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): November 3, 2016

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

Federally chartered corporation	000-50231	52-0883107
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

3900 Wisconsin Avenue, NW Washington, DC	20016
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (800) 2FANNIE (800-232-6643)

(Former Name or Former Address, if Changed Since Last Report): ______________

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

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

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

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

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

The information in this report, including information in the exhibits submitted herewith, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of Section 18, nor shall it be deemed incorporated by reference into any disclosure document relating to Fannie Mae (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 November 3, 2016, Fannie Mae filed its quarterly report on Form 10-Q for the quarter ended September 30, 2016 and issued a news release reporting its financial results for the periods covered by the Form 10-Q. The news release, a copy of which is furnished as Exhibit 99.1 to this report, is incorporated herein by reference. A copy of the news release 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 7.01 Regulation FD Disclosure.

On November 3, 2016, Fannie Mae posted to its website a 2016 Third Quarter Credit Supplement presentation consisting primarily of information about Fannie Mae's guaranty book of business. The presentation, a copy of which is furnished as Exhibit 99.2 to this report, is incorporated herein by reference. A copy of the presentation may also be found on Fannie Mae's website, www.fanniemae.com, in the "About Us" section under "Investor Relations/Quarterly and Annual Results."

Item 9.01 Financial Statements and Exhibits.

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

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/ David C. Benson

David C. Benson

Executive Vice President and
Chief Financial Officer

Date: November 3, 2016

EXHIBIT INDEX

The following exhibits are submitted herewith:

Exhibit Number	Description of Exhibit
99.1	News release, dated November 3, 2016
99.2	2016 Third Quarter Credit Supplement presentation, dated November 3, 2016

Fannie Mae

Resource Center: 1-800-232-6643

Exhibit 99.1

Contact: Pete Bakel
202-752-2034
Date: November 3, 2016

Fannie Mae Reports Net Income of $3.2 Billion and Comprehensive Income of $3.0 Billion for Third Quarter 2016

- Fannie Mae expects to pay $3.0 billion in dividends to Treasury in December 2016. With the expected December dividend payment, the company will have paid a total of $154.4 billion in dividends to Treasury.
- Fannie Mae was the largest provider of liquidity to the mortgage market in the third quarter of 2016, providing approximately $184 billion in mortgage financing that enabled families to buy, refinance, or rent homes.
- Fannie Mae is focused on providing value to the housing finance system by:
  - delivering increased speed, simplicity, and certainty to customers;
  - implementing innovations that deliver greater value and reduced risk to lenders, such as verification tools to expand representation and warranty relief; and
  - helping make predictable long-term fixed-rate mortgages, including the 30-year fixed-rate mortgage, a reality for families across the country.
- Fannie Mae continued to lay off risk to private capital in the mortgage market and reduce taxpayer risk through its Connecticut Avenue Securities™ (CAS), Credit Insurance Risk Transfer™ (CIRT™), and other types of risk-sharing transactions. As of September 30, 2016, approximately 21 percent of the loans in the company's single-family conventional guaranty book of business, measured by unpaid principal balance, were covered by a CAS or CIRT transaction.

WASHINGTON, DC — Fannie Mae (FNMA/OTC) reported net income of $3.2 billion and comprehensive income of $3.0 billion for the third quarter of 2016. The company reported a positive net worth of $4.2 billion as of September 30, 2016. As a result, the company expects to pay Treasury a $3.0 billion dividend in December 2016.

"Today's results reflect the strength of our business and our commitment to delivering innovations that make the mortgage process better for lenders," said Timothy J. Mayopoulos, president and chief executive officer. "Fannie Mae is delivering tools and technologies that reduce costs and increase efficiency for our customers. We have partnered with lenders to develop new solutions that meet their most important needs. We will continue to innovate so that we can help customers create a faster, safer, and, ultimately, fully-digitized mortgage experience for borrowers."

Third Quarter 2016 Results — Fannie Mae's net income of $3.2 billion and comprehensive income of $3.0 billion for the third quarter of 2016 compares to net income of $2.9 billion and comprehensive income of $2.9 billion for the second quarter of 2016. The increase in net income was due primarily to:

- Lower fair value losses on the company's derivatives, partially offset by a decrease in credit-related income in the third quarter of 2016.

SUMMARY OF THIRD QUARTER 2016 RESULTS

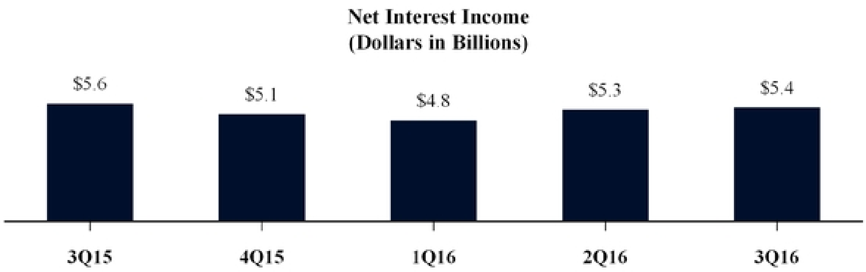
Summary of Financial Results

(Dollars in Millions)	3Q16	2Q16	Variance	3Q16	3Q15	Variance
Net interest income	$ 5,435	$ 5,286	$ 149	$ 5,435	$ 5,588	$ (153)
Fee and other income	175	174	1	175	259	(84)
Net revenues	5,610	5,460	150	5,610	5,847	(237)
Investment gains, net	467	398	69	467	299	168
Fair value losses, net	(491)	(1,667)	1,176	(491)	(2,589)	2,098
Administrative expenses	(661)	(678)	17	(661)	(952)	291
Credit-related income						
Benefit for credit losses	673	1,601	(928)	673	1,550	(877)
Foreclosed property expense	(110)	(63)	(47)	(110)	(497)	387
Total credit-related income	563	1,538	(975)	563	1,053	(490)
Temporary Payroll Tax Cut Continuation Act of 2011 (TCCA) fees	(465)	(453)	(12)	(465)	(413)	(52)
Other expenses, net	(300)	(254)	(46)	(300)	(215)	(85)
Income before federal income taxes	4,723	4,344	379	4,723	3,030	1,693
Provision for federal income taxes	(1,527)	(1,398)	(129)	(1,527)	(1,070)	(457)
Net income attributable to Fannie Mae	$ 3,196	$ 2,946	$ 250	$ 3,196	$ 1,960	$ 1,236
Total comprehensive income attributable to Fannie Mae	$ 2,989	$ 2,869	$ 120	$ 2,989	$ 2,213	$ 776
Dividends distributed or available for distribution to senior preferred stockholder	$ (2,977)	$ (2,869)	$ (108)	$ (2,977)	$ (2,202)	$ (775)

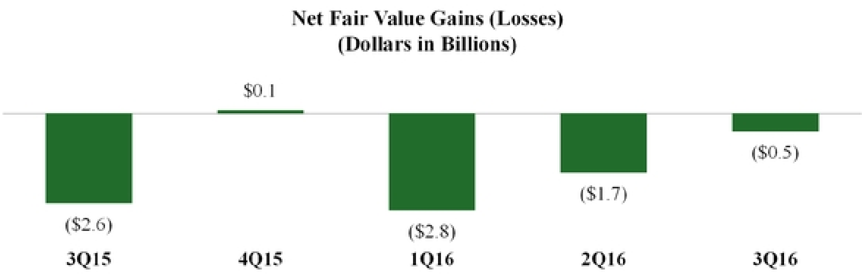
Net revenues, which consist of net interest income and fee and other income, were $5.6 billion for the third quarter of 2016, compared with $5.5 billion for the second quarter of 2016.

Net interest income, which includes guaranty fee revenue, was $5.4 billion for the third quarter of 2016 compared with $5.3 billion for the second quarter of 2016. Net interest income for the third quarter of 2016 was driven by guaranty fee revenue, amortization income from mortgage prepayments, and interest income earned on mortgage assets in the company's retained mortgage portfolio.

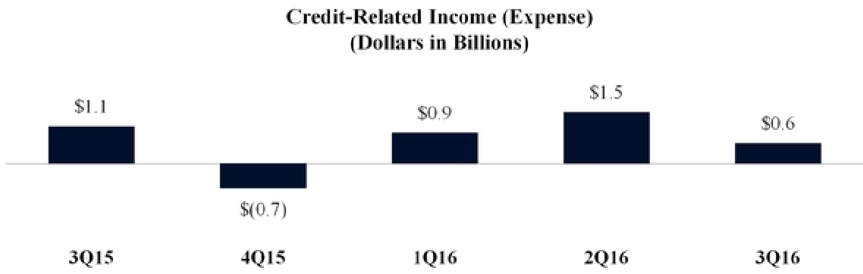
In recent years, an increasing portion of Fannie Mae's net interest income has been derived from guaranty fees rather than from the company's retained mortgage portfolio assets. This is a result of both the impact of guaranty fee increases implemented in 2012 and the reduction of the company's retained mortgage portfolio. More than two-thirds of the company's net interest income in the third quarter of 2016 was derived from its guaranty business. The company expects that guaranty fees will continue to account for an increasing portion of its net interest income.



Net fair value losses were $491 million in the third quarter of 2016, compared with $1.7 billion in the second quarter of 2016. Fair value losses for the third quarter of 2016 were due primarily to losses on Connecticut Avenue Securities debt carried at fair value due primarily to tightening spreads between Connecticut Avenue Securities debt yields and LIBOR during the quarter. The estimated fair value of the company's financial instruments may fluctuate substantially from period to period because of changes in interest rates, the yield curve, mortgage and credit spreads, implied volatility, and activity related to these financial instruments.



Credit-related income, which consists of a benefit for credit losses and foreclosed property expense, was $563 million in the third quarter of 2016, compared with $1.5 billion in the second quarter of 2016. Credit-related income in the third quarter of 2016 was driven by a benefit for credit losses during the quarter, which was due primarily to an increase in home prices, including distressed property valuations.



VARIABILITY OF FINANCIAL RESULTS

Fannie Mae expects to remain profitable on an annual basis for the foreseeable future; however, certain factors, such as changes in interest rates or home prices, could result in significant volatility in the company's financial results from quarter to quarter or year to year. Fannie Mae's future financial results also will be affected by a number of other factors, including: the company's guaranty fee rates; the volume of single-family mortgage originations in the future; the size, composition, and quality of its retained mortgage portfolio and guaranty book of business; and economic and housing market conditions. Although Fannie Mae expects to remain profitable on an annual basis for the foreseeable future, due to the company's expectation of continued declining capital and the potential for significant volatility in its financial results, the company could experience a net worth deficit in a future quarter, particularly as the company's capital reserve amount approaches or reaches zero. The company's expectations for its future financial results do not take into account the impact on its business of potential future legislative or regulatory changes, which could have a material impact on the company's financial results, particularly the enactment of housing finance reform legislation. For additional information on factors that affect the company's financial results, please refer to "Executive Summary" in the company's quarterly report on Form 10-Q for the quarter ended September 30, 2016 (Third Quarter 2016 Form 10-Q).

SUMMARY OF THIRD QUARTER 2016 BUSINESS SEGMENT RESULTS

Fannie Mae's vision is to be America's most valued housing partner and to provide liquidity, access to credit and affordability in all U.S. housing markets at all times, while effectively managing and reducing risk to Fannie Mae's business, taxpayers, and the housing finance system. In support of this vision, Fannie Mae is focused on: advancing a sustainable and reliable business model that reduces risk to the housing finance system and taxpayers; providing reliable, large-scale access to affordable mortgage credit for qualified borrowers and helping struggling homeowners; and serving customer needs and improving the company's business efficiency. In the third quarter of 2016, Fannie Mae's Single-Family business, Multifamily business, and Capital Markets group engaged in complementary business activities in pursuit of Fannie Mae's vision.

Business Segments

(Dollars in Millions)	3Q16	2Q16	Variance	3Q16	3Q15	Variance
Single-Family Segment:						
Guaranty fee income	$ 3,305	$ 3,260	$ 45	$ 3,305	$ 3,145	$ 160
Credit-related income	531	1,535	(1,004)	531	1,029	(498)
TCCA fees	(465)	(453)	(12)	(465)	(413)	(52)
Other	(623)	(599)	(24)	(623)	(682)	59
Income before federal income taxes	2,748	3,743	(995)	2,748	3,079	(331)
Provision for federal income taxes	(808)	(1,093)	285	(808)	(1,040)	232
Net income	$ 1,940	$ 2,650	$ (710)	$ 1,940	$ 2,039	$ (99)
Multifamily Segment:						
Guaranty fee income	$ 431	$ 400	$ 31	$ 431	$ 367	$ 64
Credit-related income	32	3	29	32	24	8
Other	(39)	(24)	(15)	(39)	(50)	11
Income before federal income taxes	424	379	45	424	341	83
Provision for federal income taxes	(49)	(40)	(9)	(49)	(17)	(32)
Net income	$ 375	$ 339	$ 36	$ 375	$ 324	$ 51
Capital Markets Segment:						
Net interest income	$ 1,049	$ 1,080	$ (31)	$ 1,049	$ 1,401	$ (352)
Investment gains, net	2,232	2,088	144	2,232	1,608	624
Fair value losses, net	(530)	(1,730)	1,200	(530)	(2,697)	2,167
Other	(262)	(287)	25	(262)	(322)	60
Income (loss) before federal income taxes	2,489	1,151	1,338	2,489	(10)	2,499
Provision for federal income taxes	(670)	(265)	(405)	(670)	(13)	(657)
Net income (loss)	$ 1,819	$ 886	$ 933	$ 1,819	$ (23)	$ 1,842

Single-Family Business

- Single-Family net income was $1.9 billion in the third quarter of 2016, compared with $2.7 billion in the second quarter of 2016. Net income in the third quarter of 2016 was driven primarily by guaranty fee income and credit-related income.
- Single-Family guaranty fee income was $3.3 billion for both the third quarter of 2016 and the second quarter of 2016.
- Single-Family credit-related income was $531 million in the third quarter of 2016, compared with $1.5 billion in the second quarter of 2016. Credit-related income in the third quarter of 2016 was due to a benefit for credit losses for the quarter attributable primarily to an increase in home prices, including distressed property valuations.
- The Single-Family guaranty book of business was $2.82 trillion as of both September 30, 2016 and June 30, 2016.

Multifamily Business

- Multifamily net income was $375 million in the third quarter of 2016, compared with $339 million in the second quarter of 2016. Net income in the third quarter of 2016 was driven primarily by guaranty fee income.
- Multifamily guaranty fee income was $431 million for the third quarter of 2016, compared with $400 million for the second quarter of 2016.
- Multifamily new business volume totaled $40.7 billion for the first nine months of 2016, of which approximately 66 percent counted toward the Federal Housing Finance Agency's (FHFA) 2016 multifamily production volume cap.
- The Multifamily guaranty book of business was $236.2 billion as of September 30, 2016, compared with $225.2 billion as of June 30, 2016.

Capital Markets

- Capital Markets had net income of $1.8 billion in the third quarter of 2016, compared with $886 million in the second quarter of 2016. Capital Markets' net income in the third quarter of 2016 was driven primarily by net investment gains and net interest income, partially offset by fair value losses.
- Capital Markets net investment gains were $2.2 billion in the third quarter of 2016, compared with $2.1 billion in the second quarter of 2016. Net investment gains for the third quarter of 2016 were due primarily to the sale of mortgage-related securities during the quarter.
- Capital Markets net interest income was $1.0 billion in the third quarter of 2016, compared with $1.1 billion in the second quarter of 2016. Net interest income was driven primarily by interest income earned on mortgage assets in the company's retained mortgage portfolio.
- Capital Markets net fair value losses were $530 million in the third quarter of 2016, compared with $1.7 billion in the second quarter of 2016. Net fair value losses for the third quarter of 2016 were due primarily to losses on Connecticut Avenue Securities debt carried at fair value due primarily to tightening spreads between Connecticut Avenue Securities debt yields and LIBOR during the quarter.
- Capital Markets retained mortgage portfolio balance decreased to $306.5 billion as of September 30, 2016, compared with $316.3 billion as of June 30, 2016, as a result of purchases of $93.1 billion and sales and liquidations of $102.9 billion during the third quarter of 2016.

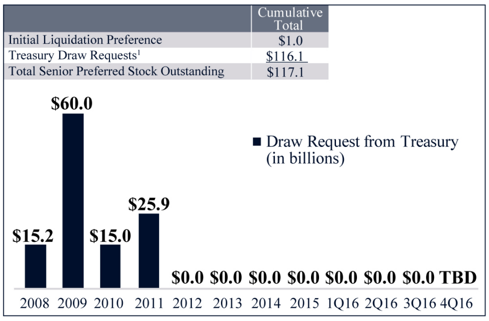
BUILDING A SUSTAINABLE HOUSING FINANCE SYSTEM

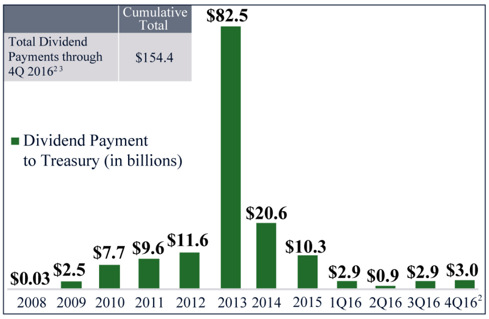
In addition to continuing to provide liquidity and support to the mortgage market, Fannie Mae has invested significant resources toward helping to maintain a safer and sustainable housing finance system for today and build a safer and sustainable housing finance system for the future. The company is pursuing the strategic goals identified by its conservator, FHFA. These strategic goals are: maintain, in a safe and sound manner, credit availability and foreclosure prevention activities for new and refinanced mortgages to foster liquid, efficient, competitive, and resilient national housing finance markets; reduce taxpayer risk through increasing the role of private capital in the mortgage market; and build a new single-family infrastructure for use by Fannie Mae and Freddie Mac and adaptable for use by other participants in the secondary market in the future.

ABOUT FANNIE MAE'S CONSERVATORSHIP

Fannie Mae has operated under the conservatorship of FHFA since September 6, 2008. Fannie Mae has not received funds from Treasury since the first quarter of 2012. The funding the company has received under its senior preferred stock purchase agreement with Treasury has provided the company with the capital and liquidity needed to fulfill its mission of providing liquidity and support to the nation's housing finance markets and to avoid a trigger of mandatory receivership under the Federal Housing Finance Regulatory Reform Act of 2008. For periods through September 30, 2016, Fannie Mae has requested cumulative draws totaling $116.1 billion and paid $151.4 billion in dividends to Treasury. Under the senior preferred stock purchase agreement, the payment of dividends does not offset prior draws. As a result, Treasury maintains a liquidation preference of $117.1 billion on the company's senior preferred stock.

Treasury Draws and Dividend Payments





(1) Treasury draw requests are shown in the period for which requested and do not include the initial $1.0 billion liquidation preference of Fannie Mae's senior preferred stock, for which Fannie Mae did not receive any cash proceeds. The payment of dividends does not offset prior Treasury draws.

(2) Fannie Mae expects to pay a dividend for the fourth quarter of 2016 calculated based on the company's net worth of $4.2 billion as of September 30, 2016 less a capital reserve amount of $1.2 billion.

(3) Amounts may not sum due to rounding.

In August 2012, the terms governing the company's dividend obligations on the senior preferred stock were amended. The amended senior preferred stock purchase agreement does not allow the company to build a capital reserve. Beginning in 2013, the required senior preferred stock dividends each quarter equal the amount, if any, by which the company's net worth as of the end of the immediately preceding fiscal quarter exceeds an applicable capital reserve amount. The capital reserve amount is $1.2 billion for each quarter of 2016 and will be reduced by $600 million each year until it reaches zero in 2018.

The amount of remaining funding available to Fannie Mae under the senior preferred stock purchase agreement with Treasury is currently $117.6 billion. If the company were to draw additional funds from Treasury under the agreement in a future period, the amount of remaining funding under the agreement would be reduced by the amount of the company's draw. Dividend payments Fannie Mae makes to Treasury do not restore or increase the amount of funding available to the company under the agreement.

Fannie Mae is not permitted to redeem the senior preferred stock prior to the termination of Treasury's funding commitment under the senior preferred stock purchase agreement. The limited circumstances under which Treasury's funding commitment will terminate are described in "Business—Conservatorship and Treasury Agreements" in the company's annual report on Form 10-K for the year ended December 31, 2015 (2015 Form 10-K).

CREDIT RISK TRANSFER TRANSACTIONS

In late 2013, Fannie Mae began entering into credit risk transfer transactions with the goal of transferring, to the extent economically sensible, a portion of the mortgage credit risk on a portion of the recently acquired loans in its single-family book of business in order to reduce the economic risk to the company and to taxpayers of future borrower defaults. In exchange for taking on a portion of the mortgage credit risk on these loans, Fannie Mae pays investors a premium that effectively reduces the guaranty fee income the company earns on the loans. Fannie Mae's primary method of achieving this goal has been through the issuance of its Connecticut Avenue Securities (CAS) and its Credit Insurance Risk Transfer (CIRT) transactions.

These transactions transfer a portion of the mortgage credit risk associated with losses on specified reference pools of single-family mortgage loans to investors in CAS or to panels of reinsurers or insurers in CIRT transactions. Approximately 21 percent of the loans in the company's single-family conventional guaranty book of business as of September 30, 2016, measured by unpaid principal balance, were covered by a CAS or CIRT transaction. The company also has executed other types of risk-sharing transactions in addition to its CAS and CIRT transactions. During the first nine months of 2016, the company transferred a significant portion of the mortgage credit risk on single-family mortgages with unpaid principal balance of over $250 billion at the time of the transactions.

Fannie Mae generally includes approximately half of its recent single-family acquisitions in credit risk transfer transactions, as the company only targets certain types of loan categories for credit risk transfer transactions. Loan categories the company has targeted for credit risk transfer transactions generally consist of fixed-rate 30-year single-family conventional loans that meet certain credit performance characteristics, are non-Refi Plus™ and have loan-to-value (LTV) ratios between 60 percent and 97 percent. These targeted loan categories constituted over half of the company's loan acquisitions for the twelve months ended October 2015, and over 95 percent of the loans in these categories that the company acquired in the twelve months ended October 2015 were included in a subsequent credit risk transfer transaction. Loans are included in reference pools for credit risk transfer transactions on a lagged basis; typically, about six months to one year after the company initially acquires the loans. The portion of Fannie Mae's single-family loan acquisitions it includes in credit risk transfer transactions can vary from period to period based on market conditions and other factors.

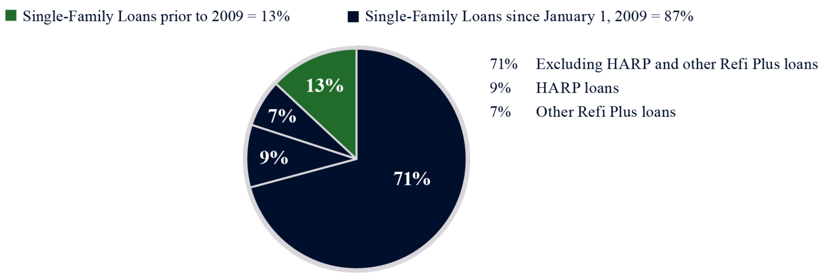
These transactions increase the role of private capital in the mortgage market and reduce the risk to Fannie Mae's business, taxpayers, and the housing finance system. The company intends to continue to engage in credit risk transfer transactions on an ongoing basis, subject to market conditions. Over time, the company expects that a larger portion of its single-family conventional guaranty book of business will be covered by credit risk transfer transactions.

CREDIT QUALITY

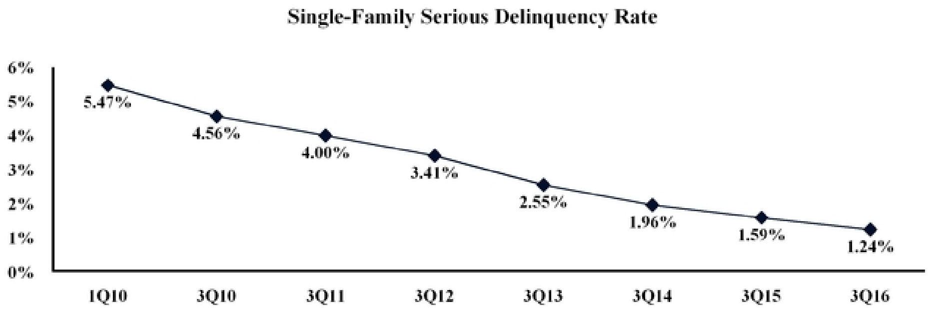
While continuing to make it possible for families to buy, refinance, or rent homes, Fannie Mae has maintained responsible credit standards. Fannie Mae has seen the effect of the actions it took, beginning in 2008, to significantly strengthen its underwriting and eligibility standards to promote sustainable homeownership and stability in the housing market. Fannie Mae actively monitors the credit risk profile and credit performance of the company's single-family loan acquisitions, in conjunction with housing market and economic conditions, to determine if its pricing, eligibility, and underwriting criteria accurately reflects the risk associated with loans the company acquires or guarantees. Single-family conventional loans acquired by Fannie Mae in the third quarter of 2016 had a weighted average borrower FICO credit score at origination of 752 and a weighted average original LTV ratio of 74 percent.

Fannie Mae's single-family conventional guaranty book of business as of September 30, 2016 consisted of single-family loans acquired prior to 2009; non-Refi Plus loans acquired beginning in 2009; loans acquired through the Administration's Home Affordable Refinance Program® (HARP®); and other loans acquired pursuant to the company's Refi Plus initiative, excluding HARP loans. The company's Refi Plus initiative, which started in April 2009 and includes HARP, provides expanded refinance opportunities for eligible Fannie Mae borrowers, and may involve the refinance of existing Fannie Mae loans with high LTV ratios, including loans with LTV ratios in excess of 100 percent.

Single-Family Book of Business



The single-family serious delinquency rate for Fannie Mae's book of business has decreased for 26 consecutive quarters since the first quarter of 2010 and was 1.24 percent as of September 30, 2016, compared with 5.47 percent as of March 31, 2010. This decrease is primarily the result of home retention solutions, foreclosure alternatives and completed foreclosures, improved loan payment performance, and the company's acquisition of loans with stronger credit profiles since the beginning of 2009. In recent periods, nonperforming loan sales have also contributed to the decrease in the company's serious delinquency rate. The company's single-family serious delinquency rate and the period of time that loans remain seriously delinquent continue to be negatively impacted by the length of time required to complete a foreclosure in some states. Longer foreclosure timelines result in these loans remaining in the company's book of business for a longer time, which has caused the company's serious delinquency rate to decrease more slowly in the last few years than it would have if the pace of foreclosures had been faster. The slow pace of foreclosures in certain areas of the country has negatively affected the company's single-family serious delinquency rates, foreclosure timelines, and financial results, and may continue to do so. Other factors such as the pace of loan modifications, the timing and volume of future nonperforming loan sales the company makes, servicer performance, changes in home prices, unemployment levels, and other macroeconomic conditions also influence serious delinquency rates.



Total loss reserves, which reflect the company's estimate of the probable losses the company has incurred in its guaranty book of business, including concessions it granted borrowers upon modification of their loans, decreased to $23.1 billion as of September 30, 2016 from $24.2 billion as of June 30, 2016. The decrease in the company's total loss reserves for the third quarter of 2016 was driven primarily by an increase in home prices and loan liquidations. The company's loss reserves have declined substantially from their peak and are expected to decline further.

SERVING CUSTOMER NEEDS AND IMPROVING BUSINESS EFFICIENCY

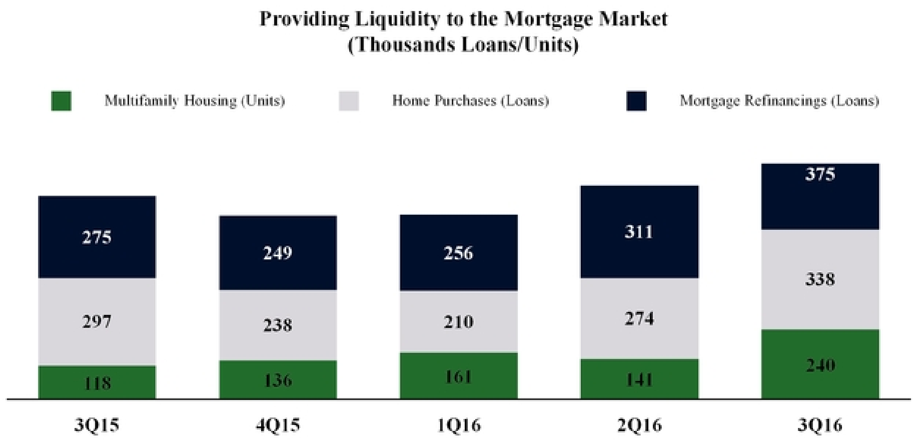
Fannie Mae is engaged in various initiatives to better serve its customers' needs and improve its business efficiency. The company is committed to providing its lender partners with the products, services, and tools they need to serve the market more effectively and efficiently. To further this commitment, Fannie Mae is focused on continuing to revise and clarify lenders' representation and warranty obligations, implementing innovative new and enhanced tools that deliver greater value and certainty to lenders, and making its customers' interactions with Fannie Mae simpler and more efficient. For additional information on the company's efforts to serve its customer needs and improve its business efficiency, please refer to "Executive Summary" in the company's Third Quarter 2016 Form 10-Q and 2015 Form 10-K.

PROVIDING LIQUIDITY AND SUPPORT TO THE MARKET

Liquidity

Fannie Mae provided approximately $184 billion in liquidity to the mortgage market in the third quarter of 2016, through its purchases of loans and guarantees of loans and securities, which resulted in approximately:

- 338,000 home purchases
- 375,000 mortgage refinancings
- 240,000 units of multifamily housing financed

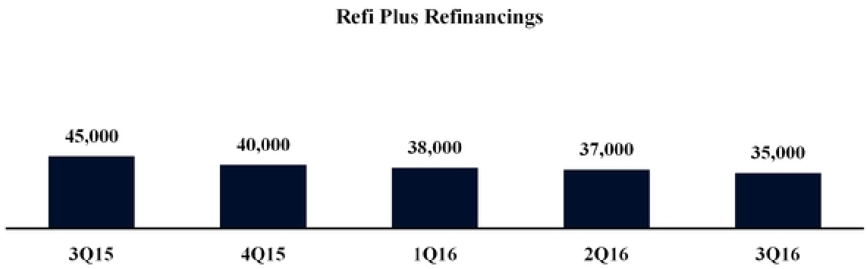


The company was one of the largest issuers of single-family mortgage-related securities in the secondary market in the third quarter of 2016. The company's estimated market share of new single-family mortgage-related securities issuances was 38 percent in both the third and second quarter of 2016, compared with 36 percent in the third quarter of 2015.

Fannie Mae also remained a continuous source of liquidity in the multifamily market in the third quarter of 2016. As of June 30, 2016 (the latest date for which information is available), the company owned or guaranteed approximately 19 percent of the outstanding debt on multifamily properties.

Refinancing Initiatives

Through the company's Refi Plus initiative, which offers refinancing flexibility to eligible Fannie Mae borrowers and includes HARP, the company acquired approximately 35,000 loans in the third quarter of 2016. Refinancings delivered to Fannie Mae through Refi Plus in the third quarter of 2016 reduced borrowers' monthly mortgage payments by an average of $219. The company expects the volume of refinancings under HARP to continue to remain a small percentage of its acquisitions between now and the program's expiration on September 30, 2017, due to the small population of borrowers with loans that have high LTV ratios who are willing to refinance and would benefit from refinancing.



Home Retention Solutions and Foreclosure Alternatives

To reduce the credit losses Fannie Mae ultimately incurs on its book of business, the company has been focusing its efforts on several strategies, including reducing defaults by offering home retention solutions, such as loan modifications.

Single-Family Loan Workouts

	For the Nine Months Ended September 30,			
	2016		2015	
	Unpaid Principal Balance	Number of Loans	Unpaid Principal Balance	Number of Loans
	(Dollars in Millions)			
Home retention solutions:				
Modifications	$ 10,553	62,979	$ 12,560	75,113
Repayment plans and forbearances completed	631	4,491	667	4,795
Total home retention solutions	11,184	67,470	13,227	79,908
Foreclosure alternatives:				
Short sales	1,777	8,577	2,396	11,593
Deeds-in-lieu of foreclosure	702	4,631	895	5,723
Total foreclosure alternatives	2,479	13,208	3,291	17,316
Total loan workouts	$ 13,663	80,678	$ 16,518	97,224
Loan workouts as a percentage of single-family guaranty book of business	0.65%	0.63%	0.78%	0.75%

Fannie Mae views foreclosure as a last resort. For homeowners and communities in need, the company offers alternatives to foreclosure. In dealing with homeowners in distress, the company first seeks home retention solutions, which enable borrowers to stay in their homes, before turning to foreclosure alternatives.

- Fannie Mae provided approximately 26,500 loan workouts during the third quarter of 2016 enabling borrowers to avoid foreclosure.
- Fannie Mae completed approximately 21,000 loan modifications during the third quarter of 2016.

FORECLOSURES AND REO

When there is no viable home retention solution or foreclosure alternative that can be applied, the company seeks to move to foreclosure expeditiously in an effort to minimize prolonged delinquencies that can hurt local home values and destabilize communities.

Single-Family Foreclosed Properties

	For the Nine Months Ended September 30, 2016	2015
Single-family foreclosed properties (number of properties):		
Beginning of period inventory of single-family foreclosed properties (REO)	57,253	87,063
Total properties acquired through foreclosure	42,773	61,886
Dispositions of REO	(58,053)	(87,991)
End of period inventory of single-family foreclosed properties (REO)	41,973	60,958
Carrying value of single-family foreclosed properties (dollars in millions)	$ 4,833	$ 7,245
Single-family foreclosure rate	0.33%	0.48%

- Fannie Mae acquired 12,402 single-family REO properties, primarily through foreclosure, in the third quarter of 2016, compared with 14,004 in the second quarter of 2016.
- As of September 30, 2016, the company's inventory of single-family REO properties was 41,973, compared with 45,981 as of June 30, 2016. The carrying value of the company's single-family REO was $4.8 billion as of September 30, 2016.
- The company's single-family foreclosure rate was 0.33 percent for the nine months ended September 30, 2016. This reflects the annualized total number of single-family properties acquired through foreclosure or deeds-in-lieu of foreclosure as a percentage of the total number of loans in Fannie Mae's single-family guaranty book of business.

Fannie Mae's financial statements for the third quarter of 2016 are available in the accompanying Annex; however, investors and interested parties should read the company's Third Quarter 2016 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 Third Quarter 2016 Form 10-Q. Additional information about the company's credit performance, the characteristics of its guaranty book of business, its foreclosure-prevention efforts, and other measures is contained in the "2016 Third Quarter Credit Supplement" at www.fanniemae.com.

# # #

In this release, the company has presented a number of estimates, forecasts, expectations, and other forward-looking statements, including statements regarding: its future dividend payments to Treasury; the impact of and future plans with respect to the company's credit risk transfer transactions; the sources of its future net interest income; the company's future profitability; the factors that will affect the company's future financial results; the factors that will affect the company's future single-family serious delinquency rates; the future volume of its HARP refinancings; the future fair value of the company's financial instruments; the company's future loss reserves; and the impact of the company's actions to reduce credit losses. These estimates, forecasts, expectations, and statements are forward-looking statements based on the company's current assumptions regarding numerous factors, including future interest rates and home prices, the future performance of its loans and the future guaranty fee rates applicable to the loans the company acquires. Actual results, and future projections, could be materially different from what is set forth in the forward-looking statements as a result of: home price changes; interest rate changes, including negative interest rates; changes in unemployment rates; other macroeconomic and housing market variables; the company's future serious delinquency rates; the company's future guaranty fee pricing and the impact of that pricing on the company's guaranty fee revenues and competitive environment; government policy; credit availability; changes in borrower behavior, including increases in the number of underwater borrowers who strategically default on their mortgage loans; the volume of loans it modifies; the effectiveness of its loss *mitigation strategies; significant changes in modification and foreclosure activity; the volume and pace of future nonperforming loan sales and their impact on the company's results and serious delinquency rates; the effectiveness of its management of its real estate owned inventory and pursuit of contractual remedies; changes in the fair value of its assets and liabilities; future legislative or regulatory requirements or changes that have a significant impact on the company's business, such as the enactment of housing finance reform legislation; future updates to the company's models relating to loss reserves, including the assumptions used by these models; changes in generally accepted accounting principles; changes to the company's accounting policies; whether the company's counterparties meet their obligations in full; effects from activities the company takes to support the mortgage market and help borrowers; the company's future objectives and activities in support of those objectives, including actions the company may take to reach additional underserved creditworthy borrowers; actions the company may be required to take by FHFA, in its role as the company's conservator or as its regulator, such as changes in the type of business the company does or the implementation of a single security; limitations on the company's business imposed by FHFA, in its role as the company's conservator or as its regulator; the conservatorship and its effect on the company's business; the investment by Treasury and its effect on the company's business; the uncertainty of the company's future; challenges the company faces in retaining and hiring qualified employees; the deteriorated credit performance of many loans in the company's guaranty book of business; a decrease in the company's credit ratings; defaults by one or more institutional counterparties; resolution or settlement agreements the company may enter into with its counterparties; operational control weaknesses; changes in the fiscal and monetary policies of the Federal Reserve, including any change in the Federal Reserve's policy toward the reinvestment of principal payments of mortgage-backed securities or any future sales of such securities; changes in the structure and regulation of the financial services industry; the company's ability to access the debt markets; disruptions in the housing, credit, and stock markets; government investigations and litigation; the company's reliance on and the performance of the company's servicers; conditions in the foreclosure environment; global political risks; natural disasters, environmental disasters, terrorist attacks, pandemics, or other major disruptive events; information security breaches; and many other factors, including those discussed in the "Risk Factors" section of and elsewhere in the company's annual report on Form 10-K for the year ended December 31, 2015 and the company's quarterly report on Form 10-Q for the quarter ended September 30, 2016, and elsewhere in this release.*

Fannie Mae provides website addresses in its news releases solely for readers' information. Other content or information appearing on these websites is not part of this release.

Fannie Mae helps make the 30-year fixed-rate mortgage and affordable rental housing possible for millions of Americans. We partner with lenders to create housing opportunities for families across the country. We are driving positive changes in housing finance to make the home buying process easier, while reducing costs and risk. To learn more, visit fanniemae.com and follow us on twitter.com/fanniemae.

ANNEX

FANNIE MAE

(In conservatorship)

Condensed Consolidated Balance Sheets — (Unaudited)

(Dollars in Millions, except share amounts)

	As of	
	September 30, 2016	December 31, 2015
ASSETS		
Cash and cash equivalents	$ 26,559	$ 14,674
Restricted cash (includes $37,856 and $25,865, respectively, related to consolidated trusts)	42,926	30,879
Federal funds sold and securities purchased under agreements to resell or similar arrangements	18,350	27,350
Investments in securities:		
Trading, at fair value (includes $1,191 and $135, respectively, pledged as collateral)	40,547	39,908
Available-for-sale, at fair value (includes $110 and $285, respectively, related to consolidated trusts)	9,865	20,230
Total investments in securities	50,412	60,138
Mortgage loans:		
Loans held for sale, at lower of cost or fair value	3,405	5,361
Loans held for investment, at amortized cost:		
Of Fannie Mae	216,958	233,054
Of consolidated trusts	2,851,304	2,809,180
Total loans held for investment (includes $12,914 and $14,075, respectively, at fair value)	3,068,262	3,042,234
Allowance for loan losses	(22,706)	(27,951)
Total loans held for investment, net of allowance	3,045,556	3,014,283
Total mortgage loans	3,048,961	3,019,644
Deferred tax assets, net	35,101	37,187
Accrued interest receivable (includes $7,032 and $6,974, respectively, related to consolidated trusts)	7,728	7,726
Acquired property, net	5,041	6,766
Other assets	20,864	17,553
Total assets	$ 3,255,942	$ 3,221,917
LIABILITIES AND EQUITY		
Liabilities:		
Accrued interest payable (includes $8,199 and $8,194, respectively, related to consolidated trusts)	$ 9,512	$ 9,794
Debt:		
Of Fannie Mae (includes $10,460 and $11,133, respectively, at fair value)	351,568	386,135
Of consolidated trusts (includes $35,453 and $23,609, respectively, at fair value)	2,881,545	2,811,536
Other liabilities (includes $392 and $448, respectively, related to consolidated trusts)	9,141	10,393
Total liabilities	3,251,766	3,217,858
Commitments and contingencies	—	—
Fannie Mae stockholders' equity:		
Senior preferred stock, 1,000,000 shares issued and outstanding	117,149	117,149
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 1,158,082,750 shares outstanding	687	687
Accumulated deficit	(126,312)	(126,942)
Accumulated other comprehensive income	923	1,407
Treasury stock, at cost, 150,679,953 shares	(7,401)	(7,401)
Total Fannie Mae stockholders' equity	4,176	4,030
Noncontrolling interest	—	29
Total equity	4,176	4,059
Total liabilities and equity	$ 3,255,942	$ 3,221,917

See Notes to Condensed Consolidated Financial Statements in the Third Quarter 2016 Form 10-Q

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
Interest income:				
Trading securities	$ 140	$ 99	$ 388	$ 330
Available-for-sale securities	134	261	507	931
Mortgage loans (includes $23,254 and $24,537, respectively, for the three months ended and $71,746 and $73,426, respectively, for the nine months ended related to consolidated trusts)	25,611	26,980	78,828	80,706
Other	66	37	160	104
Total interest income	25,951	27,377	79,883	82,071
Interest expense:				
Short-term debt	56	37	164	99
Long-term debt (includes $18,814 and $19,891, respectively, for the three months ended and $58,993 and $59,934, respectively, for the nine months ended related to consolidated trusts)	20,460	21,752	64,229	65,640
Total interest expense	20,516	21,789	64,393	65,739
Net interest income	5,435	5,588	15,490	16,332
Benefit for credit losses	673	1,550	3,458	1,050
Net interest income after benefit for credit losses	6,108	7,138	18,948	17,382
Investment gains, net	467	299	934	1,155
Fair value losses, net	(491)	(2,589)	(4,971)	(1,902)
Fee and other income	175	259	552	1,123
Non-interest income (loss)	151	(2,031)	(3,485)	376
Administrative expenses:				
Salaries and employee benefits	322	317	1,017	999
Professional services	237	219	684	741
Occupancy expenses	45	43	136	129
Other administrative expenses	57	373	190	495
Total administrative expenses	661	952	2,027	2,364
Foreclosed property expense	110	497	507	1,152
Temporary Payroll Tax Cut Continuation Act of 2011 (“TCCA”) fees	465	413	1,358	1,192
Other expenses, net	300	215	818	412
Total expenses	1,536	2,077	4,710	5,120
Income before federal income taxes	4,723	3,030	10,753	12,638
Provision for federal income taxes	(1,527)	(1,070)	(3,475)	(4,150)
Net income	3,196	1,960	7,278	8,488
Other comprehensive income (loss):				
Changes in unrealized gains on available-for-sale securities, net of reclassification adjustments and taxes	(205)	(177)	(478)	(548)
Other	(2)	430	(6)	428
Total other comprehensive income (loss)	(207)	253	(484)	(120)
Total comprehensive income attributable to Fannie Mae	$ 2,989	$ 2,213	$ 6,794	$ 8,368
Net income attributable to Fannie Mae	3,196	1,960	7,278	8,488
Dividends distributed or available for distribution to senior preferred stockholder	(2,977)	(2,202)	(6,765)	(8,357)
Net income attributable to common stockholders	$ 219	$ (242)	$ 513	$ 131
Earnings (loss) per share:				
Basic	$ 0.04	$ (0.04)	0.09	0.02
Diluted	0.04	(0.04)	0.09	0.02
Weighted-average common shares outstanding:				
Basic	5,762	5,762	5,762	5,762
Diluted	5,893	5,762	5,893	5,893

See Notes to Condensed Consolidated Financial Statements in the Third Quarter 2016 Form 10-Q

FANNIE MAE
(In conservatorship)
Condensed Consolidated Statements of Cash Flows— (Unaudited)
(Dollars in Millions)

	For the Nine Months Ended September 30,	
	2016	**2015**
Net cash used in operating activities	$ (4,749)	$ (6,375)
Cash flows provided by investing activities:		
Proceeds from maturities and paydowns of trading securities held for investment	1,282	633
Proceeds from sales of trading securities held for investment	1,405	1,028
Proceeds from maturities and paydowns of available-for-sale securities	2,355	3,477
Proceeds from sales of available-for-sale securities	10,481	6,919
Purchases of loans held for investment	(168,729)	(146,577)
Proceeds from repayments of loans acquired as held for investment of Fannie Mae	18,413	19,145
Proceeds from sales of loans acquired as held for investment of Fannie Mae	3,209	2,315
Proceeds from repayments and sales of loans acquired as held for investment of consolidated trusts	395,561	376,169
Net change in restricted cash	(12,047)	2,261
Advances to lenders	(96,797)	(92,345)
Proceeds from disposition of acquired property and preforeclosure sales	12,478	16,306
Net change in federal funds sold and securities purchased under agreements to resell or similar arrangements	9,000	4,350
Other, net	(305)	103
Net cash provided by investing activities	176,306	193,784
Cash flows used in financing activities:		
Proceeds from issuance of debt of Fannie Mae	736,239	337,748
Payments to redeem debt of Fannie Mae	(772,380)	(381,487)
Proceeds from issuance of debt of consolidated trusts	290,146	259,254
Payments to redeem debt of consolidated trusts	(406,968)	(397,025)
Payments of cash dividends on senior preferred stock to Treasury	(6,647)	(8,075)
Other, net	(62)	68
Net cash used in financing activities	(159,672)	(189,517)
Net increase (decrease) in cash and cash equivalents	11,885	(2,108)
Cash and cash equivalents at beginning of period	14,674	22,023
Cash and cash equivalents at end of period	$ 26,559	$ 19,915
Cash paid during the period for:		
Interest	$ 78,281	$ 78,584
Income taxes	1,141	470

See Notes to Condensed Consolidated Financial Statements in the Third Quarter 2016 Form 10-Q

Exhibit 99.2

Fannie Mae

2016 Third Quarter Credit Supplement

November 3, 2016

- This presentation includes information about Fannie Mae, including information contained in Fannie Mae's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, the "2016 Q3 Form 10-Q." Some of the terms used in these materials are defined and discussed more fully in the 2016 Q3 Form 10-Q and in Fannie Mae's Form 10-K for the year ended December 31, 2015, the "2015 Form 10-K." These materials should be reviewed together with the 2016 Q3 Form 10-Q and the 2015 Form 10-K, copies of which are available through the "SEC Filings" page in the "About Us/Investor Relations" section of Fannie Mae's website at www.fanniemae.com.
- Some of the information in this presentation is based upon information that we received from third-party sources such as sellers and servicers of mortgage loans. Although we generally consider this information reliable, we do not independently verify all reported information.
- Due to rounding, amounts reported in this presentation may not add to totals indicated (or 100%).
- Unless otherwise indicated data labeled as "YTD 2016" is as of September 30, 2016 or for the first nine months of 2016.

Fannie Mae

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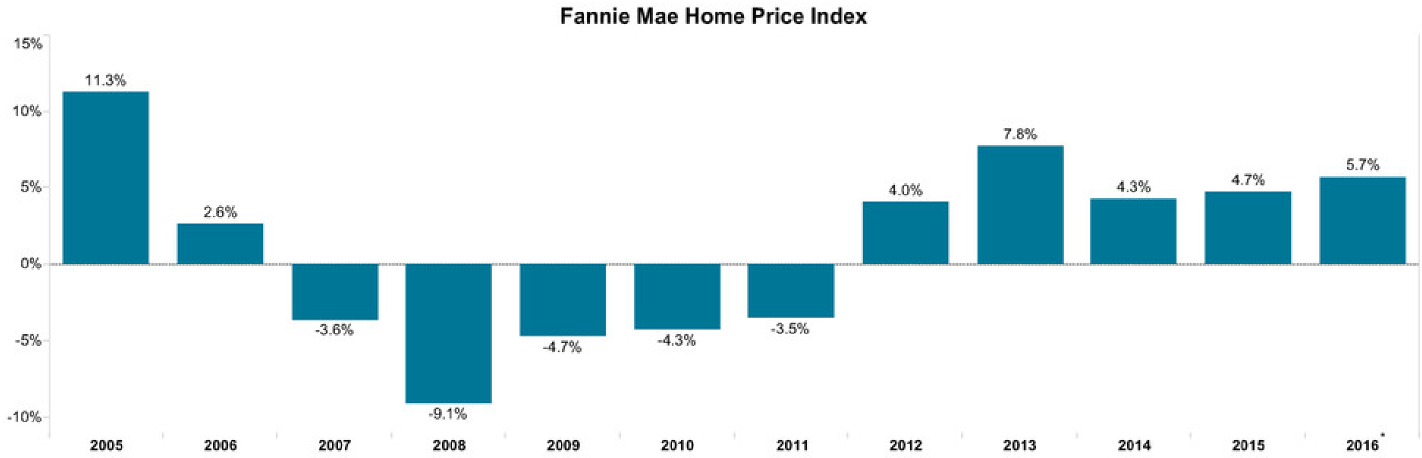
Home Price Growth/Decline Rates in the U.S.



S&P/Case-Shiller Index

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016**
13.5%	1.7%	-5.4%	-12.0%	-3.8%	-4.1%	-3.9%	6.5%	10.7%	4.5%	5.3%	3.9%

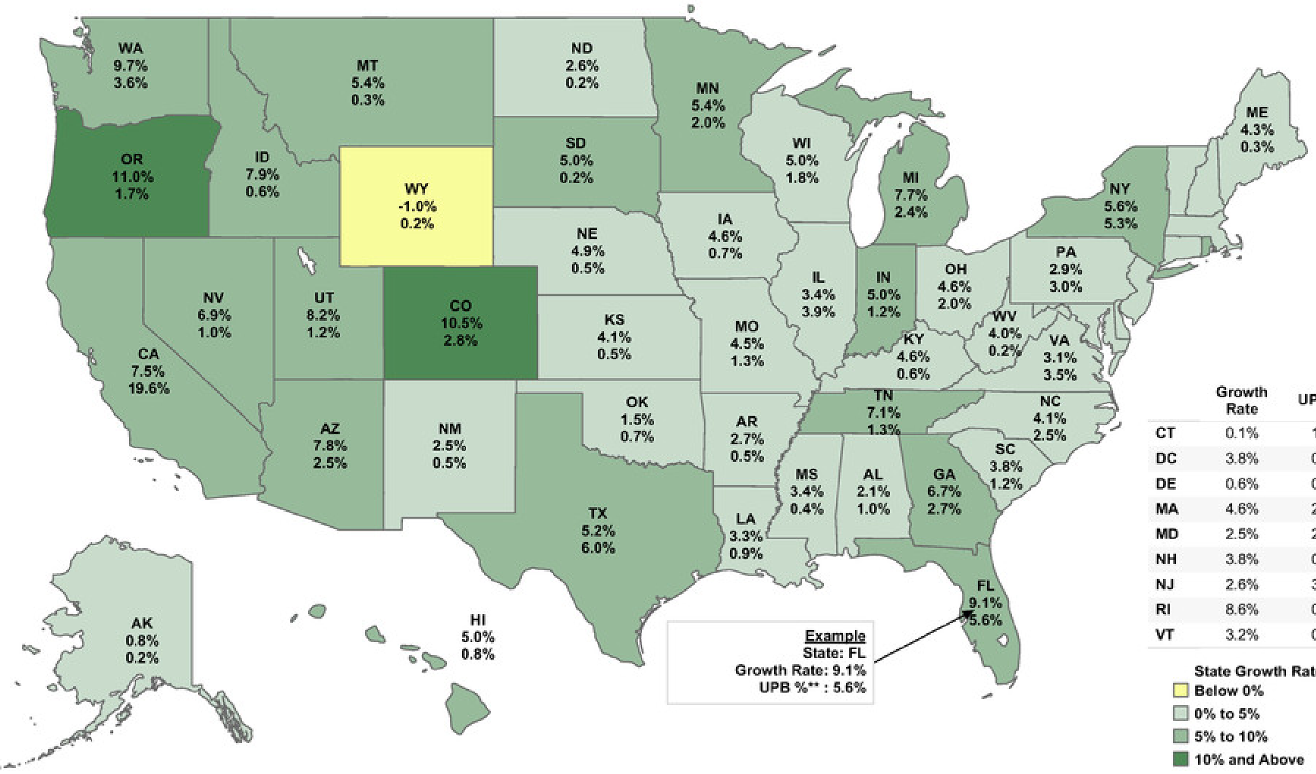
* Year-to-date as of September 2016.
**Year-to-date as of Q2 2016. As comparison, Fannie Mae's index for the same period is 4.1%.

Based on our home price index, we estimate that home prices on a national basis increased by 1.5% in the third quarter of 2016 and by 5.7% in the first nine months of 2016, following increases of 4.7% in 2015, 4.3% in 2014 and 7.8% in 2013. Despite the recent increases in home prices, we estimate that, through September 30, 2016, home prices on a national basis remained 1.1% below their peak in the third quarter of 2006. Our home price estimates are based on preliminary data and are subject to change as additional data become available.

Note: Estimate based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of September 2016. Including subsequent data may lead to materially different results.

One Year Home Price Change as of 2016 Q3*

United States: 5.4%



	Growth Rate	UPB %**
CT	0.1%	1.3%
DC	3.8%	0.4%
DE	0.6%	0.4%
MA	4.6%	2.9%
MD	2.5%	2.7%
NH	3.8%	0.5%
NJ	2.6%	3.8%
RI	8.6%	0.3%
VT	3.2%	0.2%

State Growth Rate
- Below 0%
- 0% to 5%
- 5% to 10%
- 10% and Above

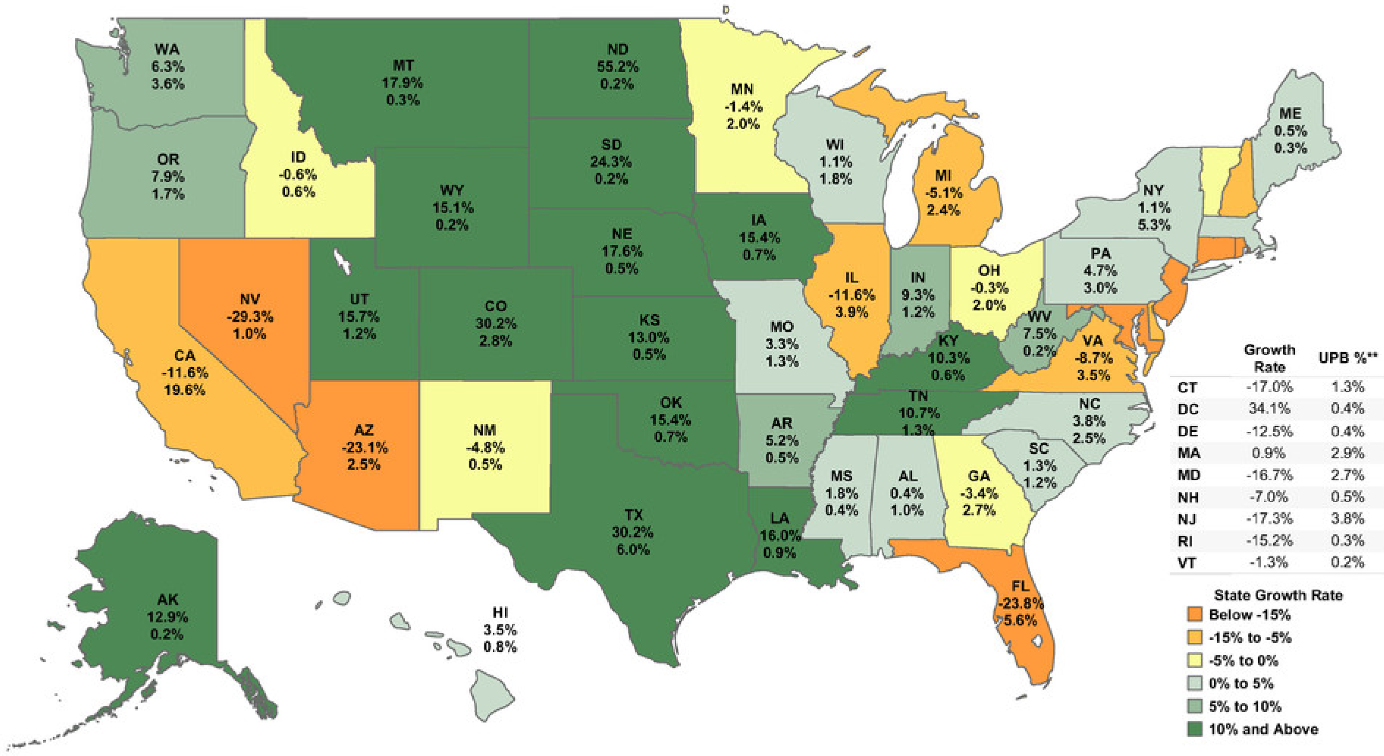
*Source: Fannie Mae. Home price estimates are based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of September 2016. UPB estimates are based on data available through the end of September 2016. Including subsequent data may lead to materially different results.

** "UPB %" refers to unpaid principal balance of loans on properties in the applicable state as a percentage of unpaid principal balance of single-family conventional guaranty book of business for which Fannie Mae has access to loan-level information.

Fannie Mae™

Home Price Change From 2006 Q3 Through 2016 Q3*

United States: -1.1%



	Growth Rate	UPB %**
CT	-17.0%	1.3%
DC	34.1%	0.4%
DE	-12.5%	0.4%
MA	0.9%	2.9%
MD	-16.7%	2.7%
NH	-7.0%	0.5%
NJ	-17.3%	3.8%
RI	-15.2%	0.3%
VT	-1.3%	0.2%

*Source: Fannie Mae. Home price estimates are based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of September 2016. UPB estimates are based on data available through the end of September 2016. Including subsequent data may lead to materially different results.

** "UPB %" refers to unpaid principal balance of loans on properties in the applicable state as a percentage of unpaid principal balance of single-family conventional guaranty book of business for which Fannie Mae has access to loan-level information.

Note: Home prices on a national basis reached a peak in the third quarter of 2006.

Fannie Mae

Credit Characteristics of Single-Family Business Acquisitions[1]

Acquisition Period	Q3 2016		Q2 2016		Q1 2016		Full Year 2015		Q4 2015		Q3 2015	
	Single-Family Acquisitions	Excl. Refi Plus[2]	Single-Family Acquisitions	Excl. Refi Plus[2]	Single-Family Acquisitions	Excl. Refi Plus[2]	Single-Family Acquisitions	Excl. Refi Plus[2]	Single-Family Acquisitions	Excl. Refi Plus[2]	Single-Family Acquisitions	Excl. Refi Plus[2]
Unpaid Principal Balance (UPB) ($B)	$165.6	$160.2	$135.0	$129.2	$102.2	$96.4	$471.4	$441.0	$105.6	$99.7	$124.5	$117.6
Weighted Average Origination Note Rate	3.66%	3.66%	3.83%	3.82%	4.02%	4.01%	3.98%	3.97%	4.04%	4.04%	4.05%	4.04%
Origination Loan-to-Value (LTV) Ratio												
<= 60%	20.6%	20.2%	18.5%	18.0%	18.7%	18.1%	18.2%	17.5%	17.5%	16.9%	17.1%	16.6%
60.01% to 70%	14.3%	14.2%	13.9%	13.8%	13.9%	13.8%	13.7%	13.6%	13.1%	13.0%	12.6%	12.5%
70.01% to 80%	37.8%	38.4%	38.9%	39.7%	39.6%	40.8%	40.0%	41.3%	39.7%	40.8%	40.1%	41.3%
80.01% to 90%	11.8%	11.7%	12.3%	12.2%	12.2%	12.0%	12.5%	12.3%	13.1%	13.0%	12.8%	12.7%
90.01% to 100%	15.3%	15.5%	16.0%	16.3%	15.0%	15.3%	14.9%	15.2%	15.9%	16.3%	16.6%	16.9%
> 100%	0.3%	0.0%	0.4%	0.0%	0.6%	0.0%	0.8%	0.0%	0.7%	0.0%	0.7%	0.0%
Weighted Average Origination LTV Ratio	73.8%	73.9%	74.7%	74.8%	74.5%	74.6%	74.8%	74.8%	75.3%	75.4%	75.6%	75.7%
FICO Credit Scores [3]												
< 620	0.3%	0.0%	0.4%	0.0%	0.5%	0.0%	0.6%	0.0%	0.6%	0.0%	0.6%	0.0%
620 to < 660	3.9%	3.6%	4.2%	3.8%	5.2%	4.7%	4.7%	4.2%	5.3%	4.8%	5.0%	4.5%
660 to < 700	10.7%	10.4%	11.8%	11.4%	13.0%	12.6%	12.1%	11.7%	13.0%	12.6%	12.6%	12.2%
700 to < 740	19.9%	19.9%	21.0%	21.1%	21.4%	21.5%	20.4%	20.5%	21.2%	21.3%	20.7%	20.8%
>=740	65.2%	66.1%	62.5%	63.6%	59.8%	61.2%	62.1%	63.5%	59.9%	61.2%	61.1%	62.4%
Weighted Average FICO Credit Score	752	753	749	751	746	748	748	750	746	748	747	749
Certain Characteristics												
Fixed-rate	98.4%	98.4%	98.5%	98.5%	97.7%	97.6%	97.5%	97.4%	97.2%	97.1%	97.5%	97.4%
Adjustable-rate	1.6%	1.6%	1.5%	1.5%	2.3%	2.4%	2.5%	2.6%	2.8%	2.9%	2.5%	2.6%
Alt-A[4]	0.2%	0.0%	0.3%	0.0%	0.4%	0.0%	0.4%	0.0%	0.4%	0.0%	0.3%	0.0%
Interest Only	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Investor	5.4%	5.2%	6.1%	5.7%	7.1%	6.6%	7.8%	7.2%	7.4%	6.8%	7.7%	7.2%
Condo/Co-op	9.5%	9.5%	9.9%	10.0%	9.7%	9.7%	10.0%	10.0%	9.9%	10.0%	10.0%	10.1%
Refinance	53.0%	51.5%	53.4%	51.3%	53.7%	50.9%	54.7%	51.6%	49.7%	46.7%	46.1%	42.9%
Loan Purpose												
Purchase	47.0%	48.5%	46.6%	48.7%	46.3%	49.1%	45.3%	48.4%	50.3%	53.3%	53.9%	57.1%
Cash-out refinance	17.8%	18.4%	18.4%	19.2%	20.4%	21.6%	18.6%	19.9%	19.3%	20.5%	18.2%	19.3%
Other refinance	35.2%	33.0%	35.0%	32.1%	33.4%	29.4%	36.1%	31.7%	30.4%	26.2%	27.9%	23.6%
Top 3 Geographic Concentrations	**Single-Family Acquisitions**		**Single-Family Acquisitions**		**Single-Family Acquisitions**		**Single-Family Acquisitions**		**Single-Family Acquisitions**		**Single-Family Acquisitions**	
California	22.8%		23.0%		21.7%		23.0%		21.0%		20.6%	
Texas	6.9%		7.1%		7.6%		7.2%		7.2%		8.0%	
Florida	4.9%		5.4%		5.8%		5.0%		5.3%		5.2%	

(1) Percentage calculated based on unpaid principal balance of loans at time of acquisition. Single-family business acquisitions refer to single-family mortgage loans we acquire through purchase or securitization transactions.
(2) Single-family business acquisitions for the applicable period excluding loans acquired under our Refi Plus initiative, which includes the Home Affordable Refinance Program ® ("HARP ®"). Our Refi Plus initiative provides expanded refinance opportunities for eligible Fannie Mae borrowers, and may involve the refinance of existing Fannie Mae loans with high loan-to-value ratios, including loans with loan-to-value ratios in excess of 100%.
(3) FICO credit score is as of loan origination, as reported by the seller of the mortgage loan.
(4) Newly originated Alt-A loans for the applicable periods consist of the refinance of existing loans under our Refi Plus initiative. For a description of our Alt-A loan classification criteria, refer to Fannie Mae's 2016 Q3 Form 10-Q.

Credit Risk Profile Summary of Single-Family Business Acquisitions(1)

Credit Profile for Single-Family Acquisitions

FICO Credit Score(2) — For the Nine Months Ended September 30, 2016	Origination LTV Ratio <= 60%	60.01% to 80%	80.01% to 100%	> 100%	Total
>=740	13.6%	33.4%	15.8%	0.1%	62.9%
660 to < 740	4.9%	16.8%	10.5%	0.2%	32.3%
620 to < 660	0.8%	2.3%	1.1%	0.1%	4.3%
< 620	0.1%	0.2%	0.1%	0.0%	0.4%
Total	19.4%	52.7%	27.5%	0.4%	100.0%

FICO Credit Score(2) — For the Nine Months Ended September 30, 2015	Origination LTV Ratio <= 60%	60.01% to 80%	80.01% to 100%	> 100%	Total
>=740	12.9%	34.2%	15.4%	0.3%	62.8%
660 to < 740	4.6%	16.9%	10.2%	0.3%	32.0%
620 to < 660	0.8%	2.5%	1.1%	0.1%	4.6%
< 620	0.1%	0.2%	0.2%	0.1%	0.6%
Total	18.4%	53.9%	26.9%	0.8%	100.0%

FICO Credit Score(2) — Change in Acquisitions Profile	Origination LTV Ratio <= 60%	60.01% to 80%	80.01% to 100%	> 100%	Total
>=740	0.7%	-0.8%	0.4%	-0.1%	0.2%
660 to < 740	0.3%	-0.2%	0.3%	-0.1%	0.3%
620 to < 660	0.0%	-0.2%	0.0%	-0.1%	-0.3%
<620	0.0%	-0.1%	-0.1%	0.0%	-0.2%
Total	1.0%	-1.2%	0.6%	-0.4%	0.0%

Credit Profile for Single-Family Acquisitions (Excluding Refi Plus)(3)

FICO Credit Score(2) — For the Nine Months Ended September 30, 2016	Origination LTV Ratio <= 60%	60.01% to 80%	80.01% to 95%	>95%	Total
>=740	13.6%	34.3%	15.0%	1.1%	64.0%
660 to < 740	4.6%	16.9%	9.4%	1.1%	32.0%
620 to < 660	0.7%	2.2%	0.9%	0.1%	3.9%
Total	19.0%	53.4%	25.3%	2.3%	100.0%

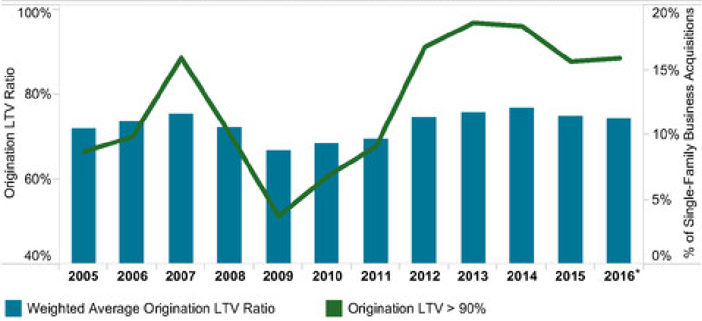
FICO Credit Score(2) — For the Nine Months Ended September 30, 2015	Origination LTV Ratio <= 60%	60.01% to 80%	80.01% to 95%	>95%	Total
>=740	12.8%	35.5%	15.2%	0.7%	64.2%
660 to < 740	4.3%	17.2%	9.4%	0.8%	31.7%
620 to < 660	0.7%	2.4%	0.9%	0.1%	4.1%
Total	17.7%	55.2%	25.5%	1.5%	100.0%

FICO Credit Score(2) — Change in Acquisitions Profile	Origination LTV Ratio <= 60%	60.01% to 80%	80.01% to 95%	>95%	Total
>=740	0.9%	-1.3%	-0.1%	0.5%	-0.1%
660 to < 740	0.4%	-0.4%	0.0%	0.3%	0.3%
620 to < 660	0.0%	-0.2%	0.0%	0.0%	-0.1%
Total	1.2%	-1.9%	-0.2%	0.8%	0.0%

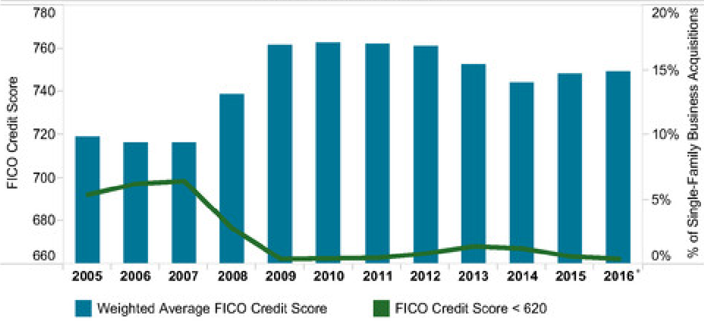
(1) Percentage calculated based on unpaid principal balance of loans at time of acquisition. Single-family business acquisitions refer to single-family mortgage loans we acquire through purchase or securitization transactions.
(2) FICO credit score is as of loan origination, as reported by the seller of the mortgage loan. FICO credit scores at origination below 620 primarily consist of the refinance of existing loans under our Refi Plus initiative, which includes the Home Affordable Refinance Program ("HARP"). Our Refi Plus initiative provides expanded refinance opportunities for eligible Fannie Mae borrowers, and may involve the refinance of existing Fannie Mae loans with high loan-to-value ratios, including loans with loan-to-value ratios in excess of 100%.
(3) Single-family business acquisitions for the applicable period excluding loans acquired under our Refi Plus initiative, which includes HARP.

Certain Credit Characteristics of Single-Family Business Acquisitions: 2005 - 2016[1]

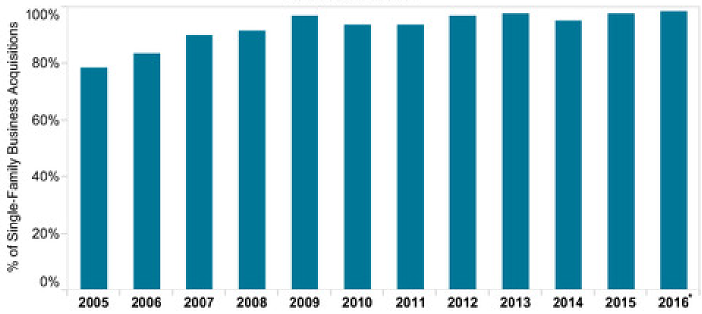
Origination Loan-to-Value (OLTV) Ratio

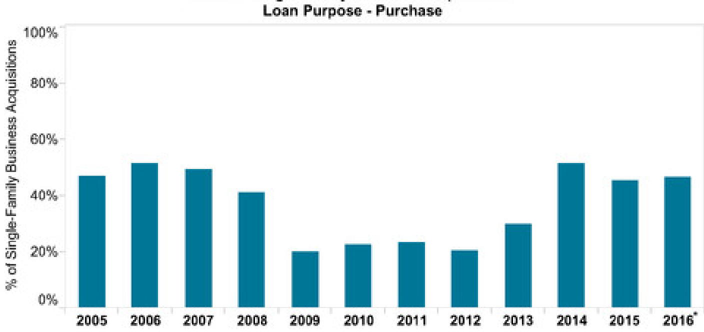


FICO Credit Score[2]



Product Feature



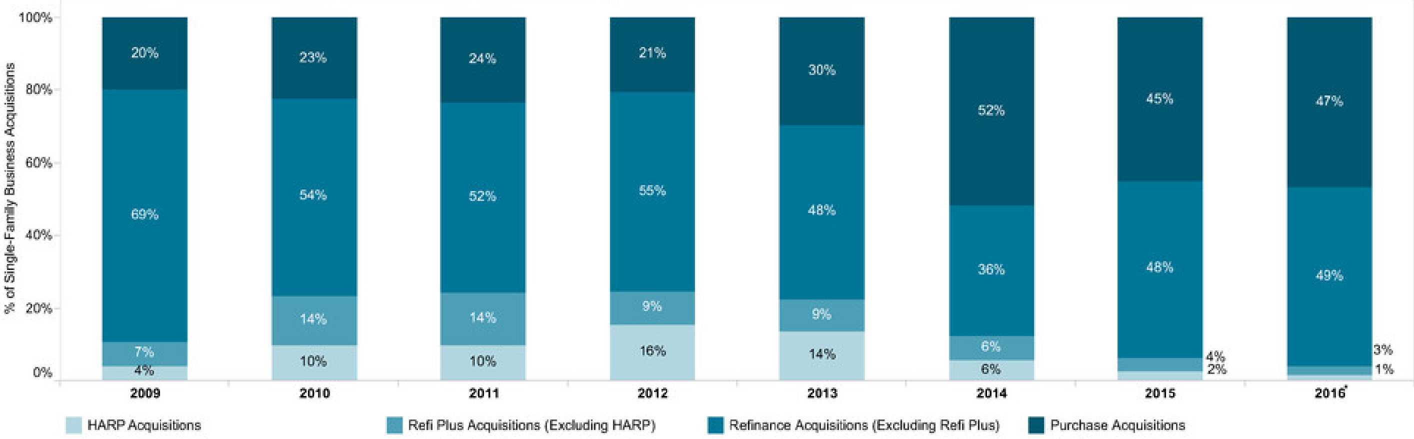


* Year-to-date through September 30, 2016.

(1) Percentage calculated based on unpaid principal balance of loans at time of acquisition. Single-family business acquisitions refer to single-family mortgage loans we acquire through purchase or securitization transactions.

(2) FICO credit score is as of loan origination, as reported by the seller of the mortgage loan. Loans acquired after 2009 with FICO credit scores at origination below 620 primarily consist of the refinance of existing loans under our Refi Plus initiative, which includes HARP.

Single-Family Business Acquisitions by Loan Purpose



Credit Characteristics of Single-Family Business Acquisitions Under the Refi Plus Initiative(1)

Acquisition Year	2009		2010		2011		2012		2013		2014		2015		2016*	
	HARP	Refi Plus (Excl. HARP)	HARP	Refi Plus (Excl. HARP)	HARP	Refi Plus (Excl. HARP)	HARP	Refi Plus (Excl. HARP)	HARP	Refi Plus (Excl. HARP)	HARP	Refi Plus (Excl. HARP)	HARP	Refi Plus (Excl. HARP)	HARP	Refi Plus (Excl. HARP)
Unpaid Principal Balance (UPB) ($B)	$27.9	$44.7	$59.0	$80.5	$55.6	$81.2	$129.9	$73.8	$99.5	$64.4	$21.5	$23.5	$11.2	$19.2	$5.9	$11.1
Weighted Average Origination Note Rate	5.05%	4.85%	5.00%	4.68%	4.78%	4.44%	4.14%	3.89%	4.04%	3.80%	4.62%	4.39%	4.23%	4.08%	4.10%	3.96%
Origination LTV Ratio																
<=80%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%
80.01% to 105%	99.1%	0.0%	94.4%	0.0%	88.1%	0.0%	57.2%	0.0%	58.4%	0.0%	73.3%	0.0%	78.0%	0.0%	80.7%	0.0%
105.01% to 125%	0.9%	0.0%	5.6%	0.0%	11.9%	0.0%	22.1%	0.0%	21.5%	0.0%	16.9%	0.0%	15.0%	0.0%	13.7%	0.0%
>125%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.7%	0.0%	20.1%	0.0%	9.9%	0.0%	7.0%	0.0%	5.6%	0.0%
Weighted Average Origination LTV Ratio	90.7%	63.3%	92.2%	62.3%	94.3%	60.2%	111.0%	61.1%	109.8%	60.2%	101.5%	61.3%	98.4%	60.4%	97.2%	60.2%
FICO Credit Scores (2)																
< 620	1.2%	0.8%	2.0%	1.4%	2.1%	1.7%	3.7%	2.9%	6.7%	5.3%	10.6%	9.3%	9.5%	8.8%	9.5%	9.6%
620 to < 660	2.5%	1.7%	3.6%	2.4%	3.8%	2.8%	6.0%	4.2%	9.5%	6.9%	14.5%	11.2%	14.6%	10.5%	15.6%	11.8%
660 to < 740	31.9%	23.0%	33.1%	23.9%	32.6%	25.6%	33.8%	26.0%	38.7%	31.9%	41.0%	36.5%	41.1%	34.4%	44.2%	37.6%
>=740	64.4%	74.5%	61.2%	72.3%	61.5%	70.0%	56.6%	66.9%	45.1%	55.8%	33.9%	43.0%	34.8%	46.3%	30.7%	41.1%
Weighted Average FICO Credit Score	749	762	746	760	746	758	738	753	722	737	704	717	706	722	702	715

* Year-to-date through September 30, 2016.

(1) Our Refi Plus initiative, which started in April 2009, includes the Home Affordable Refinance Program ("HARP"). Our Refi Plus initiative provides expanded refinance opportunities for eligible Fannie Mae borrowers, and may involve the refinance of existing Fannie Mae loans with high loan-to-value ratios, including loans with loan-to-value ratios in excess of 100%.

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

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Credit Characteristics of Single-Family Conventional Guaranty Book of Business by Origination Year

		Origination Year									
As of September 30, 2016	Overall Book	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007 and Earlier
Unpaid Principal Balance (UPB) ($B)[1]	$2,772.8	$347.8	$401.1	$253.3	$439.2	$504.3	$188.3	$155.3	$108.0	$43.4	$332.0
Share of Single-Family Conventional Guaranty Book	100.0%	12.5%	14.5%	9.1%	15.8%	18.2%	6.8%	5.6%	3.9%	1.6%	12.0%
Average Unpaid Principal Balance[1]	$162,015	$226,949	$207,791	$179,332	$174,016	$176,577	$145,247	$144,006	$140,793	$139,146	$97,506
Serious Delinquency Rate	1.24%	0.01%	0.13%	0.38%	0.38%	0.30%	0.42%	0.55%	0.91%	5.06%	4.44%
Weighted Average Origination LTV Ratio	75.0%	74.3%	75.1%	77.0%	76.7%	76.4%	71.2%	71.0%	69.5%	74.8%	75.1%
Origination LTV Ratio > 90%	16.5%	16.1%	16.5%	19.8%	20.5%	19.0%	12.3%	10.2%	6.4%	12.6%	14.3%
Weighted Average Mark-to-Market LTV Ratio	59.4%	72.1%	67.3%	64.4%	56.9%	51.6%	47.4%	48.9%	50.8%	64.6%	62.0%
Mark-to-Market LTV Ratio > 100% and <= 125%	1.6%	0.3%	0.3%	0.7%	1.7%	1.4%	0.1%	0.2%	0.2%	4.1%	6.8%
Mark-to-Market LTV Ratio > 125%	0.5%	0.1%	0.1%	0.2%	0.5%	0.3%	0.0%	0.0%	0.0%	0.9%	2.3%
Weighted Average FICO Credit Score[2]	745	749	747	742	750	759	757	756	752	712	698
FICO < 620[2]	2.1%	0.4%	0.6%	1.4%	1.8%	1.1%	0.8%	0.8%	0.9%	6.5%	9.4%
Interest Only	1.8%	0.0%	0.0%	0.0%	0.2%	0.3%	0.5%	0.9%	1.1%	8.6%	12.2%
Negative Amortizing	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%
Fixed-rate	93.8%	98.6%	97.7%	96.0%	97.8%	97.9%	95.8%	96.4%	97.3%	72.1%	69.9%
Primary Residence	88.2%	90.4%	88.1%	86.1%	86.0%	88.6%	87.0%	89.1%	90.6%	88.1%	89.4%
Condo/Co-op	9.3%	9.6%	9.8%	9.8%	10.1%	8.8%	8.4%	8.1%	8.7%	10.5%	9.2%
Credit Enhanced[3]	18.5%	27.4%	30.5%	27.0%	17.0%	12.2%	7.5%	5.3%	4.5%	23.6%	16.1%
Cumulative Default Rate[4]	n/a	0.0%	0.0%	0.1%	0.2%	0.3%	0.4%	0.6%	0.8%	5.0%	n/a

(1) Excludes non-Fannie Mae securities held in portfolio and those Alt-A and subprime wraps for which Fannie Mae does not have loan-level information. Fannie Mae had access to detailed loan-level information for approximately 99% of its single-family conventional guaranty book of business as of September 30, 2016.
(2) FICO credit score is as of loan origination, as reported by the seller of the mortgage loan. Loans acquired after 2009 with FICO credit scores at origination below 620 primarily consist of the refinance of existing loans under our Refi Plus initiative, which includes HARP.
(3) Unpaid principal balance of all loans with credit enhancement as a percentage of unpaid principal balance of single-family conventional guaranty book of business for which Fannie Mae has access to loan-level information.
(4) 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. For 2007 and earlier cumulative default rates, refer to slide 18.

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Credit Characteristics of Single-Family Conventional Guaranty Book of Business by Certain Product Features

	Categories Not Mutually Exclusive [1]							
As of September 30, 2016	Interest Only Loans	Loans with FICO < 620[2]	Loans with FICO ≥ 620 and < 660[2]	Loans with Origination LTV Ratio > 90%	Loans with FICO < 620[2] and Origination LTV Ratio > 90%	Alt-A Loans[3]	Refi Plus Including HARP[4]	Subtotal of Certain Product Features[1]
Unpaid Principal Balance (UPB) ($B)[5]	$50.1	$58.4	$150.0	$457.4	$17.8	$90.8	$446.4	$929.6
Share of Single-Family Conventional Guaranty Book	1.8%	2.1%	5.4%	16.5%	0.6%	3.3%	16.1%	33.5%
Average Unpaid Principal Balance[5]	$226,550	$116,606	$135,273	$171,960	$131,813	$145,083	$147,961	$150,983
Serious Delinquency Rate	6.72%	6.95%	4.15%	1.97%	8.14%	5.27%	0.74%	2.32%
Acquisition Years 2005-2008	82.0%	39.7%	26.8%	8.2%	29.6%	58.2%	0.0%	15.7%
Weighted Average Origination LTV Ratio	74.3%	81.9%	79.0%	102.9%	108.5%	78.8%	86.5%	85.9%
Origination LTV Ratio > 90%	8.3%	30.4%	22.8%	100.0%	100.0%	16.5%	39.2%	49.2%
Weighted Average Mark-to-Market LTV Ratio	76.5%	68.5%	66.4%	82.0%	87.9%	69.7%	62.5%	68.9%
Mark-to-Market LTV Ratio > 100% and <= 125%	12.9%	7.6%	4.9%	6.1%	16.7%	9.5%	4.3%	4.2%
Mark-to-Market LTV Ratio > 125%	4.1%	2.8%	1.6%	1.9%	6.8%	3.1%	1.1%	1.3%
Weighted Average FICO Credit Score[2]	722	583	642	730	583	711	733	718
FICO < 620[2]	1.6%	100.0%	0.0%	3.9%	100.0%	3.0%	5.4%	6.3%
Fixed-rate	24.0%	84.5%	88.2%	96.4%	89.3%	66.1%	99.0%	90.9%
Primary Residence	85.8%	94.3%	93.2%	93.0%	94.0%	77.0%	84.3%	90.0%
Condo/Co-op	14.5%	4.7%	6.1%	9.7%	5.9%	9.6%	9.4%	8.7%
Credit Enhanced[6]	13.7%	21.9%	21.3%	65.8%	52.5%	9.9%	12.0%	35.0%

(1) Loans with multiple product features are included in all applicable categories. The subtotal is calculated by counting a loan only once even if it is included in multiple categories.
(2) FICO credit score is as of loan origination, as reported by the seller of the mortgage loan.
(3) For a description of our Alt-A loan classification criteria, refer to Fannie Mae's 2016 Q3 Form 10-Q.
(4) Our Refi Plus initiative, which started in April 2009, includes the Home Affordable Refinance Program ("HARP"). Our Refi Plus initiative provides expanded refinance opportunities for eligible Fannie Mae borrowers, and may involve the refinance of existing Fannie Mae loans with high loan-to-value ratios, including loans with loan-to-value ratios in excess of 100%.
(5) Excludes non-Fannie Mae securities held in portfolio and those Alt-A and subprime wraps for which Fannie Mae does not have loan-level information. Fannie Mae had access to detailed loan-level information for approximately 99% of its single-family conventional guaranty book of business as of September 30, 2016.
(6) Unpaid principal balance of all loans with credit enhancement as a percentage of unpaid principal balance of single-family conventional guaranty book of business for which Fannie Mae had access to loan-level information.

Credit Characteristics of Single-Family Conventional Guaranty Book of Business and Single-Family Real Estate Owned (REO) in Select States

	SF Conventional Guaranty Book of Business as of September 30, 2016[1]				Seriously Delinquent Loans as of September 30, 2016[2]		Real Estate Owned (REO)				Credit Loss
Select States[5]	Unpaid Principal Balance (UPB) ($B)	Share of Single-Family Conventional Guaranty Book	Weighted Average Mark-to-Market LTV Ratio	Mark-to-Market LTV >100%	Seriously Delinquent Loan Share[2]	Serious Delinquency Rate[2]	Q3 2016 Acquisitions (# of properties)	Q3 2016 Dispositions (# of properties)	REO Ending Inventory as of 9/30/16	Average Days to Foreclosure[3]	% of YTD 2016 Credit Losses[4]
California	$542.1	19.6%	50.8%	1.1%	5.5%	0.49%	593	669	1,691	655	1.4%
Texas	$166.6	6.0%	58.3%	0.0%	3.8%	0.68%	332	347	878	733	0.5%
Florida	$156.0	5.6%	64.6%	7.1%	10.6%	2.05%	1,652	2,704	4,699	1,403	6.8%
New York	$147.0	5.3%	54.9%	2.2%	10.2%	2.77%	563	686	2,466	1,769	19.8%
Illinois	$108.2	3.9%	66.1%	5.0%	5.2%	1.47%	717	1,172	3,219	880	8.4%
New Jersey	$105.7	3.8%	64.2%	5.0%	8.9%	3.47%	771	1,081	3,879	1,770	17.8%
Washington	$98.7	3.6%	56.0%	0.5%	1.8%	0.74%	171	219	831	1,040	0.8%
Virginia	$96.4	3.5%	62.4%	1.7%	1.9%	0.80%	341	411	966	556	1.7%
Pennsylvania	$83.4	3.0%	63.2%	1.6%	4.8%	1.68%	613	710	1,817	932	4.9%
Massachusetts	$81.4	2.9%	56.2%	0.6%	2.8%	1.42%	207	331	1,198	1,285	2.3%
Regions[6]											
Midwest	$410.7	14.8%	63.9%	2.1%	17.1%	1.11%	2,887	3,695	9,832	671	18.4%
Northeast	$508.1	18.3%	60.0%	2.5%	32.4%	2.33%	2,841	3,597	11,679	1,427	51.7%
Southeast	$611.5	22.1%	63.5%	3.3%	27.6%	1.44%	3,898	5,762	11,840	964	20.0%
Southwest	$467.5	16.9%	60.2%	0.9%	12.0%	0.79%	1,622	1,867	4,241	647	5.7%
West	$775.1	28.0%	52.9%	1.3%	10.9%	0.63%	1,154	1,487	4,381	945	4.2%
Total	$2,772.8	100.0%	59.4%	2.0%	100.0%	1.24%	12,402	16,408	41,973	965	100.0%

(1) Based on the unpaid principal balance (UPB) of the single-family conventional guaranty book of business as of September 30, 2016. Excludes non-Fannie Mae securities held in portfolio and those Alt-A and subprime wraps for which Fannie Mae does not have loan-level information. Fannie Mae had access to detailed loan-level information for approximately 99% of its single-family conventional guaranty book of business as of September 30, 2016.

(2) "Seriously delinquent loans" refers to single-family conventional loans that are 90 days or more past due or in the foreclosure process. "Seriously delinquent loan share" refers to the percentage of our single-family seriously delinquent loan population in the applicable state or region. "Serious delinquency rate" refers to the number of single-family conventional loans that were seriously delinquent in the applicable state or region, divided by the number of loans in our single-family conventional guaranty book of business in that state or region.

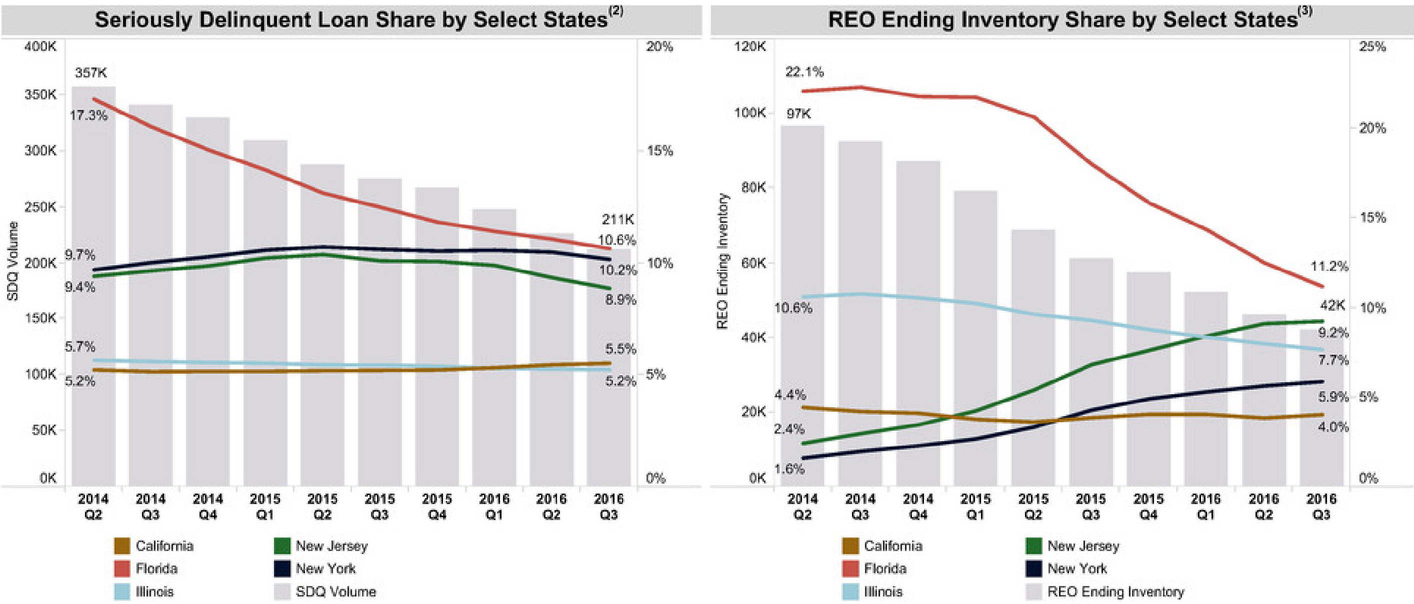
(3) Measured from the borrowers' last paid installment on their mortgages to when the related properties were added to our REO inventory for foreclosures completed during the first nine months of 2016. Home Equity Conversion Mortgages (HECMs) insured by HUD are excluded from this calculation.

(4) Expressed as a percentage of credit losses for the single-family guaranty book of business. Credit losses consist of (a) charge-offs, net of recoveries and (b) foreclosed property expense (income), adjusted to exclude the impact of fair value losses resulting from credit-impaired loans acquired from MBS trusts. For information on total credit losses, refer to Fannie Mae's 2016 Q3 Form 10-Q.

(5) Select states represent the top ten states in UPB of the single-family conventional guaranty book of business as of September 30, 2016.

(6) For information on which states are included in each region, refer to the single-family mortgage credit risk management discussion in Fannie Mae's 2016 Q3 Form 10-Q.

Seriously Delinquent Loan and REO Ending Inventory Share by Select States[1]



Our single-family serious delinquency rate and the period of time that loans remain seriously delinquent continue to be negatively impacted by the length of time required to complete a foreclosure in some states. Longer foreclosure timelines result in these loans remaining in our book of business for a longer time, which has caused our serious delinquency rate to decrease more slowly in the last few years than it would have if the pace of foreclosures had been faster.

(1) Based on states with the largest volume of seriously delinquent loans in our single-family conventional guaranty book of business as of September 30, 2016.
(2) "Seriously delinquent loan share" refers to the percentage of our single-family seriously delinquent loan population in the applicable state.
(3) Share of REO ending inventory calculated as the number of properties in the single-family REO ending inventory for the state divided by the total number of single-family properties in the REO ending inventory for the specified time period.

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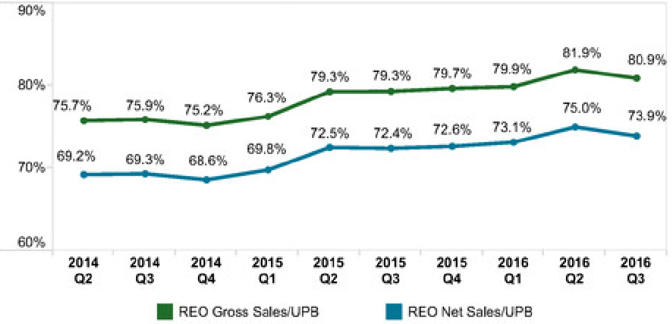
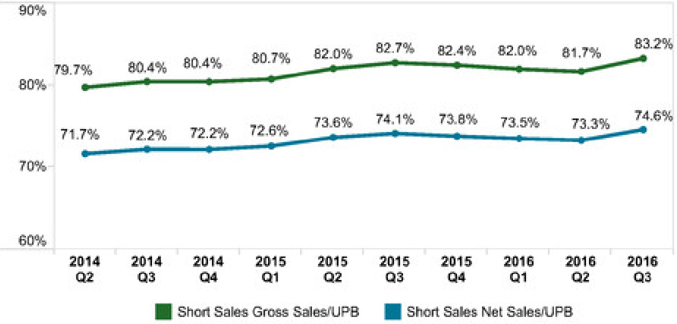
Single-Family Short Sales and REO Sales Prices to Unpaid Principal Balance (UPB) of Mortgage Loans

REO[1] Direct Sale Dispositions: Sales Prices to UPB[2]



Short Sales: Sales Prices to UPB[2]



Net Sales Prices to UPB Trends for Top 10 States[2][3]

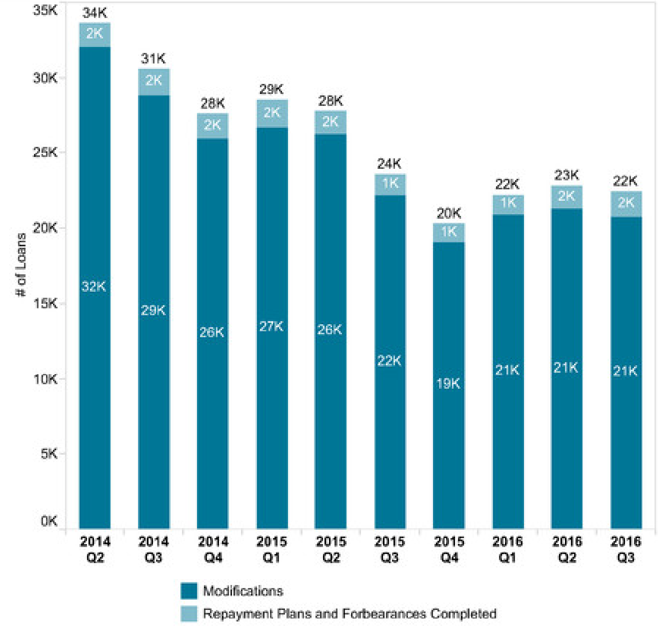
REO Net Sales Prices to UPB	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Florida	74.8%	77.5%	78.3%	79.5%	80.1%
Illinois	63.9%	60.9%	63.9%	63.2%	64.3%
New Jersey	58.8%	58.5%	59.6%	61.0%	59.9%
Ohio	63.4%	62.9%	62.6%	62.4%	59.2%
Pennsylvania	61.3%	62.8%	61.0%	66.6%	65.0%
Maryland	67.3%	69.5%	71.4%	73.8%	69.3%
Michigan	65.7%	66.8%	66.0%	65.7%	62.7%
New York	62.9%	67.8%	61.4%	64.5%	68.2%
California	83.1%	84.3%	82.6%	86.6%	88.1%
Georgia	77.5%	78.0%	79.4%	81.3%	79.0%

Short Sales Net Sales Prices to UPB	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Florida	72.0%	72.3%	73.9%	71.8%	73.1%
Illinois	66.8%	66.3%	66.1%	65.8%	70.9%
New Jersey	66.9%	66.6%	66.0%	64.9%	65.8%
California	80.0%	81.3%	79.4%	81.2%	80.8%
New York	73.1%	74.1%	72.1%	71.6%	72.9%
Maryland	70.6%	69.1%	71.2%	70.8%	70.8%
Nevada	70.5%	69.5%	71.2%	74.4%	74.3%
Arizona	77.5%	78.8%	74.8%	79.1%	79.0%
Virginia	76.7%	77.2%	77.5%	80.3%	78.6%
Pennsylvania	74.5%	72.1%	75.1%	73.6%	75.3%

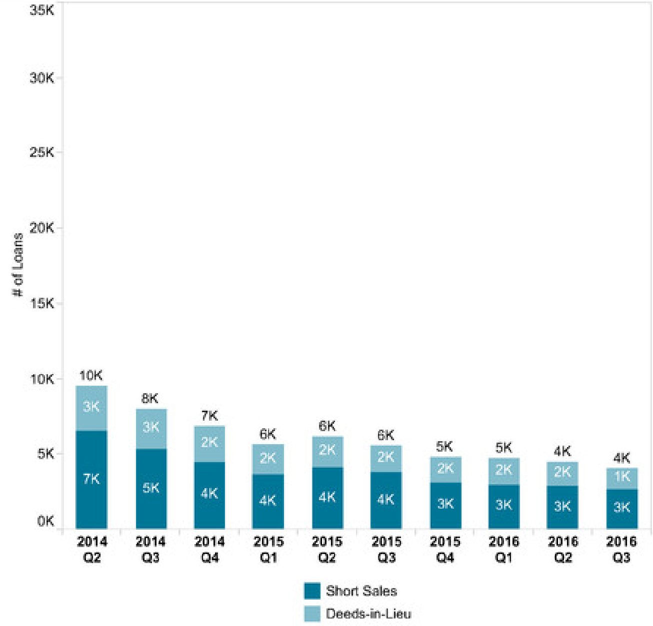
(1) Includes REO properties that have been sold to a third party (excluding properties that have been repurchased by the seller/servicer, acquired by a mortgage insurance company, redeemed by a borrower, or sold through the FHFA Rental Pilot).
(2) Sales Prices to UPB are calculated as the sum of sales proceeds received divided by the aggregate unpaid principal balance (UPB) of the related loans. Gross sales price represents the contract sale price. Net sales price represents the contract sale price less charges/credits paid by or due to the seller or other parties at closing.
(3) The states shown had the greatest volume of properties sold in the first nine months of 2016 in each respective category.

Single-Family Loan Workouts

Home Retention Solutions[1]



Foreclosure Alternatives[2]



(1) Consists of (a) modifications, which do not include trial modifications, loans to certain borrowers who have received bankruptcy relief that are accounted for as troubled debt restructurings, or repayment plans or forbearances that have been initiated but not completed and (b) repayment plans and forbearances completed.
(2) Consists of (a) short sales, in which the borrower, working with the servicer and Fannie Mae, sells the home prior to foreclosure for less than the amount owed to pay off the loan, accrued interest and other expenses from the sale proceeds and (b) deeds-in-lieu of foreclosure, which involve the borrower's voluntarily signing over title to the property.

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Re-performance Rates of Modified Single-Family Loans[1]

	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2
Modifications[2]	39,159	36,044	32,010	28,861	25,908	26,700	26,214	22,199	19,099	20,899	21,278
% Current or Paid Off											
3 Months Post Modification	84%	83%	79%	79%	80%	79%	77%	76%	78%	79%	77%
6 Months Post Modification	79%	76%	72%	74%	74%	72%	69%	69%	72%	70%	n/a
9 Months Post Modification	74%	72%	71%	71%	70%	68%	67%	67%	67%	n/a	n/a
12 Months Post Modification	73%	72%	70%	69%	67%	67%	67%	64%	n/a	n/a	n/a
15 Months Post Modification	72%	71%	67%	67%	66%	66%	64%	n/a	n/a	n/a	n/a
18 Months Post Modification	71%	70%	66%	67%	67%	65%	n/a	n/a	n/a	n/a	n/a
21 Months Post Modification	71%	69%	68%	68%	66%	n/a	n/a	n/a	n/a	n/a	n/a
24 Months Post Modification	70%	70%	69%	68%	n/a	n/a	n/a	n/a	n/a	n/a	n/a

(1) Modifications reflect permanent modifications which does not include loans currently in trial modifications.
(2) Defined as total number of completed modifications for the time periods noted.

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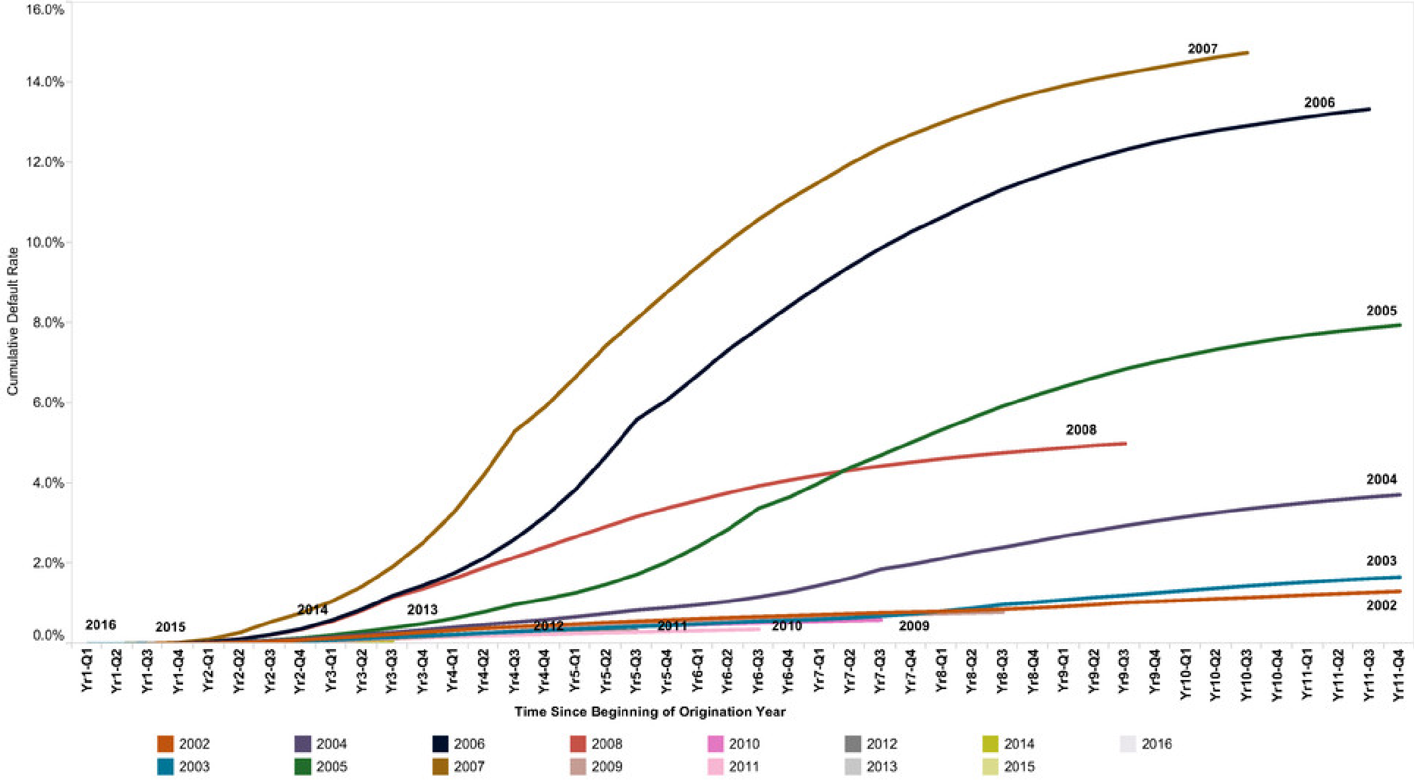
Credit Loss Concentration of Single-Family Conventional Guaranty Book of Business

	% of Single-Family Conventional Guaranty Book of Business[1]						% of Single-Family Credit Losses[2]					
Certain Product Features[3]	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
Negative Amortizing	0.1%	0.1%	0.2%	0.2%	0.3%	0.3%	0.3%	1.2%	0.9%	0.8%	0.5%	1.2%
Interest Only	1.8%	2.1%	2.5%	2.9%	3.7%	4.7%	12.2%	18.0%	10.2%	18.7%	21.8%	25.8%
FICO < 620[4]	2.1%	2.3%	2.5%	2.6%	2.9%	3.2%	14.3%	11.1%	12.1%	7.0%	7.8%	7.9%
FICO 620 to < 660[4]	5.4%	5.5%	5.5%	5.5%	6.0%	6.7%	21.5%	18.3%	17.6%	15.7%	14.2%	14.7%
Origination LTV Ratio > 90%	16.5%	16.3%	15.9%	15.1%	12.8%	10.0%	20.9%	16.4%	15.3%	20.8%	16.8%	14.0%
FICO < 620 and Origination LTV Ratio > 90%[4]	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%	3.5%	2.7%	2.9%	2.0%	2.3%	2.2%
Alt-A[5]	3.3%	3.7%	4.2%	4.7%	5.6%	6.6%	25.6%	29.3%	17.4%	26.0%	23.7%	27.3%
Subprime[6]	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	1.4%	1.6%	1.3%	-0.2%	1.1%	0.6%
Refi Plus including HARP	16.1%	17.6%	19.1%	19.5%	16.5%	11.2%	14.6%	7.8%	10.4%	7.4%	3.5%	1.4%
Vintage												
2009 - 2016	86.5%	84.1%	80.5%	76.2%	65.3%	51.6%	19.5%	10.3%	13.3%	10.0%	5.1%	2.4%
2005 - 2008	8.7%	10.1%	12.2%	14.7%	21.7%	30.4%	64.5%	77.6%	74.7%	77.6%	81.8%	82.9%
2004 & Prior	4.9%	5.8%	7.3%	9.1%	13.1%	18.0%	16.0%	12.1%	12.0%	12.4%	13.1%	14.8%
Select State[7]												
New York	5.3%	5.4%	5.5%	5.6%	5.6%	5.6%	19.8%	16.4%	4.8%	1.9%	0.9%	0.6%
New Jersey	3.8%	3.9%	4.0%	4.0%	4.0%	4.0%	17.8%	21.6%	7.2%	3.7%	2.0%	0.8%
Illinois	3.9%	4.0%	4.1%	4.1%	4.2%	4.3%	8.4%	7.8%	10.9%	12.9%	9.6%	3.5%
Florida	5.6%	5.6%	5.6%	5.7%	6.0%	6.3%	6.8%	20.8%	32.6%	28.9%	21.4%	11.0%
Pennsylvania	3.0%	3.0%	3.0%	3.1%	3.1%	3.0%	4.9%	3.4%	4.2%	3.0%	1.6%	0.8%
Ohio	2.0%	2.0%	2.1%	2.1%	2.2%	2.3%	4.1%	2.2%	4.2%	4.1%	3.3%	2.1%
Maryland	2.7%	2.7%	2.7%	2.8%	2.8%	2.9%	3.9%	3.8%	5.9%	3.1%	1.8%	0.6%
Connecticut	1.3%	1.3%	1.3%	1.4%	1.4%	1.4%	2.8%	2.3%	2.8%	1.4%	0.9%	0.3%
Massachusetts	2.9%	3.0%	3.0%	3.1%	3.1%	3.1%	2.3%	1.9%	1.0%	0.8%	1.0%	1.2%
Michigan	2.4%	2.4%	2.4%	2.4%	2.5%	2.5%	2.2%	1.5%	1.7%	3.2%	4.5%	5.8%
All Other States	67.0%	66.7%	66.2%	65.8%	65.1%	64.6%	27.0%	18.4%	24.7%	37.1%	53.2%	73.2%

(1) Based on the unpaid principal balance (UPB) of the single-family conventional guaranty book of business as of December 31 for the time periods noted, with the exception of 2016 which is as of September 30.
(2) Based on the single-family credit losses for the year ended December 31 for the time periods noted, with the exception of 2016 which is through September 30. Credit losses consist of (a) charge-offs, net of recoveries and (b) foreclosed property expense (income), adjusted to exclude the impact of fair value losses resulting from credit-impaired loans acquired from MBS trusts. Does not reflect the impact of recoveries that have not been allocated to specific loans. Negative values are the result of recoveries on previously recognized credit losses. Beginning in 2015, includes the impact of credit losses associated with our redesignation from held for investment to held for sale of certain nonperforming single-family loans expected to be sold in the foreseeable future. Also, 2015 credit losses include the impact of our approach to adopting the charge-off provisions of the Federal Housing Finance Agency's Advisory Bulletin AB 2012-02, "Framework for Adversely Classifying Loans, Other Real Estate Owned, and Other Assets and Listing Assets for Special Mention" on January 1, 2015.
(3) Loans with multiple product features are included in all applicable categories. Categories are not mutually exclusive.
(4) FICO credit score is as of loan origination, as reported by the seller of the mortgage loan.
(5) Newly originated Alt-A loans acquired after 2008 consist of the refinance of existing loans under our Refi Plus Initiative. For a description of our Alt-A loan classification criteria, refer to Fannie Mae's 2016 Q3 Form 10-Q.
(6) For a description of our subprime loan classification criteria, refer to Fannie Mae's 2015 Form 10-K.
(7) Select states represent the top ten states with the highest percentage of single-family credit losses for the nine months ended September 30, 2016.

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



Note: 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 September 30, 2016 is not necessarily indicative of the ultimate performance of the loans and performance is likely to change, perhaps materially, in future periods.

Multifamily Credit Profile by Loan Attributes

As of September 30, 2016	Loan Count	UPB ($B)	% of Multifamily Guaranty Book of Business	% DUS ® Loans [1]	% Seriously Delinquent [2]	YTD 2016 Multifamily Credit Losses ($M) [3]	2015 Multifamily Credit Losses ($M) [3]	2014 Multifamily Credit Losses ($M) [3]
Total Multifamily Guaranty Book of Business	29,206	$234.8	100%	96%	0.07%	$2	($56)	($46)
Lender Risk-Sharing								
Lender Risk-Sharing	26,975	$219.0	93%	98%	0.07%	$10	($24)	($26)
No Recourse to the Lender	2,231	$15.7	7%	71%	0.08%	($8)	($32)	($20)
Origination LTV Ratio [4]								
Less than or equal to 70%	18,135	$126.1	54%	94%	0.06%	($1)	($24)	($11)
Greater than 70% and less than or equal to 80%	9,626	$103.6	44%	99%	0.08%	$4	($34)	($38)
Greater than 80%	1,445	$5.1	2%	93%	0.11%	($1)	$2	$3
Delegated Underwriting and Servicing (DUS) Loans [5]								
DUS - Small Balance Loans [6]	7,501	$14.0	6%	100%	0.22%	$2	$3	$11
DUS - Non Small Balance Loans	14,211	$212.3	90%	100%	0.05%	$1	($57)	($67)
Total	**21,712**	**$226.3**	**96%**	**100%**	**0.06%**	**$3**	**($54)**	**($57)**
Non-Delegated Underwriting and Servicing (Non-DUS) Loans								
Non-DUS - Small Balance Loans [6]	7,185	$4.6	2%	0%	0.29%	$1	$2	$11
Non-DUS - Non Small Balance Loans	309	$3.9	2%	0%	0.19%	($3)	($5)	$0
Total	**7,494**	**$8.5**	**4%**	**0%**	**0.24%**	**($1)**	**($2)**	**$11**
Maturity Dates								
Loans maturing in 2016	132	$0.3	0%	82%	5.44%	$0	($6)	$8
Loans maturing in 2017	2,060	$9.0	4%	74%	0.10%	($5)	($15)	($19)
Loans maturing in 2018	2,145	$12.1	5%	96%	0.02%	$2	$0	($4)
Loans maturing in 2019	2,184	$17.0	7%	98%	0.30%	$0	($2)	$1
Loans maturing in 2020	2,474	$15.8	7%	97%	0.22%	$4	($1)	$2
Other maturities	20,211	$180.6	77%	97%	0.03%	$1	($32)	($34)
Loan Size Distribution								
Less than or equal to $750K	5,371	$1.4	1%	23%	0.23%	$1	$1	$5
Greater than $750K and less than or equal to $3M	8,785	$13.6	6%	81%	0.26%	$5	$9	$19
Greater than $3M and less than or equal to $5M	3,985	$14.5	6%	92%	0.24%	$3	$9	($9)
Greater than $5M and less than or equal to $25M	8,938	$95.8	41%	98%	0.05%	($6)	($60)	($53)
Greater than $25M	2,127	$109.5	47%	98%	0.04%	($1)	($15)	($9)
Interest Rate Type								
Fixed	22,055	$188.9	80%	96%	0.08%	$2	($22)	$2
Variable	7,151	$45.9	20%	97%	0.03%	$0	($34)	($49)

(1) Represents the percentage of loans for a given category (row) comprised of DUS loans, measured by unpaid principal balance.
(2) Multifamily loans are classified as seriously delinquent when payment is 60 days or more past due.
(3) Dollar amount of multifamily credit-related losses/(gains) for the applicable period and category. Total credit losses for each period may not tie to sum of all categories due to rounding. The 2014 and 2015 multifamily credit losses for Lender Risk-Sharing loans and loans with No Recourse to the Lender have been corrected from the amounts previously reported.
(4) Weighted average origination loan-to-value ratio is 67% as of September 30, 2016.
(5) Under the Delegated Underwriting and Servicing, or 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 our pre-review.
(6) Multifamily loans with an original unpaid balance of up to $3 million nationwide or up to $5 million in high cost markets.

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Multifamily Credit Profile by Loan Attributes (cont.)

As of September 30, 2016	UPB ($B)	% of Multifamily Guaranty Book of Business	% DUS Loans[1]	% Seriously Delinquent[2]	YTD 2016 Multifamily Credit Losses ($M)[3]	2015 Multifamily Credit Losses ($M)[3]	2014 Multifamily Credit Losses ($M)[3]
Total Multifamily Guaranty Book of Business	$234.8	100%	96%	0.07%	$2	($56)	($46)
By Acquisition Year							
2016	$40.6	17%	99%	0.00%	$0	$0	$0
2015	$41.5	18%	99%	0.02%	$0	$0	$0
2014	$26.9	11%	99%	0.00%	$0	$0	$0
2013	$23.5	10%	98%	0.06%	$0	$0	$0
2012	$26.2	11%	97%	0.15%	$2	$0	$0
2011	$17.0	7%	97%	0.11%	$0	$2	$0
2010	$12.0	5%	96%	0.17%	$3	($1)	$2
2009	$11.1	5%	97%	0.07%	$0	$4	($3)
2008	$9.3	4%	92%	0.05%	$4	($20)	($4)
2007	$9.8	4%	67%	0.26%	($5)	($17)	($17)
Prior to 2007	$17.0	7%	95%	0.15%	($4)	($24)	($25)
Regions							
Midwest	$20.9	9%	97%	0.17%	$2	$1	($3)
Northeast	$38.4	16%	89%	0.05%	$0	$4	$4
Southeast	$57.4	24%	99%	0.06%	$3	($19)	($22)
Southwest	$51.5	22%	99%	0.10%	($2)	($11)	($21)
West	$66.5	28%	96%	0.03%	($1)	($31)	($4)
Select States							
California	$49.4	21%	95%	0.03%	$0	$0	($2)
Texas	$27.1	12%	99%	0.17%	$0	($6)	($33)
New York	$23.3	10%	83%	0.05%	$0	$1	$2
Florida	$16.2	7%	99%	0.00%	$0	($3)	($8)
Washington	$8.8	4%	98%	0.00%	$0	$1	$0
Targeted Affordable Segment							
Privately Owned with Subsidy[4]	$30.8	13%	96%	0.06%	$2	($4)	($4)
Asset Class[5]							
Conventional/Co-op	$208.3	89%	96%	0.08%	$0	($56)	($37)
Seniors Housing	$12.1	5%	98%	0.00%	$1	$7	($3)
Manufactured Housing	$8.3	4%	100%	0.00%	$0	$0	($2)
Student Housing	$6.1	3%	100%	0.00%	$1	($7)	($4)
DUS & Non-DUS Lenders/Servicers							
DUS: Bank (Direct, Owned Entity, or Subsidiary)	$93.9	40%	96%	0.03%	$1	($45)	($28)
DUS: Non-Bank Financial Institution	$136.3	58%	100%	0.09%	$4	($12)	($25)
Non-DUS: Bank (Direct, Owned Entity, or Subsidiary)	$4.1	2%	0%	0.32%	$0	$0	$2
Non-DUS: Non-Bank Financial Institution	$0.4	0%	0%	0.00%	($3)	$0	$6
Non-DUS: Public Agency/Non Profit	$0.1	0%	0%	0.00%	$0	$0	$0

(1) Represents the percentage of loans for a given category (row) comprised of DUS loans, measured by unpaid principal balance.
(2) Multifamily loans are classified as seriously delinquent when payment is 60 days or more past due.
(3) Dollar amount of multifamily credit-related losses/(gains) for the applicable period and category. Total credit losses for each period will not tie to sum of all categories due to rounding.
(4) 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.
(5) See https://www.fanniemae.com/multifamily/products for definitions.

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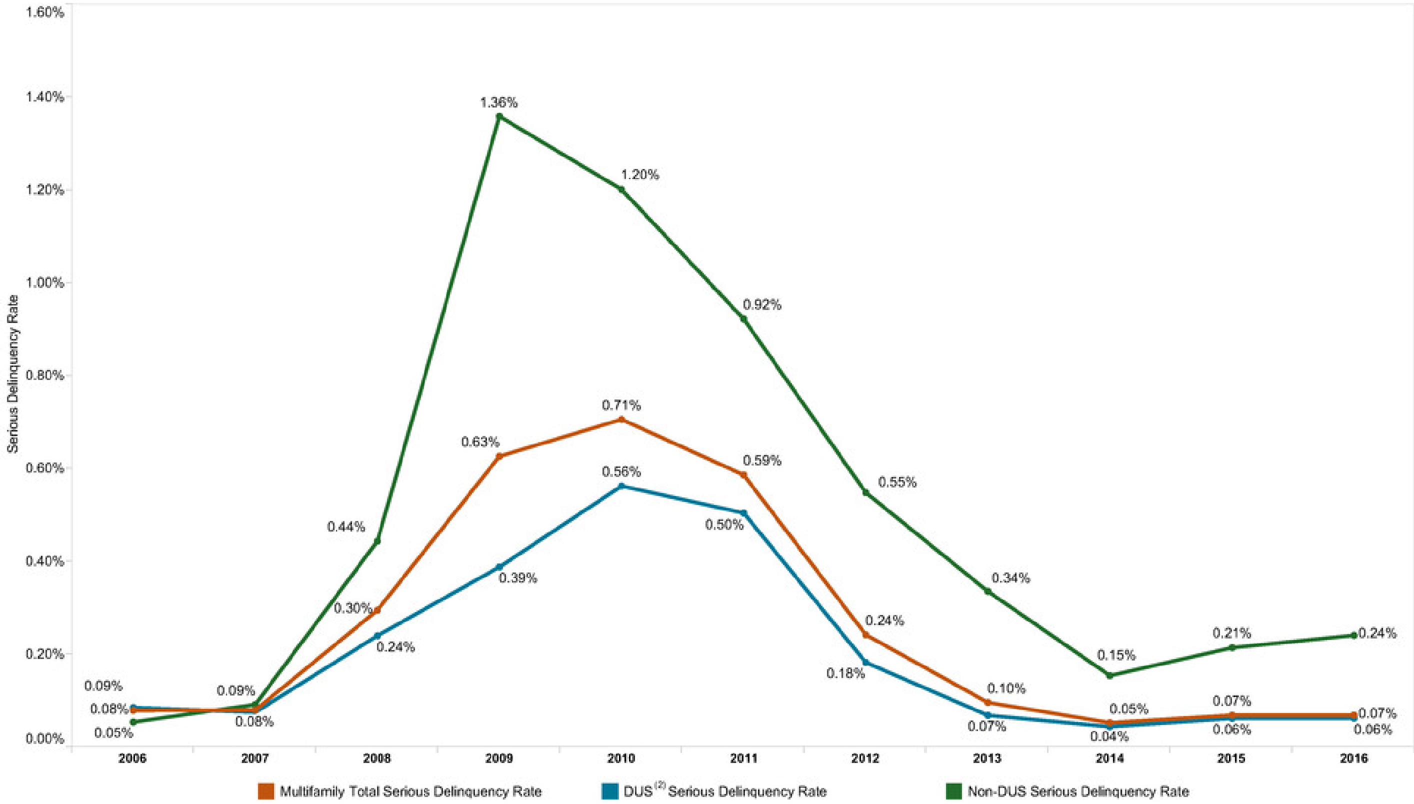
Serious Delinquency[1] Rates of Multifamily Book of Business



(1) Multifamily loans are classified as seriously delinquent when payment is 60 days or more past due. Serious delinquency rate represents the year-end percentage of unpaid principal balance that is seriously delinquent as of December 31 for the time periods noted, with the exception of 2016 which is as of September 30.
(2) Under the Delegated Underwriting and Servicing, or 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 our pre-review.

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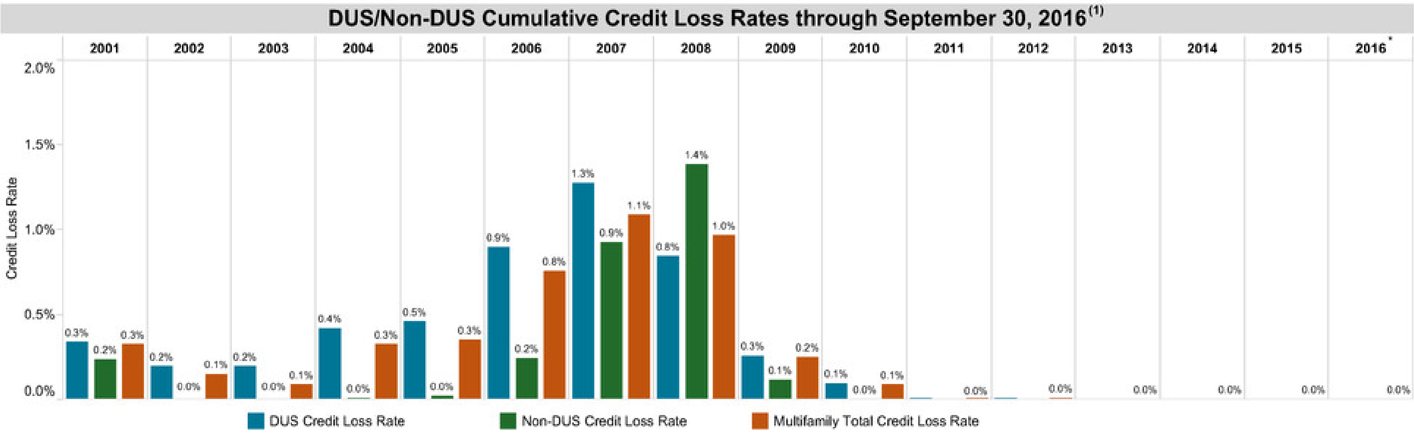
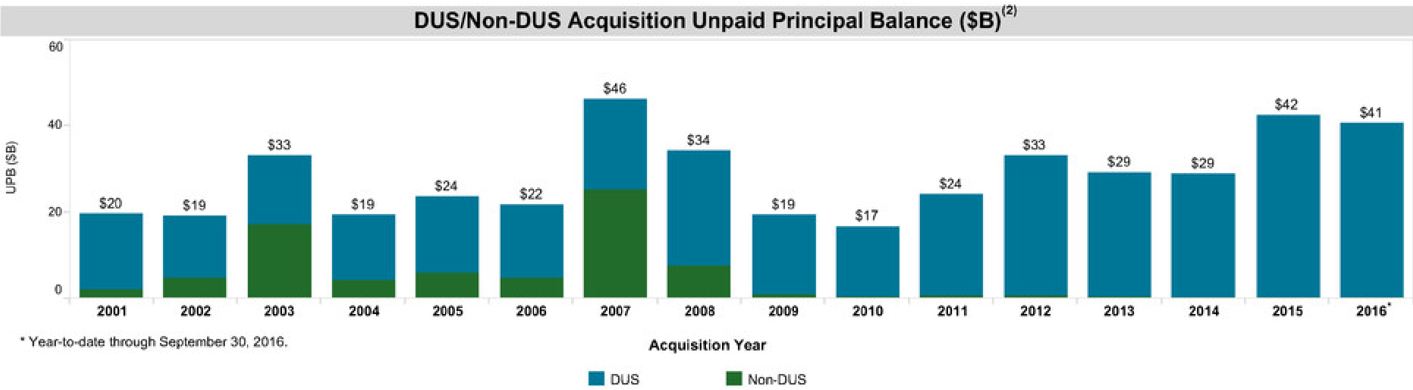
Cumulative Credit Loss Rates of Multifamily Guaranty Book of Business by Acquisition Year





* Year-to-date through September 30, 2016.

(1) Cumulative credit loss rate is the cumulative credit losses (gains) through September 30, 2016 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.
(2) Acquisition unpaid principal balance represents the total Multifamily volume acquired through purchase or securitization transactions for the applicable period.