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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 26, 2007

**Federal National Mortgage Association**

*(Exact name of registrant as specified in its charter)*

**Federally chartered corporation**  
*(State or other jurisdiction  
of incorporation)*

**000-50231**  
*(Commission  
File Number)*

**52-0883107**  
*(IRS Employer  
Identification Number)*

**3900 Wisconsin Avenue, NW**  
**Washington, DC**  
*(Address of principal executive offices)*

**20016**  
*(Zip Code)*

**Registrant's telephone number, including area code: 202-752-7000**

*(Former Name or Former Address, if Changed Since Last Report):* \_\_\_\_\_

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

- 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))
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**Item 2.02. Results of Operations and Financial Condition.**

On February 26, 2007, Fannie Mae (formally known as the Federal National Mortgage Association) issued its monthly financial summary release for the month of January 2007. The summary, a copy of which is furnished as Exhibit 99.1 to this report, is incorporated herein by reference.

The information in this item, including Exhibit 99.1 submitted herewith, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of Section 18, nor shall it be deemed incorporated by reference into any disclosure document relating to Fannie Mae, except to the extent, if any, expressly set forth by specific reference in such document.

**Item 9.01. Financial Statements and Exhibits.**

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

SIGNATURE

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

FEDERAL NATIONAL MORTGAGE ASSOCIATION

By /s/ David C. Hisey

David C. Hisey

Senior Vice President and Controller

Date: February 26, 2007

EXHIBIT INDEX

The following exhibit is submitted herewith:

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
99.1	Monthly summary release for January 2007 issued by Fannie Mae on February 26, 2007

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## MONTHLY SUMMARY HIGHLIGHTS

## JANUARY 2007

- > Fannie Mae's Monthly Summary has been redesigned to enhance readability, provide additional disclosures, and include a glossary of terms (page 3). Additional information is available in our press release at [www.fanniemae.com](http://www.fanniemae.com).
- > Fannie Mae's book of business grew at a compound annualized rate of 7.2 percent in January compared with 8.9 percent in December.
- > Total Fannie Mae MBS and other guarantees rose at a compound annualized rate of 8.4 percent in January compared with 4.6 percent in December.
- > Fannie Mae MBS issuances totaled \$44.0 billion, compared with \$40.7 billion in December.
- > The gross mortgage portfolio balance was \$721.4 billion in January. We currently estimate that our "mortgage portfolio" assets for purposes of the OFHEO consent order were approximately \$718 billion in January. (For a discussion of the differences between these measures see Additional Information on page 2).
- > New business acquisitions totaled \$51.1 billion, compared with \$57.8 billion the previous month.
- > Net retained commitments were \$1.1 billion in January compared with \$14.9 billion the previous month.
- > The conventional single-family serious delinquency rate rose two basis points in December to 0.65 percent (latest data available). The multifamily serious delinquency rate remained stable at 0.08 percent.
- > The duration gap on Fannie Mae's portfolio averaged zero months in January.

## MORTGAGE MARKET HIGHLIGHTS

- > Single-family mortgage originations totaled an estimated \$2.5 trillion in 2006 and are expected to decline to about \$2.3 trillion in 2007 mostly because of a decrease in purchase originations.

TABLE 1. TOTAL BOOK OF BUSINESS COMPONENTS (\$ in Millions) 1

	Gross Mortgage Portfolio [Table 3]	+	Total Fannie Mae MBS and Other Guarantees [Table 4]	-	Fannie Mae MBS in Portfolio [Table 5]	=	Total Book of Business	Compounded Growth Rate	New Business Acquisitions
January 2006	\$725,646		\$1,975,033		\$338,718		\$2,361,962	8.2%	\$ 51,166
February 2006	721,183		1,985,870		331,629		2,375,424	7.1%	45,091
March 2006	721,550		1,996,241		328,194		2,389,597	7.4%	47,402
April 2006	730,328		2,004,498		331,144		2,403,682	7.3%	52,180
May 2006	733,783		2,014,601		333,232		2,415,152	5.9%	47,972
June 2006	730,900		2,027,693		325,426		2,433,167	9.3%	56,296
July 2006	731,443		2,033,533		326,963		2,438,013	2.4%	42,827
August 2006	726,811		2,046,522		321,150		2,452,183	7.2%	49,055
September 2006	725,534		2,066,127		310,219		2,481,442	15.3%	66,722
October 2006	720,959		2,085,252		309,861		2,496,350	7.5%	48,766
November 2006	717,438		2,094,401		301,750		2,510,090	6.8%	49,470
December 2006	724,400		2,102,275		298,756		2,527,920	8.9%	57,776
<b>Full Year 2006</b>	<b>\$724,400</b>		<b>\$2,102,275</b>		<b>\$298,756</b>		<b>\$2,527,920</b>	<b>7.7%</b>	<b>\$ 614,723</b>
January 2007	\$721,442		\$2,116,483		\$295,399		\$2,542,527	7.2%	\$ 51,059
<b>YTD 2007</b>	<b>\$721,442</b>		<b>\$2,116,483</b>		<b>\$295,399</b>		<b>\$2,542,527</b>	<b>7.2%</b>	<b>\$ 51,059</b>

TABLE 2. PORTFOLIO COMMITMENTS (\$ in Millions)1

	Commitments to Purchase, Net	Commitments to Sell	Net Retained Commitments	Purchases <sup>2</sup>	Sales	Liquidations	End Balance	Compounded Growth Rate	Annualized Liquidation Rate
January 2006	\$ 15,147	\$ (6,034)	\$ 9,113	\$ 12,248	\$ (1,773)	\$ (12,385)	\$ 725,646	(3.1%)	(20.43%)
February 2006	12,893	(3,444)	9,449	11,496	(5,138)	(10,821)	721,183	(7.1%)	(17.90%)
March 2006	20,254	(3,741)	16,512	14,240	(2,545)	(11,327)	721,550	0.6%	(18.85%)
April 2006	26,869	(9,723)	17,146	23,104	(2,435)	(11,891)	730,328	15.6%	(19.78%)
May 2006	19,981	(7,958)	12,022	18,857	(3,729)	(11,672)	733,783	5.8%	(19.18%)
June 2006	21,981	(8,738)	13,243	18,819	(9,216)	(12,486)	730,900	(4.6%)	(20.42%)
July 2006	15,446	(9,401)	6,045	15,242	(2,819)	(11,880)	731,443	0.9%	(19.50%)
August 2006	29,644	(22,757)	6,887	16,026	(8,898)	(11,760)	726,811	(7.3%)	(19.29%)
September 2006	23,624	(13,133)	10,491	20,308	(9,698)	(11,888)	725,534	(2.1%)	(19.63%)
October 2006	26,694	(18,638)	8,056	13,159	(6,746)	(10,987)	720,959	(7.3%)	(18.17%)
November 2006	19,159	(10,508)	8,651	14,035	(6,326)	(11,230)	717,438	(5.7%)	(18.69%)
December 2006	20,273	(5,422)	14,851	19,718	(1,860)	(10,896)	724,400	12.3%	(18.22%)
<b>Full Year 2006</b>	<b>\$251,966</b>	<b>\$(119,498)</b>	<b>\$ 132,468</b>	<b>\$197,252</b>	<b>\$(61,184)</b>	<b>\$(139,224)</b>	<b>\$ 724,400</b>	<b>(0.4%)</b>	<b>(19.14%)</b>
January 2007	\$ 23,208	\$ (22,133)	\$ 1,075	\$ 9,659	\$ (1,927)	\$ (10,690)	\$ 721,442	(4.8%)	(17.71%)
<b>YTD 2007</b>	<b>\$ 23,208</b>	<b>\$ (22,133)</b>	<b>\$ 1,075</b>	<b>\$ 9,659</b>	<b>\$(1,927)</b>	<b>\$(10,690)</b>	<b>\$ 721,442</b>	<b>(4.8%)</b>	<b>(17.71%)</b>

TABLE 3. GROSS MORTGAGE PORTFOLIO (\$ in Millions)1

TABLE 4. FANNIE MAE GUARANTEED SECURITIES AND MORTGAGE LOANS (\$ in Millions) 1

	Total Fannie Mae MBS			Fannie Mae MBS Annualized Liquidation Rate	Other Fannie Mae Guarantees	Total Fannie Mae MBS and Other Guarantees	Compounded Growth Rate <sup>4</sup>	Mortgage Loans	Fannie Mae Guaranteed Securities and Mortgage Loans
	Issuances <sup>3</sup>	Liquidations	End Balance						
January 2006	\$ 42,897	\$ (30,813)	\$1,951,722	(19.06%)	\$ 23,311	\$1,975,033	9.2%	\$255,349	\$2,230,382
February 2006	35,766	(24,959)	1,962,529	(15.35%)	23,341	1,985,870	6.8%	256,731	2,242,601
March 2006	35,879	(25,421)	1,972,987	(15.54%)	23,254	1,996,241	6.5%	258,104	2,254,345
April 2006	38,966	(30,889)	1,981,064	(18.79%)	23,435	2,004,498	5.1%	259,694	2,264,192
May 2006	37,022	(26,867)	1,991,219	(16.27%)	23,383	2,014,601	6.2%	261,218	2,275,819
June 2006	42,914	(29,680)	2,004,453	(17.89%)	23,240	2,027,693	8.1%	262,625	2,290,318
July 2006	35,962	(30,001)	2,010,414	(17.96%)	23,119	2,033,533	3.5%	263,717	2,297,250
August 2006	39,571	(26,462)	2,023,523	(15.80%)	22,999	2,046,522	7.9%	265,876	2,312,397
September 2006	48,485	(28,971)	2,043,037	(17.18%)	23,090	2,066,127	12.1%	273,732	2,339,859
October 2006	45,697	(26,459)	2,062,275	(15.54%)	22,977	2,085,252	11.7%	270,477	2,355,729
November 2006	37,850	(29,033)	2,071,091	(16.89%)	23,310	2,094,401	5.4%	273,928	2,368,329
December 2006	40,677	(32,939)	2,078,829	(19.09%)	23,446	2,102,275	4.6%	279,146	2,381,421
<b>Full Year 2006</b>	<b>\$481,686</b>	<b>\$(342,495)</b>	<b>\$2,078,829</b>	<b>(17.66%)</b>	<b>\$ 23,446</b>	<b>\$2,102,275</b>	<b>7.2%</b>	<b>\$279,146</b>	<b>\$2,381,421</b>
January 2007	\$ 43,988	\$ (29,560)	\$2,093,257	(17.06%)	\$ 23,226	\$2,116,483	8.4%	\$281,524	\$2,398,007
<b>YTD 2007</b>	<b>\$ 43,988</b>	<b>\$ (29,560)</b>	<b>\$2,093,257</b>	<b>(17.06%)</b>	<b>\$ 23,226</b>	<b>\$2,116,483</b>	<b>8.4%</b>	<b>\$281,524</b>	<b>\$2,398,007</b>

Numbers may not sum due to rounding.

See Endnotes and Glossary on Page 3.

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**TABLE 5. MORTGAGE PORTFOLIO COMPOSITION (\$ in Millions) 1**

	Fannie Mae MBS in Portfolio					Mortgage Loans	Non-Fannie Mae Mortgage Securities <sup>6</sup>		Mortgage Portfolio End Balance
	Purchases	Sales	Liquidations	Securitizations <sup>5</sup>	End Balance		Agency	Non-Agency	
January 2006	\$ 2,606	\$ (1,773)	\$ (5,048)	\$ 1,373	\$338,718	\$ 255,349	\$ 31,603	\$ 99,976	\$725,646
February 2006	821	(5,131)	(4,129)	1,350	331,629	256,731	32,044	100,780	721,183
March 2006	1,073	(2,163)	(3,988)	1,643	328,194	258,104	31,881	103,371	721,550
April 2006	7,893	(2,200)	(4,740)	1,997	331,144	259,694	33,618	105,871	730,328
May 2006	6,379	(1,659)	(4,160)	1,528	333,232	261,218	33,545	105,788	733,783
June 2006	3,070	(8,653)	(4,591)	2,367	325,426	262,625	33,362	109,487	730,900
July 2006	6,315	(2,355)	(4,485)	2,062	326,963	263,717	33,717	107,046	731,443
August 2006	4,523	(8,309)	(4,046)	2,019	321,150	265,876	33,412	106,373	726,811
September 2006	624	(8,626)	(4,377)	1,448	310,219	273,732	32,933	108,649	725,534
October 2006	3,483	(6,360)	(4,088)	6,606	309,861	270,477	32,631	107,990	720,959
November 2006	706	(6,317)	(4,209)	1,709	301,750	273,928	32,313	109,446	717,438
December 2006	939	(1,721)	(3,892)	1,680	298,756	279,146	31,970	114,529	724,400
<b>Full Year 2006</b>	<b>\$38,432</b>	<b>\$ (55,267)</b>	<b>\$(51,752)</b>	<b>\$ 25,783</b>	<b>\$298,756</b>	<b>\$ 279,146</b>	<b>\$ 31,970</b>	<b>\$114,529</b>	<b>\$724,400</b>
January 2007	\$ 1,099	\$ (1,927)	\$ (4,018)	\$ 1,488	\$295,399	\$ 281,524	\$ 31,730	\$112,789	\$721,442
<b>YTD 2007</b>	<b>\$ 1,099</b>	<b>\$ (1,927)</b>	<b>\$ (4,018)</b>	<b>\$ 1,488</b>	<b>\$295,399</b>	<b>\$ 281,524</b>	<b>\$ 31,730</b>	<b>\$112,789</b>	<b>\$721,442</b>

**TABLE 6. LIQUID INVESTMENTS (\$ in Millions)<sup>1</sup>**

	Liquid Investments End Balance
January 2006	\$ 40,583
February 2006	41,320
March 2006	53,717
April 2006	61,675
May 2006	57,425
June 2006	68,218
July 2006	61,535
August 2006	67,794
September 2006	48,778
October 2006	52,229
November 2006	51,792
December 2006	57,819
<b>Full Year 2006</b>	<b>\$ 57,819</b>
January 2007	\$ 57,484
<b>YTD 2007</b>	<b>\$ 57,484</b>

**TABLE 7. DEBT ACTIVITY (\$ in Millions)<sup>7</sup>**

	Original Maturity ≤ 1 Year End Balance	Original Maturity > 1 Year			Total Debt Outstanding
		Issuances	Maturities and Redemptions	Repurchases	
January 2006	\$162,477	\$ 10,457	\$ (8,543)	\$ (459)	\$595,158
February 2006	153,191	21,230	(16,080)	(192)	600,116
March 2006	156,394	14,578	(2,765)	(222)	611,707
April 2006	163,753	16,837	(9,886)	(571)	618,087
May 2006	169,499	9,070	(12,778)	(2,063)	612,316
June 2006	175,329	26,993	(21,030)	(1,903)	616,376
July 2006	168,783	12,944	(13,064)	(1,705)	614,551
August 2006	160,315	17,571	(7,938)	(1,125)	623,059
September 2006	152,743	10,271	(19,047)	(424)	613,858
October 2006	152,136	13,403	(12,717)	(5,208)	609,336
November 2006	152,146	12,450	(15,231)	(606)	605,949
December 2006	168,623	15,510	(14,664)	(1,035)	605,760
<b>Full Year 2006</b>	<b>\$168,623</b>	<b>\$181,313</b>	<b>\$(153,743)</b>	<b>\$(15,513)</b>	<b>\$605,760</b>
January 2007	\$161,731	\$ 19,970	\$ (19,991)	\$ (592)	\$605,147
<b>YTD 2007</b>	<b>\$161,731</b>	<b>\$ 19,970</b>	<b>\$ (19,991)</b>	<b>\$ (592)</b>	<b>\$605,147</b>

**TABLE 8. INTEREST RATE RISK DISCLOSURE**

	Effective Duration Gap (in months)
January 2006	0
February 2006	0
March 2006	0
April 2006	1
May 2006	0
June 2006	(1)
July 2006	(1)
August 2006	(1)
September 2006	0
October 2006	0
November 2006	0
December 2006	0
January 2007	0

**TABLE 9. SERIOUS DELINQUENCY RATES**

	Conventional Single-Family <sup>8</sup>			Multifamily
	Non-Credit Enhanced <sup>9</sup>	Credit Enhanced <sup>10</sup>	Total <sup>11</sup>	Total <sup>12</sup>
January 2006	0.45%	2.12%	0.77%	0.27%
February 2006	0.43%	2.05%	0.74%	0.27%
March 2006	0.39%	1.85%	0.67%	0.26%
April 2006	0.37%	1.79%	0.64%	0.18%
May 2006	0.35%	1.74%	0.62%	0.14%
June 2006	0.35%	1.70%	0.60%	0.19%
July 2006	0.35%	1.73%	0.61%	0.14%
August 2006	0.34%	1.73%	0.60%	0.15%
September 2006	0.35%	1.74%	0.61%	0.11%
October 2006	0.35%	1.76%	0.62%	0.08%
November 2006	0.36%	1.78%	0.63%	0.08%
December 2006	0.37%	1.81%	0.65%	0.08%
January 2007				

**ADDITIONAL INFORMATION**

As previously announced, on May 23, 2006, Fannie Mae agreed to a consent order issued by its regulator, OFHEO. Under the consent order, Fannie Mae may not increase its "mortgage portfolio" assets above the amount shown in its December 31, 2005 minimum capital report, except under specified circumstances at the discretion of OFHEO. Fannie Mae believes it is in compliance with the terms of its consent order with OFHEO. The "gross mortgage portfolio" balances set forth in this monthly summary report represent unpaid principal balances, which represent statistical measures rather than amounts computed in accordance with GAAP. "Mortgage portfolio" assets that are reported to OFHEO under the consent order reflect GAAP adjustments, including market valuation adjustments, allowance for loan losses, impairments and unamortized premiums and discounts. These adjustments are not reflected in the "gross mortgage portfolio" amounts shown in this report.

We expect that some of the information in this monthly summary report will change when the financial statements and related audits for the relevant periods are completed. Management believes that the information may be useful to investors for comparing current business activities with those of prior periods and for reviewing trends in our business, notwithstanding that information may change, perhaps materially, from what is reported herein. Issues that will cause some of this information to change include those related to our securities accounting, loan accounting, consolidation and amortization. A summary of our significant accounting policies is included in the notes to our consolidated financial statements in our Form 10-K filed with the Securities and Exchange Commission on December 6, 2006.

Numbers may not sum due to rounding.

See Endnotes and Glossary on Page 3.

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## ENDNOTES

1. The end balances and business activity in this report represent unpaid principal balances ("UPB"), which do not reflect, for example, market valuation adjustments, allowance for loan losses, impairments, unamortized premiums and discounts and the impact of consolidation of variable interest entities.
2. Includes capitalized interest.
3. Includes Fannie Mae mortgage-backed securities ("Fannie Mae MBS") issued from Fannie Mae's portfolio. See Table 5 for monthly activity and balances for Fannie Mae MBS held in the mortgage portfolio.
4. This rate represents compound annual growth on Fannie Mae MBS and other guarantees.
5. Represents new Fannie Mae MBS created from mortgage loans previously held in the mortgage portfolio. These amounts, included in the Issuance balance in Table 4, have been transferred from mortgage loans to securities, and may be included in sales.
6. In this table, non-agency securities that Fannie Mae has guaranteed are included with non-Fannie Mae mortgage securities. These securities are sometimes referred to as "private label wraps."
7. Reported amounts represent the unpaid principal balance at each reporting period or, in the case of the long-term zero coupon bonds, at maturity. Unpaid principal balance does not reflect the effect of currency adjustments, debt basis adjustments, amortization of discounts, premiums, and issuance costs.
8. Includes conventional single-family loans three months or more past due or in foreclosure process as a percent of the total number of conventional single-family loans. These rates are based on conventional single-family mortgage loans and exclude reverse mortgages and non-Fannie Mae mortgage securities held in our portfolio. For information about the percentage of our total conventional single-family mortgage credit book of business represented by these excluded products, please see the Form 8-K Fannie Mae filed with the Securities and Exchange Commission on November 8, 2006.
9. Loans without primary mortgage insurance and/or other credit enhancements.
10. Loans with primary mortgage insurance and/or other credit enhancements.
11. Total conventional single-family serious delinquency rate includes non-credit enhanced and credit enhanced loans.
12. Includes multifamily loans and securities 60 days or more past due and is calculated based on UPB of delinquent multifamily loans and securities divided by the UPB of multifamily loans and securities owned by Fannie Mae or underlying Fannie Mae MBS.

## GLOSSARY

### General

**Information Changes.** Amounts and rates for 2006 reflect data reclassifications, definitional changes and corrections as well as revisions to this presentation. As a result, these amounts and rates may differ from and may not be shown on a comparable basis to those previously reported in Fannie Mae's Monthly Summary reports.

**Compounded Growth Rate.** Monthly growth rates are compounded to provide an annualized rate of growth.

### Table 1

**Total Book of Business.** Sum of the Gross Mortgage Portfolio balance and Total Fannie Mae MBS and Other Guarantees balance, less Fannie Mae MBS held in the mortgage portfolio.

**New Business Acquisitions.** Sum of MBS issuances and Mortgage Portfolio purchases less Fannie Mae MBS purchases and securitizations of mortgage loans previously held in portfolio.

### Table 2

**Portfolio Commitments.** Represents mandatory commitments entered into during the month. Fannie Mae enters into forward commitments to purchase mortgage securities and mortgage loans, or to sell mortgage securities for the mortgage portfolio.

Purchase commitments typically require mandatory delivery and are subject to the payment of pair-off fees for non-delivery.

**Commitments to Purchase, Net.** Represents mandatory commitments to purchase mortgage loans and mortgage securities, net of mortgage loans for which a cash pair-off has been paid. Pair-offs occur when loans are not delivered against mandatory commitments.

**Commitments to Sell.** Represents mandatory commitments to sell mortgage securities.

**Net Retained Commitments.** Represents mandatory commitments to purchase, less commitments to sell, net of mortgage loans for which a cash pair-off has been paid.

### Table 3

**Gross Mortgage Portfolio.** End balance represents the unpaid principal balance ("UPB") of the mortgage portfolio that Fannie Mae holds for investment and liquidity purposes.

**Purchases.** Acquisition of mortgage loans and mortgage securities for the mortgage portfolio.

**Sales.** Sales of mortgage securities from the mortgage portfolio.

**Liquidations.** Represents the total amount of repayments, curtailments, payoffs, and foreclosures on mortgage loans and mortgages underlying securities held in the mortgage portfolio.

**Annualized Liquidation Rate.** The liquidation rate is calculated as liquidations divided by the prior period ending balance of the mortgage portfolio, annualized.

### Table 4

**Fannie Mae Guaranteed Securities and Mortgage Loans.** Consists of securities and mortgage loans for which Fannie Mae manages credit risk. This table excludes non-Fannie Mae securities held in the mortgage portfolio, which are shown in Table 5.

**Total Fannie Mae MBS.** Includes Fannie Mae MBS, private label wraps, whole loan REMICs, and Multifamily discount MBS (DMBS) that Fannie Mae guarantees, regardless of whether those MBS are held in the mortgage portfolio or held by investors other than Fannie Mae. If an MBS has been resecuritized into another MBS, the principal amount is only included once in this total.

**Issuances.** Represents the total amount of Fannie Mae MBS created during the month, including lender-originated issues and Fannie Mae MBS created from mortgage loans previously held in Fannie Mae's portfolio. Fannie Mae MBS may be held in portfolio after their creation.

**Liquidations.** Represents the total amount of repayments, curtailments, payoffs, and foreclosures on mortgages underlying Fannie Mae MBS, including Fannie Mae MBS held in the mortgage portfolio.

**Other Fannie Mae Guarantees.** Outstanding balance of Fannie Mae guarantees, other than Fannie Mae MBS. This primarily includes credit enhancements we provide on multifamily mortgage assets and Ginnie Mae securities.

**Annualized Liquidation Rate.** The liquidation rate is calculated as liquidations divided by the prior period ending balance of total Fannie Mae MBS, annualized.

### Table 5

**Mortgage Portfolio Composition.** Shows the primary components of Fannie Mae's mortgage portfolio and activity relating to Fannie Mae MBS held in the mortgage portfolio.

**Non-Fannie Mae Agency Securities.** Represents mortgage-related securities issued by Freddie Mac and Ginnie Mae.

**Non-Fannie Mae Non-Agency Securities.** These are commonly referred to as "private-label securities."

### Table 6

**Liquid Investments.** Liquid investments serve as Fannie Mae's primary source of liquidity and an investment vehicle for surplus capital. This balance includes high-quality securities that are short-term or readily marketable, such as commercial paper, asset-backed securities and corporate floating-rate notes. The balance shown does not include cash and cash-equivalents, which are also used for liquidity purposes.

### Table 7

**Debt Activity.** For more information about Fannie Mae's debt activity, please visit [www.fanniemae.com/markets/debt/debt\\_activity](http://www.fanniemae.com/markets/debt/debt_activity).

### Table 8

**Effective Duration Gap.** The effective duration gap is the daily average of the difference between the duration of Fannie Mae's assets and liabilities for the reported month. The calculation excludes any interest rate sensitivity of the guarantee business.

The duration gap calculation includes non-mortgage assets and liabilities.

### Table 9

**Serious Delinquency Rates.** A measure of credit performance and indicator of future defaults for the single-family and multifamily mortgage credit books. We classify single-family loans as seriously delinquent when a borrower has missed three or more consecutive monthly payments and the loan has not been brought current or extinguished through foreclosure, payoff, or other resolution. A loan referred to foreclosure, but not yet foreclosed is also considered seriously delinquent. We include all of the conventional single-family loans that we own or that back Fannie Mae MBS in our single-family delinquency rate, including those with substantial credit enhancement. We classify multifamily loans as seriously delinquent when payment is 60 days or more past due.

For more information about Fannie Mae, please visit [www.fanniemae.com](http://www.fanniemae.com) or contact our Investor Relations Department at (202) 752-7115.