

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): April 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
<i>(State or other jurisdiction of incorporation)</i>	<i>(Commission File Number)</i>	<i>(IRS Employer Identification No.)</i>	<i>(Address of principal executive offices, including zip code)</i>	<i>(Registrant's telephone number, including area code)</i>

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 April 30, 2024, Fannie Mae filed its quarterly report on Form 10-Q for the quarter ended March 31, 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 April 30, 2024
99.2	Financial Supplement for Q1 2024, dated April 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: April 30, 2024

Fannie Mae Reports Net Income of \$4.3 Billion for First Quarter 2024

- \$4.3 billion net income for the first quarter of 2024, with net worth reaching \$82.0 billion as of March 31, 2024
- Net income increased \$377 million in the first quarter of 2024 compared with the fourth quarter of 2023, primarily driven by a shift to fair value gains and a shift to a benefit for credit losses, partially offset by a decrease in net interest income
- \$72 billion in liquidity provided in the first quarter of 2024, which enabled the financing of approximately 280,000 home purchases, refinancings, and rental units
- Acquired approximately 155,000 single-family purchase loans, of which more than 45% were for first-time homebuyers, and approximately 36,000 single-family refinance loans during the first quarter of 2024
- Financed approximately 89,000 units of multifamily rental housing in the first 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 1.7% on a national basis in the first quarter of 2024 according to the Fannie Mae Home Price Index
- The U.S. weekly average 30-year fixed-rate mortgage rate increased from 6.61% as of the end of 2023 to 6.79% as of the end of the first quarter of 2024

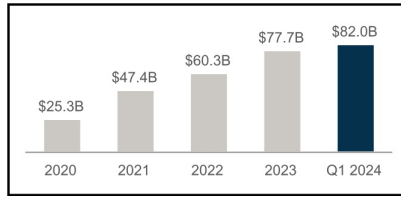
"Fannie Mae reported strong results in the first quarter, delivering \$4.3 billion in net income, marking our twenty-fifth consecutive quarter of positive earnings. The strength of the U.S. economy, higher single-family home prices, and the credit quality of our book of business continue to be important factors affecting our performance. This quarter, we provided \$72 billion in liquidity to the U.S. housing market. This helped 280,000 households buy, refinance, or rent a home and reflects our strong commitment to managing risk and fulfilling our vital role supporting America's housing finance system."

Priscilla Almodovar
 Chief Executive Officer

Q1 2024 Key Results

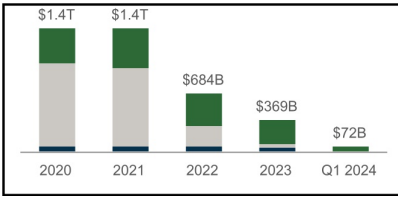
\$82.0 Billion Net Worth

Increase of \$4.3 billion in the first quarter of 2024



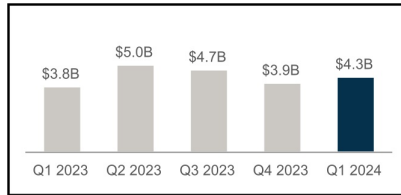
\$72 Billion Supporting Housing Activity

Legend: SF Home Purchases (Green), SF Refinancings (Grey), MF Rental Units (Dark Blue)



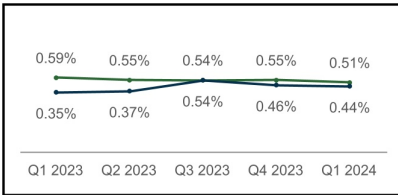
\$4.3 Billion Net Income for Q1 2024

Increase of \$377 million compared with fourth quarter 2023



Serious Delinquency Rates

Legend: Single-Family SDQ Rate (Green), Multifamily SDQ Rate (Dark Blue)



Summary of Financial Results

(Dollars in millions)	Q124	Q423	Variance	% Change	Q123	Variance	% Change
Net interest income	\$ 7,023	\$ 7,732	\$ (709)	(9) %	\$ 6,786	\$ 237	3 %
Fee and other income	72	66	6	9 %	63	9	14 %
Net revenues	7,095	7,798	(703)	(9) %	6,849	246	4 %
Investment gains (losses), net	22	(19)	41	NM	(67)	89	NM
Fair value gains (losses), net	480	(99)	579	NM	204	276	135 %
Administrative expenses	(929)	(975)	46	5 %	(868)	(61)	(7) %
Benefit (provision) for credit losses	180	(116)	296	NM	(132)	312	NM
TCCA fees	(860)	(860)	—	— %*	(855)	(5)	(1) %
Credit enhancement expense ⁽¹⁾	(419)	(397)	(22)	(6) %	(341)	(78)	(23) %
Change in expected credit enhancement recoveries	63	(25)	88	NM	120	(57)	(48) %
Other expenses, net ⁽²⁾	(199)	(351)	152	43 %	(130)	(69)	(53) %
Income before federal income taxes	5,433	4,956	477	10 %	4,780	653	14 %
Provision for federal income taxes	(1,113)	(1,013)	(100)	(10) %	(1,008)	(105)	(10) %
Net income	\$ 4,320	\$ 3,943	\$ 377	10 %	\$ 3,772	\$ 548	15 %
Total comprehensive income	\$ 4,324	\$ 3,957	\$ 367	9 %	\$ 3,772	\$ 552	15 %
Net worth	\$ 82,006	\$ 77,682	\$ 4,324	6 %	\$ 64,049	\$ 17,957	28 %

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® and Credit Insurance Risk Transfer™ programs, enterprise-paid mortgage insurance, and certain lender risk-sharing programs.

⁽²⁾ Consists 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 servicing costs, and servicer fees paid in connection with certain loss mitigation activities.

Financial Highlights

Net income increased \$377 million in the first quarter of 2024 compared with the fourth quarter of 2023, primarily driven by a \$579 million shift to fair value gains in the first quarter of 2024 from fair value losses in the fourth quarter of 2023 as well as a \$296 million shift to a benefit for credit losses in the first quarter of 2024 from provision for credit losses in the fourth quarter of 2023, partially offset by a decrease in net interest income.

- Net interest income decreased in the first quarter of 2024 compared with the fourth quarter of 2023 primarily driven by decreases in deferred guaranty fee income and net interest income from portfolios.
- Fair value gains were \$480 million in the first quarter of 2024, compared with fair value losses of \$99 million in the fourth quarter of 2023. Fair value gains in the first quarter of 2024 were driven by increases in interest rates.
- Benefit for credit losses was \$180 million in the first quarter of 2024, compared with a provision of \$116 million in the fourth quarter of 2023. The benefit for credit losses in the first quarter of 2024 reflects a \$335 million single-family benefit for credit losses, partially offset by a \$155 million multifamily provision for credit losses.
 - The single-family benefit for credit losses in the first quarter of 2024 was primarily driven by a benefit from forecasted home price growth, partially offset by a provision from changes in loan activity and a provision relating to actual and projected interest rates.
 - The multifamily provision for credit losses in the first quarter of 2024 was primarily driven by declining actual and near-term projected property values on the company's overall multifamily guaranty book, as well as increases in actual and projected interest rates compared to the company's prior forecast.

Single-Family Business Financial Results

(Dollars in millions)	Q124	Q423	Variance	% Change	Q123	Variance	% Change
Net interest income	\$ 5,874	\$ 6,566	\$ (692)	(11) %	\$ 5,672	\$ 202	4 %
Fee and other income	55	49	6	12 %	48	7	15 %
Net revenues	5,929	6,615	(686)	(10) %	5,720	209	4 %
Investment gains (losses), net	13	(6)	19	NM	(71)	84	NM
Fair value gains (losses), net	484	(137)	621	NM	166	318	192 %
Administrative expenses	(777)	(810)	33	4 %	(720)	(57)	(8) %
Benefit (provision) for credit losses	335	(36)	371	NM	47	288	NM
TCCA fees	(860)	(860)	—	— %*	(855)	(5)	(1) %
Credit enhancement expense	(353)	(332)	(21)	(6) %	(287)	(66)	(23) %
Change in expected credit enhancement recoveries	(42)	(12)	(30)	NM	95	(137)	NM
Other expenses, net	(176)	(254)	78	31 %	(116)	(60)	(52) %
Income before federal income taxes	4,553	4,168	385	9 %	3,979	574	14 %
Provision for federal income taxes	(946)	(864)	(82)	(9) %	(847)	(99)	(12) %
Net income	\$ 3,607	\$ 3,304	\$ 303	9 %	\$ 3,132	\$ 475	15 %
Average charged guaranty fee on new conventional acquisitions, net of TCCA fees	54.8 bps	54.3 bps	0.5 bps	1 %	51.6 bps	3.2 bps	6 %
Average charged guaranty fee on conventional guaranty book of business, net of TCCA fees	47.4 bps	47.2 bps	0.2 bps	— %*	46.6 bps	0.8 bps	2 %

NM - Not meaningful

* Represents less than 0.5%

Key Business Highlights

- Single-family conventional acquisition volume was \$62.3 billion in the first quarter of 2024, compared with \$70.1 billion in the fourth quarter of 2023. Purchase acquisition volume, of which more than 45% was for first-time homebuyers, decreased to \$53.0 billion in the first quarter of 2024 from \$61.7 billion in the fourth quarter of 2023. Refinance acquisition volume was \$9.3 billion in the first quarter of 2024, an increase from \$8.4 billion in the fourth quarter of 2023.
- The average single-family conventional guaranty book of business decreased by \$6.9 billion to \$3,631 billion in the first quarter of 2024 compared with the fourth quarter of 2023, driven by liquidations 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 51% and a weighted-average FICO credit score at origination of 753 as of March 31, 2024.
- The average charged guaranty fee, net of TCCA fees, on the single-family conventional guaranty book increased slightly to 47.4 basis points in the first quarter of 2024, primarily as a result of higher base guaranty fees charged on new acquisitions. The average charged guaranty fee on newly acquired single-family conventional loans, net of TCCA fees, increased slightly to 54.8 basis points in the first quarter of 2024.
- The single-family serious delinquency rate decreased to 0.51% as of March 31, 2024 from 0.55% as of December 31, 2023. 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)	Q124	Q423	Variance	% Change	Q123	Variance	% Change
Net interest income	\$ 1,149	\$ 1,166	\$ (17)	(1) %	\$ 1,114	\$ 35	3 %
Fee and other income	17	17	—	— %**	15	2	13 %
Net revenues	1,166	1,183	(17)	(1) %	1,129	37	3 %
Fair value gains (losses), net	(4)	38	(42)	NM	38	(42)	NM
Administrative expenses	(152)	(165)	13	8 %	(148)	(4)	(3)%
Provision for credit losses	(155)	(80)	(75)	(94) %	(179)	24	13 %
Credit enhancement expense	(66)	(65)	(1)	(2) %	(54)	(12)	(22)%
Change in expected credit enhancement recoveries	105	(13)	118	NM	25	80	NM
Other expenses, net*	(14)	(110)	96	87 %	(10)	(4)	(40)%
Income before federal income taxes	880	788	92	12 %	801	79	10 %
Provision for federal income taxes	(167)	(149)	(18)	(12) %	(161)	(6)	(4)%
Net income	\$ 713	\$ 639	\$ 74	12 %	\$ 640	\$ 73	11 %
Average charged guaranty fee rate on multifamily guaranty book of business, at period end	75.8 bps	76.1 bps	(0.3) bps	— %**	78.1 bps	(2.3) bps	(3)%

NM - Not meaningful

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

** Represents less than 0.5%

Key Business Highlights

- New multifamily business volume was \$10.1 billion in the first quarter of 2024, compared with \$11.2 billion in the fourth quarter of 2023.
- The multifamily guaranty book of business grew by 1% in the first quarter of 2024 to \$476.9 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 to 75.8 basis points as of March 31, 2024, primarily due to lower average charged fees on the company's 2024 acquisitions as compared with the existing loans in the multifamily guaranty book of business.
- The multifamily serious delinquency rate decreased to 0.44% as of March 31, 2024, compared with 0.46% as of December 31, 2023. 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 first quarter of 2024 are available in the accompanying Annex; however, investors and interested parties should read the company's First 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 First Quarter 2024 Form 10-Q. Additional information about the company's financial and credit performance is contained in Fannie Mae's "Q1 2024 Financial Supplement" at www.fanniemae.com.

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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	
	March 31, 2024	December 31, 2023
ASSETS		
Cash and cash equivalents	\$ 12,524	\$ 35,817
Restricted cash and cash equivalents (includes \$14,028 and \$25,836, respectively, related to consolidated trusts)	20,730	32,889
Securities purchased under agreements to resell (includes \$13,650 and \$0, respectively, related to consolidated trusts)	73,725	30,700
Investments in securities, at fair value	49,896	53,116
Mortgage loans:		
Loans held for sale, at lower of cost or fair value	1,910	2,149
Loans held for investment, at amortized cost:		
Of Fannie Mae	46,566	48,199
Of consolidated trusts	4,089,021	4,094,013
Total loans held for investment (includes \$3,176 and \$3,315, respectively, at fair value)	4,135,587	4,142,212
Allowance for loan losses	(8,379)	(8,730)
Total loans held for investment, net of allowance	4,127,208	4,133,482
Total mortgage loans	4,129,118	4,135,631
Advances to lenders	2,052	1,389
Deferred tax assets, net	11,525	11,681
Accrued interest receivable, net (includes \$10,435 and \$10,132 related to consolidated trusts and net of allowance of \$25 and \$25, respectively)	11,065	10,724
Other assets	13,184	13,490
Total assets	\$ 4,323,819	\$ 4,325,437
LIABILITIES AND EQUITY		
Liabilities:		
Accrued interest payable (includes \$10,384 and \$10,212, respectively, related to consolidated trusts)	\$ 11,121	\$ 10,931
Debt:		
Of Fannie Mae (includes \$654 and \$761, respectively, at fair value)	118,401	124,065
Of consolidated trusts (includes \$13,762 and \$14,343, respectively, at fair value)	4,098,173	4,098,653
Other liabilities (includes \$1,694 and \$1,713, respectively, related to consolidated trusts)	14,118	14,106
Total liabilities	4,241,813	4,247,755
Commitments and contingencies (Note 14)	—	—
Fannie Mae stockholders' equity:		
Senior preferred stock (liquidation preference of \$199,181 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	(51,283)	(55,603)
Accumulated other comprehensive income	36	32
Treasury stock, at cost, 150,675,136 shares	(7,400)	(7,400)
Total stockholders' equity	82,006	77,682
Total liabilities and equity	\$ 4,323,819	\$ 4,325,437

See Notes to Condensed Consolidated Financial Statements in the First 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 March 31,	
	2024	2023
Interest income:		
Investments in securities	\$ 921	\$ 981
Mortgage loans	35,216	32,137
Other	661	452
Total interest income	36,798	33,570
Interest expense:		
Short-term debt	(195)	(119)
Long-term debt	(29,580)	(26,665)
Total interest expense	(29,775)	(26,784)
Net interest income	7,023	6,786
Benefit (provision) for credit losses	180	(132)
Net interest income after benefit (provision) for credit losses	7,203	6,654
Investment gains (losses), net	22	(67)
Fair value gains, net	480	204
Fee and other income	72	63
Non-interest income	574	200
Administrative expenses:		
Salaries and employee benefits	(511)	(480)
Professional services	(201)	(184)
Other administrative expenses	(217)	(204)
Total administrative expenses	(929)	(868)
TCCA fees	(860)	(855)
Credit enhancement expense	(419)	(341)
Change in expected credit enhancement recoveries	63	120
Other expenses, net	(199)	(130)
Total expenses	(2,344)	(2,074)
Income before federal income taxes	5,433	4,780
Provision for federal income taxes	(1,113)	(1,008)
Net income	4,320	3,772
Other comprehensive income	4	—
Total comprehensive income	\$ 4,324	\$ 3,772
Net income	\$ 4,320	\$ 3,772
Dividends distributed or amounts attributable to senior preferred stock	(4,324)	(3,772)
Net income (loss) attributable to common stockholders	\$ (4)	\$ —
Earnings per share:		
Basic	\$ 0.00	\$ 0.00
Diluted	0.00	0.00
Weighted-average common shares outstanding:		
Basic	5,867	5,867
Diluted	5,867	5,867

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



Fannie Mae[®]

Financial Supplement Q1 2024

April 30, 2024

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- 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, 2024 ("Q1 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 Q1 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 March 31, 2024 or for the first three months 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



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Overview

Corporate Financial Highlights

Summary of Q1 2024 Financial Results

(Dollars in millions)	Q1 2024	Q4 2023	Variance	Q1 2023	Variance
Net interest income	\$7,023	\$7,732	\$(709)	\$6,786	\$237
Fee and other income	72	66	6	63	9
Net revenues	7,095	7,798	(703)	6,849	246
Investment gains (losses), net	22	(19)	41	(67)	89
Fair value gains (losses), net	480	(99)	579	204	276
Administrative expenses	(929)	(975)	46	(868)	(61)
Benefit (provision) for credit losses	180	(116)	296	(132)	312
TCCA fees	(860)	(860)	—	(855)	(5)
Credit enhancement expense ⁽¹⁾	(419)	(397)	(22)	(341)	(78)
Change in expected credit enhancement recoveries	63	(25)	88	120	(57)
Other expenses, net ⁽²⁾	(199)	(351)	152	(130)	(69)
Income before federal income taxes	5,433	4,956	477	4,780	653
Provision for federal income taxes	(1,113)	(1,013)	(100)	(1,008)	(105)
Net income	\$4,320	\$3,943	\$377	\$3,772	\$548
Total comprehensive income	\$4,324	\$3,957	\$367	\$3,772	\$552
Net worth	\$82,006	\$77,682	\$4,324	\$64,049	\$17,957
Net worth ratio⁽³⁾	1.9 %	1.8 %		1.5 %	



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Q1 2024 Key Highlights

\$4.3 billion Net Income in Q1 2024, with Net Worth Reaching \$82.0 billion as of March 31, 2024

Net income increased \$377 million in the first quarter of 2024 compared with the fourth quarter of 2023, primarily driven by a shift to fair value gains and a shift to a benefit for credit losses, partially offset by a decrease in net interest income.

Net interest income

Net interest income decreased in the first quarter of 2024 compared with the fourth quarter of 2023 primarily driven by decreases in deferred guaranty fee income and net interest income from portfolios.

Fair value gains (losses), net

Fair value gains were \$480 million in the first quarter of 2024, compared with fair value losses of \$99 million in the fourth quarter of 2023. Fair value gains in the first quarter of 2024 were driven by increases in interest rates.

Benefit (provision) for credit losses

Benefit for credit losses was \$180 million in the first quarter of 2024, compared with a provision of \$116 million in the fourth quarter of 2023. The benefit for credit losses in the first quarter of 2024 reflects a \$335 million single-family benefit for credit losses, partially offset by a \$155 million multifamily provision for credit losses.

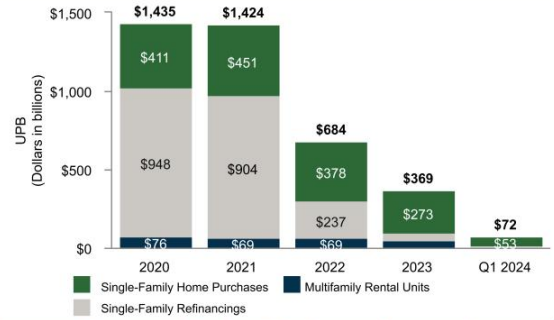
Q1 2024 Financial Supplement 5

Guaranty Book of Business Highlights

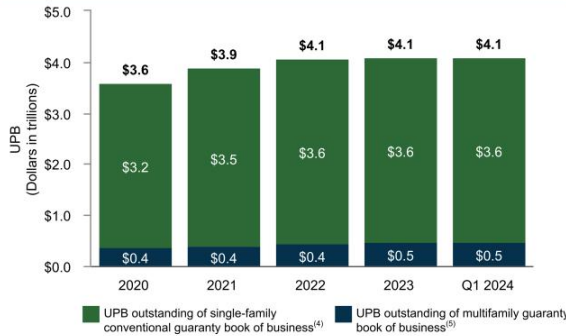
Market Liquidity Provided

Total liquidity provided in the first quarter of 2024 was \$72B

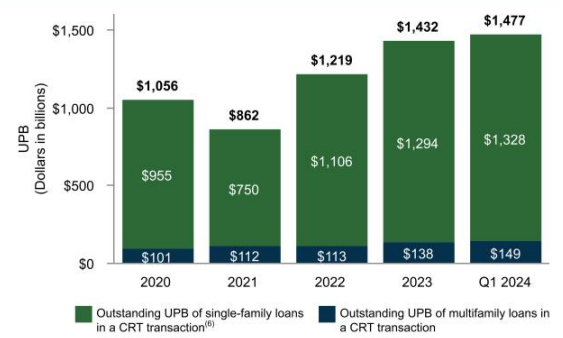
Unpaid Principal Balance	Units
\$53B	155K Single-Family Home Purchases
\$9B	36K Single-Family Refinancings
\$10B	89K Multifamily Rental Units



Outstanding Guaranty Book of Business at Period End

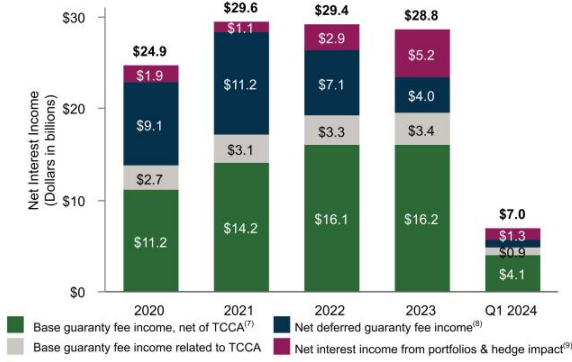


Guaranty Book of Business Covered by a CRT Transaction

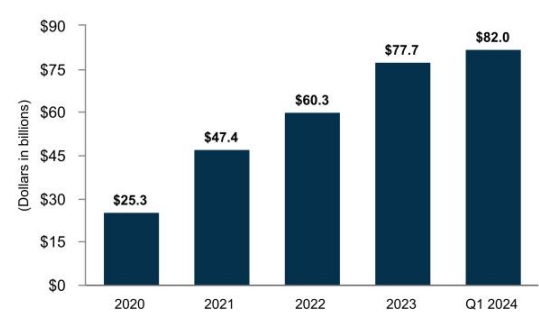


Interest Income and Liquidity Management

Components of Net Interest Income



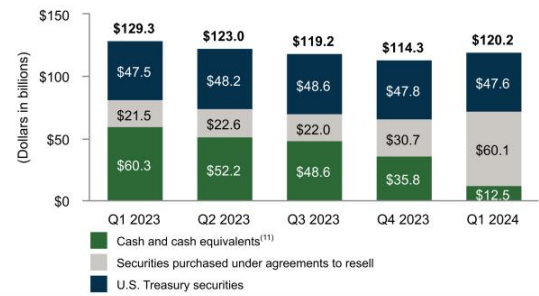
Net Worth of Fannie Mae



Aggregate Indebtedness of Fannie Mae⁽¹⁰⁾



Corporate Liquidity Portfolio

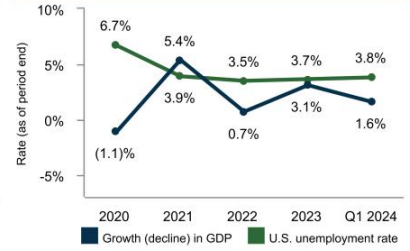


Key Market Economic Indicators

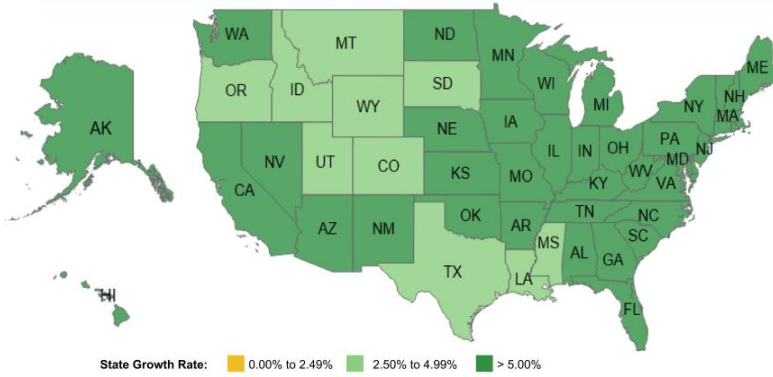
Benchmark Interest Rates



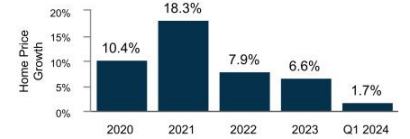
U.S. GDP Growth (Decline) Rate and Unemployment Rate⁽¹³⁾



One Year Home Price Growth Rate Q1 2024⁽¹⁴⁾ United States 7.4%



Single-Family Home Price Growth Rate⁽¹⁴⁾



Top 10 States by UPB⁽¹⁴⁾

State	One Year Home Price Growth Rate Q1 2024	Share of Single-Family Conventional Guaranty Book
CA	8.8%	19%
TX	3.0%	7%
FL	5.9%	6%
NY	9.0%	5%
WA	5.8%	4%
CO	3.9%	3%
NJ	13.1%	3%
IL	9.3%	3%
VA	9.1%	3%
NC	7.3%	3%



Single-Family Business



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Single-Family Highlights

Q1 2024

\$5,874M
Net interest income

\$13M
Investment gains, net

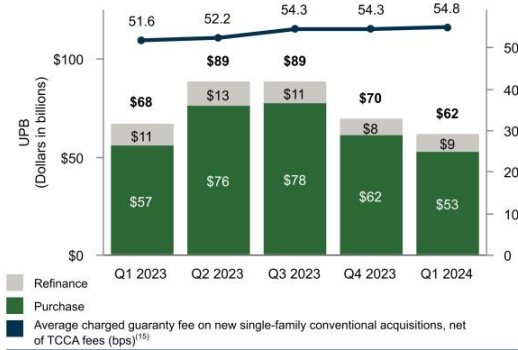
\$484M
Fair value gains, net

\$335M
Benefit for credit losses

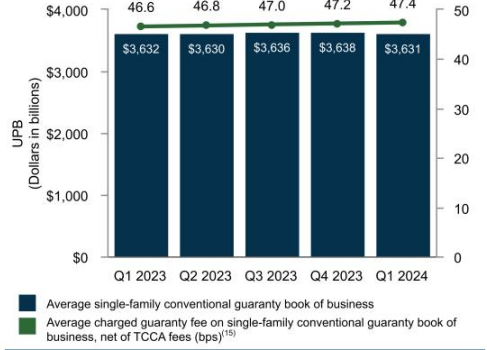
\$3,607M
Net income



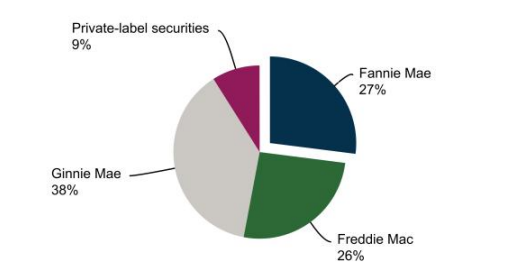
Single-Family Conventional Loan Acquisitions⁽⁴⁾



Single-Family Conventional Guaranty Book of Business⁽⁴⁾



Q1 2024 Single-Family Mortgage-Related Securities Share of Issuances



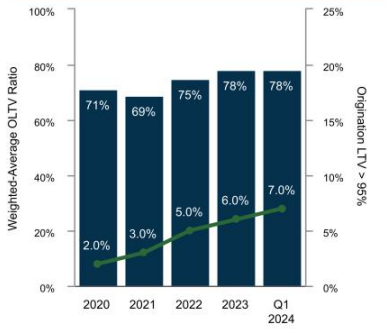
Highlights

- Single-family conventional acquisition volume was \$62.3 billion in Q1 2024, compared with \$70.1 billion in Q4 2023.
- Purchase acquisition volume, of which more than 45% was for first-time homebuyers, decreased to \$53.0 billion in Q1 2024 from \$61.7 billion in Q4 2023.
- Refinance acquisition volume was \$9.3 billion in Q1 2024, an increase from \$8.4 billion in Q4 2023.
- The average single-family conventional guaranty book of business decreased by \$6.9 billion to \$3,631 billion in Q1 2024 compared with Q4 2023, driven by liquidations outpacing acquisition volumes in Q1 2024.
- The single-family serious delinquency rate decreased to 0.51% as of March 31, 2024 from 0.55% as of December 31, 2023.

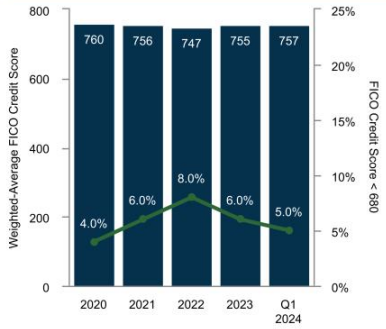
Credit Characteristics of Single-Family Conventional Loan Acquisitions

Certain Credit Characteristics of Single-Family Conventional Loans by Acquisition Period							Q1 2024 Acquisition Credit Profile by Certain Loan Features			
Categories are not mutually exclusive	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Full Year 2023	Q1 2024	OLTV Ratio > 95%	Home-Ready ⁽⁸⁾⁽¹⁸⁾	FICO Credit Score < 680 ⁽¹⁶⁾	DTI Ratio > 43% ⁽¹⁷⁾
Total UPB (Dollars in billions)	\$67.5	\$89.2	\$89.2	\$70.1	\$316.0	\$62.3	\$4.3	\$3.9	\$3.2	\$23.0
Weighted-Average OLTV Ratio	79%	78%	78%	78%	78%	78%	97%	87%	69%	80%
OLTV Ratio > 95%	6%	7%	7%	7%	6%	7%	100%	30%	2%	7%
Weighted-Average FICO [®] Credit Score ⁽¹⁶⁾	751	756	757	757	755	757	753	751	656	753
FICO Credit Score < 680 ⁽¹⁶⁾	6%	5%	5%	5%	6%	5%	2%	5%	100%	5%
DTI Ratio > 43% ⁽¹⁷⁾	38%	34%	35%	37%	36%	37%	38%	56%	40%	100%
Fixed-rate	98%	99%	99%	99%	99%	99%	100%	100%	99%	99%
Primary Residence	91%	92%	93%	92%	92%	92%	100%	100%	95%	93%
HomeReady ⁽⁸⁾⁽¹⁸⁾	4%	4%	5%	5%	4%	6%	27%	100%	6%	9%

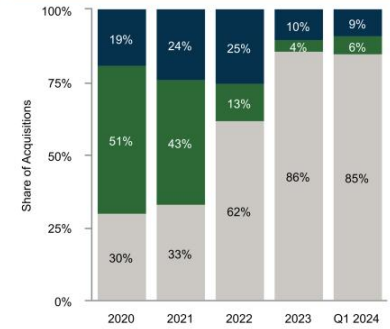
Origination Loan-to-Value Ratio



FICO Credit Score⁽¹⁶⁾



Acquisitions by Loan Purpose



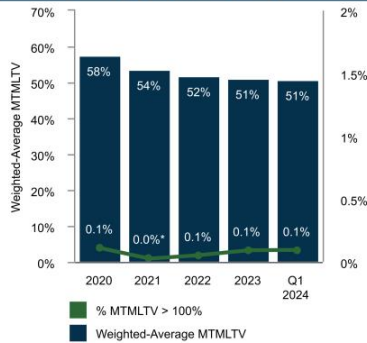
Credit Characteristics of Single-Family Conventional Guaranty Book of Business

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

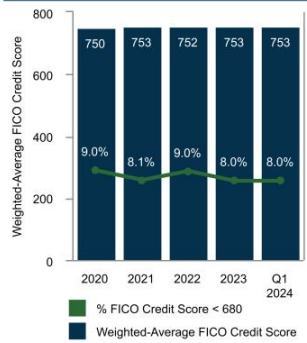
As of March 31, 2024

Categories are not mutually exclusive	Origination Year								Certain Loan Features			
	Overall Book	2008 & Earlier	2009-2019	2020	2021	2022	2023	2024	OLTV Ratio > 95%	Home-Ready ⁽¹⁸⁾	FICO Credit Score < 680 ⁽¹⁶⁾	DTI Ratio > 43% ⁽¹⁷⁾
Total UPB (Dollars in billions)	\$3,625.6	\$63.1	\$825.7	\$846.7	\$1,069.2	\$486.9	\$294.8	\$39.2	\$176.9	\$115.2	\$276.1	\$918.8
Average UPB	\$207,933	\$76,879	\$132,750	\$240,716	\$258,905	\$288,711	\$313,342	\$322,670	\$178,411	\$180,086	\$161,641	\$232,507
Share of SF Conventional Guaranty Book	100%	2%	23%	23%	30%	13%	8%	1%	5%	3%	8%	25%
Share of Loans with Credit Enhancement ⁽²⁰⁾	46%	8%	44%	30%	52%	65%	57%	41%	85%	80%	43%	52%
Serious Delinquency Rate ⁽²¹⁾	0.51%	1.91%	0.62%	0.25%	0.36%	0.62%	0.16%	0.00%	1.17%	0.95%	1.98%	0.79%
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%	34%	6%	6%
Weighted-Average Mark-to-Market LTV Ratio ⁽²²⁾	51%	29%	34%	46%	53%	68%	75%	78%	67%	65%	48%	55%
Weighted-Average FICO Credit Score ⁽¹⁶⁾	753	696	747	762	755	747	755	757	737	744	652	743
FICO Credit Score < 680 ⁽¹⁶⁾	8%	39%	11%	4%	6%	9%	5%	5%	10%	8%	100%	10%

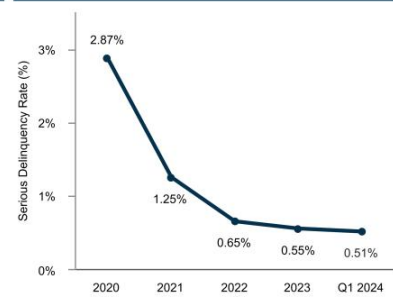
Mark-to-Market Loan-to-Value Ratio⁽²²⁾



FICO Credit Score⁽¹⁶⁾

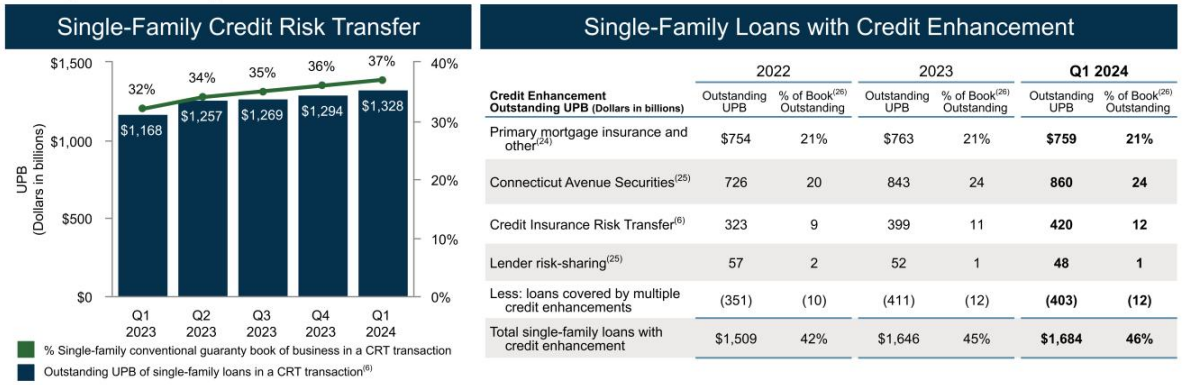


SDQ Rate⁽²¹⁾

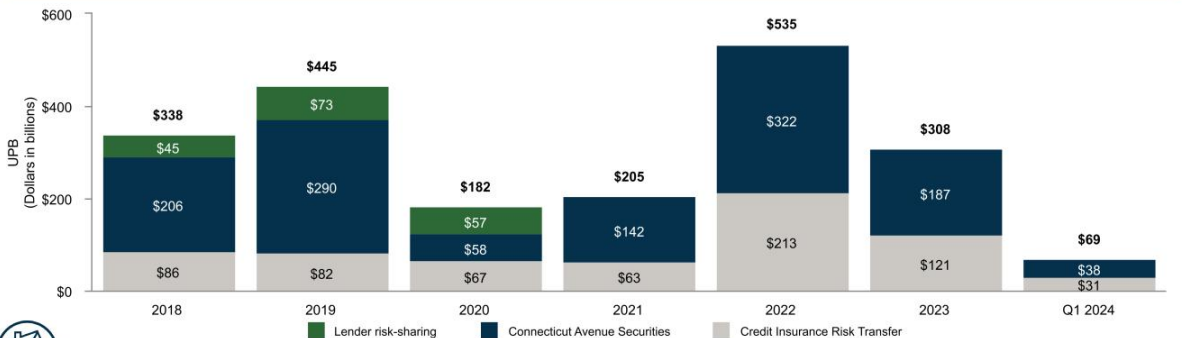


* Represents less than 0.05% of MTMLTV > 100%

Single-Family Credit Risk Transfer

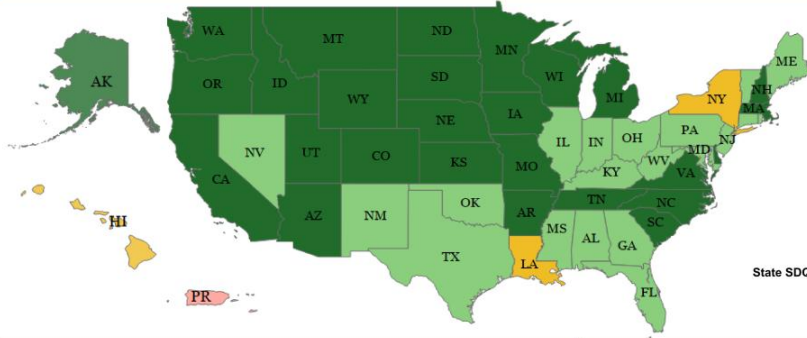


Single-Family Credit Risk Transfer Issuance by Period



Single-Family Problem Loan Statistics

Single-Family Serious Delinquency Rate by State as of March 31, 2024⁽²¹⁾

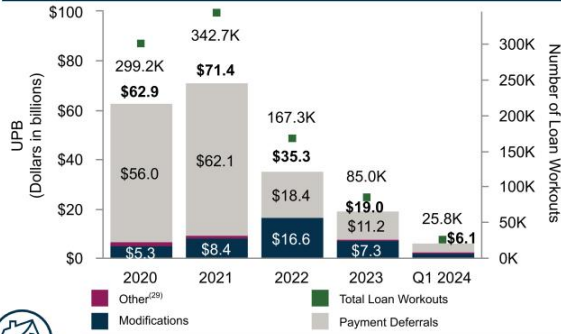


Top 10 States by UPB

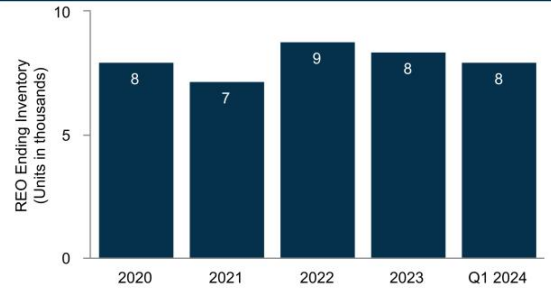
State	Serious Delinquency Rate ⁽²¹⁾	Average Months to Foreclosure ⁽²⁷⁾
CA	0.39%	21
TX	0.59%	21
FL	0.68%	60
NY	0.85%	58
WA	0.37%	27
CO	0.32%	17
NJ	0.57%	47
IL	0.69%	29
VA	0.36%	45
NC	0.39%	34

State SDQ Rate:
■ Less than 0.50% ■ 0.76% to 0.99%
■ 0.50% to 0.75% ■ 1.00% and above

Single-Family Loan Workouts⁽²⁸⁾



Single-Family REO Ending Inventory

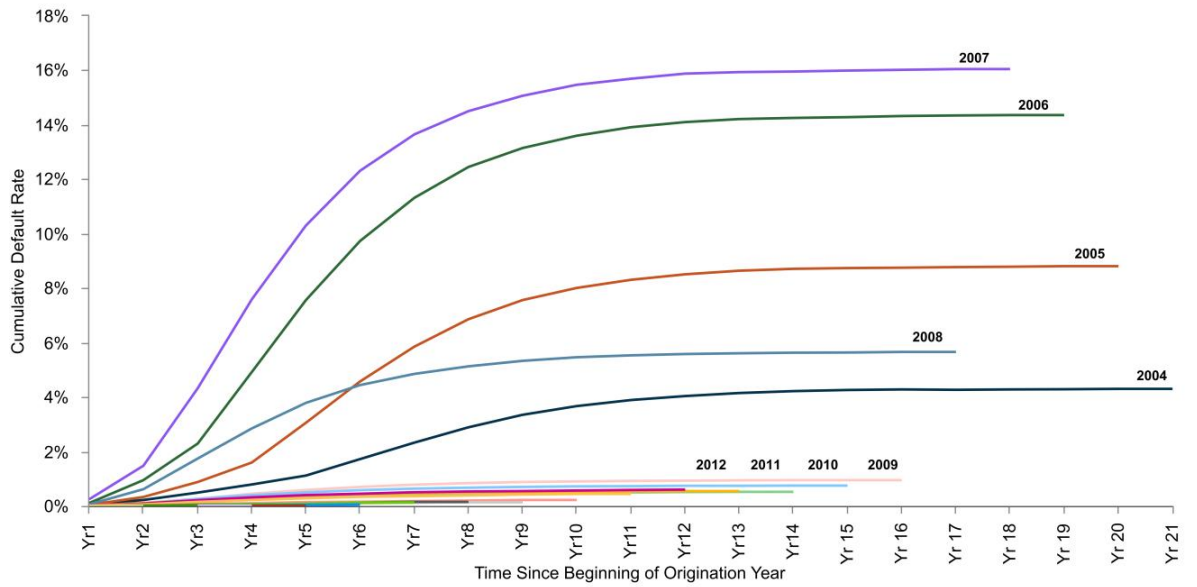


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Single-Family Cumulative Default Rates

Cumulative Default Rates of Single-Family Conventional Guaranty Book of Business by Origination Year⁽³⁰⁾



- 2004*
- 2005*
- 2006*
- 2007*
- 2008*
- 2009**
- 2010**
- 2011**
- 2012**
- 2013**
- 2014**
- 2015**
- 2016**
- 2017**
- 2018**
- 2019**
- 2020**
- 2021**
- 2022**
- 2023**
- 2024**

* Loans originated prior to 2009 represent only 2% of the single-family conventional guaranty book of business as of March 31, 2024.

** As of March 31, 2024, cumulative default rates on the loans originated in each individual year from 2009-2024 were less than 1%.



Multifamily Business



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Multifamily Highlights

Q1 2024

\$1,149M
Net interest income

\$17M
Fee and other income

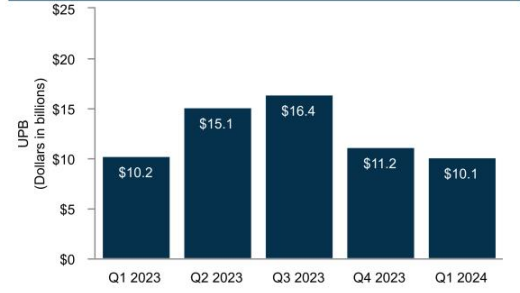
\$(155)M
Provision for credit losses

\$105M
Change in expected credit enhancement recoveries

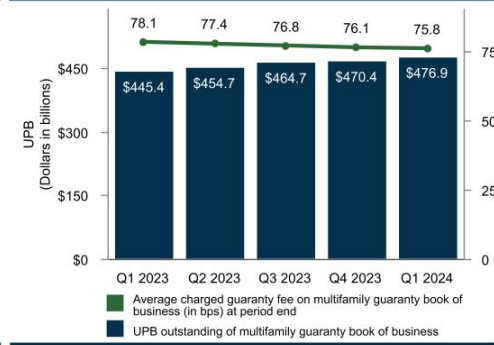
\$713M
Net income



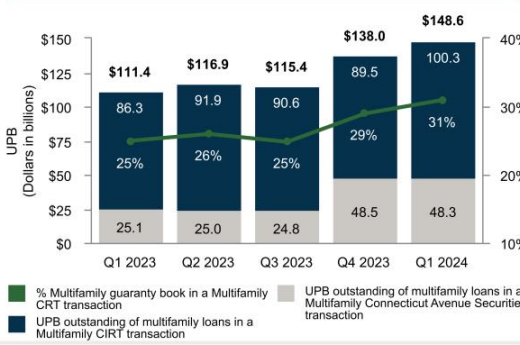
Multifamily New Business Volume



Multifamily Guaranty Book of Business⁽⁵⁾



Multifamily Credit Risk Transfer



Highlights

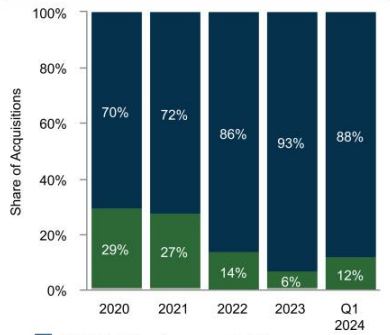
- New multifamily business volume was \$10.1 billion in the first quarter of 2024, compared with \$11.2 billion in the fourth quarter of 2023.
- The multifamily guaranty book of business grew by 1% in 2024 to \$476.9 billion driven by the company's acquisitions combined with low prepayment volumes due to the high interest rate environment.
- The average charged guaranty fee on the multifamily guaranty book declined slightly to 75.8 basis points as of March 31, 2024, primarily due to lower average charged fees on the company's 2024 acquisitions as compared with the existing loans in the multifamily guaranty book of business.
- The multifamily serious delinquency rate decreased to 0.44% as of March 31, 2024, compared with 0.46% as of December 31, 2023.

Credit Characteristics of Multifamily Loan Acquisitions

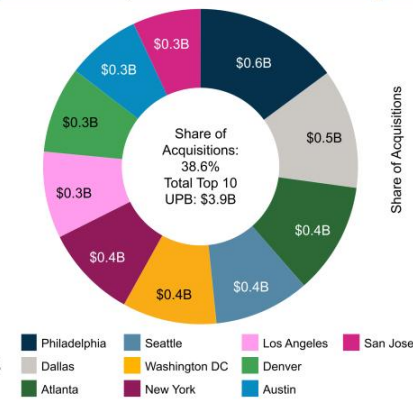
Certain Credit Characteristics of Multifamily Loans by Acquisition Period⁽⁵⁾

Categories are not mutually exclusive	2020	2021	2022	2023	Q1 2024
Total UPB (Dollars in billions)	\$76.0	\$69.5	\$69.2	\$52.9	\$10.1
Weighted-Average OLTV Ratio	64%	65%	59%	59%	62%
Loan Count	5,051	4,203	3,572	2,812	552
% Lender Recourse ⁽³¹⁾	99%	100%	100%	100%	100%
% DUS ⁽³²⁾	99%	99%	99%	99%	99%
% Full Interest-Only	38%	40%	53%	63%	51%
Weighted-Average OLTV Ratio on Full Interest-Only Acquisitions	58%	59%	56%	57%	58%
Weighted-Average OLTV Ratio on Non-Full Interest-Only Acquisitions	68%	68%	63%	63%	65%
% Partial Interest-Only ⁽³³⁾	50%	50%	39%	32%	40%

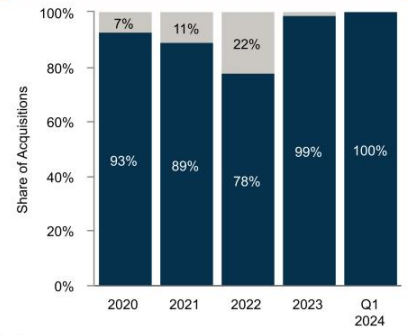
Origination Loan-to-Value Ratio⁽⁵⁾



Top 10 MSAs by Q1 2024 Acquisition UPB⁽⁵⁾



Acquisitions by Note Type⁽⁵⁾



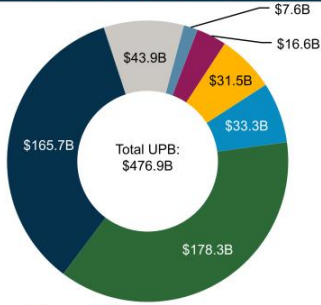
Credit Characteristics of Multifamily Guaranty Book of Business

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

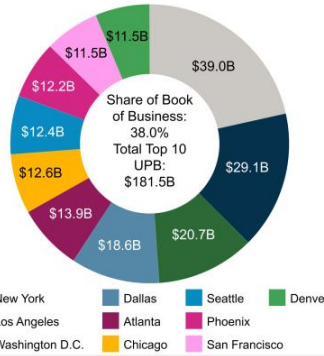
As of March 31, 2024	Overall Book	Acquisition Year						Asset Class or Targeted Affordable Segment				
		2016 & Earlier	2017-2020	2021	2022	2023	2024	Conventional /Co-op ⁽²⁶⁾	Seniors Housing ⁽²⁸⁾	Student Housing ⁽²⁸⁾	Manufactured Housing ⁽²⁸⁾	Affordable ⁽²⁹⁾
Categories are not mutually exclusive												
Total UPB (Dollars in billions)	\$476.9	\$61.0	\$219.1	\$65.8	\$67.8	\$53.1	\$10.1	\$425.4	\$16.0	\$13.8	\$21.7	\$57.5
% of Multifamily Guaranty Book	100%	13%	46%	14%	14%	11%	2%	89%	3%	3%	5%	12%
Loan Count	29,137	5,814	12,481	3,968	3,512	2,809	553	26,106	562	541	1,928	3,951
Average UPB (Dollars in millions)	\$16.4	\$10.5	\$17.6	\$16.6	\$19.3	\$18.9	\$18.3	\$16.3	\$28.5	\$25.5	\$11.3	\$14.5
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	1.7	1.6	1.6	2.0	1.4	1.8	2.2	1.8
% with DSCR Below 1.0 ⁽³⁴⁾	4%	7%	4%	3%	7%	—%*	—%	3%	35%	6%	1%	6%
% Fixed Rate	91%	86%	94%	92%	79%	99%	100%	92%	63%	82%	93%	87%
% Full Interest-Only	42%	28%	37%	41%	54%	63%	51%	43%	15%	35%	40%	29%
% Partial Interest-Only ⁽³³⁾	46%	46%	52%	49%	38%	31%	40%	45%	65%	59%	47%	46%
% Small Balance Loans ⁽²⁵⁾	48%	67%	45%	44%	38%	40%	44%	48%	21%	35%	66%	54%
Serious Delinquency Rate ⁽³⁶⁾	0.44%	0.99%	0.55%	0.13%	0.11%	0.27%	—%	0.20%	7.00%	0.76%	0.12%	0.07%
% Criticized ⁽³⁷⁾	7%	7%	7%	6%	15%	1%	—%	6%	44%	8%	3%	8%

* represents less than 0.5%

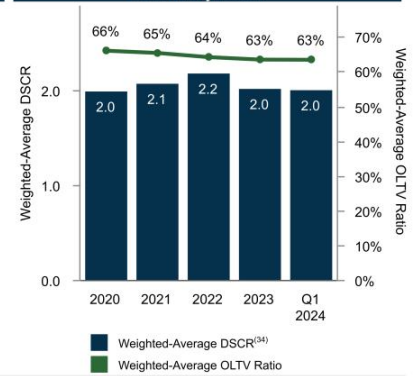
UPB by Maturity Year As of March 31, 2024⁽⁵⁾



Top 10 MSAs by UPB As of March 31, 2024⁽⁵⁾



Certain Credit Characteristics of Guaranty Book⁽⁵⁾

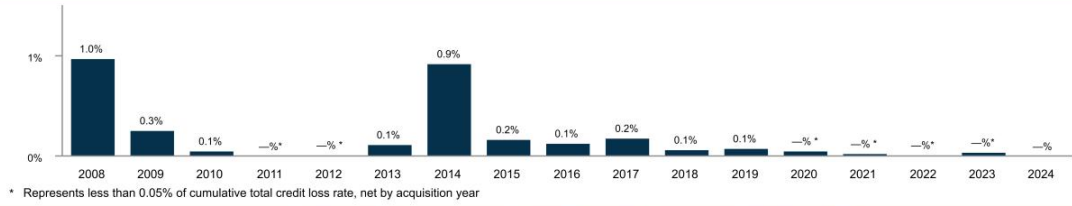


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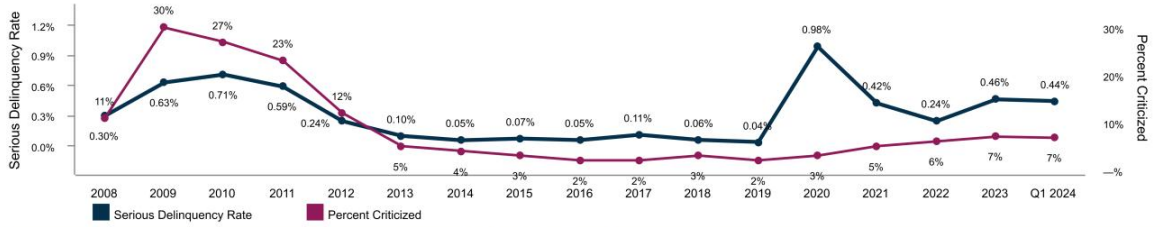
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Multifamily Problem Loan Statistics

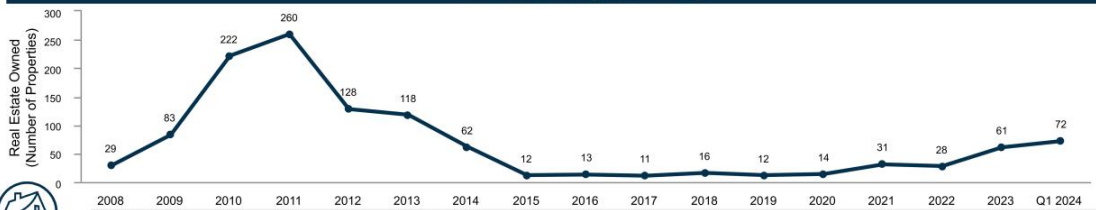
Cumulative Total Credit Loss Rate, Net by Acquisition Year Through Q1 2024⁽⁴⁰⁾



Serious Delinquency Rate⁽³⁶⁾ and Percent Criticized⁽³⁷⁾



REO Ending Inventory



Endnotes

Endnotes

- (1) Consists of 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 resecitized. 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 \$251 million in hedge accounting expense for the three months ended March 31, 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 (decline) 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 rate for Q1 2024 is the annualized GDP rate based on the First Quarter 2024 (Advance Estimate) published by the Bureau of Economic Analysis on April 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 March 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 March 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 March 31, 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 three months ended March 31, 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 18,000 loans in a trial modification period that was not complete as of March 31, 2024.
- (29) 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.
- (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 March 31, 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 (gains) through March 31, 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.



