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): May 3, 2022

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

Fannie Mae

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

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

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

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

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

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

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

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

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

Emerging growth company ☐

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

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

Item 2.02 Results of Operations and Financial Condition.

On May 3, 2022, Fannie Mae filed its quarterly report on Form 10-Q for the quarter ended March 31, 2022 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 May 3, 2022
99.2	Financial Supplement for Q1 2022, dated May 3, 2022
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: May 3, 2022

Fannie Mae

Contact: Pete Bakel **Resource Center: 1-800-232-6643**
202-752-2034 **Exhibit 99.1**
Date: May 3, 2022

Fannie Mae Reports Net Income of $4.4 Billion for First Quarter 2022

- $4.4 billion net income for the first quarter of 2022, with net worth reaching $51.8 billion as of March 31, 2022
- $255 billion in liquidity provided to the Single-Family and Multifamily mortgage markets in the first quarter of 2022
- $104 billion of Single-Family home purchase acquisitions in the first quarter of 2022, of which nearly 50% were for first-time homebuyers
- Acquired approximately 312,000 home purchase loans and 487,000 refinance loans during the first quarter of 2022, helping homeowners take advantage of low interest rates
- Approximately 136,000 units of rental housing financed in the first quarter of 2022, a significant majority of which were affordable to families earning at or below 120% of area median income, providing support for both workforce and affordable housing
- Mortgage interest rates increased 1.56 percentage points during the first quarter of 2022, from 3.11% as of December 31, 2021 to 4.67% as of March 31, 2022, the fastest increase since 1994

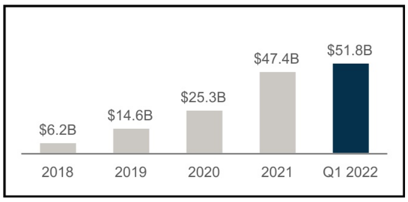
"Fannie Mae's solid first quarter results were set against a backdrop of rising interest rates, inflationary pressures, robust home price appreciation, and geopolitical tensions. We continue to focus on the needs of renters and homeowners as they navigate these challenges and on prudently managing our risk."

David C. Benson, President and Interim Chief Executive Officer

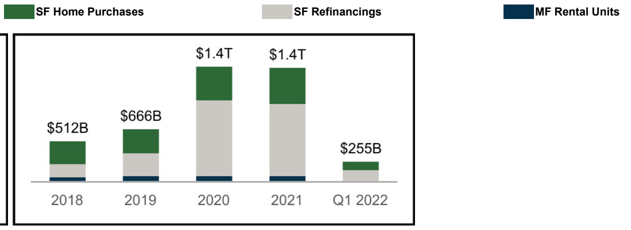
Q1 2022 Key Results

$51.8 Billion Net Worth

Increase of $4.4 Billion in the first quarter of 2022

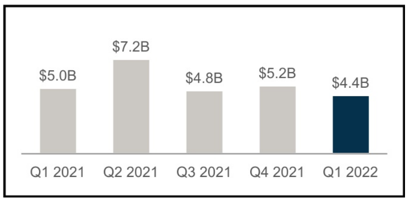


$255 Billion Supporting Housing Activity

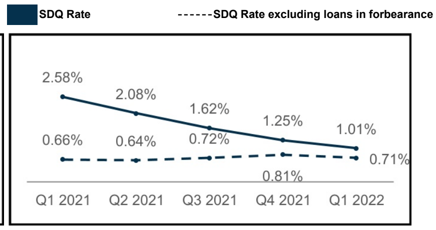


$4.4 Billion Net Income for Q1 2022

Decrease of $781 Million compared with fourth quarter 2021



Single-Family SDQ Rate



Summary of Financial Results

(Dollars in millions)	Q122	Q421	Variance	% Change	Q121	Variance	% Change
Net interest income	$ 7,399	$ 7,587	$ (188)	(2)%	$ 6,742	$ 657	10 %
Fee and other income	83	60	23	38 %	87	(4)	(5)%
Net revenues	7,482	7,647	(165)	(2)%	6,829	653	10 %
Investment gains (losses), net	(102)	418	(520)	NM	45	(147)	NM
Fair value gains (losses), net	480	(166)	646	NM	784	(304)	(39)%
Administrative expenses	(808)	(826)	18	2 %	(748)	(60)	(8)%
Credit-related income (expense)	(201)	912	(1,113)	NM	770	(971)	NM
TCCA fees	(824)	(801)	(23)	(3)%	(731)	(93)	(13)%
Credit enhancement expense	(278)	(260)	(18)	(7)%	(284)	6	2 %
Change in expected credit enhancement recoveries	60	(77)	137	NM	(31)	91	NM
Other expenses, net	(236)	(355)	119	34 %	(319)	83	26 %
Income before federal income taxes	5,573	6,492	(919)	(14)%	6,315	(742)	(12)%
Provision for federal income taxes	(1,165)	(1,303)	138	11 %	(1,322)	157	12 %
Net income	$ 4,408	$ 5,189	$ (781)	(15)%	$ 4,993	$ (585)	(12)%
Total comprehensive income	$ 4,401	$ 5,184	$ (783)	(15)%	$ 4,966	$ (565)	(11)%
Net worth	$ 51,758	$ 47,357	$ 4,401	9 %	$ 30,225	$ 21,533	71 %

NM - Not meaningful

Financial Highlights

- Net income decreased $781 million in the first quarter of 2022, compared with the fourth quarter of 2021, driven primarily by a shift from credit-related income to credit-related expense and a shift from investment gains to investment losses, partially offset by a shift from fair value losses to fair value gains.
- Credit-related expense was $201 million in the first quarter of 2022, compared with credit-related income of $912 million in the fourth quarter of 2021. Credit-related expense in the first quarter of 2022 was driven primarily by increases in actual and projected interest rates related to a population of previously modified loans.
    - Increases in interest rates reduce the expected volume of loan prepayments and extend the expected life of previously modified loans accounted for as troubled debt restructurings, or TDRs, as it is less likely these loans will refinance.
    - As the expected life of these loans extends, the financial impact of economic concessions the company provided on these loans grows, resulting in an increase in the company's allowance, which drives credit-related expense.
    - This expense was partially offset by some loans previously accounted for as TDRs receiving loss mitigation arrangements during the quarter. As a result of the company's adoption of new accounting guidance, these loans were removed from the legacy TDR population and prior economic concessions relating to them were released from the company's allowance, resulting in credit-related income.
- Investment losses in the first quarter of 2022 were $102 million compared with investment gains of $418 million in the fourth quarter of 2021. The shift from investment gains to investment losses was driven primarily by the absence of loan sales in the first quarter of 2022.
- Fair value gains were $480 million in the first quarter of 2022, compared with fair value losses of $166 million in the fourth quarter of 2021. Fair value gains in the first quarter of 2022 were driven primarily by increases in the fair value of commitments to sell mortgage-related securities as prices decreased during the commitment period, as well as gains in the fair value of long-term debt of consolidated trusts held at fair value, both due to rising interest rates and widening of the secondary spread. Fair value gains were partially offset by declines in the fair value of fixed-rate trading securities. Fair value hedge accounting, which the company implemented in January 2021, continues to be an effective tool in addressing income statement volatility driven by interest rate changes.

Single-Family Business Financial Results

(Dollars in millions)	Q122	Q421	Variance	% Change	Q121	Variance	% Change
Net interest income	**$ 6,255**	$ 6,342	$ (87)	(1)%	$ 5,894	$ 361	6 %
Fee and other income	**61**	41	20	49 %	62	(1)	(2)%
Net revenues	**6,316**	6,383	(67)	(1)%	5,956	360	6 %
Investment gains (losses), net	**(66)**	448	(514)	NM	64	(130)	NM
Fair value gains (losses), net	**527**	(156)	683	NM	740	(213)	(29)%
Administrative expenses	**(683)**	(695)	12	2 %	(623)	(60)	(10)%
Credit-related income (expenses)	**(236)**	575	(811)	NM	679	(915)	NM
TCCA fees	**(824)**	(801)	(23)	(3)%	(731)	(93)	(13)%
Credit enhancement expense	**(210)**	(193)	(17)	(9)%	(226)	16	7 %
Change in expected credit enhancement recoveries	**69**	15	54	NM	(16)	85	NM
Other expenses, net	**(198)**	(331)	133	40 %	(287)	89	31 %
Income before federal income taxes	**4,695**	5,245	(550)	(10)%	5,556	(861)	(15)%
Provision for federal income taxes	**(986)**	(1,044)	58	6 %	(1,162)	176	15 %
Net income	**$ 3,709**	$ 4,201	$ (492)	(12)%	$ 4,394	$ (685)	(16)%
Average charged guaranty fee on new conventional acquisitions, net of TCCA fees	48.9 bps	47.1 bps	1.8 bps	4 %	48.0 bps	0.9 bps	2 %
Average charged guaranty fee on conventional guaranty book of business, net of TCCA fees	45.6 bps	45.5 bps	0.1 bps	— %	44.9 bps	0.7 bps	2 %

NM - Not meaningful

Key Business Highlights

- Single-family conventional acquisition volume was $239.5 billion in the first quarter of 2022, a decrease of 16% compared with $284.8 billion in the fourth quarter of 2021. Purchase acquisition volume decreased from $107.2 billion in the fourth quarter of 2021 to $104.0 billion in the first quarter of 2022, of which nearly 50% was for first-time homebuyers. Refinance acquisition volume was $135.5 billion in the first quarter of 2022, a decline from $177.6 billion in the fourth quarter of 2021. Both purchase and refinance volumes decreased quarter-over-quarter due to the rising rate environment.
- Average single-family conventional guaranty book of business in the first quarter of 2022 increased from the the fourth quarter of 2021 by 2.1% driven primarily by growth in the average balance of loans acquired during the quarter. 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 53% and a weighted-average FICO credit score at origination of 753 as of March 31, 2022.
- Average charged guaranty fee, net of TCCA fees, on the single-family conventional guaranty book increased to 45.6 basis points as of March 31, 2022. Average charged guaranty fee on newly acquired single-family conventional loans, net of TCCA fees, increased 1.8 basis points to 48.9 basis points for the first quarter of 2022, compared with 47.1 basis points for the fourth quarter of 2021.
- Single-family serious delinquency rate decreased to 1.01% as of March 31, 2022, from 1.25% as of December 31, 2021 driven by single-family loans exiting forbearance through a loan workout or by otherwise reinstating their loan. 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)	Q122	Q421	Variance	% Change	Q121	Variance	% Change
Net interest income	**$ 1,144**	$ 1,245	$ (101)	(8)%	$ 848	$ 296	35 %
Fee and other income	**22**	19	3	16 %	25	(3)	(12)%
Net revenues	**1,166**	1,264	(98)	(8)%	873	293	34 %
Fair value gains (losses), net	**(47)**	(10)	(37)	NM	44	(91)	NM
Administrative expenses	**(125)**	(131)	6	5 %	(125)	—	— %
Credit-related income	**35**	337	(302)	(90)%	91	(56)	(62)%
Credit enhancement expense	**(68)**	(67)	(1)	(1)%	(58)	(10)	(17)%
Change in expected credit enhancement recoveries	**(9)**	(92)	83	90 %	(15)	6	40 %
Other expenses, net*	**(74)**	(54)	(20)	(37)%	(51)	(23)	(45)%
Income before federal income taxes	**878**	1,247	(369)	(30)%	759	119	16 %
Provision for federal income taxes	**(179)**	(259)	80	31 %	(160)	(19)	(12)%
Net income	**$ 699**	$ 988	$ (289)	(29)%	$ 599	$ 100	17 %
Average charged guaranty fee rate on multifamily guaranty book of business, at period end	79.3 bps	78.4 bps	0.9 bps	1%	75.9 bps	3.4 bps	4%

NM - Not meaningful

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

Key Business Highlights

- New multifamily business volume was $16.0 billion during the first quarter of 2022. The Federal Housing Finance Agency (FHFA) established a 2022 multifamily volume cap of $78 billion, of which 50% must be mission-driven, focused on certain affordable and underserved market segments, and 25% affordable to residents earning 60% or less of area median income.
- The multifamily guaranty book of business grew by nearly 2% in the first quarter of 2022 to $419.8 billion. The average charged guaranty fee on the multifamily book increased from 78.4 basis points as of December 31, 2021 to 79.3 basis points as of March 31, 2022.
- As of March 31, 2022, more than 90% of the loans in the company’s multifamily guaranty book of business that had received a forbearance, measured by unpaid principal balance, were in a repayment plan or reinstated. Less than 0.1% of the multifamily book, or $246 million in unpaid principal balance, was still in active forbearance, with the majority resulting from COVID-19-related financial hardship.
- The multifamily serious delinquency rate decreased to 0.38% as of March 31, 2022, compared with 0.42% as of December 31, 2021, as recovery from COVID-19 continues. The multifamily serious delinquency rate, excluding loans that received a forbearance, decreased slightly to 0.03% as of March 31, 2022 from 0.04% as of December 31, 2021. Multifamily seriously delinquent loans are loans that are 60 days or more past due.

Additional Matters

Fannie Mae's Condensed Consolidated Balance Sheets and Condensed Consolidated Statements of Operations and Income for the first quarter of 2022 are available in the accompanying Annex; however, investors and interested parties should read the company's First Quarter 2022 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 First Quarter 2022 Form 10-Q. Additional information about the company's financial and credit performance is contained in Fannie Mae's "Q1 2022 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 and follow us on twitter.com/fanniemae.

ANNEX
FANNIE MAE
Condensed Consolidated Balance Sheets
(Dollars in millions)

	As of	
	March 31, 2022	**December 31, 2021**
ASSETS		
Cash and cash equivalents	**$ 36,330**	$ 42,448
Restricted cash and cash equivalents (includes $46,317 and $59,203, respectively, related to consolidated trusts)	**52,651**	66,183
Securities purchased under agreements to resell or similar arrangements (includes $9,707 and $13,533, respectively, related to consolidated trusts)	**17,907**	20,743
Investments in securities:		
Trading, at fair value (includes $2,891 and $4,224, respectively, pledged as collateral)	**84,629**	88,206
Available-for-sale, at fair value (with an amortized cost of $802 and $827, respectively)	**806**	837
Total investments in securities	**85,435**	89,043
Mortgage loans:		
Loans held for sale, at lower of cost or fair value	**5,920**	5,134
Loans held for investment, at amortized cost:		
Of Fannie Mae	**60,297**	61,025
Of consolidated trusts	**3,990,220**	3,907,712
Total loans held for investment (includes $4,492 and $4,964, respectively, at fair value)	**4,050,517**	3,968,737
Allowance for loan losses	**(5,899)**	(5,629)
Total loans held for investment, net of allowance	**4,044,618**	3,963,108
Total mortgage loans	**4,050,538**	3,968,242
Advances to lenders	**5,977**	8,414
Deferred tax assets, net	**13,075**	12,715
Accrued interest receivable, net (includes $8,824 and $8,878 related to consolidated trusts and net of allowance of $128 and $140, respectively)	**9,383**	9,264
Acquired property, net	**1,456**	1,259
Other assets	**12,277**	10,855
Total assets	**$ 4,285,029**	$ 4,229,166
LIABILITIES AND EQUITY		
Liabilities:		
Accrued interest payable (includes $8,598 and $8,517, respectively, related to consolidated trusts)	**$ 9,270**	$ 9,186
Debt:		
Of Fannie Mae (includes $2,091 and $2,381, respectively, at fair value)	**180,169**	200,892
Of consolidated trusts (includes $20,117 and $21,735, respectively, at fair value)	**4,028,628**	3,957,299
Other liabilities (includes $2,119 and $1,245, respectively, related to consolidated trusts)	**15,204**	14,432
Total liabilities	**4,233,271**	4,181,809
Commitments and contingencies (Note 13)	**—**	—
Fannie Mae stockholders' equity:		
Senior preferred stock (liquidation preference of $168,856 and $163,672, respectively)	**120,836**	120,836
Preferred stock, 700,000,000 shares are authorized—555,374,922 shares issued and outstanding	**19,130**	19,130
Common stock, no par value, no maximum authorization—1,308,762,703 shares issued and 1,158,087,567 shares outstanding	**687**	687
Accumulated deficit	**(81,526)**	(85,934)
Accumulated other comprehensive income	**31**	38
Treasury stock, at cost, 150,675,136 shares	**(7,400)**	(7,400)
Total stockholders' equity (See Note 1: Senior Preferred Stock Purchase Agreement and Senior Preferred Stock for information on the related dividend obligation and liquidation preference)	**51,758**	47,357
Total liabilities and equity	**$ 4,285,029**	$ 4,229,166

See Notes to Condensed Consolidated Financial Statements in the First Quarter 2022 Form 10-Q

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

	For the Three Months Ended March 31,	
	2022	2021
Interest income:		
Trading securities	$ 156	$ 140
Available-for-sale securities	10	19
Mortgage loans	27,142	23,353
Securities purchased under agreements to resell or similar arrangements	6	8
Other	26	42
Total interest income	27,340	23,562
Interest expense:		
Short-term debt	(1)	(3)
Long-term debt	(19,940)	(16,817)
Total interest expense	(19,941)	(16,820)
Net interest income	7,399	6,742
Benefit (provision) for credit losses	(240)	765
Net interest income after benefit (provision) for credit losses	7,159	7,507
Investment gains (losses), net	(102)	45
Fair value gains, net	480	784
Fee and other income	83	87
Non-interest income	461	916
Administrative expenses:		
Salaries and employee benefits	(407)	(387)
Professional services	(209)	(214)
Other administrative expenses	(192)	(147)
Total administrative expenses	(808)	(748)
Foreclosed property income	39	5
Temporary Payroll Tax Cut Continuation Act of 2011 (“TCCA”) fees	(824)	(731)
Credit enhancement expense	(278)	(284)
Change in expected credit enhancement recoveries	60	(31)
Other expenses, net	(236)	(319)
Total expenses	(2,047)	(2,108)
Income before federal income taxes	5,573	6,315
Provision for federal income taxes	(1,165)	(1,322)
Net income	4,408	4,993
Other comprehensive loss:		
Changes in unrealized losses on available-for-sale securities, net of reclassification adjustments and taxes	(5)	(23)
Other, net of taxes	(2)	(4)
Total other comprehensive loss	(7)	(27)
Total comprehensive income	$ 4,401	$ 4,966
Net income	$ 4,408	$ 4,993
Dividends distributed or amounts attributable to senior preferred stock	(4,401)	(4,966)
Net income attributable to common stockholders	$ 7	$ 27
Earnings per share:		
Basic	$ 0.00	$ 0.00
Diluted	0.00	0.00
Weighted-average common shares outstanding:		
Basic	5,867	5,867
Diluted	5,893	5,893

See Notes to Condensed Consolidated Financial Statements in the First Quarter 2022 Form 10-Q

EXHIBIT 99.2

Financial Supplement
Q1 2022

May 3, 2022

- 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 March 31, 2022 ("Q1 2022 Form 10-Q") and Form 10-K for the year ended December 31, 2021 ("2021 Form 10-K"). This presentation should be reviewed together with the Q1 2022 Form 10-Q and the 2021 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 March 31, 2022 or for the first three months of 2022. Data for prior years is as of December 31 or for the full year indicated.
- Note references are to endnotes, appearing on pages 23 to 26.
- Terms used in presentation

  CAS: Connecticut Avenue Securities®

  CIRT™: Credit Insurance Risk Transfer™

  CRT: Credit risk transfer

  DSCR: Weighted-average debt service coverage ratio

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

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

  FHFA: The Federal Housing Finance Agency

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

  LTV ratio: Loan-to-value ratio

  MSA: Metropolitan statistical area

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

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

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

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

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

  UPB: Unpaid principal balance

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Overview

Corporate Financial Highlights

Summary of Q1 2022 Financial Results

(Dollars in millions)	Q1 2022	Q4 2021	Variance	Q1 2021	Variance
Net interest income	**$7,399**	$7,587	$(188)	$6,742	$657
Fee and other income	**83**	60	23	87	(4)
Net revenues	**7,482**	7,647	(165)	6,829	653
Investment gains (losses), net	**(102)**	418	(520)	45	(147)
Fair value gains (losses), net	**480**	(166)	646	784	(304)
Administrative expenses	**(808)**	(826)	18	(748)	(60)
Credit-related income (expense)	**(201)**	912	(1,113)	770	(971)
TCCA fees	**(824)**	(801)	(23)	(731)	(93)
Credit enhancement expense	**(278)**	(260)	(18)	(284)	6
Change in expected credit enhancement recoveries	**60**	(77)	137	(31)	91
Other expenses, net[1]	**(236)**	(355)	119	(319)	83
Income before federal income taxes	**5,573**	6,492	(919)	6,315	(742)
Provision for federal income taxes	**(1,165)**	(1,303)	138	(1,322)	157
Net income	**$4,408**	$5,189	$(781)	$4,993	$(585)
Total comprehensive income	**$4,401**	$5,184	$(783)	$4,966	$(565)
Net worth	**$51,758**	$47,357	$4,401	$30,225	$21,533
Net worth ratio[2]	1.2 %	1.1 %		0.7 %	

Q1 2022 Key Highlights

$4.4 billion net income in Q1 2022, with net worth reaching $51.8 billion as of March 31, 2022

Net income decreased $781 million in the first quarter of 2022 compared with the fourth quarter of 2021 primarily driven by:

Credit-related income (expense)

- $201 million expense in the first quarter of 2022 compared with $912 million income in the fourth quarter of 2021. Expense in the first quarter of 2022 was driven primarily by increases in actual and projected interest rates, which increased the allowance relating to previously modified loans accounted for as troubled debt restructurings, or TDRs. This expense was partially offset by certain loans previously accounted for as TDRs receiving loss mitigation arrangements during the quarter, which under newly adopted accounting guidance released prior economic concessions relating to these loans from the company's allowance.

Investment gains (losses), net

- Investment losses in the first quarter of 2022 were $102 million compared with investment gains of $418 million in the fourth quarter of 2021. The shift from investment gains to losses was driven primarily by the absence of loans sales in the first quarter of 2022.

Fair value gains (losses)

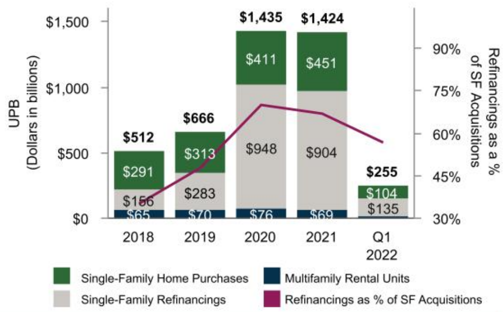
- $480 million fair value gains in the first quarter of 2022 compared with fair value losses of $166 million in the fourth quarter of 2021. Fair value gains in the first quarter of 2022 were driven primarily by increases in the fair value of commitments to sell mortgage-related securities as prices decreased during the commitment period as well as gains in the fair value of long-term debt of consolidated trusts held at fair value partially offset by declines in the fair value of fixed-rate trading securities. Hedge accounting continues to be an effective tool in addressing income statement volatility driven by interest-rate changes.

Guaranty Book of Business Highlights

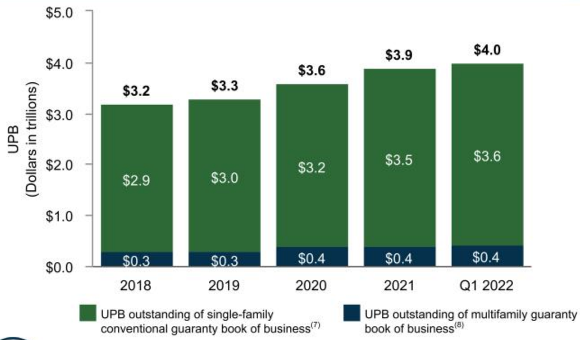
Market Liquidity Provided

Total liquidity provided in the first quarter of 2022 was $255B

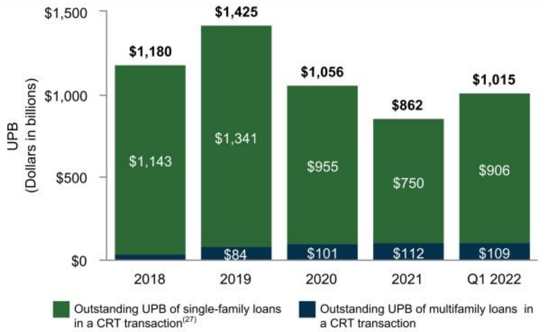
Unpaid Principal Balance	Units
$104B	312K Single-Family Home Purchases
$135B	487K Single-Family Refinancings
$16B	136K Multifamily Rental Units



Outstanding Guaranty Book of Business at Period End

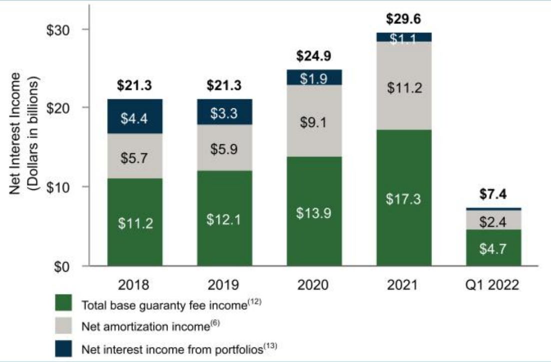


Guaranty Book in a CRT

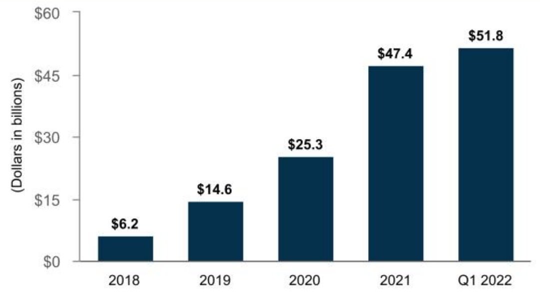


Interest Income and Liquidity Management

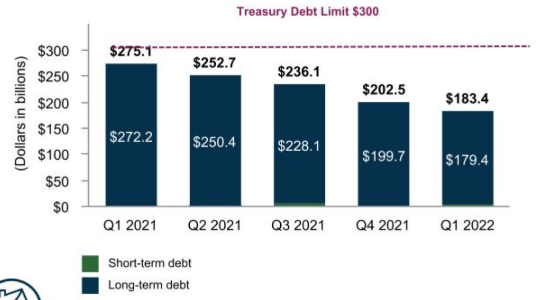
Components of Net Interest Income



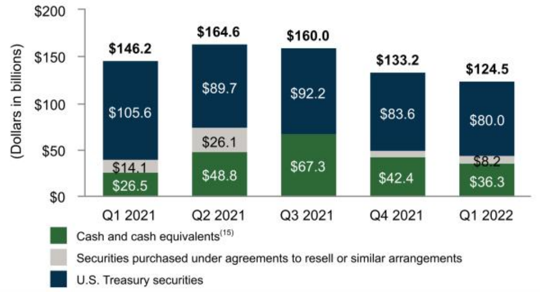
Net Worth of Fannie Mae



Aggregate Indebtedness of Fannie Mae(14)

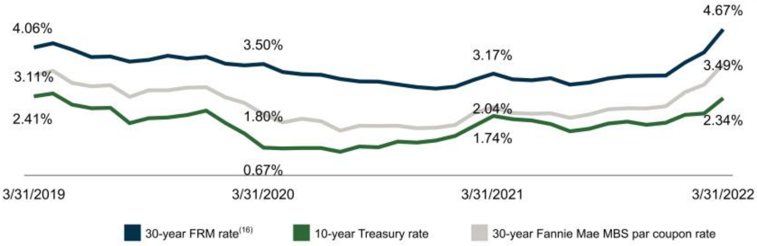


Other Investments Portfolio ("OIP")

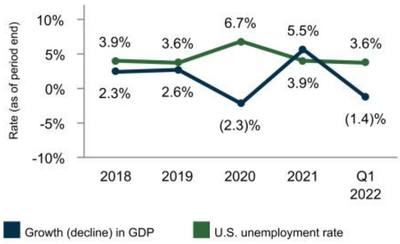


Key Market Economic Indicators

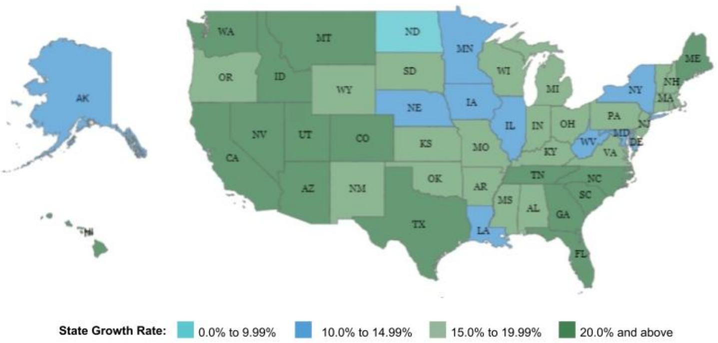
Benchmark Interest Rates



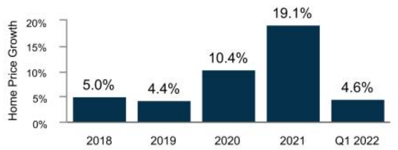
U.S. GDP Growth (Decline) Rate and Unemployment Rate[17]



One Year Home Price Growth Rate Q1 2022[18] United States 20.0%



Single-Family Home Price Growth Rate[18]



Top 10 States by UPB[18]

State	One Year Home Price Growth Rate Q1 2022	Share of Single-Family Conventional Guaranty Book
CA	21.6%	19%
TX	23.4%	7%
FL	32.0%	6%
NY	13.6%	5%
WA	24.3%	4%
NJ	17.9%	3%
CO	22.5%	3%
IL	13.7%	3%
VA	15.7%	3%
NC	25.1%	3%

Single-Family Business

Fannie Mae

Single-Family Highlights

Q1 2022

$6,255M
Net interest income

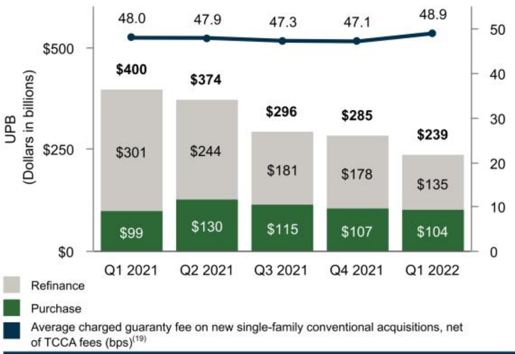
$(66)M
Investment losses, net

$527M
Fair value gains, net

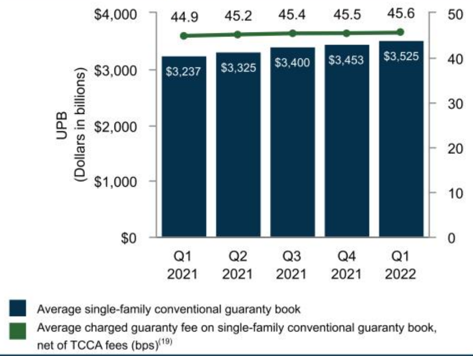
$(236)M
Credit-related expense

$3,709M
Net income

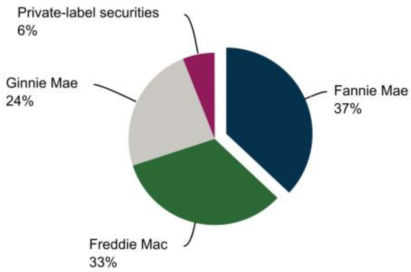
Single-Family Conventional Loan Acquisitions[7]



Single-Family Conventional Guaranty Book of Business[7]



Q1 2022 Single-Family Mortgage-Related Securities Share of Issuances



Highlights

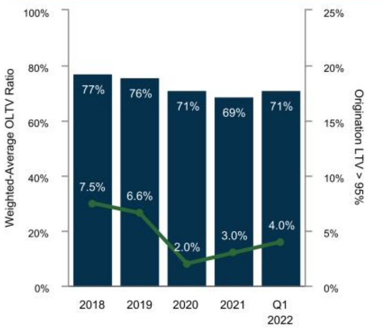
- Single-family conventional acquisition volume was $239.5 billion in Q1 2022. Purchase acquisition volume was $104.0 billion and refinance acquisition volume was $135.5 billion in the same period, a decline from $177.6 billion in Q4 2021 due to the rising rate environment.
- The average single-family conventional guaranty book of business in Q1 2022 increased from Q4 2021 by 2.1% driven primarily by growth in the average balance of loans acquired during the quarter.
- Single-family serious delinquency rate decreased to 1.01% as of March 31, 2022, from 1.25% as of December 31, 2021 driven by single-family loans exiting forbearance through a loan workout or otherwise reinstating their loan.

Credit Characteristics of Single-Family Conventional Loan Acquisitions

Certain Credit Characteristics of Single-Family Conventional Loans by Acquisition Period | Q1 2022 Acquisition Credit Profile by Certain Loan Features

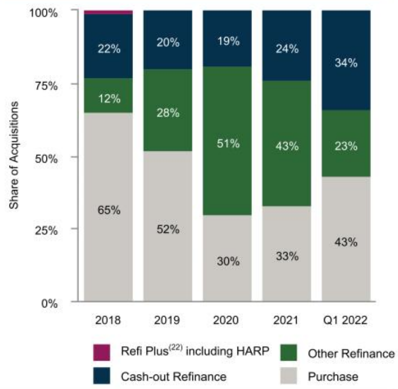
Categories are not mutually exclusive	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Full Year 2021	Q1 2022	OLTV Ratio >95%	Home-Ready®(21)	FICO Credit Score < 680(10)	DTI Ratio > 43%(20)
Total UPB (Dollars in billions)	$400.5	$373.3	$296.4	$284.5	$1,354.7	$239.5	$9.3	$5.6	$21.6	$68.4
Weighted-Average OLTV Ratio	68%	70%	70%	70%	69%	71%	97%	89%	70%	73%
OLTV Ratio > 95%	2%	2%	4%	4%	3%	4%	100%	41%	2%	4%
Weighted-Average FICO® Credit Score(10)	761	757	753	751	756	748	743	742	656	740
FICO Credit Score < 680(10)	4%	6%	8%	8%	6%	9%	5%	8%	100%	11%
DTI Ratio > 43%(20)	20%	22%	24%	25%	23%	29%	32%	49%	34%	100%
Fixed-rate	100%	99%	99%	99%	99%	99%	100%	100%	100%	99%
Primary Residence	91%	93%	95%	91%	92%	90%	100%	100%	96%	89%
HomeReady®(21)	3%	3%	3%	3%	3%	2%	25%	100%	2%	4%

Origination Loan-to-Value Ratio



FICO Credit Score(10)

Acquisitions by Loan Purpose



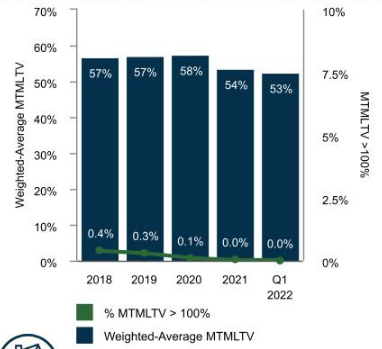
Credit Characteristics of Single-Family Conventional Guaranty Book of Business

Certain Credit Characteristics of Single-Family Conventional Guaranty Book of Business by Origination Year and Loan Features[7][23]

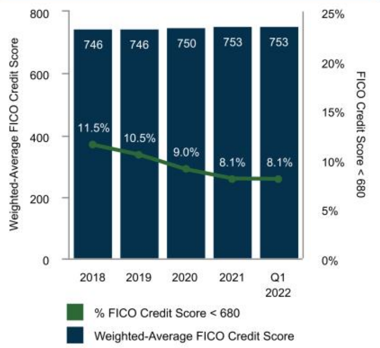
As of March 31, 2022

		Origination Year						Certain Loan Features				
Categories are not mutually exclusive	Overall Book	2008 & Earlier	2009-2018	2019	2020	2021	2022	OLTV Ratio > 95%	Home-Ready[8][21]	FICO Credit Score < 680[10]	Refi Plus Including HARP[22]	DTI Ratio > 43%[20]
Total UPB (Dollars in billions)	$3,567.4	$89.3	$898.5	$188.2	$1,004.1	$1,238.4	$148.9	$162.0	$103.5	$287.6	$143.0	$816.2
Average UPB	$202,076	$81,020	$133,971	$202,767	$256,551	$275,379	$294,209	$166,821	$180,113	$155,952	$106,764	$217,765
Share of SF Conventional Guaranty Book	100%	3%	25%	5%	28%	35%	4%	5%	3%	8%	4%	23%
Loans in Forbearance by UPB[24]	0.5%	1.6%	0.7%	1.0%	0.4%	0.2%	0.0%	1.1%	1.1%	1.6%	0.7%	0.8%
Share of Loans with Credit Enhancement[25]	37%	10%	48%	56%	34%	33%	24%	82%	80%	35%	41%	41%
Serious Delinquency Rate[11]	1.01%	4.06%	1.42%	1.78%	0.42%	0.14%	0.00%	2.35%	1.64%	3.62%	1.54%	1.67%
Weighted-Average OLTV Ratio	72%	75%	74%	76%	71%	70%	71%	103%	87%	75%	84%	74%
OLTV Ratio > 95%	5%	9%	7%	8%	3%	3%	4%	100%	34%	7%	28%	1%
Amortized OLTV Ratio[26]	66%	67%	61%	71%	68%	68%	71%	93%	83%	69%	70%	70%
Weighted-Average Mark-to-Market LTV Ratio[9]	53%	34%	37%	53%	54%	62%	71%	67%	68%	51%	35%	55%
Weighted-Average FICO Credit Score[10]	753	697	747	746	762	755	747	733	742	651	727	741
FICO Credit Score < 680[10]	8%	38%	11%	9%	4%	7%	9%	13%	9%	100%	23%	11%

Mark-to-Market Loan-to-Value (MTMLTV) Ratio[9]



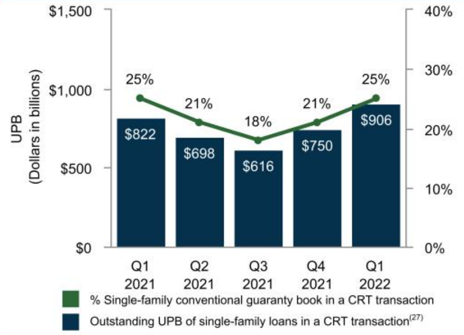
FICO Credit Score[10]



SDQ Rate[11]

Single-Family Credit Risk Transfer

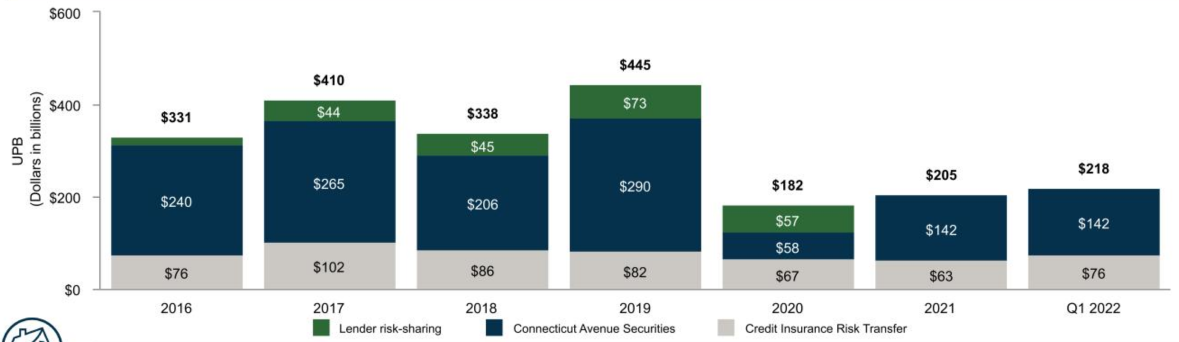
Single-Family Credit Risk Transfer



Single-Family Loans with Credit Enhancement

Credit Enhancement Outstanding UPB (dollars in billions)	2020 Outstanding UPB	2020 % of Book[30] Outstanding	2021 Outstanding UPB	2021 % of Book[30] Outstanding	Q1 2022 Outstanding UPB	Q1 2022 % of Book[30] Outstanding
Primary mortgage insurance & other[28]	$681	21%	$697	20%	**$712**	**20%**
Connecticut Avenue Securities[29]	$608	19%	$512	14%	**$615**	**17%**
Credit Insurance Risk Transfer[27]	$216	7%	$168	5%	**$227**	**6%**
Lender risk-sharing[29]	$131	4%	$70	2%	**$64**	**2%**
(Less: loans covered by multiple credit enhancements)	($304)	(9)%	($253)	(7)%	**($295)**	**(8)%**
Total single-family loans with credit enhancement	$1,332	42%	$1,194	34%	**$1,323**	**37%**

Single-Family Credit Risk Transfer Issuance

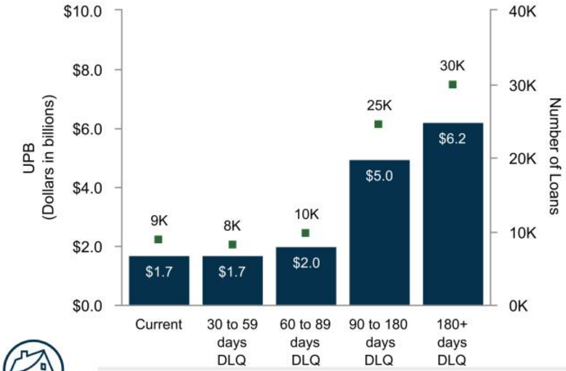


Single-Family Conventional Guaranty Book of Business in Forbearance

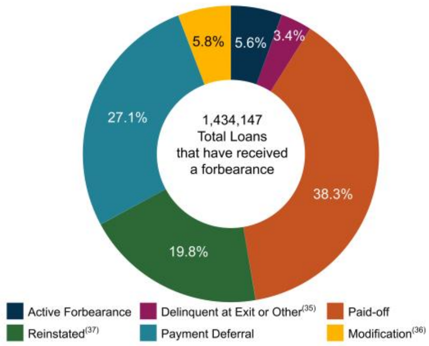
Certain Credit Characteristics of Single-Family Loans in Forbearance[24][31]

As of March 31, 2022		Origination Year					
Categories are not mutually exclusive	**Total**	2008 & Earlier	2009-2018	2019	2020	2021	2022
Total UPB (Dollars in billions)	**$16.6**	$1.4	$6.3	$1.9	$4.1	$2.9	$0.0
Average UPB	**$205,066**	$115,520	$167,909	$232,405	$283,065	$311,856	$350,579
Share of Single-Family Conventional Guaranty Book based on Loan Count	**0.5%**	0.1%	0.2%	0.0%	0.1%	0.1%	0.0%
Share of Single-Family Conventional Guaranty Book based on UPB[32]	**0.5%**	0.0%	0.2%	0.1%	0.1%	0.1%	0.0%
MTMLTV Ratio > 80% without Mortgage Insurance	**0.4%**	0.2%	0.1%	0.0%	0.0%	0.1%	0.0%
DTI Ratio > 43%[20]	**39.3%**	3.5%	14.6%	4.9%	9.3%	6.9%	0.1%
FICO Credit Score < 680[10]	**28.4%**	4.6%	12.3%	2.8%	4.6%	4.1%	0.0%
OLTV Ratio > 95%	**10.6%**	1.0%	5.2%	1.8%	1.6%	1.0%	0.0%

Delinquency Status of $16.6B UPB in Forbearance[33] as of March 31, 2022

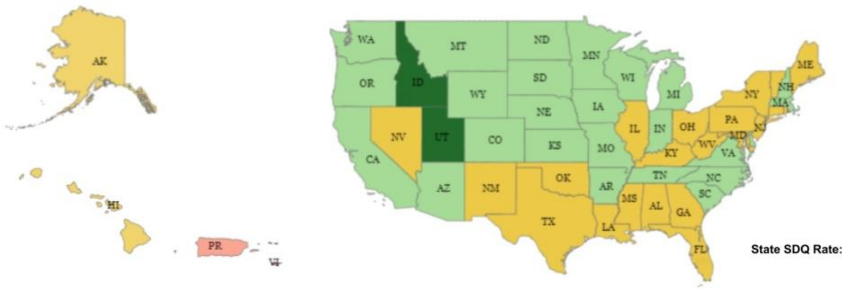


Single-Family Loan Forbearance Status[34] As of March 31, 2022



Single-Family Problem Loan Statistics

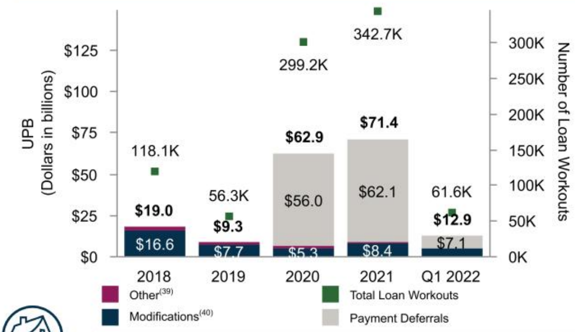
Single-Family Serious Delinquency Rate by State as of March 31, 2022[11]



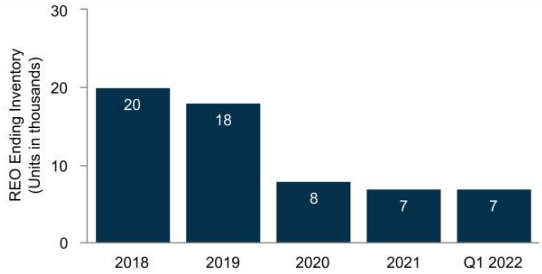
Top 10 States by UPB

State	Serious Delinquency Rate[11]	Average Months to Foreclosure[38]
CA	0.79%	41
TX	1.17%	27
FL	1.21%	56
NY	1.87%	59
WA	0.69%	44
NJ	1.49%	52
CO	0.66%	30
IL	1.28%	34
VA	0.89%	34
NC	0.84%	27

Single-Family Loan Workouts

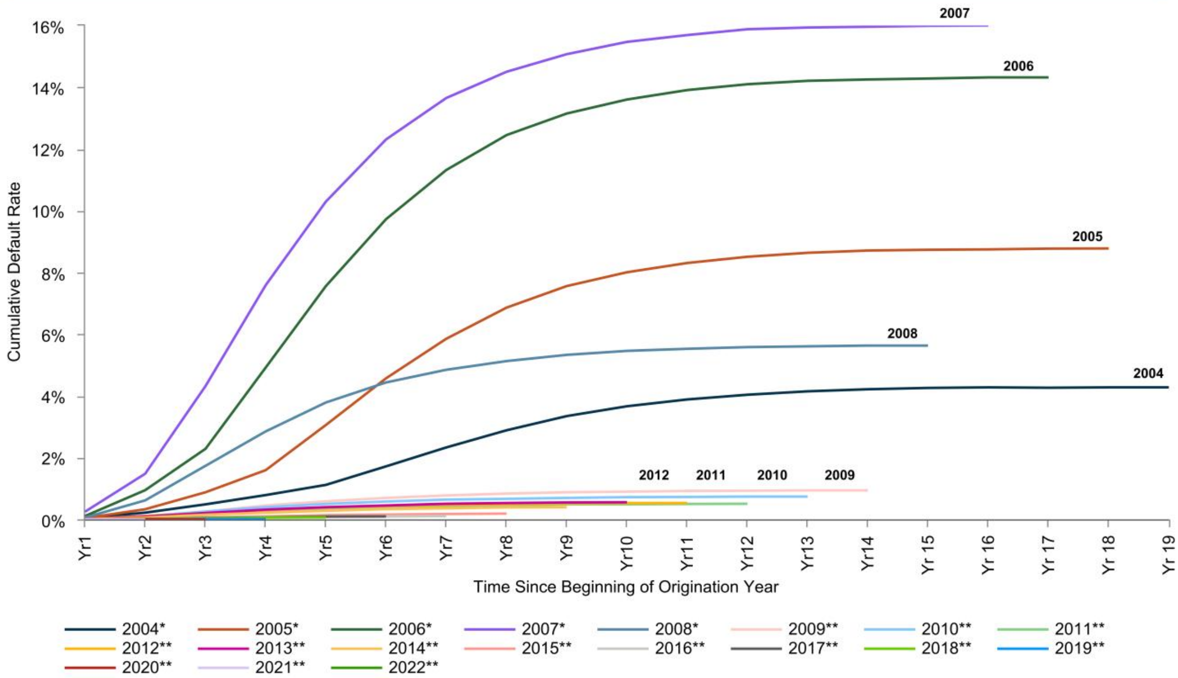


Single-Family REO Ending Inventory



Single-Family Cumulative Default Rates

Cumulative Default Rates of Single-Family Conventional Guaranty Book of Business by Origination Year[54]



* Loans originated prior to 2009 represent only 3% of the single-family conventional guaranty book of business as of March 31, 2022.
**As of March 31, 2022, cumulative default rates on the loans originated in each individual year from 2009-2022 were less than 1%.

Multifamily Business

Fannie Mae®

Multifamily Highlights

Q1 2022

$1,144M
Net interest income

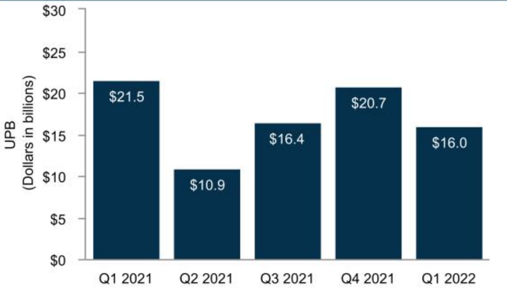
$22M
Fee and other income

$(47)M
Fair value losses, net

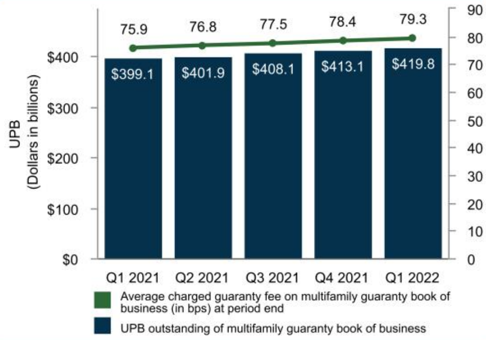
$35M
Credit-related income

$699M
Net income

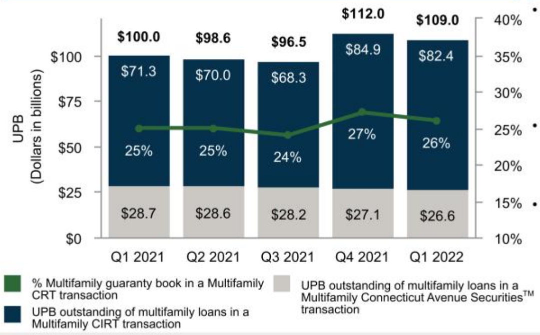
Multifamily New Business Volume



Multifamily Guaranty Book of Business[8]



Multifamily Credit Risk Transfer



Highlights

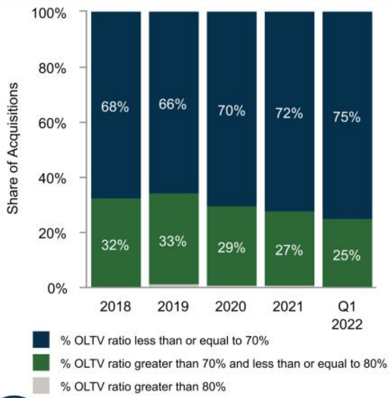
- New multifamily business volume was $16.0 billion in Q1 2022. The Federal Housing Finance Agency (FHFA) established a 2022 multifamily volume cap of $78 billion, of which 50% must be mission-driven, focused on certain affordable and underserved market segments, and 25% affordable to residents earning 60% or less of area median income.
- The multifamily guaranty book of business grew by 2% in Q1 2022 to $419.8 billion. The average charged guaranty fee on the multifamily book increased from 78.4 basis points as of December 31, 2021 to 79.3 basis points as of March 31, 2022.
- The multifamily serious delinquency rate decreased to 0.38% as of March 31, 2022, compared with 0.42% as of December 31, 2021, as recovery from COVID-19 continues. The multifamily serious delinquency rate, excluding loans that received a forbearance, decreased slightly to 0.03% as of March 31, 2022 from 0.04% as of December 31, 2021. Multifamily seriously delinquent loans are loans that are 60 days or more past due.

Credit Characteristics of Multifamily Loan Acquisitions

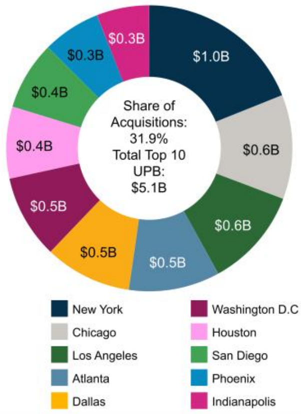
Certain Credit Characteristics of Multifamily Loans by Acquisition Period[8]

Categories are not mutually exclusive	2018	2019	2020	2021	Q1 2022
Total UPB (Dollars in billions)	$65.4	$70.2	$76.0	$69.5	**$16.0**
Weighted-Average OLTV Ratio	65%	66%	64%	65%	**63%**
Loan Count	3,723	4,113	5,051	4,203	**943**
% Lender Recourse[41]	100%	100%	99%	100%	**100%**
% DUS[42]	99%	100%	99%	99%	**99%**
% Full Interest-Only	33%	33%	38%	40%	**37%**
Weighted-Average OLTV Ratio on Full Interest-Only Acquisitions	58%	59%	58%	59%	**58%**
Weighted-Average OLTV Ratio on Non-Full Interest-Only Acquisitions	68%	69%	68%	68%	**66%**
% Partial Interest-Only[43]	53%	56%	50%	50%	**49%**

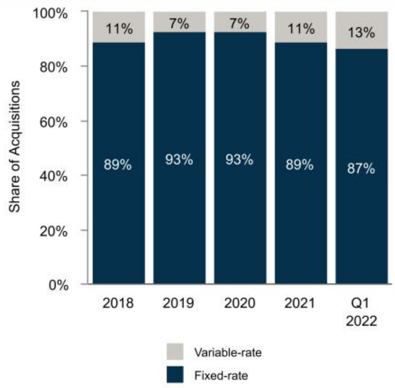
Origination Loan-to-Value Ratio[8]



Top 10 MSAs by Q1 2022 Acquisition UPB[8]



Acquisitions by Note Type[8]



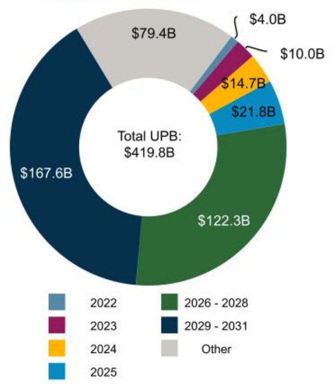
Credit Characteristics of Multifamily Guaranty Book of Business

Certain Credit Characteristics of Multifamily Guaranty Book of Business by Acquisition Year, Asset Class, or Targeted Affordable Segment[8]

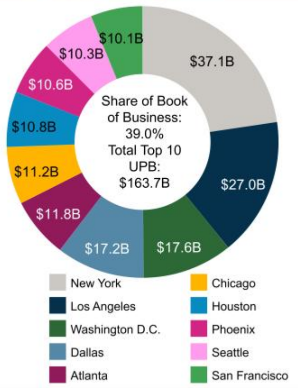
As of March 31, 2022

Categories are not mutually exclusive	Overall Book	Acquisition Year: 2008 & Earlier	2009-2017	2018	2019	2020	2021	2022	Asset Class or Targeted Affordable Segment: Conventional /Co-op[44]	Seniors Housing[44]	Student Housing[44]	Manufactured Housing[44]	Privately Owned with Subsidy[48]
Total UPB (Dollars in billions)	$419.8	$6.8	$134.0	$54.9	$65.8	$73.4	$68.9	$16.0	$369.5	$16.7	$14.8	$18.8	$48.2
% of Multifamily Guaranty Book	100%	2%	32%	13%	16%	17%	16%	4%	88%	4%	4%	4%	11%
Loan Count	28,739	2,664	9,312	3,040	3,728	4,890	4,162	943	25,834	628	620	1,657	3,842
Average UPB (Dollars in millions)	$14.6	$2.5	$14.4	$18.1	$17.7	$15.0	$16.5	$17.0	$14.3	$26.6	$23.9	$11.3	$12.5
Weighted-Average OLTV Ratio	65%	69%	66%	64%	66%	64%	65%	63%	65%	66%	66%	65%	68%
Weighted-Average DSCR[46]	2.1	3.1	1.9	1.9	2.0	2.4	2.3	2.3	2.2	1.6	1.9	2.3	2.2
% Fixed rate	91%	23%	91%	93%	94%	94%	90%	87%	92%	62%	82%	92%	86%
% Full Interest-Only	34%	28%	27%	35%	34%	39%	40%	37%	35%	13%	32%	24%	25%
% Partial Interest-Only[43]	51%	18%	50%	52%	56%	50%	50%	49%	50%	60%	61%	59%	44%
% Small Balance Loans[45]	41%	91%	44%	28%	35%	36%	26%	21%	41%	14%	23%	50%	48%
% DUS[8]	99%	92%	98%	100%	100%	99%	99%	99%	99%	98%	100%	100%	98%
Serious Delinquency Rate[47]	0.38%	0.06%	0.80%	0.43%	0.38%	0.04%	0.00%	0.00%	0.26%	1.60%	2.47%	0.02%	0.13%

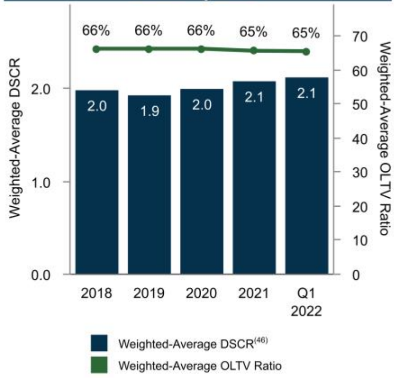
UPB by Maturity Year As of March 31, 2022[8]



Top 10 MSAs by UPB As of March 31, 2022[8]

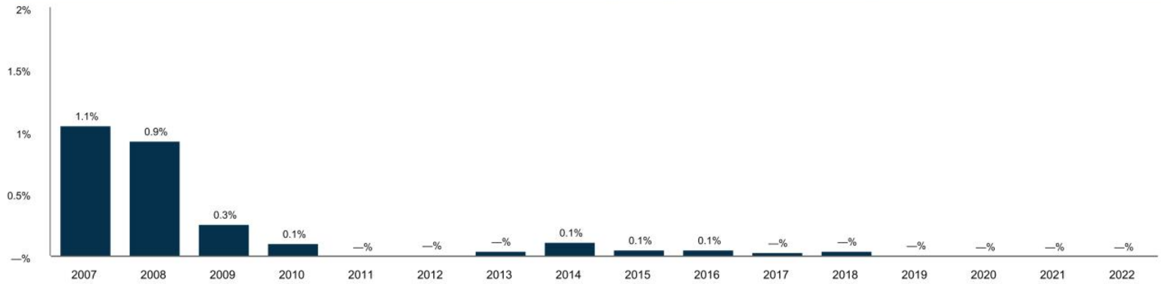


Certain Credit Characteristics of Guaranty Book

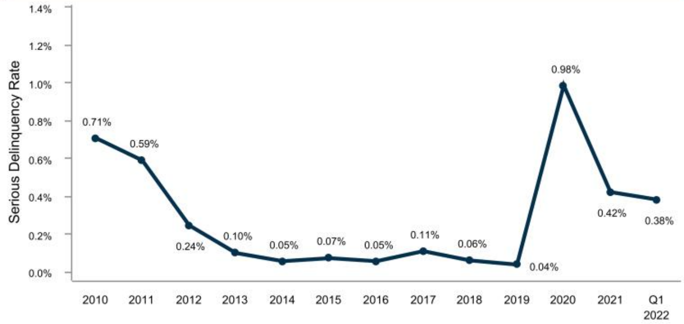


Multifamily Serious Delinquency, Credit Loss and Forbearance Rates

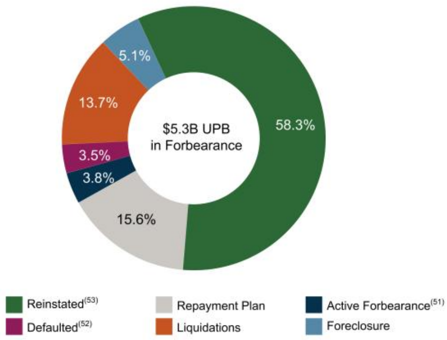
Cumulative Total Credit Loss Rate, Net by Acquisition Year Through Q1 2022(49)



Serious Delinquency Rates(47)



COVID-19-Related Loan Forbearance Status as of March 31, 2022(50)



Endnotes

Fannie Mae

Endnotes

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

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

(3) Intentionally left blank.

(4) Intentionally left blank.

(5) Intentionally left blank.

(6) Net amortization income refers to the amortization of premiums and discounts on mortgage loans and debt of consolidated trusts. These cost basis adjustments represent the difference between the initial fair value and the carrying value of these instruments as well as upfront fees Fannie Mae receives at the time of loan acquisition. This excludes the amortization of cost basis adjustments resulting from hedge accounting.

(7) 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.

(8) 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.

(9) 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.

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

(11) 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.

(12) Total base guaranty fee income is interest income from the guaranty book of business including 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 remitted to Treasury and not retained by the company.

(13) 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 as well as the impact from hedge accounting.

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

Endnotes

(15) 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.

(16) 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.

(17) U.S. Gross Domestic Product ("GDP") annual growth (decline) rates for periods prior to 2022 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 decline rate for Q1 2022 is the annualized GDP decline rate based on the First Quarter 2022 (Advance Estimate) published by the Bureau of Economic Analysis on April 28, 2022.

(18) Home price estimates are based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of March 2022. 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 March 2022, 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 March 31, 2022.

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

(20) 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.

(21) 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%.

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

(23) 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.

(24) Consists of loans that are in an active forbearance as of March 31, 2022, including $22 million in loans that were originated in 2022.

(25) 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.

(26) 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.

(27) Includes mortgage pool insurance transactions covering loans with an unpaid principal balance of approximately $1.4 billion outstanding as of March 31, 2022.

(28) 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.

Endnotes

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

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

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

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

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

(34) As a part of the company's relief programs and pursuant to the CARES Act, the company has authorized servicers to permit payment forbearance to borrowers experiencing a COVID-19-related financial hardship for up to 12 months without regard to the delinquency status of the loan, and for borrowers already in forbearance as of February 28, 2021, for a total of up to 18 months, provided that the forbearance does not result in the loan becoming greater than 18 months delinquent.

(35) Consists of 48,642 loans that were delinquent upon the expiration of the forbearance arrangement and 930 loans that exited forbearance through a repayment plan.

(36) Includes loans that are in trial modifications.

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

(38) 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 three months ended March 31, 2022. Home Equity Conversion Mortgages insured by the Department of Housing and Urban Development are excluded from this calculation.

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

(40) There were approximately 35,600 loans in a trial modification period that was not complete as of March 31, 2022.

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

(42) 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.

(43) 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.

Endnotes

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

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

(46) Weighted-average debt service coverage ratio, or "DSCR", is calculated using the latest available income information from annual statements for these properties. When operating statement information is not available, the DSCR at the time of acquisition is used. If both are unavailable, the underwritten DSCR is used. Although the company uses the most recently available results from their multifamily borrowers, there is a lag in reporting, which typically can range from three to six months, but in some cases may be longer. Co-op loans are excluded from this metric.

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

(48) The Multifamily Affordable Business Channel focuses on financing properties that are under an agreement that provides long-term affordability, such as properties with rent subsidies or income restrictions. The parameters to qualify under Privately Owned with Subsidy were expanded in Q3 2021, resulting in an increase in properties classified as targeted affordable volume.

(49) Cumulative net credit loss rate is the cumulative net credit losses (gains) through March 31, 2022 on the multifamily loans that were acquired in the applicable period, as a percentage of the total acquired unpaid principal balance of multifamily loans in the applicable period. Net credit losses include expected benefit of freestanding loss-sharing benefit, primarily multifamily DUS lender-risk-sharing transactions.

(50) Displays the status and percentage of UPB as of current period end of the multifamily loans in the guaranty book of business that have received a COVID-19-related forbearance since the onset of the COVID-19 pandemic, including loans that liquidated prior to period end. Since the COVID-19 pandemic was declared a national emergency in March 2020, Fannie Mae has broadly offered forbearance to affected multifamily borrowers.

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

(52) 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.

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

(54) 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 March 31, 2022 is not necessarily indicative of the ultimate performance of the loans and performance may change, perhaps materially, in future periods.