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): July 30, 2024

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 (§230.405 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 July 30, 2024, Fannie Mae filed its quarterly report on Form 10-Q for the quarter ended June 30, 2024 and is issuing a press release reporting its financial results for the periods covered by the Form 10-Q. Copies of the press 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	Press release, dated July 30, 2024
99.2	Financial Supplement for Q2 2024, dated July 30, 2024
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/ Chryssa C. Halley
Chryssa C. Halley
Executive Vice President and Chief Financial Officer

Date: July 30, 2024

Contact: Pete Bakel
202-752-2034
Resource Center: 1-800-232-6643
Exhibit 99.1
Date: July 30, 2024

Fannie Mae Reports Net Income of $4.5 Billion for Second Quarter 2024

- $4.5 billion net income for the second quarter of 2024, with net worth reaching $86.5 billion as of June 30, 2024
- Net income increased $164 million in the second quarter of 2024 compared with the first quarter of 2024, primarily driven by increases in net interest income and benefit for credit losses
- $95 billion in liquidity provided in the second quarter of 2024, which enabled the financing of approximately 330,000 home purchases, refinancings, and rental units
- Acquired approximately 213,000 single-family purchase loans, of which approximately half were for first-time homebuyers, and approximately 45,000 single-family refinance loans during the second quarter of 2024
- Financed approximately 72,000 units of multifamily rental housing in the second quarter of 2024; a significant majority were affordable to households earning at or below 120% of area median income, providing support for both workforce and affordable housing
- Home prices grew 3.0% on a national basis in the second quarter of 2024 according to the Fannie Mae Home Price Index
- The U.S. weekly average 30-year fixed-rate mortgage rate increased from 6.79% as of the end of the first quarter of 2024 to 6.86% as of the end of the second quarter of 2024

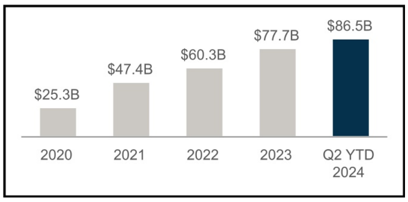
"Fannie Mae had another strong quarter, generating $4.5 billion in net income. Our net worth reached $86.5 billion, further strengthening our financial stability, and our capital position continued to improve. This quarter, we provided $95 billion in liquidity to the housing market, helping 330,000 households buy, refinance, or rent a home. Half of our single-family purchase acquisitions this quarter were loans made to first-time homebuyers, demonstrating that today's housing affordability pressures have not changed the desire to own a home. That's why managing risk and partnering with the industry to help consumers on their housing journeys remain top priorities."

Priscilla Almodovar
President & Chief Executive Officer

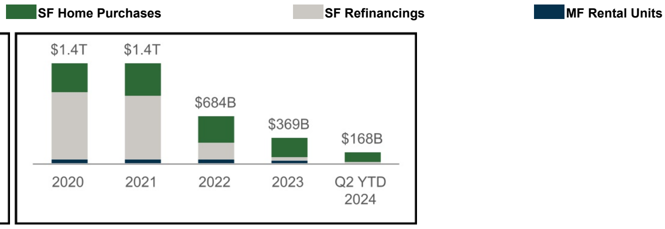
Q2 2024 Key Results

$86.5 Billion Net Worth

Increase of $4.5 billion in the second quarter of 2024

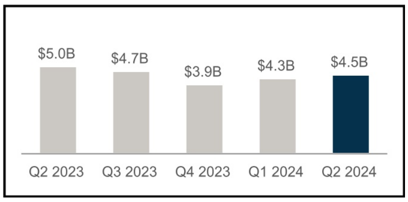


$168 Billion Supporting Housing Activity

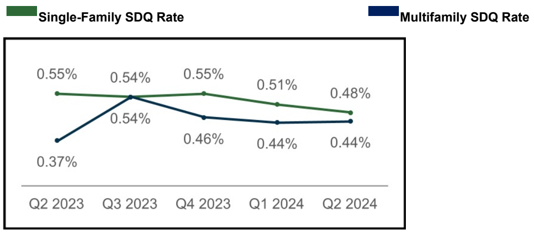


$4.5 Billion Net Income for Q2 2024

Increase of $164 million compared with first quarter 2024



Serious Delinquency Rates



Summary of Financial Results

(Dollars in millions)	Q224	Q124	Variance	% Change	Q223	Variance	% Change
Net interest income	**$ 7,268**	$ 7,023	$ 245	3 %	**$ 7,035**	$ 233	3 %
Fee and other income	**68**	72	(4)	(6) %	**70**	(2)	(3) %
Net revenues	**7,336**	7,095	241	3 %	**7,105**	231	3 %
Investment gains (losses), net	**(62)**	22	(84)	NM	**25**	(87)	NM
Fair value gains (losses), net	**447**	480	(33)	(7) %	**404**	43	11 %
Administrative expenses	**(939)**	(929)	(10)	(1) %	**(864)**	(75)	(9) %
Benefit (provision) for credit losses	**300**	180	120	67 %	**1,266**	(966)	(76) %
TCCA fees	**(859)**	(860)	1	— %*	**(856)**	(3)	— %*
Credit enhancement expense[(1)]	**(405)**	(419)	14	3 %	**(384)**	(21)	(5) %
Change in expected credit enhancement recoveries	**37**	63	(26)	(41) %	**(160)**	197	NM
Other expenses, net[(2)]	**(251)**	(199)	(52)	(26) %	**(257)**	6	2 %
Income before federal income taxes	**5,604**	5,433	171	3 %	**6,279**	(675)	(11) %
Provision for federal income taxes	**(1,120)**	(1,113)	(7)	(1) %	**(1,285)**	165	13 %
Net income	**$ 4,484**	$ 4,320	$ 164	4 %	**$ 4,994**	$ (510)	(10) %
Total comprehensive income	**$ 4,477**	$ 4,324	$ 153	4 %	**$ 4,995**	$ (518)	(10) %
Net worth	**$ 86,483**	$ 82,006	$ 4,477	5 %	**$ 69,044**	$ 17,439	25 %

NM - Not meaningful

* Represents less than 0.5%

(1) Consists of costs associated with freestanding credit enhancements, which primarily include the company's Connecticut Avenue Securities® ("CAS") and Credit Insurance Risk Transfer™ programs, enterprise-paid mortgage insurance, and certain lender risk-sharing programs.

(2) Includes debt extinguishment gains and losses, expenses associated with legal claims, foreclosed property income (expense), gains and losses from partnership investments, housing trust fund expenses, loan subservicing costs, and servicer fees paid in connection with certain loss mitigation activities.

Financial Highlights

Net income increased $164 million in the second quarter of 2024 compared with the first quarter of 2024, primarily driven by increases in net interest income and benefit for credit losses.

- Net interest income increased in the second quarter of 2024 compared with the first quarter of 2024 primarily driven by increases in both deferred guaranty fee income and interest income from portfolios.
- Benefit for credit losses was $300 million in the second quarter of 2024, compared with $180 million in the first quarter of 2024. The benefit for credit losses in the second quarter of 2024 reflects a $548 million single-family benefit for credit losses, partially offset by a $248 million multifamily provision for credit losses.
  - The single-family benefit for credit losses in the second quarter of 2024 was primarily driven by a benefit from actual and forecasted home price growth, partially offset by a provision on newly acquired loans.
  - The multifamily provision for credit losses in the second quarter of 2024 was primarily driven by continued declines in estimated actual and near-term projected multifamily property values and the impact of new 30-day loan delinquencies in the company's multifamily guaranty book of business.

Single-Family Business Financial Results

(Dollars in millions)	Q224	Q124	Variance	% Change	Q223	Variance	% Change
Net interest income	**$ 6,096**	$ 5,874	$ 222	4 %	**$ 5,917**	$ 179	3 %
Fee and other income	**51**	55	(4)	(7) %	**52**	(1)	(2) %
Net revenues	**6,147**	5,929	218	4 %	**5,969**	178	3 %
Investment gains (losses), net	**(70)**	13	(83)	NM	**27**	(97)	NM
Fair value gains (losses), net	**454**	484	(30)	(6) %	**460**	(6)	(1) %
Administrative expenses	**(784)**	(777)	(7)	(1) %	**(718)**	(66)	(9) %
Benefit (provision) for credit losses	**548**	335	213	64 %	**1,418**	(870)	(61) %
TCCA fees	**(859)**	(860)	1	— %*	**(856)**	(3)	— %*
Credit enhancement expense	**(333)**	(353)	20	6 %	**(327)**	(6)	(2) %
Change in expected credit enhancement recoveries	**(47)**	(42)	(5)	(12) %	**(223)**	176	79 %
Other expenses, net	**(218)**	(176)	(42)	(24) %	**(203)**	(15)	(7) %
Income before federal income taxes	**4,838**	4,553	285	6 %	**5,547**	(709)	(13) %
Provision for federal income taxes	**(983)**	(946)	(37)	(4) %	**(1,153)**	170	15 %
Net income	**$ 3,855**	$ 3,607	$ 248	7 %	**$ 4,394**	$ (539)	(12) %
Average charged guaranty fee on new conventional acquisitions, net of TCCA fees	51.9 bps	54.8 bps	(2.9) bps	(5) %	52.2 bps	(0.3) bps	(1) %
Average charged guaranty fee on conventional guaranty book of business, net of TCCA fees	47.6 bps	47.4 bps	0.2 bps	— %*	46.8 bps	0.8 bps	2 %

NM - Not meaningful

* Represents less than 0.5%

Key Business Highlights

- Single-family conventional acquisition volume was $85.9 billion in the second quarter of 2024, compared with $62.3 billion in the first quarter of 2024. Purchase acquisition volume, of which approximately half was for first-time homebuyers, increased to $74.5 billion in the second quarter of 2024 from $53.0 billion in the first quarter of 2024. Refinance acquisition volume was $11.4 billion in the second quarter of 2024, an increase from $9.3 billion in the first quarter of 2024.
- The average single-family conventional guaranty book of business decreased by $6.4 billion to $3,624.8 billion in the second quarter of 2024 compared with the first quarter of 2024, driven by loan paydowns, liquidations, and sales outpacing acquisition volumes during the quarter. The overall 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 50% and a weighted-average FICO credit score at origination of 753 as of June 30, 2024.
- The average charged guaranty fee, net of TCCA fees, on the single-family conventional guaranty book remained relatively flat at 47.6 basis points in the second quarter of 2024. The average charged guaranty fee on newly acquired single-family conventional loans, net of TCCA fees, decreased to 51.9 basis points in the second quarter of 2024, primarily as a result of a shift in product mix and an improvement in credit profile.
- The single-family serious delinquency rate decreased to 0.48% as of June 30, 2024 from 0.51% as of March 31, 2024. 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)	Q224	Q124	Variance	% Change	Q223	Variance	% Change
Net interest income	**$ 1,172**	$ 1,149	$ 23	2 %	**$ 1,118**	$ 54	5 %
Fee and other income	**17**	17	—	— %	**18**	(1)	(6)%
Net revenues	**1,189**	1,166	23	2 %	**1,136**	53	5 %
Fair value gains (losses), net	**(7)**	(4)	(3)	(75) %	**(56)**	49	88 %
Administrative expenses	**(155)**	(152)	(3)	(2) %	**(146)**	(9)	(6)%
Benefit (provision) for credit losses	**(248)**	(155)	(93)	(60) %	**(152)**	(96)	(63)%
Credit enhancement expense	**(72)**	(66)	(6)	(9) %	**(57)**	(15)	(26)%
Change in expected credit enhancement recoveries	**84**	105	(21)	(20) %	**63**	21	33 %
Other expenses, net*	**(25)**	(14)	(11)	(79) %	**(56)**	31	55 %
Income before federal income taxes	**766**	880	(114)	(13) %	**732**	34	5 %
Provision for federal income taxes	**(137)**	(167)	30	18 %	**(132)**	(5)	(4)%
Net income	**$ 629**	$ 713	$ (84)	(12) %	**$ 600**	$ 29	5 %
Average charged guaranty fee rate on multifamily guaranty book of business, at period end	75.5 bps	75.8 bps	(0.3) bps	— %**	77.4 bps	(1.9) bps	(2)%

* Includes investment gains or losses and other income or expenses.

** Represents less than 0.5%

Key Business Highlights

- New multifamily business volume was $9.3 billion in the second quarter of 2024, compared with $10.1 billion in the first quarter of 2024.
- The multifamily guaranty book of business grew by 1% in the second quarter of 2024 to $480.1 billion, driven by the company's acquisitions combined with low prepayment volumes due to the high interest rate environment.
- The average charged guaranty fee on the multifamily guaranty book declined slightly in the second quarter to 75.5 basis points as of June 30, 2024, primarily due to lower average charged fees on the company's second quarter 2024 acquisitions as compared with the existing loans in the multifamily guaranty book of business.
- The multifamily serious delinquency rate was flat at 0.44% as of June 30, 2024 and March 31, 2024. 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 Consolidated Statements of Operations and Comprehensive Income for the second quarter of 2024 are available in the accompanying Annex; however, investors and interested parties should read the company's Second Quarter 2024 Form 10-Q, which was filed today with the Securities and Exchange Commission and is available on Fannie Mae's website, www.fanniemae.com. The company provides further discussion of its financial results and condition, credit performance, and other matters in its Second Quarter 2024 Form 10-Q. Additional information about the company's financial and credit performance is contained in Fannie Mae's "Q2 2024 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 advances equitable and sustainable access to homeownership and quality, affordable rental housing for millions of people across America. We enable the 30-year fixed-rate mortgage and drive responsible innovation to make homebuying and renting easier, fairer, and more accessible. To learn more, visit fanniemae.com.

ANNEX
FANNIE MAE
(In conservatorship)
Condensed Consolidated Balance Sheets — (Unaudited)
(Dollars in millions)

	As of	
	June 30, 2024	December 31, 2023
ASSETS		
Cash and cash equivalents	**$ 41,911**	$ 35,817
Restricted cash and cash equivalents (includes $29,789 and $25,836, respectively, related to consolidated trusts)	**36,402**	32,889
Securities purchased under agreements to resell	**27,650**	30,700
Investments in securities, at fair value	**49,899**	53,116
Mortgage loans:		
Loans held for sale, at lower of cost or fair value	**646**	2,149
Loans held for investment, at amortized cost:		
Of Fannie Mae	**49,196**	48,199
Of consolidated trusts	**4,087,398**	4,094,013
Total loans held for investment (includes $3,194 and $3,315, respectively, at fair value)	**4,136,594**	4,142,212
Allowance for loan losses	**(8,026)**	(8,730)
Total loans held for investment, net of allowance	**4,128,568**	4,133,482
Total mortgage loans	**4,129,214**	4,135,631
Advances to lenders	**1,856**	1,389
Deferred tax assets, net	**11,036**	11,681
Accrued interest receivable, net (includes $10,654 and $10,132 related to consolidated trusts)	**11,156**	10,724
Other assets	**14,769**	13,490
Total assets	**$ 4,323,893**	$ 4,325,437
LIABILITIES AND EQUITY		
Liabilities:		
Accrued interest payable (includes $10,524 and $10,212, respectively, related to consolidated trusts)	**$ 11,176**	$ 10,931
Debt:		
Of Fannie Mae (includes $544 and $761, respectively, at fair value)	**118,543**	124,065
Of consolidated trusts (includes $13,239 and $14,343, respectively, at fair value)	**4,094,421**	4,098,653
Other liabilities (includes $1,673 and $1,713, respectively, related to consolidated trusts)	**13,270**	14,106
Total liabilities	**4,237,410**	4,247,755
Commitments and contingencies (Note 14)	**—**	—
Fannie Mae stockholders' equity:		
Senior preferred stock (liquidation preference of $203,505 and $195,224, respectively)	**120,836**	120,836
Preferred stock, 700,000,000 shares are authorized—555,374,922 shares issued and outstanding	**19,130**	19,130
Common stock, no par value, no maximum authorization—1,308,762,703 shares issued and 1,158,087,567 shares outstanding	**687**	687
Accumulated deficit	**(46,799)**	(55,603)
Accumulated other comprehensive income	**29**	32
Treasury stock, at cost, 150,675,136 shares	**(7,400)**	(7,400)
Total stockholders' equity	**86,483**	77,682
Total liabilities and equity	**$ 4,323,893**	$ 4,325,437

See Notes to Condensed Consolidated Financial Statements in the Second Quarter 2024 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 June 30,		For the Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Interest income:				
Investments in securities	**$ 915**	$ 1,101	**$ 1,836**	$ 2,082
Mortgage loans	**35,617**	32,655	**70,833**	64,792
Other	**743**	584	**1,404**	1,036
Total interest income	**37,275**	34,340	**74,073**	67,910
Interest expense:				
Short-term debt	**(130)**	(183)	**(325)**	(302)
Long-term debt	**(29,877)**	(27,122)	**(59,457)**	(53,787)
Total interest expense	**(30,007)**	(27,305)	**(59,782)**	(54,089)
Net interest income	**7,268**	7,035	**14,291**	13,821
Benefit (provision) for credit losses	**300**	1,266	**480**	1,134
Net interest income after benefit (provision) for credit losses	**7,568**	8,301	**14,771**	14,955
Investment gains (losses), net	**(62)**	25	**(40)**	(42)
Fair value gains (losses), net	**447**	404	**927**	608
Fee and other income	**68**	70	**140**	133
Non-interest income	**453**	499	**1,027**	699
Administrative expenses:				
Salaries and employee benefits	**(496)**	(467)	**(1,007)**	(947)
Professional services	**(218)**	(192)	**(419)**	(376)
Other administrative expenses	**(225)**	(205)	**(442)**	(409)
Total administrative expenses	**(939)**	(864)	**(1,868)**	(1,732)
TCCA fees	**(859)**	(856)	**(1,719)**	(1,711)
Credit enhancement expense	**(405)**	(384)	**(824)**	(725)
Change in expected credit enhancement recoveries	**37**	(160)	**100**	(40)
Other expenses, net	**(251)**	(257)	**(450)**	(387)
Total expenses	**(2,417)**	(2,521)	**(4,761)**	(4,595)
Income before federal income taxes	**5,604**	6,279	**11,037**	11,059
Provision for federal income taxes	**(1,120)**	(1,285)	**(2,233)**	(2,293)
Net income	**4,484**	4,994	**8,804**	8,766
Other comprehensive income (loss)	**(7)**	1	**(3)**	1
Total comprehensive income	**$ 4,477**	$ 4,995	**$ 8,801**	$ 8,767
Net income	**$ 4,484**	$ 4,994	**$ 8,804**	$ 8,766
Dividends distributed or amounts attributable to senior preferred stock	**(4,477)**	(4,995)	**(8,801)**	(8,767)
Net income (loss) attributable to common stockholders	**$ 7**	$ (1)	**$ 3**	$ (1)
Earnings per share:				
Basic	**$ 0.00**	$ 0.00	**$ 0.00**	$ 0.00
Diluted	**0.00**	0.00	**0.00**	0.00
Weighted-average common shares outstanding:				
Basic	**5,867**	5,867	**5,867**	5,867
Diluted	**5,893**	5,867	**5,893**	5,867

See Notes to Condensed Consolidated Financial Statements in the Second Quarter 2024 Form 10-Q

EXHIBIT 99.2

Fannie Mae®

Financial Supplement
Q2 2024

July 30, 2024

- 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 June 30, 2024 ("Q2 2024 Form 10-Q") and Form 10-K for the year ended December 31, 2023 ("2023 Form 10-K"). This presentation should be reviewed together with the Q2 2024 Form 10-Q and the 2023 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, data is as of June 30, 2024 or for the first half of 2024. Data for prior years is as of December 31 or for the full year indicated.
- Note references are to endnotes, appearing on pages 22 to 24.
- 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

  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 or property value at origination of the loan

  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") and as extended by the Infrastructure Investment and Jobs Act, the incremental revenue from which is paid to Treasury and not retained by the company

  UPB: Unpaid principal balance

Table of Contents

Overview

Corporate Financial Highlights

Summary of Q2 2024 Financial Results

(Dollars in millions)	Q2 2024	Q1 2024	Variance	Q2 YTD 2024	Q2 YTD 2023	Variance
Net interest income	**$7,268**	$7,023	$245	**$14,291**	$13,821	$470
Fee and other income	**68**	72	(4)	**140**	133	7
Net revenues	**7,336**	7,095	241	**14,431**	13,954	477
Investment gains (losses), net	**(62)**	22	(84)	**(40)**	(42)	2
Fair value gains (losses), net	**447**	480	(33)	**927**	608	319
Administrative expenses	**(939)**	(929)	(10)	**(1,868)**	(1,732)	(136)
Benefit (provision) for credit losses	**300**	180	120	**480**	1,134	(654)
TCCA fees	**(859)**	(860)	1	**(1,719)**	(1,711)	(8)
Credit enhancement expense[1]	**(405)**	(419)	14	**(824)**	(725)	(99)
Change in expected credit enhancement recoveries	**37**	63	(26)	**100**	(40)	140
Other expenses, net[2]	**(251)**	(199)	(52)	**(450)**	(387)	(63)
Income before federal income taxes	**5,604**	5,433	171	**11,037**	11,059	(22)
Provision for federal income taxes	**(1,120)**	(1,113)	(7)	**(2,233)**	(2,293)	60
Net income	**$4,484**	$4,320	$164	**$8,804**	$8,766	$38
Total comprehensive income	**$4,477**	$4,324	$153	**$8,801**	$8,767	$34
Net worth	**$86,483**	$82,006	$4,477	**$86,483**	$69,044	$17,439
Net worth ratio[3]	**2.0 %**	1.9 %		**2.0 %**	1.6 %	

Q2 2024 Key Highlights

$4.5 billion Net Income in Q2 2024, with Net Worth Reaching $86.5 billion as of June 30, 2024

Net income

Net income increased $164 million in the second quarter of 2024 compared with the first quarter of 2024, primarily driven by increases in net interest income and benefit for credit losses.

Net interest income

Net interest income increased in the second quarter of 2024 compared with the first quarter of 2024 primarily driven by increases in both deferred guaranty fee income and interest income from portfolios.

Benefit (provision) for credit losses

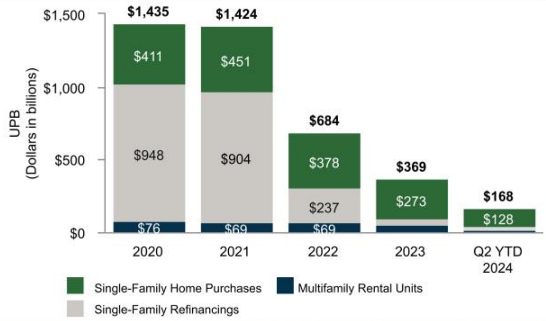
Benefit for credit losses was $300 million in the second quarter of 2024, compared with $180 million in the first quarter of 2024. The benefit for credit losses in the second quarter of 2024 reflects a $548 million single-family benefit for credit losses, partially offset by a $248 million multifamily provision for credit losses.

Guaranty Book of Business Highlights

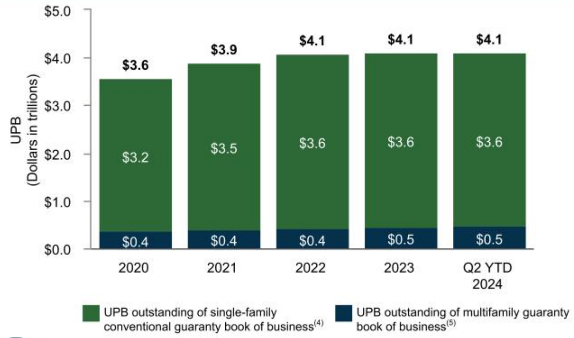
Market Liquidity Provided

Total liquidity provided in the second quarter of 2024 was $95B

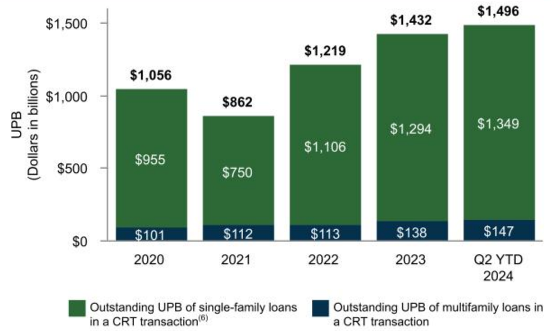
Unpaid Principal Balance	Units
$75B	213K Single-Family Home Purchases
$11B	45K Single-Family Refinancings
$9B	72K Multifamily Rental Units



Outstanding Guaranty Book of Business at Period End

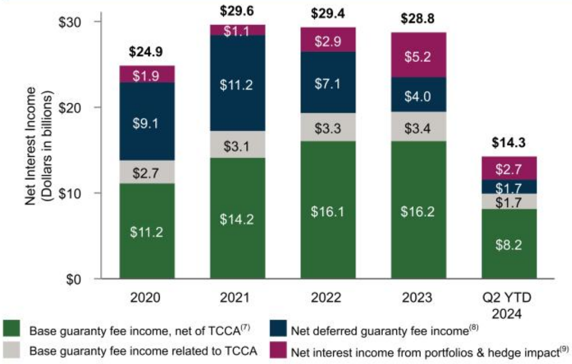


Guaranty Book of Business Covered by a CRT Transaction

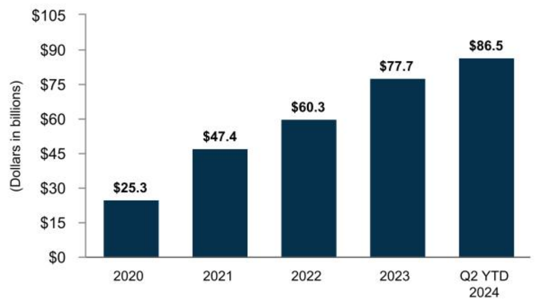


Interest Income and Liquidity Management

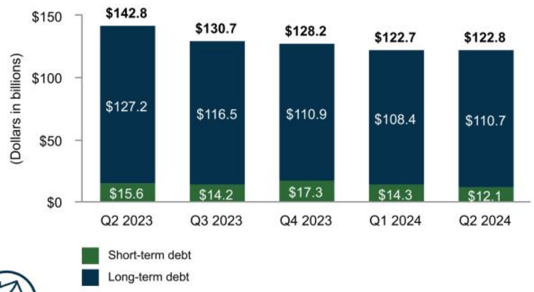
Components of Net Interest Income



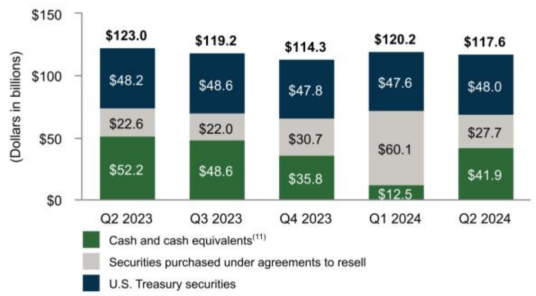
Net Worth of Fannie Mae



Aggregate Indebtedness of Fannie Mae(10)

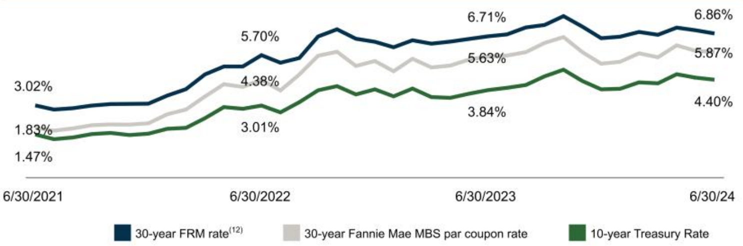


Corporate Liquidity Portfolio

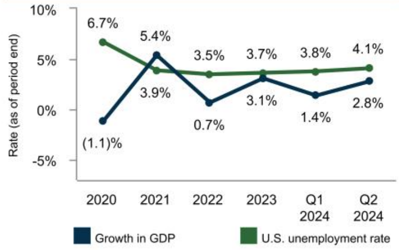


Key Market Economic Indicators

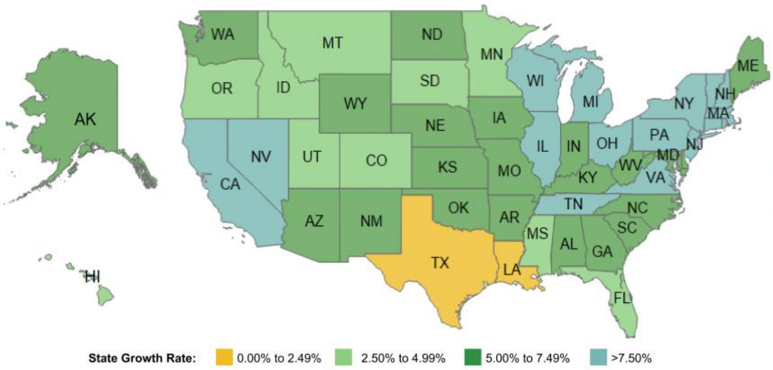
Benchmark Interest Rates



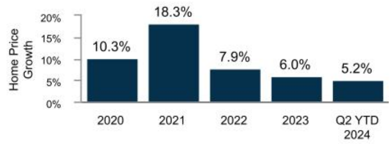
U.S. GDP Growth Rate and Unemployment Rate[13]



One Year Home Price Growth Rate Q2 2024[14]
United States 6.9%



Single-Family Home Price Growth Rate[14]



Top 10 States by UPB[14]

State	One Year Home Price Growth Rate Q2 2024	Share of Single-Family Conventional Guaranty Book
CA	7.9%	19%
TX	1.8%	7%
FL	5.0%	6%
NY	10.2%	5%
WA	6.2%	4%
CO	3.5%	3%
NJ	12.4%	3%
IL	9.0%	3%
VA	8.2%	3%
NC	7.3%	3%

Single-Family Business

Single-Family Highlights

Q2 2024

$6,096M
Net interest income

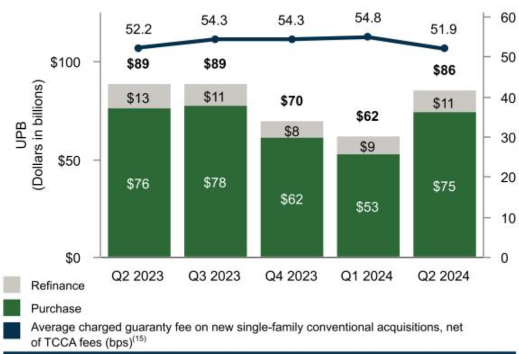
$(70)M
Investment gains (losses), net

$454M
Fair value gains (losses), net

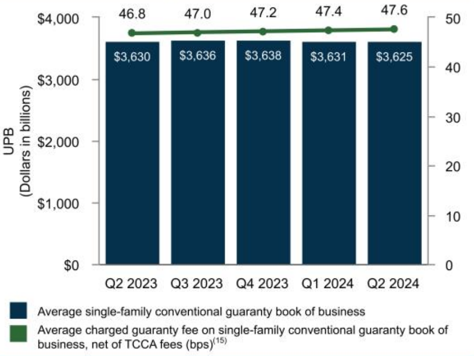
$548M
Benefit (provision) for credit losses

$3,855M
Net income

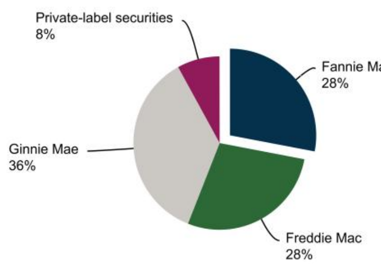
Single-Family Conventional Loan Acquisitions[4]



Single-Family Conventional Guaranty Book of Business[4]



Q2 2024 Single-Family Mortgage-Related Securities Share of Issuances



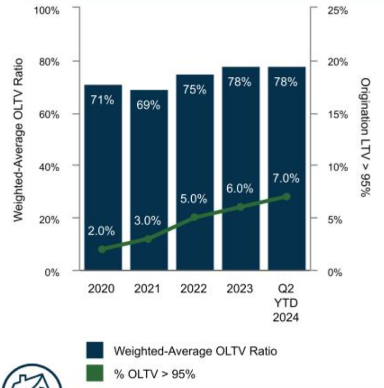
Highlights

- Single-family conventional acquisition volume was $85.9 billion in Q2 2024, compared with $62.3 billion in Q1 2024.
- Purchase acquisition volume, of which approximately half was for first-time homebuyers, increased to $74.5 billion in Q2 2024 from $53.0 billion in Q1 2024.
- Refinance acquisition volume was $11.4 billion in Q2 2024, an increase from $9.3 billion in Q1 2024.
- The average single-family conventional guaranty book of business decreased by $6.4 billion to $3,625 billion in Q2 2024 compared with Q1 2024, driven by loan paydowns, liquidations, and sales outpacing acquisition volumes in Q2 2024.
- The single-family serious delinquency rate decreased to 0.48% as of June 30, 2024 from 0.51% as of March 31, 2024.

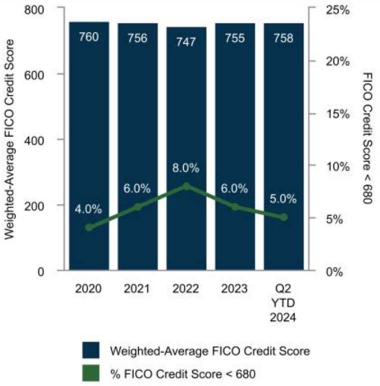
Credit Characteristics of Single-Family Conventional Loan Acquisitions

Categories are not mutually exclusive	Q2 2023	Q3 2023	Q4 2023	Fully Year 2023	Q1 2024	Q2 2024	OLTV Ratio > 95%	Home-Ready®[18]	FICO Credit Score < 680[16]	DTI Ratio > 43%[17]
	Certain Credit Characteristics of Single-Family Conventional Loans by Acquisition Period						**Q2 YTD 2024 Acquisition Credit Profile by Certain Loan Features**			
Total UPB (Dollars in billions)	$89.2	$89.2	$70.1	$316.0	$62.3	$85.9	$10.4	$10.1	$7.3	$54.7
Weighted-Average OLTV Ratio	78%	78%	78%	78%	78%	78%	97%	87%	69%	80%
OLTV Ratio > 95%	7%	7%	7%	6%	7%	7%	100%	29%	2%	7%
Weighted-Average FICO® Credit Score[16]	756	757	757	755	757	759	753	751	656	753
FICO Credit Score < 680[16]	5%	5%	5%	6%	5%	5%	1%	5%	100%	5%
DTI Ratio > 43%[17]	34%	35%	37%	36%	37%	37%	39%	55%	40%	100%
Fixed-rate	99%	99%	99%	99%	99%	99%	100%	100%	99%	99%
Primary Residence	92%	93%	92%	92%	92%	93%	100%	100%	95%	94%
HomeReady®[18]	4%	5%	5%	4%	6%	7%	28%	100%	6%	10%

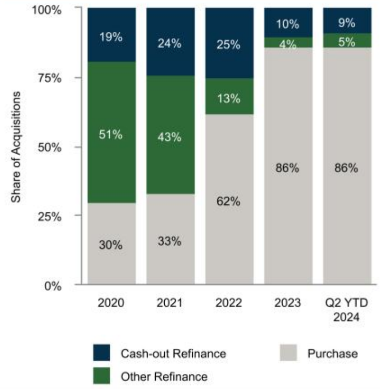
Origination Loan-to-Value Ratio



FICO Credit Score[16]



Acquisitions by Loan Purpose



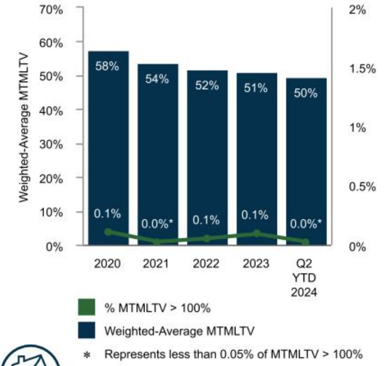
Credit Characteristics of Single-Family Conventional Guaranty Book of Business

Certain Credit Characteristics of Single-Family Conventional Guaranty Book of Business by Origination Year and Loan Features[4][19]

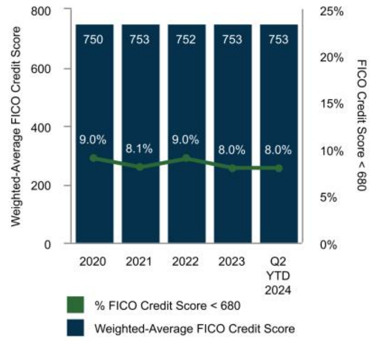
As of June 30, 2024

Categories are not mutually exclusive	Overall Book	Origination Year: 2008 & Earlier	2009-2019	2020	2021	2022	2023	2024	Certain Loan Features: OLTV Ratio > 95%	Home-Ready[8][18]	FICO Credit Score < 680[16]	DTI Ratio > 43%[17]
Total UPB (Dollars in billions)	$3,624.0	$60.7	$799.4	$828.8	$1,047.6	$476.8	$288.0	$122.7	$179.2	$119.2	$272.9	$929.2
Average UPB	$208,482	$76,210	$131,614	$238,682	$256,780	$287,211	$311,430	$326,555	$179,878	$181,475	$161,574	$234,015
Share of SF Conventional Guaranty Book	100%	2%	22%	23%	29%	13%	8%	3%	5%	3%	8%	26%
Share of Loans with Credit Enhancement[20]	47%	8%	42%	30%	52%	65%	66%	40%	85%	80%	42%	53%
Serious Delinquency Rate[21]	0.48%	1.76%	0.58%	0.24%	0.35%	0.63%	0.23%	0.01%	1.09%	0.90%	1.85%	0.74%
Weighted-Average OLTV Ratio	73%	75%	75%	71%	70%	76%	78%	78%	101%	87%	74%	75%
OLTV Ratio > 95%	5%	9%	8%	3%	3%	6%	7%	7%	100%	33%	6%	6%
Weighted-Average Mark-to-Market LTV Ratio[22]	50%	28%	33%	44%	51%	66%	73%	76%	66%	64%	47%	54%
Weighted-Average FICO Credit Score[16]	753	696	746	762	755	747	755	758	738	744	652	743
FICO Credit Score < 680[16]	8%	39%	11%	4%	6%	9%	5%	5%	10%	8%	100%	10%

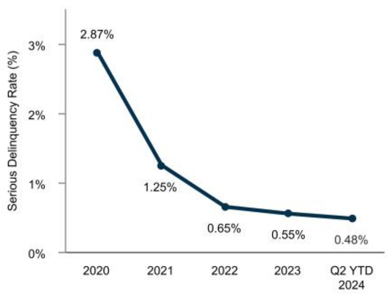
Mark-to-Market Loan-to-Value Ratio[22]



FICO Credit Score[16]

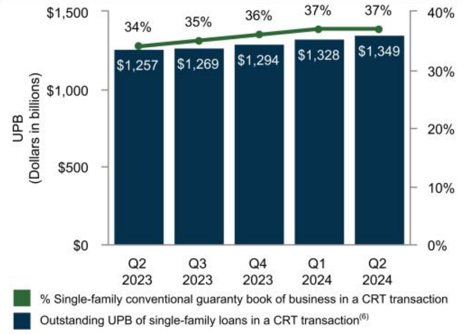


SDQ Rate[21]



Single-Family Credit Risk Transfer

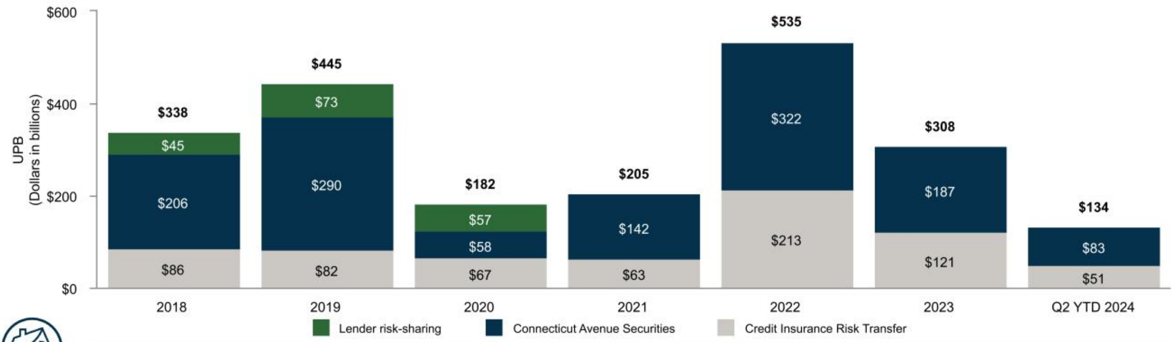
Single-Family Credit Risk Transfer



Single-Family Loans with Credit Enhancement

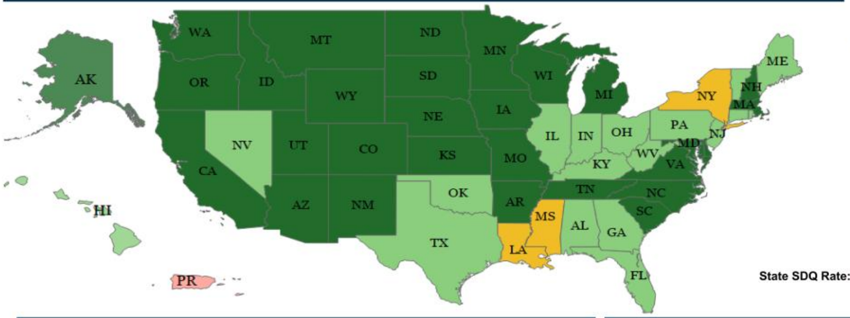
Credit Enhancement Outstanding UPB (Dollars in billions)	2022 Outstanding UPB	2022 % of Book[26] Outstanding	2023 Outstanding UPB	2023 % of Book[26] Outstanding	**Q2 YTD 2024** Outstanding UPB	**Q2 YTD 2024** % of Book[26] Outstanding
Primary mortgage insurance and other[24]	$754	21%	$763	21%	**$760**	**21%**
Connecticut Avenue Securities[25]	726	20	843	24	**870**	**24**
Credit Insurance Risk Transfer[6]	323	9	399	11	**432**	**12**
Lender risk-sharing[25]	57	2	52	1	**47**	**1**
Less: loans covered by multiple credit enhancements	(351)	(10)	(411)	(12)	**(422)**	**(11)**
Total single-family loans with credit enhancement	$1,509	42%	$1,646	45%	**$1,687**	**47%**

Single-Family Credit Risk Transfer Issuance by Period



Single-Family Problem Loan Statistics

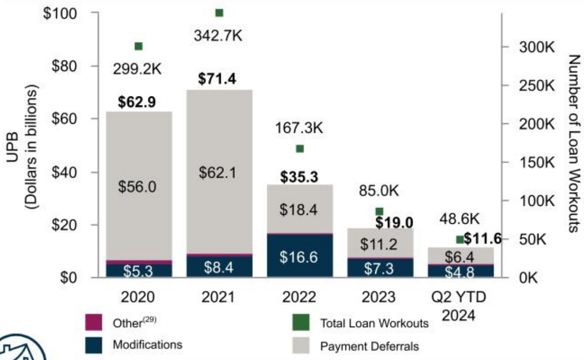
Single-Family Serious Delinquency Rate by State as of June 30, 2024[21]



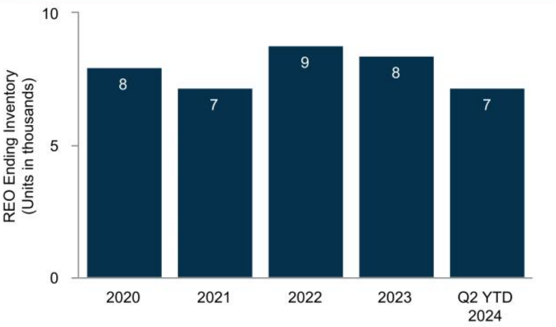
Top 10 States by UPB

State	Serious Delinquency Rate[21]	Average Months to Foreclosure[27]
CA	0.37%	21
TX	0.57%	20
FL	0.63%	56
NY	0.79%	69
WA	0.35%	29
CO	0.30%	16
NJ	0.52%	45
IL	0.65%	29
VA	0.34%	41
NC	0.37%	27

Single-Family Loan Workouts[28]

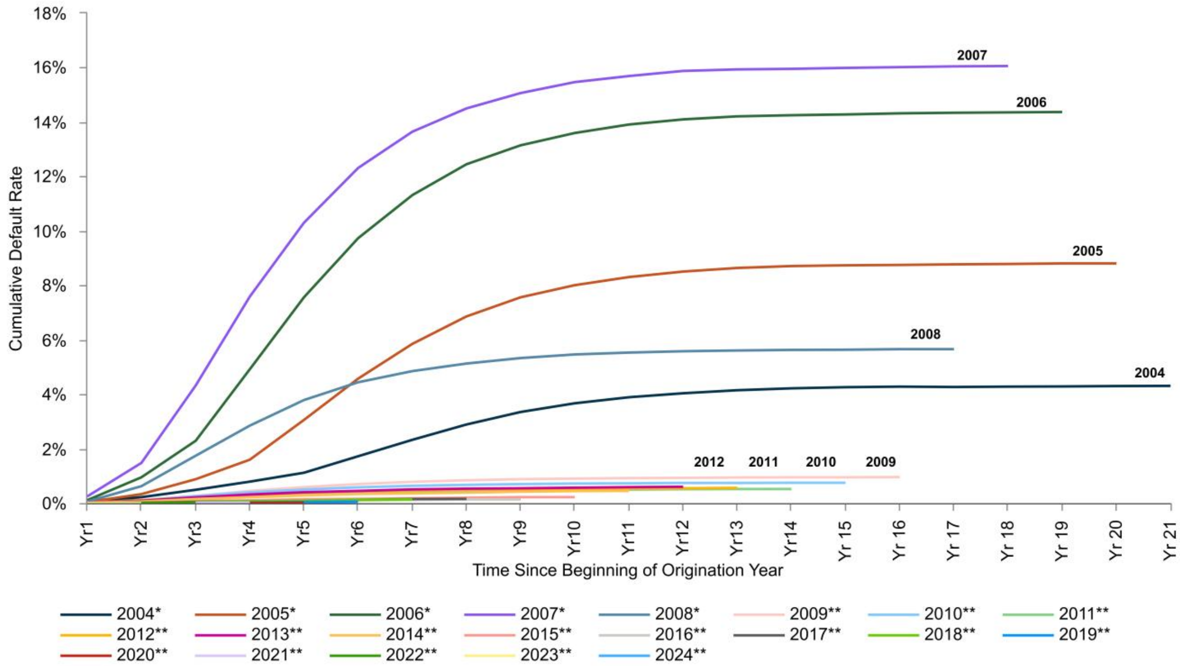


Single-Family REO Ending Inventory



Single-Family Cumulative Default Rates

Cumulative Default Rates of Single-Family Conventional Guaranty Book of Business by Origination Year[30]



* Loans originated prior to 2009 represent only 2% of the single-family conventional guaranty book of business as of June 30, 2024.
** As of June 30, 2024, cumulative default rates on the loans originated in each individual year from 2009-2024 were less than 1%.

Multifamily Business

Multifamily Highlights

Q2 2024

$1,172M Net interest income

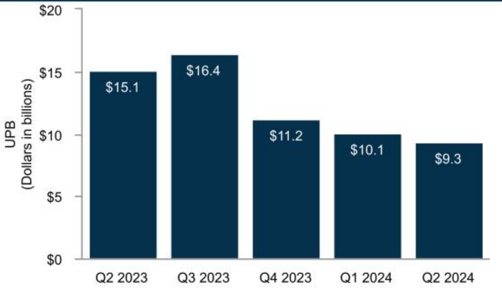
$17M Fee and other income

$(248)M Benefit (provision) for credit losses

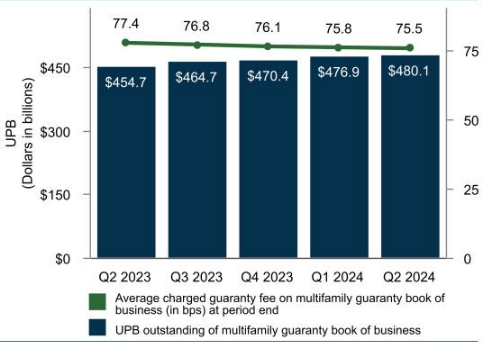
$84M Change in expected credit enhancement recoveries

$629M Net income

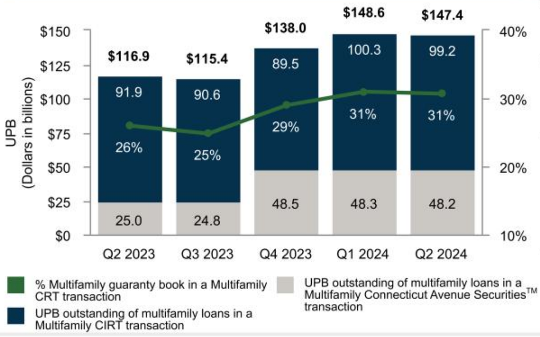
Multifamily New Business Volume



Multifamily Guaranty Book of Business[5]



Multifamily Credit Risk Transfer



Highlights

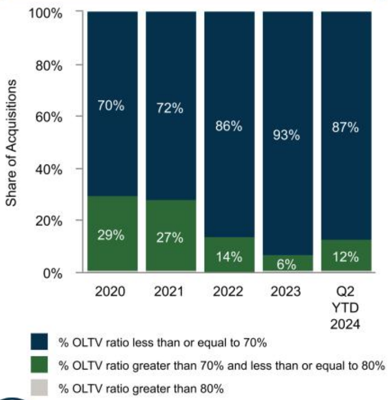
- New multifamily business volume was $9.3 billion in the second quarter of 2024, compared with $10.1 billion in the first quarter of 2024.
- The multifamily guaranty book of business grew by 1% in the second quarter of 2024 to $480.1 billion driven by the company's acquisitions combined with low prepayment volumes due to the high interest rate environment.
- The average charged guaranty fee on the multifamily guaranty book declined slightly in the second quarter to 75.5 basis points as of June 30, 2024, primarily due to lower average charged fees on the company's second quarter 2024 acquisitions as compared with the existing loans in the multifamily guaranty book of business.
- The multifamily serious delinquency rate was flat at 0.44% as of June 30, 2024 and March 31, 2024.

Credit Characteristics of Multifamily Loan Acquisitions

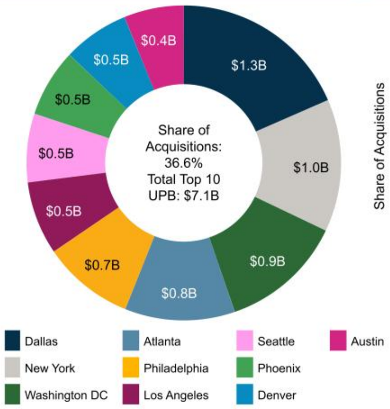
Certain Credit Characteristics of Multifamily Loans by Acquisition Period

Categories are not mutually exclusive	2020	2021	2022	2023	**Q2 YTD 2024**
Total UPB (Dollars in billions)	$76.0	$69.5	$69.2	$52.9	**$19.4**
Weighted-Average OLTV Ratio	64%	65%	59%	59%	**62%**
Loan Count	5,051	4,203	3,572	2,812	**1,083**
% Lender Recourse[31]	99%	100%	100%	100%	**100%**
% DUS[32]	99%	99%	99%	99%	**99%**
% Full Interest-Only	38%	40%	53%	63%	**53%**
Weighted-Average OLTV Ratio on Full Interest-Only Acquisitions	58%	59%	56%	57%	**59%**
Weighted-Average OLTV Ratio on Non-Full Interest-Only Acquisitions	68%	68%	63%	63%	**65%**
% Partial Interest-Only[33]	50%	50%	39%	32%	**39%**

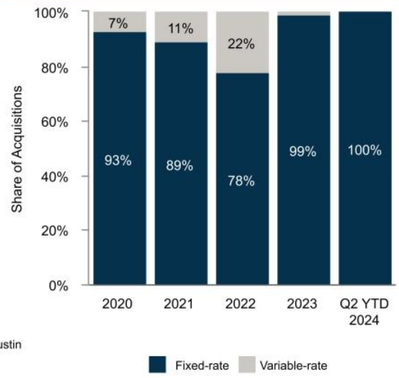
Origination Loan-to-Value Ratio



Top 10 MSAs by Q2 YTD 2024 Acquisition UPB



Acquisitions by Note Type



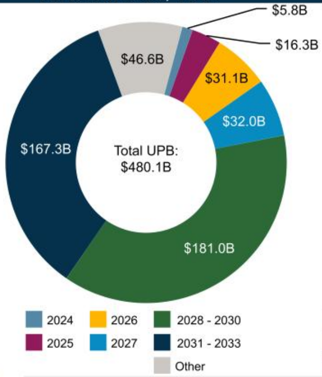
Credit Characteristics of Multifamily Guaranty Book of Business

Certain Credit Characteristics of Multifamily Guaranty Book of Business by Acquisition Year, Asset Class, or Targeted Affordable Segment[5]

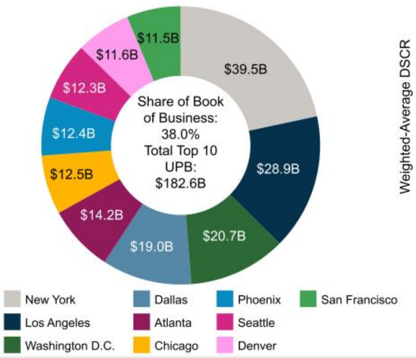
As of June 30, 2024		Acquisition Year						Asset Class or Targeted Affordable Segment				
Categories are not mutually exclusive	Overall Book	2016 & Earlier	2017-2020	2021	2022	2023	2024	Conventional /Co-op[38]	Seniors Housing[38]	Student Housing[38]	Manufactured Housing[38]	Affordable[39]
Total UPB (Dollars in billions)	$480.1	$59.0	$216.0	$65.6	$67.4	$52.7	$19.4	$429.0	$15.5	$13.7	$21.9	$58.7
% of Multifamily Guaranty Book	100%	12%	45%	14%	14%	11%	4%	89%	3%	3%	5%	12%
Loan Count	29,275	5,563	12,360	3,958	3,504	2,806	1,084	26,253	543	531	1,948	4,017
Average UPB (Dollars in millions)	$16.4	$10.6	$17.5	$16.6	$19.2	$18.8	$17.9	$16.3	$28.6	$25.7	$11.2	$14.6
Weighted-Average OLTV Ratio	63%	66%	65%	64%	59%	59%	62%	63%	65%	65%	61%	67%
Weighted-Average DSCR[34]	2.0	2.0	2.1	2.3	1.6	1.6	1.6	2.0	1.4	1.7	2.2	1.8
% with DSCR Below 1.0[34]	5%	7%	5%	4%	11%	1%	—%	4%	32%	6%	2%	6%
% Fixed Rate	92%	86%	94%	92%	80%	99%	100%	93%	69%	82%	94%	88%
% Full Interest-Only	42%	29%	37%	41%	54%	63%	53%	44%	20%	35%	40%	29%
% Partial Interest-Only[33]	46%	46%	51%	49%	38%	32%	39%	45%	59%	59%	47%	46%
% Small Balance Loans[35]	48%	67%	45%	44%	38%	40%	42%	47%	21%	35%	66%	54%
Serious Delinquency Rate[36]	0.44%	0.98%	0.53%	0.18%	0.20%	0.28%	0.04%	0.23%	6.76%	0.42%	0.12%	0.09%
% Criticized[37]	7%	7%	7%	6%	15%	1%	—%*	6%	36%	8%	2%	8%

* represents less than 0.5%

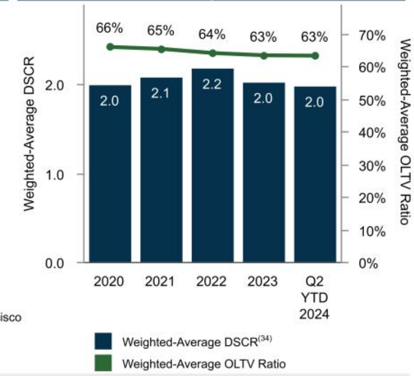
UPB by Maturity Year As of June 30, 2024[5]



Top 10 MSAs by UPB As of June 30, 2024[5]

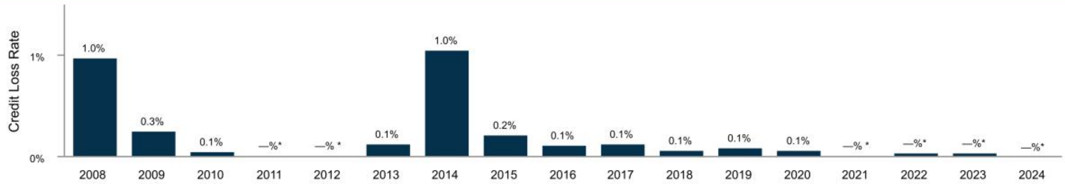


Certain Credit Characteristics of Guaranty Book[5]



Multifamily Problem Loan Statistics

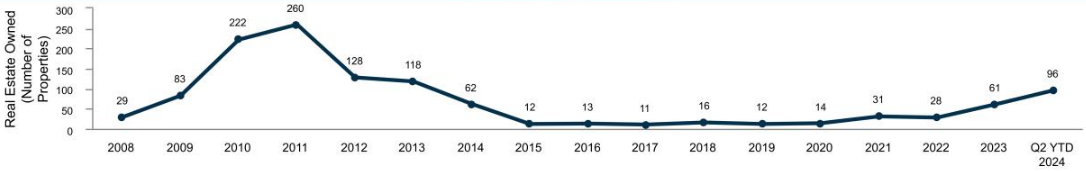
Cumulative Total Credit Loss Rate, Net by Acquisition Year Through Q2 2024[40]



* Represents less than 0.05% of cumulative total credit loss rate, net by acquisition year

Serious Delinquency Rate[36] and Percent Criticized[37]

REO Ending Inventory



Endnotes

Endnotes

(1) Includes costs associated with freestanding credit enhancements, which primarily include the company's Connecticut Avenue Securities® and Credit Insurance Risk Transfer™ programs, enterprise-paid mortgage insurance, and certain lender risk-sharing programs.

(2) Other expenses, net are comprised of debt extinguishment gains and losses, expenses associated with legal claims, foreclosed property income (expense), gains and losses from partnership investments, housing trust fund expenses, loan subservicing costs, and servicer fees paid in connection with certain loss mitigation activities.

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

(4) Single-family conventional loan population consists of: (a) single-family conventional mortgage loans of Fannie Mae and (b) single-family conventional mortgage loans underlying Fannie Mae MBS other than loans underlying Freddie Mac securities that Fannie Mae has resecuritized. 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.

(5) 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.

(6) Includes mortgage pool insurance transactions.

(7) Base guaranty fee income, net of TCCA, is interest income from the guaranty book of business excluding the impact of a 10 basis point guaranty fee increase implemented in 2012 pursuant to the Temporary Payroll Tax Cut Continuation Act of 2011 and as extended by the Infrastructure Investment and Jobs Act, the incremental revenue from which is paid to Treasury and not retained by the company.

(8) "Deferred guaranty fee income" refers to income primarily from the upfront fees that the company receives at the time of loan acquisition related to single-family loan-level price adjustments or other fees the company receives from lenders, which are amortized over the contractual life of the loan. Deferred guaranty fee income also includes the amortization of cost basis adjustments on mortgage loans and debt of consolidated trusts that are not associated with upfront fees. In Forms 10-K, Forms 10-Q and Financial Supplements related to periods ending prior to December 31, 2023, the company referred to "deferred guaranty fee income" as "amortization income."

(9) Net interest income from portfolios consists of: interest income from assets held in the company's retained mortgage portfolio and corporate liquidity portfolio; interest income from other assets used to support lender liquidity; and interest expense on the company's outstanding corporate debt and Connecticut Avenue Securities® debt. For purposes of this Financial Supplement chart, income (expense) from hedge accounting is included in the "net interest income from portfolios & hedge impact" category; however, the company does not consider income (expense) from hedge accounting to be a component of net interest income from portfolios. The company had $463 million in hedge accounting expense for the six months ended June 30, 2024.

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

(11) Cash equivalents are composed of overnight repurchase agreements and U.S. Treasuries, if any, that have a maturity at the date of acquisition of three months or less.

(12) 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.

(13) U.S. Gross Domestic Product ("GDP") annual growth rates for periods prior to 2024 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 rates for periods in 2024 are the annualized GDP rate based on the Second Quarter 2024 (Advance Estimate) published by the Bureau of Economic Analysis on July 25, 2024.

Endnotes

(14) Home price estimates are based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of June 2024. 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 June 2024, 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 June 30, 2024.

(15) 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 paid to Treasury and not retained by the company.

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

(17) 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.

(18) 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%.

(19) 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.

(20) 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.

(21) 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 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.

(22) 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.

(23) Intentionally left blank.

(24) 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.

(25) 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.

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

(27) 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 six months ended June 30, 2024. Home Equity Conversion Mortgages insured by the Department of Housing and Urban Development are excluded from this calculation.

Endnotes

(28) This chart does not include loans in an active forbearance arrangement, trial modifications, loans to certain borrowers who have received bankruptcy relief and repayment plans that have been initiated but not completed. There were approximately 18,300 loans in a trial modification period that was not complete as of June 30, 2024.

(29) Includes repayment plans and foreclosure alternatives. Repayment plans reflect only those plans associated with loans that were 60 days or more delinquent.

(30) Defaults include loan foreclosures, short sales, sales to third parties at the time of foreclosure and deeds-in-lieu of foreclosure. Cumulative Default Rate is the total number of single-family conventional loans in the guaranty book of business originated in the identified year that have defaulted, divided by the total number of single-family conventional loans in the guaranty book of business originated in the identified year. Data as of June 30, 2024 is not necessarily indicative of the ultimate performance of the loans and performance may change, perhaps materially, in future periods.

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

(32) 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.

(33) 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.

(34) Estimates of current DSCRs are based on the latest available income information covering a 12 month period, from quarterly and annual statements for these properties including the related debt service. When an annual statement is the latest statement available, it is used. When operating statement information is not available, the underwritten DSCR is used. Co-op loans are excluded from this metric.

(35) Small balance loans refers to multifamily loans with an original unpaid principal balance of up to $9 million nationwide. Fannie Mae changed its definition of small multifamily loans in Q3 2023 to increase the loan amounts from up to $6 million nationwide to up to $9 million nationwide. The updated definition has been applied to all loans in the current multifamily guaranty book of business, including loans that were acquired under previous small loan definitions. This metric is presented based on loan count rather than unpaid principal balance.

(36) Multifamily serious delinquency 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 serious delinquency rate for loans in a particular category (such as acquisition year, asset class or targeted affordable segment), refers to seriously delinquent loans in the applicable category, divided by the unpaid principal balance of the loans in the multifamily guaranty book of business in that category.

(37) Criticized loans represent loans classified as "Special Mention," "Substandard" or "Doubtful." Loans classified as "Special Mention" refers to loans that are otherwise performing but have potential weaknesses that, if left uncorrected, may result in deterioration in the borrower's ability to repay in full. Loans classified as "Substandard" have a well-defined weakness that jeopardizes the timely full repayment. "Doubtful" refers to a loan with a weakness that makes collection or liquidation in full highly questionable and improbable based on existing conditions and values.

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

(39) Represents Multifamily Affordable Housing loans, which are defined as financing for properties that are under an agreement that provides long-term affordability, such as properties with rent subsidies or income restrictions.

(40) Cumulative net credit loss rate is the cumulative net credit losses through June 30, 2024 on the multifamily loans that were acquired in the applicable period, as a percentage of the total acquired unpaid principal balance of multifamily loans that were acquired in the applicable period. Net credit losses include expected benefit of freestanding loss-sharing arrangements, primarily multifamily DUS lender risk-sharing transactions. Credit loss rate for 2014 acquisitions was primarily driven by the write-off of a seniors housing portfolio in Q1 2023.