762 |
| Diluted | 5,893 | 5,893 | 5,893 | 5,893 |

See Notes to Consolidated Financial Statements in the 2020 Form 10-K

EXHIBIT 99

Fannie Mae®

# Financial Supplement
# Q4 and Full Year 2020

February 12, 2021

- Some of the terms and other information in this presentation are defined and discussed more fully in Fannie Mae's Form 10-K for the year ended D 31, 2020 (“2020 Form 10-K”). This presentation should be reviewed together with the 2020 Form 10-K, which is available at www.fanniemae.com ir “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. Alt Fannie Mae generally consider 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 population.
- Unless otherwise indicated data is as of December 31 or for the full year indicated.
- Note references are to endnotes, appearing on pages 28 to 31.
- 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 oth 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 m

**DUS®:** Fannie Mae’s Delegated Underwriting and Servicing program

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

**LTV ratio:** Loan-to-value ratio

**MSA:** Metropolitan statistical area

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

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

**REO:** Real estate owned

**TCCA:** Temporary Payroll Tax Cut Continuation Act of 2011

**UPB:** Unpaid principal balance

# Table of Contents

# Overview



Fannie Mae®

# Corporate Financial Highlights

## Summary of 2020 and Q4 2020 Financial Results

| (Dollars in millions) | 2020 | 2019 | Variance | Q4 2020 | Q3 2020 | Variance |
|---|---|---|---|---|---|---|
| Net interest income[(1)] | **$24,866** | $21,293 | $3,573 | **$7,086** | $6,656 | $430 |
| Fee and other income | **462** | 566 | (104) | **159** | 93 | 66 |
| **Net revenues** | **25,328** | 21,859 | 3,469 | **7,245** | 6,749 | 496 |
| Investment gains, net | **907** | 1,770 | (863) | **263** | 653 | (390) |
| Fair value losses, net | **(2,501)** | (2,214) | (287) | **(880)** | (327) | (553) |
| Administrative expenses | **(3,068)** | (3,023) | (45) | **(803)** | (762) | (41) |
| Total credit-related income (expense) | **(855)** | 3,496 | (4,351) | **1,400** | 430 | 970 |
| TCCA fees | **(2,673)** | (2,432) | (241) | **(697)** | (679) | (18) |
| Other expenses, net | **(2,259)** | (1,879) | (380) | **(819)** | (686) | (133) |
| Income before federal income taxes | **14,879** | 17,577 | (2,698) | **5,709** | 5,378 | 331 |
| Provision for federal income taxes | **(3,074)** | (3,417) | 343 | **(1,139)** | (1,149) | 10 |
| **Net income** | **$11,805** | $14,160 | $(2,355) | **$4,570** | $4,229 | $341 |
| **Total comprehensive income** | **$11,790** | $13,969 | $(2,179) | **$4,566** | $4,216 | $350 |
| **Net worth** | **$25,259** | $14,608 | $10,651 | **$25,259** | $20,693 | $4,566 |

## 2020 Key Highlights

**$11.8 billion in annual net income a billion fourth quarter 2020 net incom net worth reaching $25.3 billion a December 31, 2020**

***Credit-related expense***

- Largest driver of 2020 was a $4. shift from $3.5 billion credit-relat in 2019 to $0.9 billion credit-rela expense in 2020 driven by the e downturn and a significant decli redesignations of single-family reperforming mortgage loans ("R held for investment ("HFI") to he ("HFS") in 2020.
- RPL loan redesignations were $ in 2020, down from $16.7 billion
- 2020 credit-related expense was offset by the impact of strong ho growth and lower interest rates.

***Investment gains, net***

- $7.5 billion UPB of RPLs were s 2020 resulting in investment gai $0.8 billion, down from 2019 due sales volumes.

**Partially offset by:**

***Net interest income***

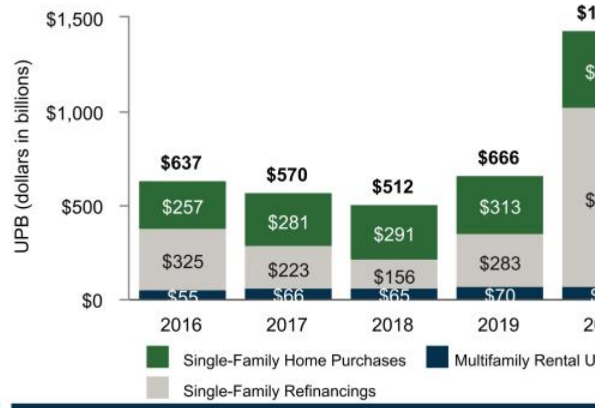
- Increased by $3.6 billion in 2020 compared to 2019 driven primar increase in net amortization inco near-record levels of refinancing 2020 as interest rates declined t historically low levels.

# Guaranty Book of Business Highlights

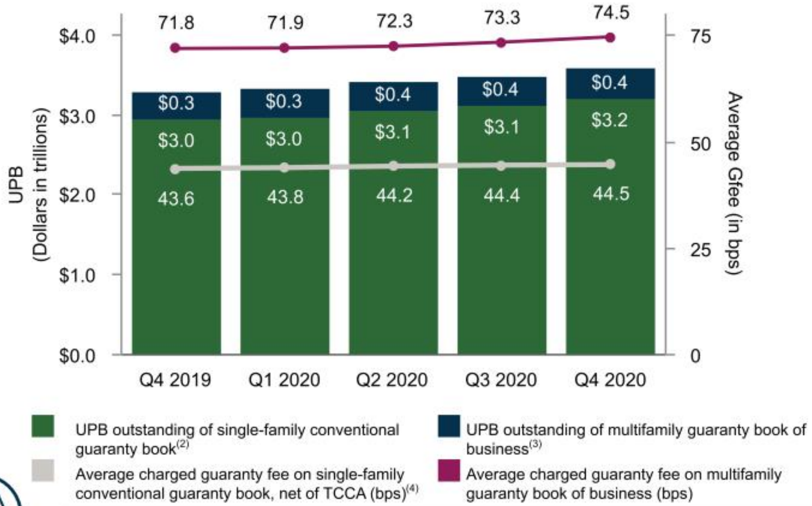
## Market Liquidity Provided

**Total Liquidity Provided in 2020 was over $1.4 Trillion**

| Unpaid Principal Balance | Units |
|---|---|
| $411B | 1.5M Single-Family Home Purchases |
| $948B | 3.4M Single-Family Refinancings |
| $76B | 792K Multifamily Rental Units |




## Outstanding Conventional Guaranty Book of Business at Period End

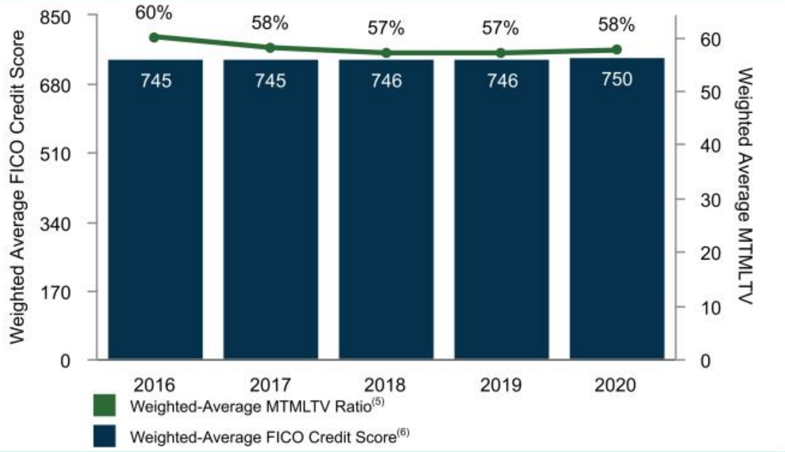



## Highlights

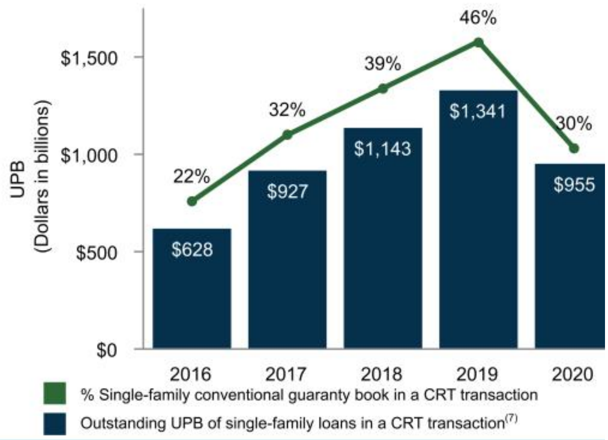
- Fannie Mae provided over $1.4 trillion of liquidity in 20 which represents the company's highest acquisition vo ever.
- 3.4 million refinanced loans was the highest refinance volume since 2003.
- The company's whole loan conduit continued to provic liquidity to primarily support small-to medium-sized ler 55% of 2020 single-family acquisitions, or $746.4 billic delivered through the whole loan conduit, which was r than double 2019 volume.
- 38% of the company's outstanding conventional single guaranty book of business as of December 31, 2020 w originated during 2020, resulting in high book turnover the year.

# Single-Family Credit Characteristics

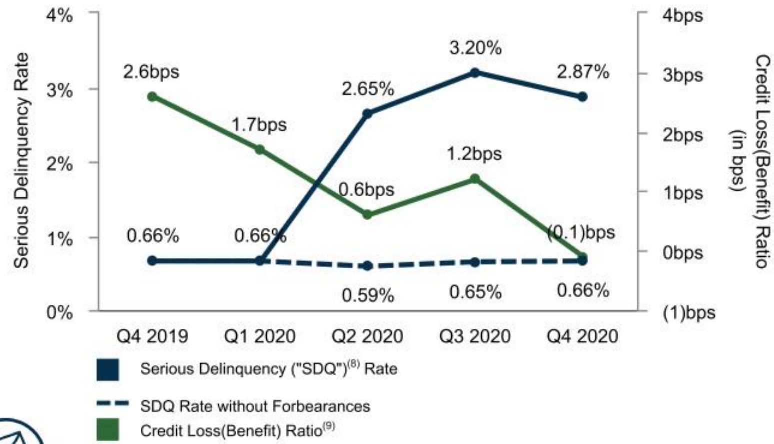
## Credit Characteristics of Guaranty Book




## Guaranty Book in a CRT




## Credit Ratios

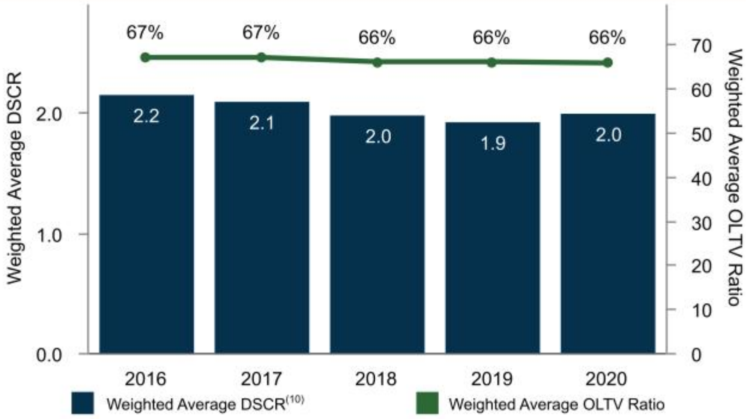



## Highlights

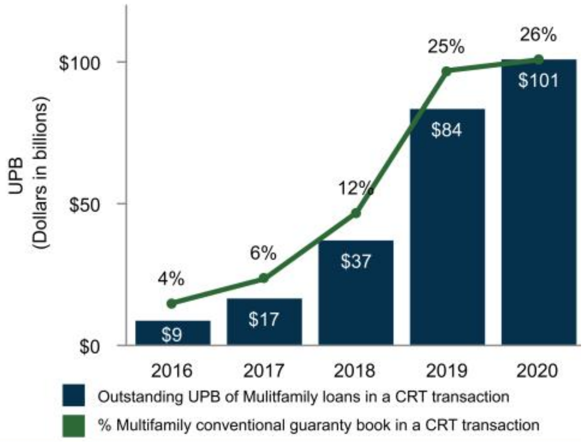
- The credit characteristics of the single-family conventional guaranty book of business remained strong in 2020 with a weighted-average MTMLTV ratio of 58% and weighted-ave FICO credit score of 750.
- The company did not enter into any new CRT transactions Q1 2020 due to adverse market conditions and its review c costs and benefits of these transactions, reducing the perc of loans in the single-family conventional guaranty book of business covered by CRT to 30% at year-end.
- The single-family SDQ rate rose through the third quarter a continued to enter COVID-19-related forbearances. Howe SDQ rate declined in Q4 2020 as loans began to successfi forbearance. The SDQ rate excluding forbearance remaine unchanged year-over-year at 0.66%.

# Multifamily Credit Characteristics

## Credit Characteristics of Guaranty Book




## Guaranty Book in a CRT



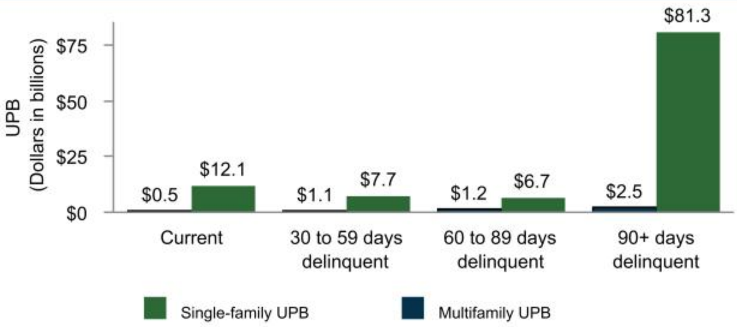

## Credit Ratios


## Highlights

- The credit characteristics of the multifamily guaranty book business remained strong in 2020 with a weighted-averag original LTV of 66% and weighted average DSCR of 2.0.
- As of December 31, 2020, substantially all of the multifam guaranty book of business is covered by DUS loss-sharin Additionally, 26% has back-end coverage through the con CRT programs.
- The multifamily SDQ rate increased through the third quar result of a number of loans in a COVID-19-related forbear with a slight decline in Q4 2020 as some loans began to r their delinquency. The SDQ rate without forbearance has remained relatively flat throughout 2020.

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

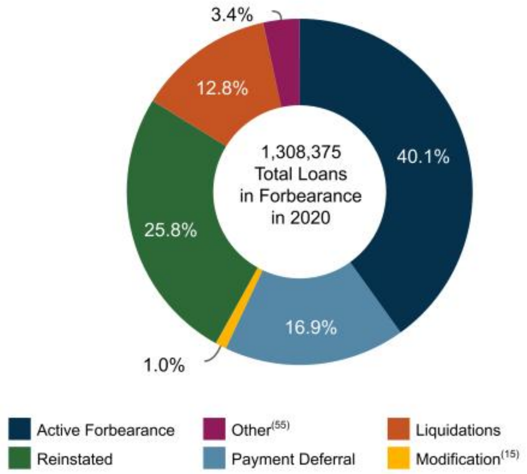
### Delinquency Status of Loans in Forbearance as of December 31, 2020[13]



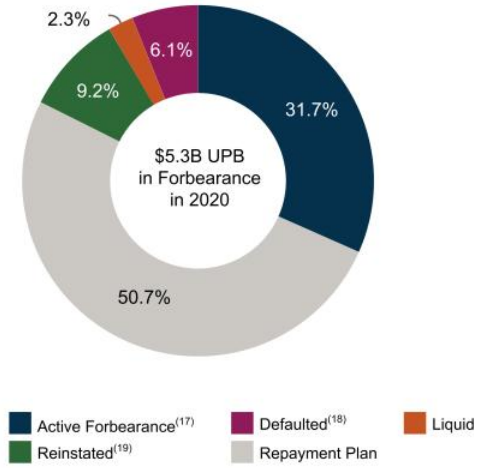

### Highlights

- Fannie Mae provided economic relief to 1.3 million single-fami multifamily borrowers by offering payment forbearance in 2020
- 57% of single-family loans, based upon loan count, and 62% c multifamily loans, based upon UPB, that were in forbearance i have successfully exited forbearance as of year end.
- As a result, single-family loans in an active forbearance decrea 25%, based upon loan count, in Q4 2020 compared to Q3 202
- 12% of the single-family loans in an active forbearance remain as of December, 31, 2020.
- Multifamily loans in an active forbearance remained relatively 1 2020 compared to Q3 2020.

### Single-Family Loan Forbearance Status[14]

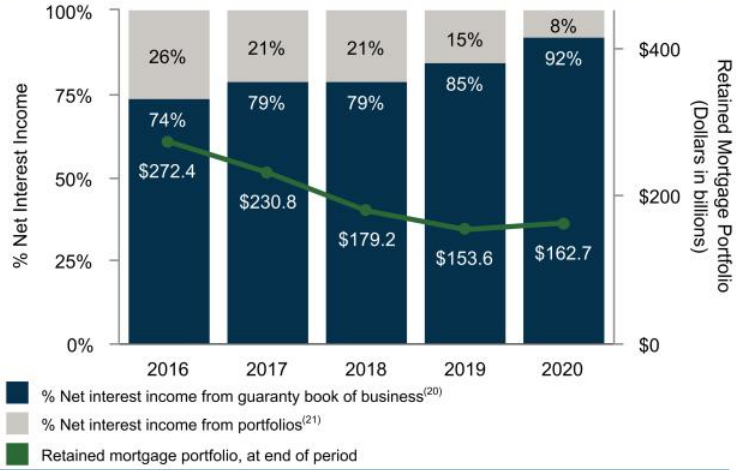



### Multifamily Loan Forbearance Status[16]



# Portfolio and Liquidity Management

## Sources of Net Interest Income and Retained Mortgage Portfolio Balance

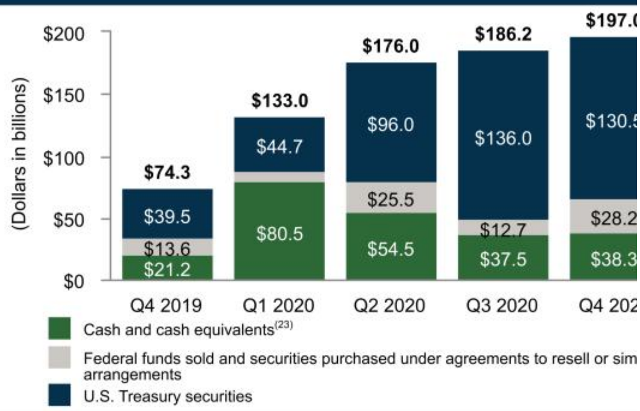



## Highlights

- Net interest income from portfolios decreased in 2020 due to lo yields on mortgage loans and assets in the company's other investments portfolio and continued runoff in legacy assets, par offset by a decrease in interest expense on funding debt as key benchmark rates declined.
- Long-term debt issuances in 2020 supported elevated refinanci purchase activity, the new liquidity risk management requireme issued by FHFA in December 2020 and anticipated future liquid needs due to the COVID-19 pandemic.
- Other investments portfolio increased significantly throughout 2 primarily driven by debt issuances as cash was invested to sup anticipated future liquidity needs and the new liquidity requirem
- Retained mortgage portfolio increased due to higher acquisition loans through the whole loan conduit, but as of year end remai below the $225 billion cap pursuant to instructions from the FH

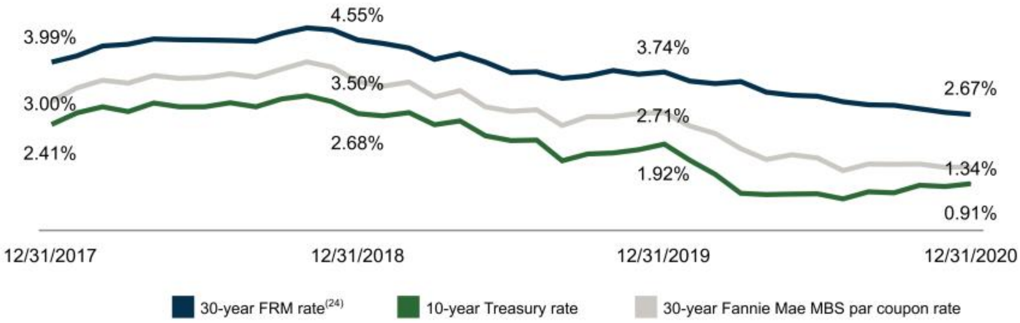
## Debt of Fannie Mae[22]


## Other Investments Portfolio ("OIP")

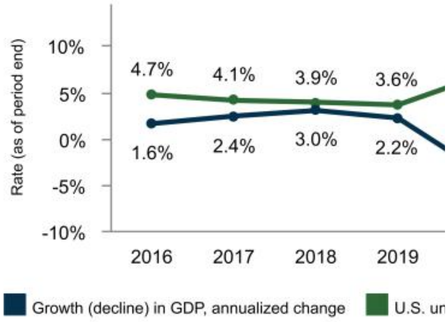


# Key Market Economic Indicators

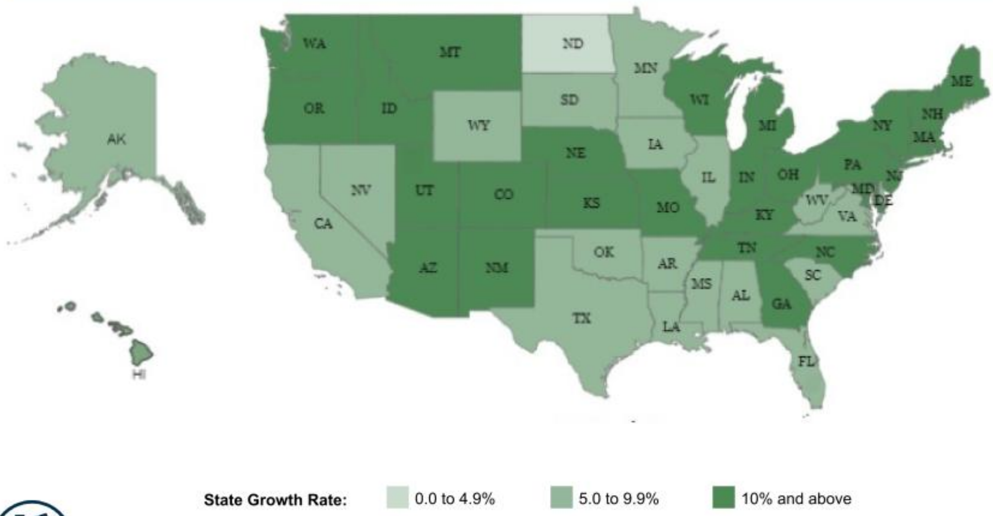
## Benchmark Interest Rates



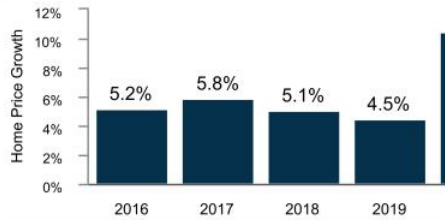

## U.S. GDP Growth (Decline) Rate Unemployment Rate(25)




## One Year Home Price Growth Rate Q4 2020(26) United States 10.5%




## Single-Family Home Price Growth R

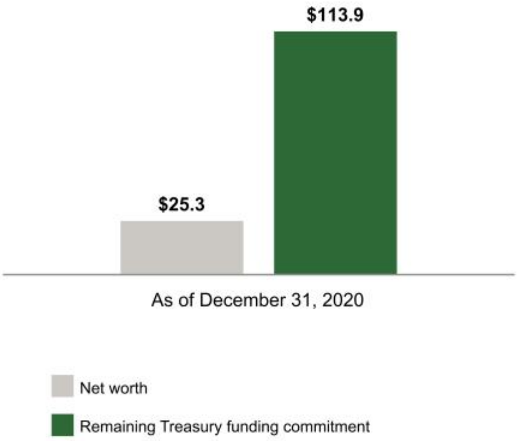



## Top 10 States by UPB(26)

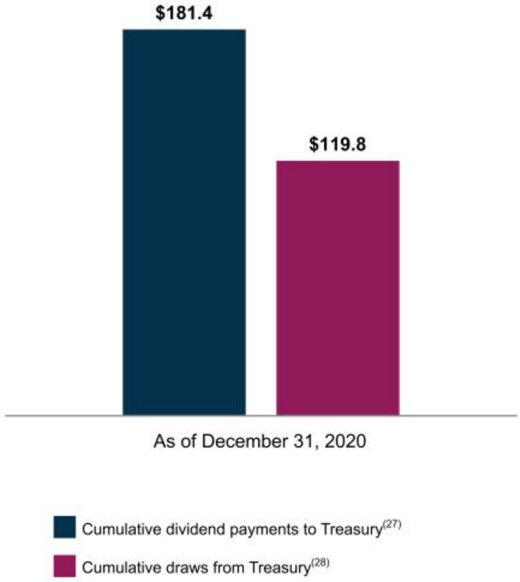
| State | One Year Home Price Growth Rate Q4 2020 | Share of S Conventio B |
| --- | --- | --- |
| CA | 9.95% | 1 |
| TX | 8.29% | 6 |
| FL | 9.44% | 5 |
| NY | 10.46% | 4 |
| WA | 14.22% | 3 |
| IL | 8.09% | 3 |
| NJ | 11.86% | 3 |
| CO | 10.85% | 3 |
| VA | 9.69% | 3 |
| PA | 10.37% | 2 |

# Net Worth, Treasury Funding and Senior Preferred Stock Dividenc

Net Worth and Treasury Funding Commitment (Dollars in billions)




Dividend Payments and Draws (Dollars in billions)



# Single-Family Business



Fannie Mae

# Single-Family Highlights

## 2020

**$21,502M**
Net interest income

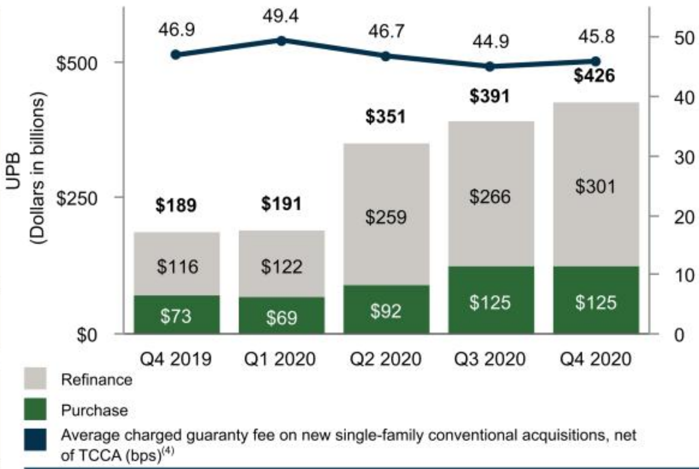
**$728M**
Investment gains, net

**$(2,539)M**
Fair value losses, net

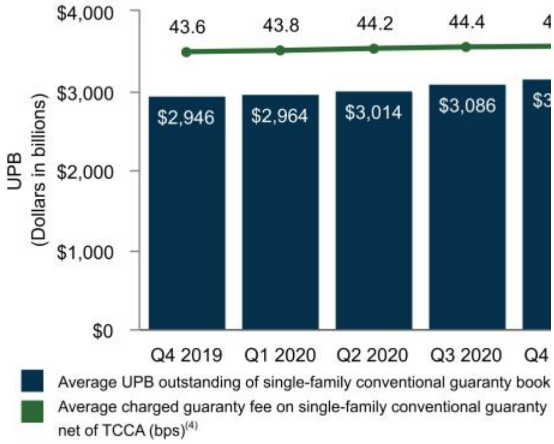
**$(232)M**
Credit-related expense

**$9,881M**
Net income

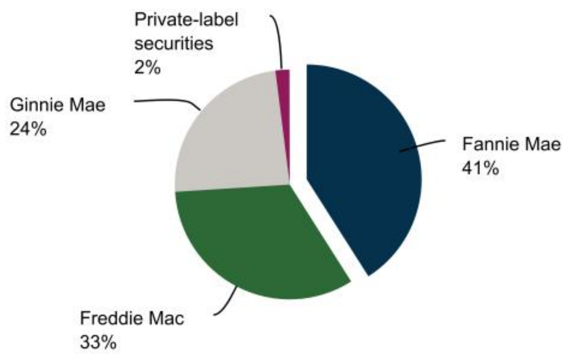
## Single-Family Conventional Loan Acquisitions[2]




## Single-Family Conventional Guaranty of Business[2]




## 2020 Single-Family Mortgage-Related Securities Share of Issuances



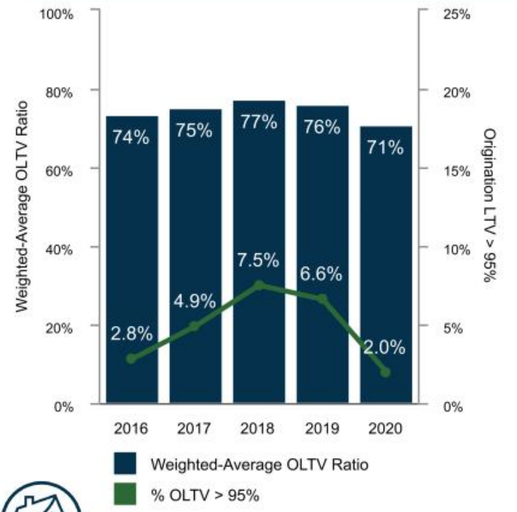

## Highlights

- The average single-family conventional guaranty business increased year-over-year by 7.3% to $ trillion as of Q4 2020.
- Book growth throughout 2020 was driven by hist high acquisition volume resulting from both loan refinancings and strong purchase demand from homebuyers.
- The average charged guaranty fee on 2020 acq decreased slightly from 2019 as the credit qualit those loans, based on average original LTV and improved over prior year.
- The company's share of mortgage-related secur issuances remained strong relative to the overal

# Credit Characteristics of Single-Family Conventional Loan Acquisitions

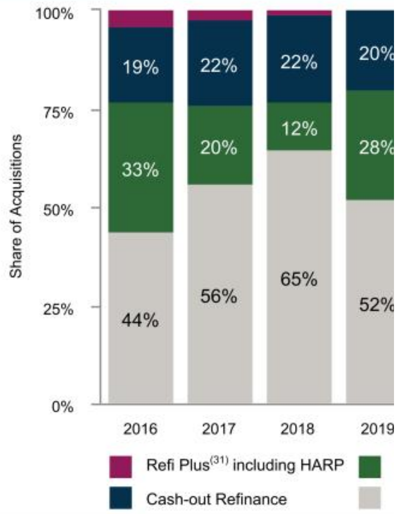
| Credit Characteristics of Single-Family Conventional Loans by Acquisition Period | | | | | | | | 2020 Acquisition Credit Profile by Certain Loan Featu | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Categories are not mutually exclusive** | Q4 2019 | Full Year 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Full Year 2020 | OLTV Ratio >95% | Home-Ready®[30] | FICO Credit Score < 680[6] |
| Total UPB (Dollars in billions) | $188.5 | $595.9 | $190.5 | $351.3 | $391.4 | $425.6 | **$1,358.8** | $36.1 | $33.6 | $58.4 |
| Weighted Average OLTV Ratio | 74% | 76% | 74% | 72% | 71% | 70% | **71%** | 97% | 87% | 72% |
| OLTV Ratio > 95% | 4% | 7% | 3% | 3% | 3% | 2% | **2%** | 100% | 31% | 0% |
| Weighted-Average FICO® Credit Score[6] | 753 | 749 | 753 | 759 | 762 | 762 | **760** | 749 | 747 | 658 |
| FICO Credit Score < 680[6] | 6% | 7% | 6% | 4% | 4% | 4% | **4%** | 0% | 6% | 100% |
| DTI Ratio > 43%[29] | 25% | 28% | 25% | 20% | 19% | 20% | **21%** | 18% | 36% | 25% |
| Fixed-rate | 99% | 99% | 99% | 100% | 100% | 100% | **100%** | 100% | 99% | 100% |
| Owner Occupied | 92% | 92% | 92% | 93% | 92% | 91% | **92%** | 100% | 100% | 96% |
| HomeReady®[30] | 4% | 7% | 3% | 2% | 2% | 3% | **2%** | 29% | 100% | 3% |

## Origination Loan-to-Value Ratio




## FICO Credit Score[6]


## Acquisitions by Loan Purp



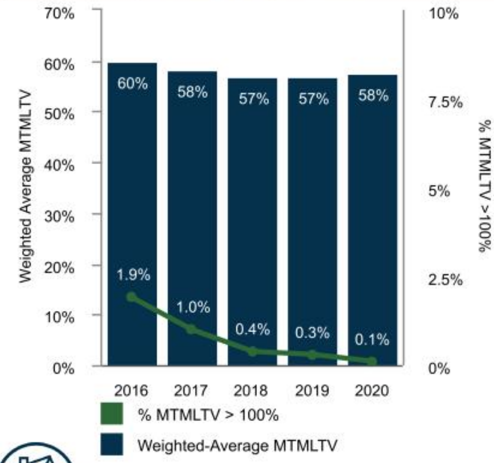
# Credit Characteristics of Single-Family Conventional Guaranty Book of Business

## Credit Characteristics of Single-Family Conventional Guaranty Book of Business by Origination Year and Loan Features[(2)(32)]

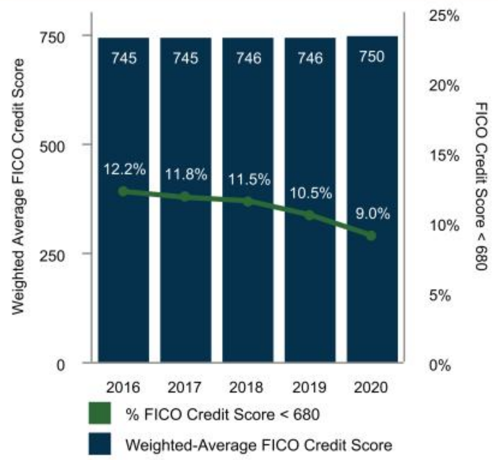
**As of December 31, 2020**

| **Categories are not mutually exclusive** | Overall Book | Origination Year: 2004 & Earlier | 2005-2008 | 2009-2016 | 2017 | 2018 | 2019 | 2020 | Certain Loan Feature: OLTV Ratio > 95% | Home-Ready[(8)(30)] | FICO Credit Score < 680[(6)] | Refi Plus Including HARP[(31)] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total UPB (Dollars in billions) | $3,200.9 | $51.6 | $83.4 | $1,103.5 | $221.3 | $175.9 | $359.8 | $1,205.4 | $181.0 | $91.6 | $288.9 | $215.2 |
| Average UPB | $185,047 | $66,007 | $114,016 | $143,928 | $182,872 | $187,354 | $229,409 | $273,918 | $159,693 | $178,065 | $143,532 | $118,420 |
| Share of Single-Family Conventional Guaranty Book | 100% | 2% | 3% | 34% | 7% | 5% | 11% | 38% | 6% | 3% | 9% | 7% |
| Loans in Forbearance by UPB | 3.4% | 6.9% | 11.4% | 3.6% | 5.8% | 7.9% | 5.3% | 0.7% | 6.2% | 5.7% | 9.6% | 4.9% |
| Share of Loans with Credit Enhancement[(33)] | 42% | 6% | 15% | 47% | 67% | 76% | 59% | 25% | 78% | 86% | 42% | 43% |
| Serious Delinquency Rate[(8)] | 2.87% | 5.88% | 9.98% | 2.60% | 4.15% | 5.59% | 3.60% | 0.43% | 5.34% | 4.21% | 8.08% | 3.56% |
| Weighted-Average OLTV Ratio | 74% | 74% | 76% | 75% | 75% | 78% | 76% | 71% | 106% | 89% | 77% | 86% |
| OLTV Ratio > 95% | 6% | 6% | 10% | 7% | 6% | 10% | 8% | 3% | 100% | 38% | 10% | 30% |
| Amortized OLTV Ratio[(34)] | 67% | 48% | 62% | 60% | 69% | 73% | 74% | 70% | 94% | 86% | 68% | 67% |
| Weighted-Average Mark-to-Market LTV Ratio[(5)] | 58% | 32% | 52% | 43% | 57% | 64% | 68% | 69% | 73% | 78% | 56% | 45% |
| Weighted-Average FICO Credit Score[(6)] | 750 | 700 | 695 | 751 | 742 | 735 | 747 | 760 | 728 | 739 | 648 | 728 |
| FICO Credit Score < 680[(6)] | 9% | 36% | 39% | 9% | 12% | 15% | 8% | 4% | 17% | 10% | 100% | 22% |

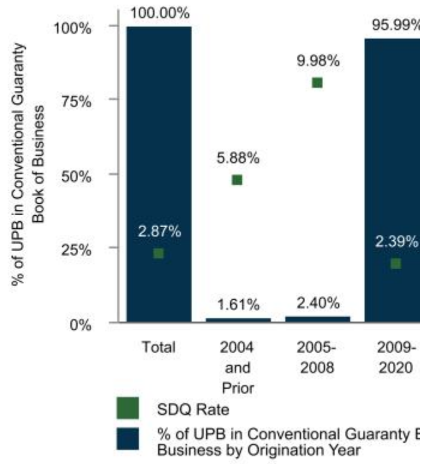
## Mark-to-Market Loan-to-Value (MTMLTV) Ratio[(5)]




## FICO Credit Score[(6)]

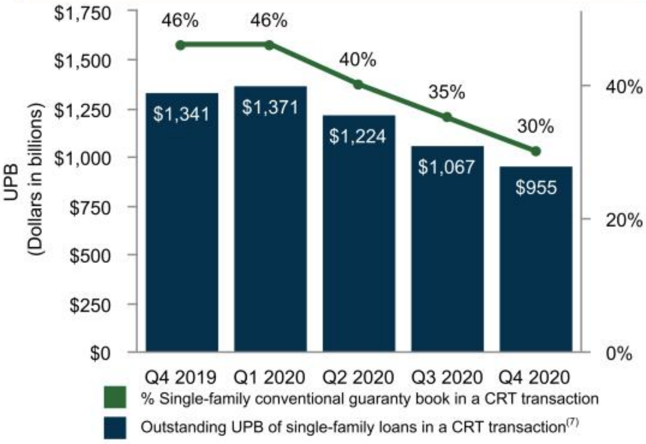



## SDQ Rate by Vintage[(8)] as of December 31, 202



# Single-Family Credit Risk Transfer

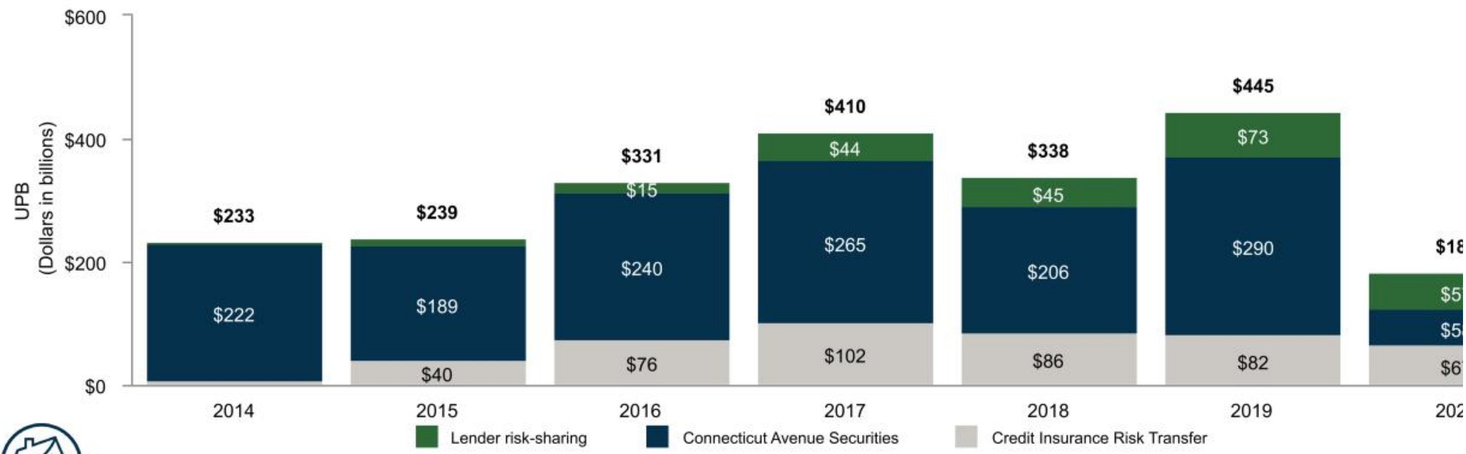
## Single-Family Credit Risk Transfer




## Single-Family Loans with Credit Enhancement

| | 2018 | | 2019 | | 20 |
|---|---|---|---|---|---|
| **Credit Enhancement Outstanding UPB (dollars in billions)** | Outstanding UPB | % of Book[35] Outstanding | Outstanding UPB | % of Book[35] Outstanding | Outstanding UPB |
| Primary mortgage insurance & other[36] | $618 | 21% | $653 | 22% | **$681** |
| Connecticut Avenue Securities[37] | $798 | 27% | $919 | 31% | **$608** |
| Credit Insurance Risk Transfer[7] | $243 | 8% | $275 | 10% | **$216** |
| Lender risk-sharing[37] | $102 | 4% | $147 | 5% | **$131** |
| (Less: loans covered by multiple credit enhancements) | ($394) | (13)% | ($438) | (15)% | **($304)** |
| Total single-family loans with credit enhancement | $1,367 | 47% | $1,556 | 53% | **$1,332** |

## Single-Family Credit Risk Transfer Issuance

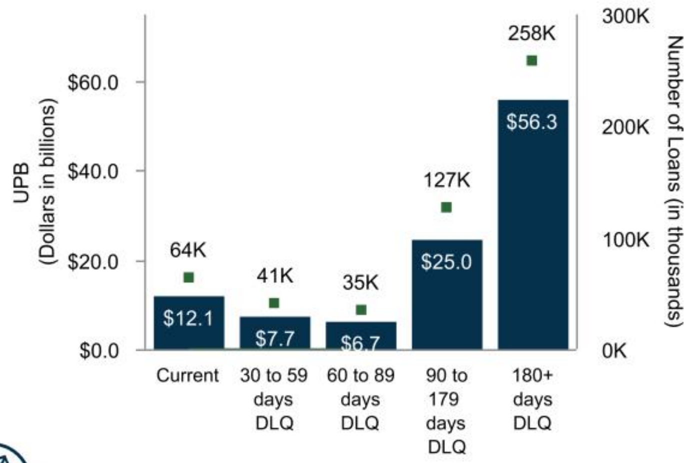


# Single-Family Conventional Guaranty Book of Business in Forbearance

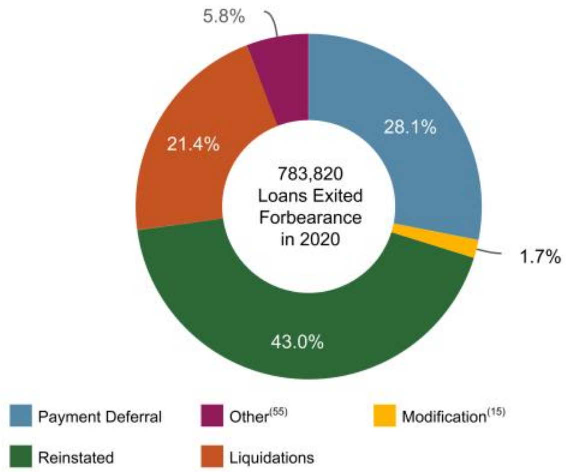
## Credit Characteristics of Single-Family Loans in Forbearance(39)

| As of December 31, 2020<br>Categories are not mutually exclusive | Total | Origination Year<br>2004 & Earlier | 2005-2008 | 2009-2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|
| Total UPB (Dollars in billions) | **$107.8** | $3.6 | $9.5 | $39.9 | $12.9 | $13.9 | $19.1 |
| Average UPB | **$205,469** | $96,741 | $165,434 | $185,898 | $224,891 | $232,105 | $275,734 |
| Share of Single-Family Conventional Guaranty Book based on Loan Count | **3.0%** | 0.2% | 0.3% | 1.3% | 0.3% | 0.3% | 0.4% |
| Share of Single-Family Conventional Guaranty Book based on UPB(40) | **3.4%** | 0.1% | 0.3% | 1.3% | 0.4% | 0.4% | 0.6% |
| MTMLTV Ratio >80% without Mortgage Insurance | **1.5%** | 0.1% | 0.8% | 0.3% | 0.1% | 0.1% | 0.1% |
| DTI Ratio > 43%(29) | **41.0%** | 1.0% | 3.9% | 13.0% | 4.8% | 7.0% | 8.0% |
| FICO Score < 680(6) | **25.8%** | 1.7% | 4.2% | 8.6% | 3.2% | 3.7% | 3.3% |
| OLTV Ratio >95% | **10.4%** | 0.3% | 0.9% | 3.9% | 1.1% | 1.8% | 2.0% |

## Delinquency Status of Loans in Forbearance as of December 31, 2020(13)

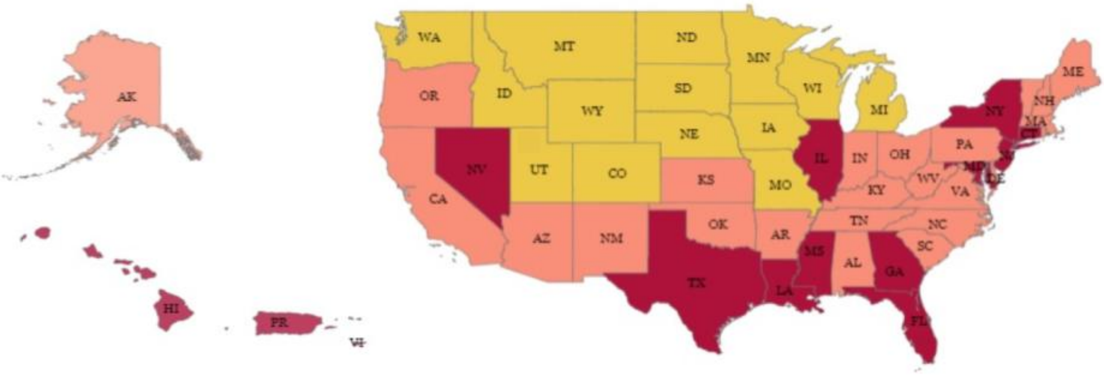



## Single-Family Loan Forbearance Exits



# Single-Family Problem Loan Statistics

## Single-Family Serious Delinquency Rate by State as of December 31, 2020[8]



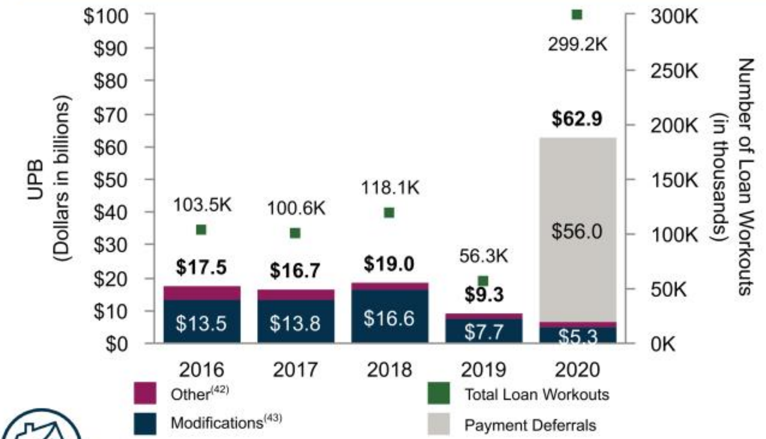

## Top 10 States by U

| State | Serious Delinquency Rate[8] |
|---|---|
| CA | 2.62% |
| TX | 3.39% |
| FL | 4.17% |
| NY | 4.79% |
| WA | 1.99% |
| NJ | 4.57% |
| IL | 3.10% |
| CO | 1.93% |
| VA | 2.53% |
| PA | 2.84% |

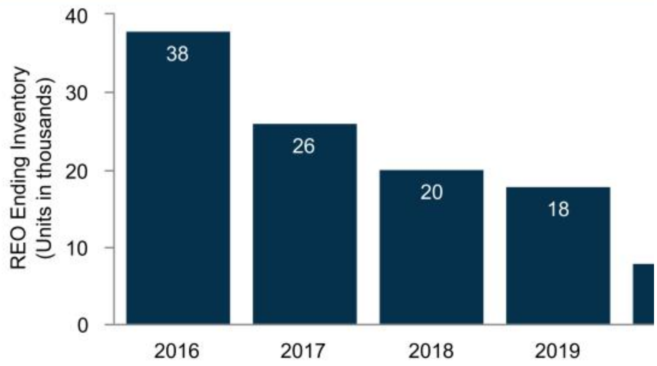
**State SDQ Rate:**

- 1.00% to 1.99%
- 2.00% to 2.99%
- 3.00% and abov

## Single-Family Loan Workouts



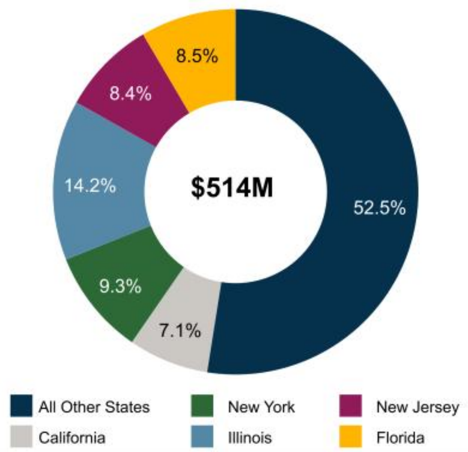

## Single-Family REO Ending Inventory



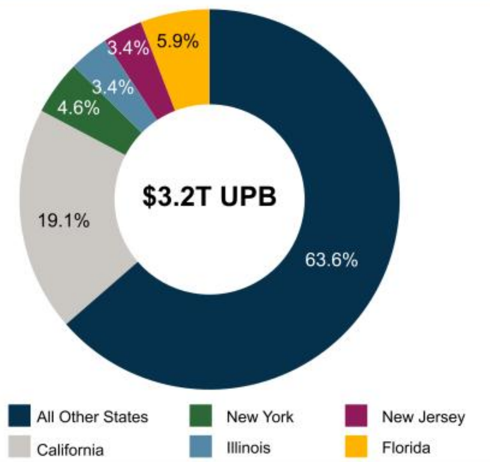
## Credit Loss Concentration of Single-Family Conventional Guaranty Book of Busines

| Certain Product Features<br>Categories are not mutually exclusive | % of Single-Family Conventional Guaranty Book of Business[35] 2016 | 2017 | 2018 | 2019 | 2020 | % of Single-Family Credit Losse For the Period Ended 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|---|---|
| Credit losses by period (Dollars in millions) | $3,338 | $2,963 | $2,457 | $1,719 | **$514** | 100.0% | 100.0% | 100.0% | 100.0% |
| Alt-A[45] | 3.1% | 2.5% | 1.9% | 1.5% | **1.1%** | 24.9% | 21.9% | 22.4% | 16.6% |
| Interest-only | 1.7% | 1.2% | 0.8% | 0.5% | **0.3%** | 12.2% | 15.7% | 15.4% | 11.5% |
| Origination LTV Ratio >95% | 6.9% | 6.6% | 6.8% | 6.9% | **5.7%** | 15.2% | 16.9% | 14.9% | 16.0% |
| FICO Credit Score < 680 and OLTV Ratio > 95%[6] | 1.7% | 1.6% | 1.4% | 1.3% | **0.9%** | 8.1% | 8.7% | 8.7% | 9.4% |
| FICO Credit Score < 680[6] | 12.2% | 11.8% | 11.4% | 10.5% | **9.0%** | 48.7% | 45.4% | 46.3% | 43.1% |
| Refi Plus including HARP | 15.4% | 13.2% | 11.4% | 9.5% | **6.7%** | 14.0% | 15.9% | 13.2% | 15.8% |
| **Vintage** | 2016 | 2017 | 2018 | 2019 | 2020 | 2016 | 2017 | 2018 | 2019 |
| 2009 - 2020 | 87% | 90% | 92% | 94% | **96%** | 19% | 23% | 20% | 27% |
| 2005 - 2008 | 8% | 6% | 5% | 4% | **2%** | 65% | 65% | 66% | 61% |
| 2004 & Prior | 5% | 4% | 3% | 2% | **2%** | 16% | 12% | 14% | 12% |

### % of 2020 Single-Family Credit Losses by State [44][46]

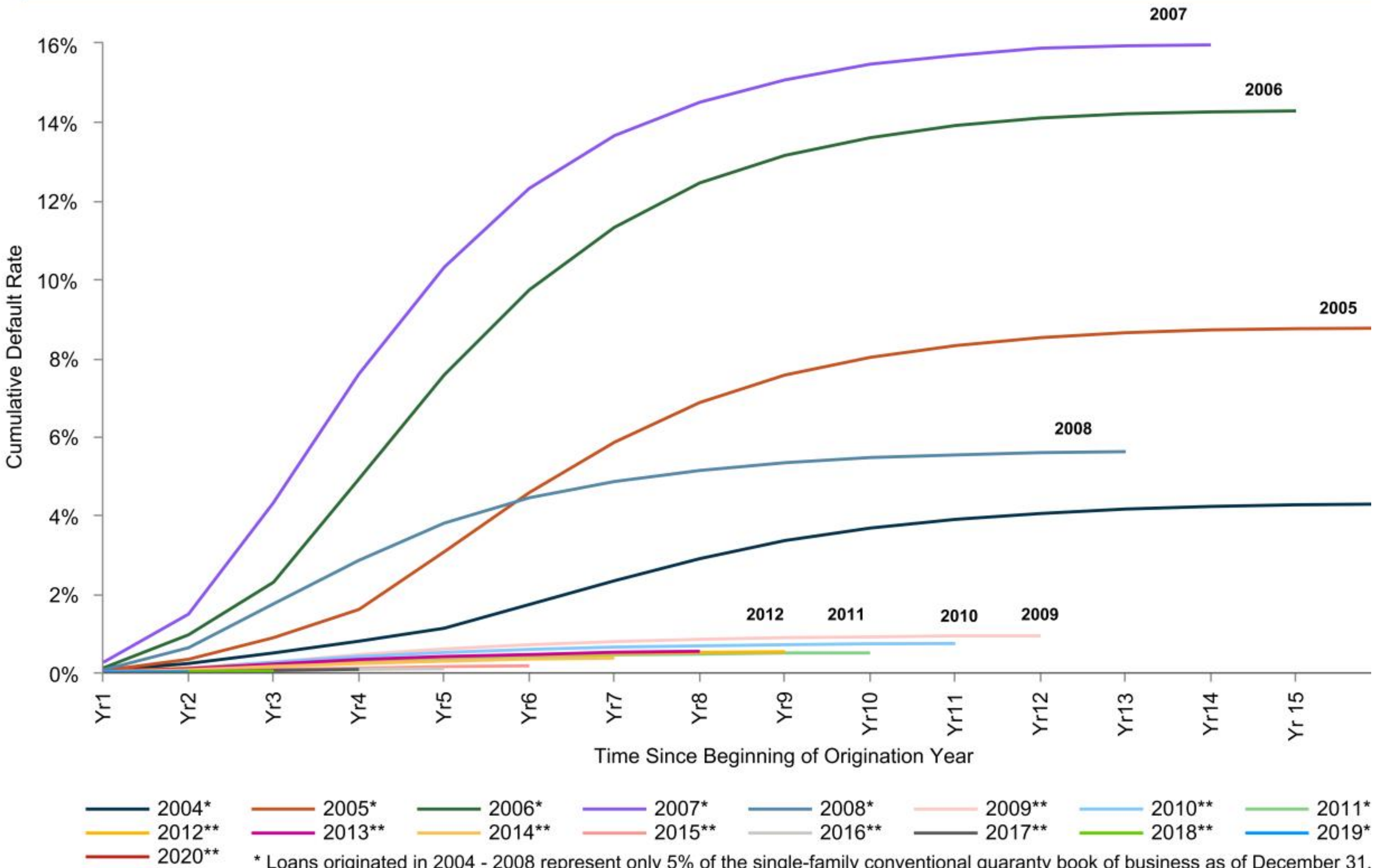



### % of Single-Family Conventional Guaranty Bo Business by State as of December 31, 202



# Single-Family Cumulative Default Rates

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




* Loans originated in 2004 - 2008 represent only 5% of the single-family conventional guaranty book of business as of December 31,

**As of December 31, 2020, cumulative default rates on the loans originated in each individual year from 2009-2020 were less than 1'

# Multifamily Business

# Multifamily Highlights

## 2020

**$3,364M**
Net interest income

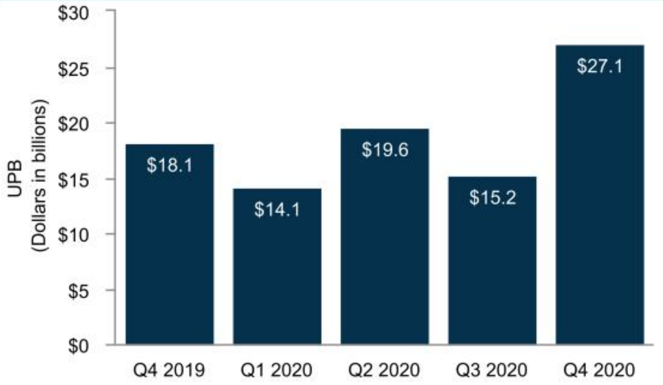
**$94M**
Fee and other income

**$38M**
Fair value gains, net

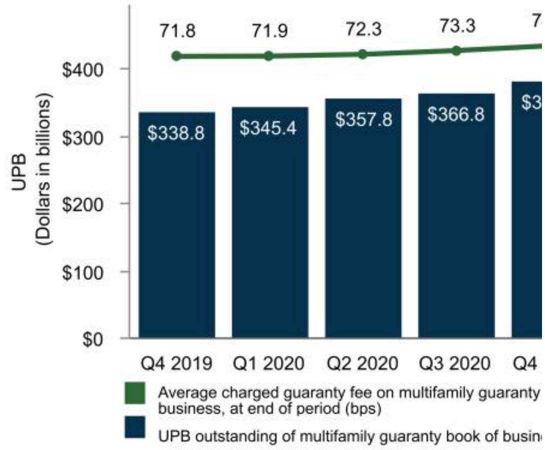
**$(623)M**
Credit-related expense

**$1,924M**
Net income

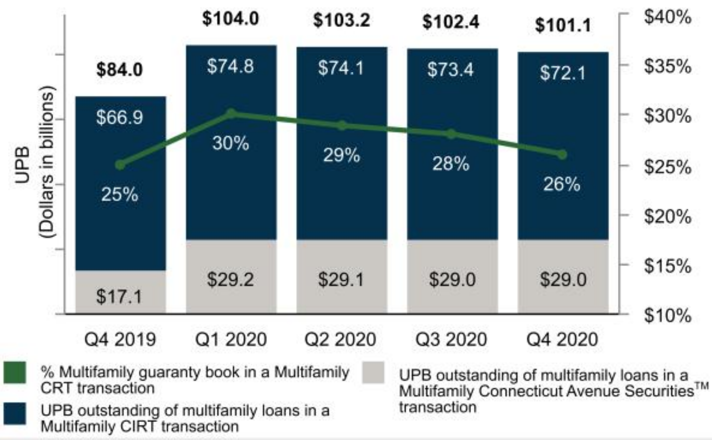
## Multifamily New Business Volume




## Multifamily Guaranty Book of Busine




## Multifamily Credit Risk Transfer




## Highlights

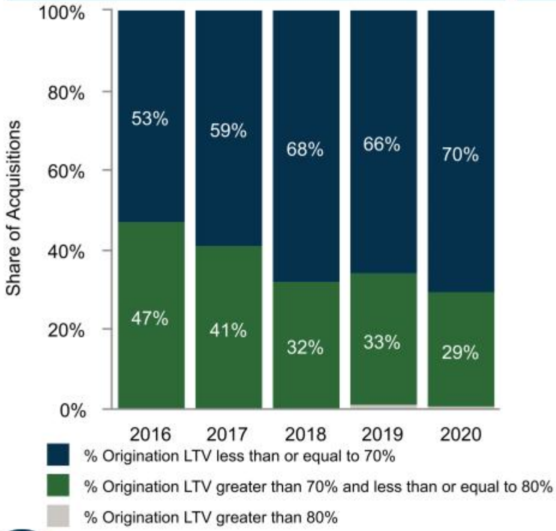
- Multifamily new business volume was a record l $76 billion in 2020.
- The multifamily guaranty book of business incre $45.7 billion in 2020 to $384.5 billion.
- The average charged guaranty fee on the multi book increased 2.7 basis points from Decembe 2019 to 74.5 basis points as of December 31, 2
- As of December 31, 2020, based on unpaid prin balance, 1.4% of Fannie Mae's multifamily guar book of business had received a forbearance pl primarily as a result of the COVID-19 pandemic than half of those loans, measured by unpaid p balance, were in a repayment plan and 0.4% of book, or $1.7 billion, was still in active forbearar year end.

# Credit Characteristics of Multifamily Loan Acquisitions

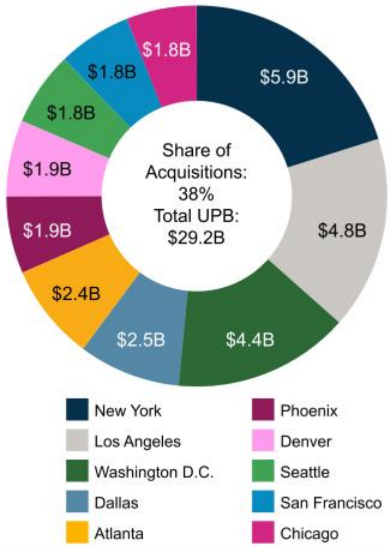
## Credit Characteristics of Multifamily Loans by Acquisition Period(3)

| Categories are not mutually exclusive | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|
| Total UPB (Dollars in billions) | $55.3 | $67.1 | $65.4 | $70.2 |
| Weighted Average OLTV Ratio | 68% | 67% | 65% | 66% |
| Loan Count | 3,335 | 3,861 | 3,723 | 4,113 |
| % Lender Recourse(48) | 99% | 100% | 100% | 100% |
| % DUS(49) | 99% | 98% | 99% | 100% |
| % Full Interest-Only | 23% | 26% | 33% | 33% |
| Weighted Average OLTV Ratio on Full Interest-Only Acquisitions | 57% | 58% | 58% | 59% |
| Weighted Average OLTV Ratio on Non-Full Interest-Only Acquisitions | 71% | 70% | 68% | 69% |
| % Partial Interest-Only(50) | 60% | 57% | 53% | 56% |

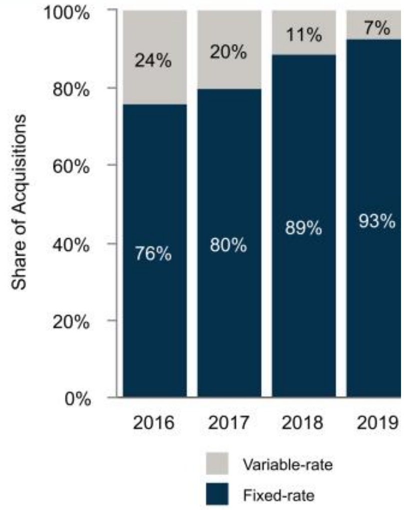
## Origination Loan-to-Value Ratio(3)




## Top 10 MSAs by 2020 Acquisition UPB(3)




## Acquisitions by Note Type



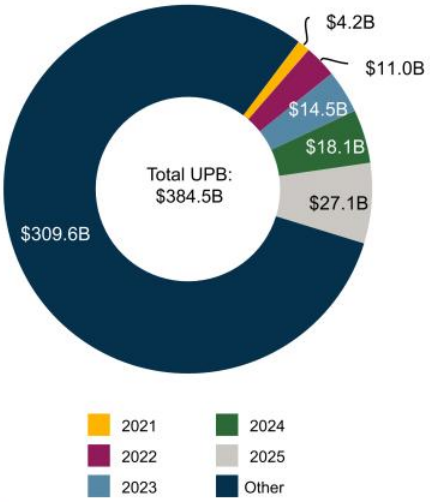
# Credit Characteristics of Multifamily Guaranty Book of Business

## Credit Characteristics of Multifamily Guaranty Book of Business by Acquisition Year, Asset Class, or Targeted Affordable Segmen

**As of December 31, 2020**

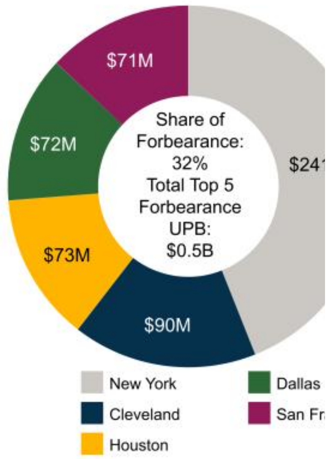
| Categories are not mutually exclusive | Overall Book | Acquisition Year: 2004 & Earlier | 2005-2008 | 2009-2016 | 2017 | 2018 | 2019 | 2020 | Asset Class or Targeted Affordable Se: Conventional /Co-op[51] | Seniors Housing[51] | Student Housing[51] | Manufactured Housing[51] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total UPB (Dollars in billions) | $384.5 | $3.6 | $5.3 | $110.1 | $57.6 | $62.3 | $69.7 | $75.9 | $336.3 | $17.1 | $14.6 | $16.5 |
| % of Multifamily Book | 100% | 1% | 1% | 29% | 15% | 16% | 18% | 20% | 87% | 5% | 4% | 4% |
| Loan Count | 28,645 | 653 | 2,837 | 9,382 | 3,181 | 3,479 | 4,065 | 5,048 | 25,852 | 679 | 681 | 1,433 |
| Average UPB (Dollars in millions) | $13.4 | $5.5 | $1.9 | $11.7 | $18.1 | $17.9 | $17.1 | $15.0 | $13.0 | $25.2 | $21.5 | $11.5 |
| Loans in Forbearance by UPB[38] | 0.4% | 0.1% | 0.0% | 0.4% | 1.5% | 0.3% | 0.3% | 0.0% | 0.2% | 3.7% | 3.1% | 0.0% |
| Weighted Average OLTV Ratio | 66% | 72% | 66% | 67% | 67% | 65% | 66% | 64% | 66% | 66% | 66% | 66% |
| Weighted Average DSCR[10] | 2.0 | 3.1 | 2.4 | 2.0 | 2.0 | 1.8 | 1.9 | 2.3 | 2.0 | 1.8 | 1.8 | 2.0 |
| % Fixed rate | 90% | 10% | 41% | 91% | 88% | 92% | 93% | 93% | 92% | 64% | 85% | 92% |
| % Full Interest-Only | 30% | 33% | 25% | 22% | 29% | 34% | 33% | 38% | 32% | 12% | 26% | 24% |
| % Partial Interest-Only[50] | 51% | 6% | 23% | 49% | 56% | 53% | 56% | 50% | 50% | 57% | 64% | 57% |
| % Small Balance Loans[53] | 45% | 75% | 93% | 50% | 31% | 28% | 35% | 36% | 46% | 14% | 26% | 50% |
| % DUS[3] | 99% | 98% | 86% | 99% | 98% | 100% | 100% | 99% | 99% | 98% | 100% | 100% |
| Serious Delinquency Rate[11] | 0.98% | 0.06% | 0.88% | 1.42% | 2.43% | 0.66% | 0.50% | 0.01% | 0.53% | 7.74% | 4.56% | 0.00% |

## UPB by Maturity Year[3]



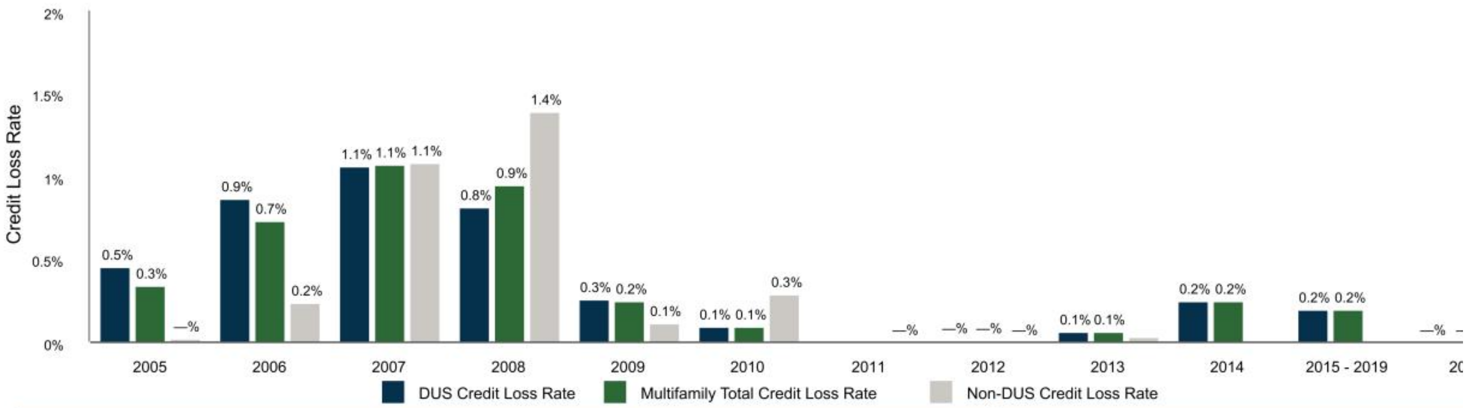

## Top 10 MSAs by UPB[3]


## Top 5 MSAs by Forbearance U

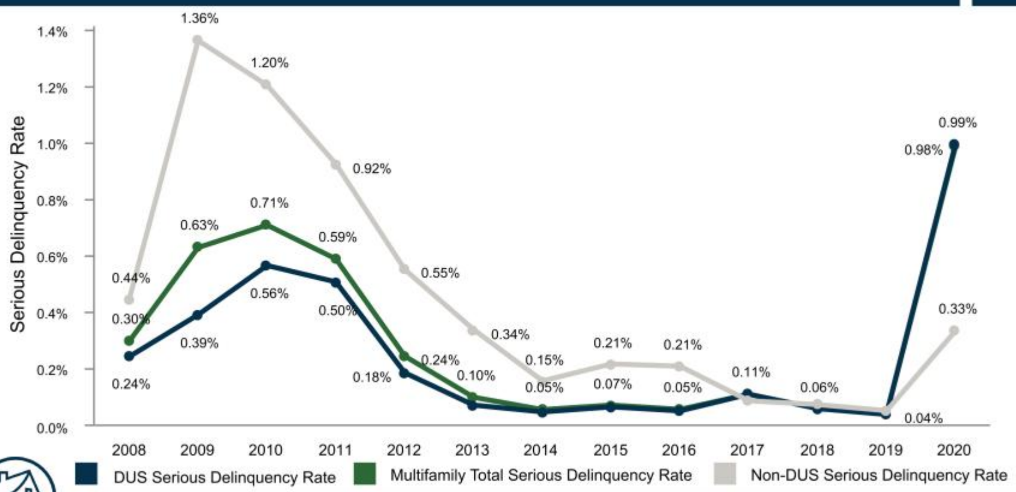


# Multifamily Serious Delinquency Rates and Credit Losses

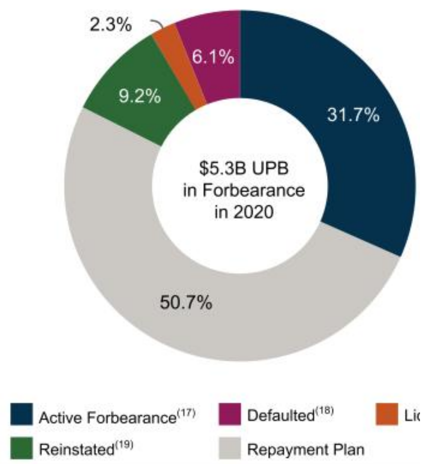
## DUS/Non-DUS Cumulative Credit Loss Rates by Acquisition Year Through YTD 2020[49][54]




## Serious Delinquency Rates[11][49]




## Multifamily Loan Forbearanc Status[16]



# Endnotes

# Endnotes

(1) Prior period amounts have been adjusted to reflect the current year change in presentation related to yield maintenance fees. As of January 1, 2020, all yield maintenance fe have been reported in interest income. For consolidated loans, the portion of the fee passed through to the holders of the trust certificates are classified as interest expense.

(2) Single-family conventional loan population consists of: (a) single-family conventional mortgage loans of Fannie Mae; (b) single-family conventional mortgage loans underlyin 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 sin family mortgage assets, such as long-term standby commitments. It excludes non-Fannie Mae single-family mortgage-related securities held in the retained mortgage portfol 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 par the U.S. government or one of its agencies.

(3) 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) ot credit enhancements that the company provided on multifamily mortgage assets. It excludes non-Fannie Mae multifamily mortgage-related securities held in the retained mo portfolio for which Fannie Mae does not provide a guaranty. Data reflects the latest available information as of December 31, 2020.

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

(5) 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, wh 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.

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

(7) Includes mortgage pool insurance transactions covering loans with an unpaid principal balance of approximately $2.2 billion outstanding as of December 31, 2020.

(8) Single-family "serious delinquency rate" refers to single-family conventional loans that are 90 days or more past due or in the foreclosure process in the applicable originatior product feature, or state, divided by the number of loans in the single-family conventional guaranty book of business in that origination year, product feature, or state. Loans i forbearance are reported as delinquent according to the contractual terms of the loans.

(9) Basis points are calculated based on the amount of write-offs, recoveries and foreclosed property expenses annualized divided by the average single-family conventional gu book of business during the period.

(10) Weighted average debt service coverage ratio, or ("DSCR"), is calculated using the most recent property financial operating statements. When operating statement informati 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 re 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.

(11) Multifamily loans are classified as seriously delinquent when payment is 60 days or more past due.

(12) 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 bo business for the period. Net credit benefits are the result of recoveries on previously charged-off amounts. Net credit losses include expected benefit of freestanding credit enhancements, primarily multifamily DUS lender-risk sharing transactions.

(13) 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 rece 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 an 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.

# Endnotes

(14) As a part of the company's relief programs and pursuant to the CARES Act, it is providing payment forbearance to borrowers experiencing a COVID-19-related financial hardship for up to 12 months or, for borrowers already in forbearance as of February 28, 2021, for a total of up to 15 months, provided that the forbearance does not result the loan becoming greater than 15 months delinquent. The company estimates that, through December 31, 2020, 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 in time.

(15) Includes loans that are in trial modifications. As of December 31, 2020, 83% of loans that were in forbearance in 2020 and subsequently received a completed modification were current.

(16) The table displays the status 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 in forbearance were associated with a COVID-19-related financial hardship.

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

(18) 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.

(19) Represents loans that are no longer in forbearance but are current according to the original terms of the loan.

(20) 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 201 the incremental revenue from which is remitted to Treasury and not retained by the company.

(21) 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.

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

(23) 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.

(24) 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.

(25) U.S. Gross Domestic Product ("GDP") annual growth rate for periods prior to 2020 are based on the quarterly series calculated by the Bureau of Economic Analysis and ar subject to revision. GDP decline rate for 2020 is the Advance Estimate published on January 28, 2021.

(26) Home price estimates are based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of December 2020. Including subsequent data may lead to materially different results. Home price growth rate is not seasonally adjusted. UPB estimates are based on data available through the end of December 2020, and the top 10 states are reported by UPB in descending order. One year home price growth rate is for the 12 month period ending December 31, 2020.

(27) Aggregate amount of dividends Fannie Mae has paid to Treasury on the senior preferred stock from 2008 through December 31, 2020. Under the terms of the senior preferred stock purchase agreement, dividend payments made to Treasury do not offset prior draws of funds from Treasury.

(28) Aggregate amount of funds the company has drawn from Treasury pursuant to the senior preferred stock purchase agreement from 2008 through December 31, 2020.

(29) 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 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.

# Endnotes

(30) Refers to HomeReady® mortgage loans, a low down payment mortgage product offered by the company that is designed for creditworthy low-income borrowers. HomeRea 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; th this category is not representative of all high LTV single-family loans acquired or in the single-family conventional guaranty book of business for the periods shown. See the 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 t 95%.

(31) "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 lo 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 loan LTV ratios greater than 80%.

(32) 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 conventional guaranty book of business. Loans with multiple product features are included in all applicable categories.

(33) 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 requiring collateral, letters of credit, mortgage insurance, corporate guarantees, inclusion in a credit risk transfer transaction reference pool, or other agreement that provide Fannie Mae's compensation to some degree in the event of a financial loss relating to the loan.

(34) 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.

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

(36) 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 agre 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 transacti unless such loans are also covered by primary mortgage insurance.

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

(38) Includes multifamily loans that are in an active forbearance as of December 31, 2020.

(39) 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 lo forbearance in that origination year at period end.

(40) 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 unpaid principal balance of the single-family conventional guaranty book of business at period end.

(41) 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 complete during the twelve months ended December 31, 2020. Home Equity Conversion Mortgages insured by the Department of Housing and Urban Development are excluded fro calculation.

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

(43) There were approximately 14,400 loans in a trial modification period that was not yet complete as of December 31, 2020.

# Endnotes

(44) Credit losses consist of (a) charge-offs net of recoveries and (b) foreclosed property expense (income). Percentages exclude the impact of recoveries that have not been a to specific loans.

(45) 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 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 t percentage of the book of business attributable to Alt-A to continue to decrease over time.

(46) 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 tl 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.

(47) 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 numbe 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 conventi loans in the guaranty book of business originated in the identified year. Data as of December 31, 2020 is not necessarily indicative of the ultimate performance of the loan performance is likely to change, perhaps materially, in future periods.

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

(49) Under the Delegated Underwriting and Servicing ("DUS") program, Fannie Mae acquires individual, newly originated mortgages from specially approved DUS lenders usir 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 a service most loans without a pre-review by the company.

(50) 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.

(51) See https://www.fanniemae.com/multifamily/products for definitions. Loans with multiple product features are included in all applicable categories.

(52) The Multifamily Affordable Business Channel focuses on financing properties that are under an agreement that provides long-term affordability, such as properties with rer subsidies or income restrictions.

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

(54) Cumulative net credit loss rate is the cumulative net credit losses (gains) through December 31, 2020 on the multifamily loans that were acquired in the applicable period, percentage of the total acquired unpaid principal balance of multifamily loans in the applicable period. Net credit losses include expected benefit of freestanding credit enhancements, primarily multifamily DUS lender-risk sharing transactions.

(55) Includes loans that were delinquent upon the expiration of the forbearance arrangement as well as loans that exited forbearance through a repayment plan.