UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission file number: 0-50231

Federal National Mortgage Association

(Exact name of registrant as specified in its charter)

Fannie Mae

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

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

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

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

Common Stock, without par value
8.25% Non-Cumulative Preferred Stock, Series T, stated value $25 per share
Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series S, stated value $25 per share
7.625% Non-Cumulative Preferred Stock, Series R, stated value $25 per share
6.75% Non-Cumulative Preferred Stock, Series Q, stated value $25 per share
Variable Rate Non-Cumulative Preferred Stock, Series P, stated value $25 per share
Variable Rate Non-Cumulative Preferred Stock, Series O, stated value $50 per share
5.375% Non-Cumulative Convertible Series 2004-1 Preferred Stock, stated value $100,000 per share
5.50% Non-Cumulative Preferred Stock, Series N, stated value $50 per share
4.75% Non-Cumulative Preferred Stock, Series M, stated value $50 per share
5.125% Non-Cumulative Preferred Stock, Series L, stated value $50 per share
5.375% Non-Cumulative Preferred Stock, Series I, stated value $50 per share
5.81% Non-Cumulative Preferred Stock, Series H, stated value $50 per share
Variable Rate Non-Cumulative Preferred Stock, Series G, stated value $50 per share
Variable Rate Non-Cumulative Preferred Stock, Series F, stated value $50 per share
5.10% Non-Cumulative Preferred Stock, Series E, stated value $50 per share
5.25% Non-Cumulative Preferred Stock, Series D, stated value $50 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

The aggregate market value of the common stock held by non-affiliates computed by reference to the closing price of the common stock quoted on the OTCQB on June 30, 2025 (the last business day of the registrant's most recently completed second fiscal quarter) was approximately $11.0 billion.

As of January 29, 2026, there were 1,158,087,567 shares of common stock of the registrant outstanding.

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PART I

This report includes forward-looking statements based on management's current expectations that are subject to significant uncertainties. Future events and our results may differ materially from those reflected in our forward-looking statements due to a variety of factors, including those discussed in "Business—Forward-Looking Statements," "Risk Factors" and elsewhere in this report.

You can find a "Glossary of Terms Used in This Report" in "Management's Discussion and Analysis of Financial Condition and Results of Operations ('MD&A')."

Item 1. Business

About Fannie Mae

Fannie Mae is a leading source of financing for residential mortgages in the United States. We provided $409.3 billion in liquidity to the mortgage market in 2025, which enabled the financing of approximately 1.5 million home purchases, refinancings, and rental units.

We are a government-sponsored, stockholder-owned corporation, chartered by Congress to provide liquidity and stability to the U.S. housing market and to promote access to mortgage credit. We primarily do this by buying residential mortgage loans that are originated by lenders. We place these loans into trusts and issue guaranteed mortgage-backed securities ("MBS" or "Fannie Mae MBS") that global investors buy from us. We do not originate mortgage loans or lend money directly to borrowers.

We provide a guaranty on the MBS that we issue. If a borrower fails to make a payment on a mortgage loan that is included in a Fannie Mae MBS, we pay the shortfall amount to the MBS investor. In exchange for providing this guaranty, we receive a guaranty fee. Guaranty fees are the primary source of our revenues.

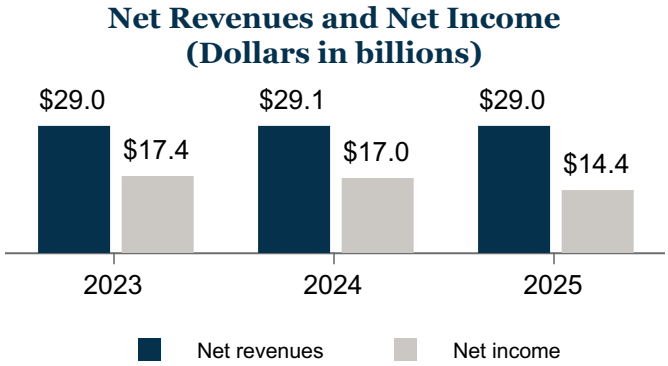
Because we assume the credit risk for mortgage loans in our MBS, our earnings are affected by the credit performance of these loans. Credit risk management is therefore key to our business and financial results. To help manage our mortgage credit risk exposure, and in response to capital and other requirements, we transfer some of our credit risk exposure to third parties through credit risk transfer and mortgage insurance. For a discussion of how we manage credit risk, see "MD&A—Single-Family Business—Single-Family Mortgage Credit Risk Management" and "MD&A—Multifamily Business—Multifamily Mortgage Credit Risk Management."

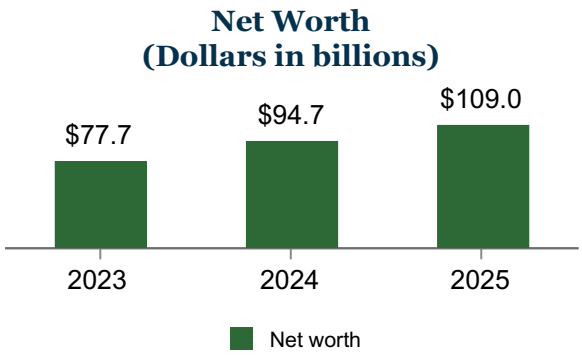
We support both single-family and multifamily housing. Our Single-Family business provides financing for properties that have four or fewer residential units. Our Multifamily business provides financing for residential buildings with five or more units. As of September 30, 2025 (the latest date for which information is available), Fannie Mae owned or guaranteed an estimated 25% of single-family mortgage debt outstanding and an estimated 21% of multifamily mortgage debt outstanding in the United States.

We have been in conservatorship since 2008. The Federal Housing Finance Agency ("FHFA") is our conservator. During conservatorship, our Board has no fiduciary duties to the company or its stockholders, as they owe their fiduciary duties of care and loyalty solely to FHFA as conservator. Since March 17, 2025, the FHFA Director has served as the Chair of our Board, and FHFA's General Counsel has also served as a member of our Board. Conservatorship and our agreements with the U.S. Department of the Treasury ("Treasury") significantly restrict our business activities and stockholder rights. For more information about the impact of conservatorship and these agreements on our business, stockholders, and our uncertain future, see "Conservatorship and Treasury Agreements" and "Risk Factors—GSE and Conservatorship Risk."

Financial Results Summary

Please read this summary together with our MD&A, our consolidated financial statements and the accompanying notes included in this report.





2025 vs. 2024

- *Net income* was $14.4 billion for 2025, a decrease of $2.6 billion from 2024, primarily driven by a $1.8 billion shift from a benefit for credit losses in 2024 to a provision for credit losses in 2025, as well as a $1.7 billion decrease in fair value gains.
    - *Net revenues* totaled $29.0 billion in 2025, down $105 million from 2024, primarily driven by a $708 million decrease in net interest income from portfolios, partially offset by a $405 million increase in net interest income from base guaranty fees.
    - *Provision for credit losses* was $1.6 billion in 2025, consisting of a $1.3 billion single-family provision for credit losses and a $283 million multifamily provision for credit losses. The single-family provision was primarily driven by current-year loan acquisitions and by loan delinquencies, while the multifamily provision was primarily driven by increased delinquencies.
    - *Non-interest expense* was $9.6 billion in 2025, a decrease of $141 million from 2024, primarily due to a $99 million decrease in other expense and a $40 million reduction in administrative expenses.
- *Net worth* increased by $14.4 billion in 2025 to $109.0 billion as of December 31, 2025.

2024 vs. 2023

- *Net income* of $17.0 billion was down slightly in 2024 compared with net income of $17.4 billion in 2023. This was primarily driven by a decrease in benefit for credit losses.
    - *Net revenues* of $29.1 billion in 2024 were relatively flat compared with 2023 net revenues of $29.0 billion.
    - *Benefit for credit losses*. In 2024, we continued to realize a benefit for credit losses, which represents a $938 million single-family benefit for credit losses, largely offset by a $752 million multifamily provision for credit losses. The $186 million benefit in 2024 was $1.5 billion lower than the $1.7 billion benefit in 2023. This decline was primarily driven by a lower single-family benefit due to stronger alignment between actual home price growth and our forecast in 2024 than in 2023. This decline was also driven by a higher multifamily provision primarily attributable to an incremental decline in property values, rising delinquencies and the investigation of lending transactions with suspected fraud.
    - *Non-interest expense* of $9.7 billion in 2024 stayed relatively flat with 2023 expenses of $9.8 billion.
- *Net worth* increased by $17.0 billion in 2024 to $94.7 billion as of December 31, 2024.

For more information on the drivers of our financial results, see “MD&A—Consolidated Results of Operations.” In addition, see “Key Market Economic Indicators” for a description on how our financial results can be impacted by varying macroeconomic conditions such as changes in interest rates and home prices.

Business Segments

We have two reportable business segments: Single-Family and Multifamily. The chart below outlines the primary business activities and drivers of revenues and expense for each of our business segments.

Single-Family Business Segment		
Primary Business Activities	**Primary Drivers of Revenue[1]**	**Primary Drivers of Expense[1]**
Mortgage acquisitions and securitizations: Works with lenders to acquire single-family mortgage loans, securitize the loans and issue MBS. *Credit risk management:* Prices and manages the credit risk on loans in our single-family guaranty book, which includes establishing underwriting and servicing standards. Enters into transactions that transfer a portion of the credit risk on some of the loans in our single-family guaranty book to third parties. *Credit loss management:* Works to reduce costs of defaulted single-family loans, including through home retention solutions, foreclosure alternatives, management of foreclosures and our real-estate owned ("REO") inventory, selling nonperforming loans, and pursuing contractual remedies from lenders, servicers and providers of credit enhancement.	Primary source is *guaranty fees*—compensation we receive for assuming the credit risk on our single-family guaranty book—which we recognize as *net interest income* in our consolidated statement of operations. There are two components of our single-family guaranty fee: • *Base fees*. Ongoing fees that factor into a mortgage loan's interest rate, which are collected each month over the life of the loan. (Includes fees pursuant to the Temporary Payroll Tax Cut Continuation Act of 2011, as amended ("TCCA"), which are paid to Treasury.) • *Upfront fees.* One-time payments made by lenders upon loan delivery. Includes risk-based fees (referred to as "loan-level price adjustments") that vary based on loan and borrower attributes. These fees are amortized into net interest income over the life of the loan. Another source is *net interest income* earned from our retained mortgage portfolio and corporate liquidity portfolio.	*Provision for credit losses:* Consists of the provision for credit losses on loans in our single-family guaranty book. (In some periods, we may have a benefit for credit losses.) *Administrative expenses:* Consists of salaries and employee benefits, and professional services, technology and occupancy expenses, relating to the Single-Family Business. *Legislative assessments:* Primarily consists of TCCA fees (which are a portion of our single-family guaranty fees paid to Treasury pursuant to the TCCA). Also includes portions of FHFA assessments and allocations relating to payments we make to affordable housing funds pursuant to statutory requirements. *Credit enhancement expense:* Consists of costs associated with single-family freestanding credit enhancements.
Multifamily Business Segment		
Primary Business Activities	**Primary Drivers of Revenue[1]**	**Primary Drivers of Expense[1]**
Mortgage acquisitions and securitizations: Works with lenders, primarily through our Delegated Underwriting and Servicing ("DUS®") program, to acquire multifamily mortgage loans, securitize the loans and issue MBS. *Credit risk management:* Prices and manages the credit risk on loans in our multifamily guaranty book, which includes establishing underwriting and servicing standards. Lenders retain a portion of the credit risk in substantially all multifamily transactions. Enters into additional transactions that transfer a portion of the credit risk on some of the loans in our multifamily guaranty book to third parties. *Credit loss management:* Works to reduce costs of defaulted multifamily loans, including through loss mitigation strategies, management of foreclosures and our REO inventory, and pursuing contractual remedies from lenders, servicers, borrowers, sponsors, and providers of credit enhancement.	Primary source is *guaranty fees*—compensation we receive for assuming the credit risk on our multifamily guaranty book—which we recognize as *net interest income* in our consolidated statement of operations. For multifamily loans, base fees are the primary component of our guaranty fee. Multifamily guaranty fee income does not include upfront fees. Another source is *net interest income* earned from our retained mortgage portfolio and corporate liquidity portfolio.	*Provision for credit losses:* Consists of the provision for credit losses on loans in our multifamily guaranty book. (In some periods, we may have a benefit for credit losses.) *Administrative expenses:* Consists of salaries and employee benefits, and professional services, technology and occupancy expenses, relating to the Multifamily Business. *Credit enhancement expense:* Consists of costs associated with multifamily freestanding credit enhancements.

(1) See "MD&A—Business Segment Financial Results" for a discussion of other drivers of our single-family and multifamily financial results.

See “MD&A—Single-Family Business” and “MD&A—Multifamily Business” for more information on the primary business activities and business metrics of our Single-Family and Multifamily businesses. See “MD&A—Business Segment Financial Results” for more information on the financial results of our Single-Family and Multifamily businesses.

Competition

We conduct business in the U.S. residential mortgage markets and the global securities markets. According to the Federal Reserve, total U.S. residential mortgage debt outstanding was estimated to be approximately $17.0 trillion as of September 30, 2025 (the latest date for which information is available). We remained the largest guarantor of residential mortgage debt outstanding in the United States as of September 30, 2025, owning or guaranteeing mortgage assets representing approximately 24% of total U.S. residential mortgage debt outstanding, compared with 25% as of September 30, 2024. See “MD&A—Single-Family Business—Single-Family Competition” and “MD&A—Multifamily Business—Multifamily Competition” for information on the competition faced by our business segments, including our primary competitors for each segment.

Mortgage Securitizations

Overview

We securitize most of the single-family and multifamily mortgage loans we acquire into fixed-income mortgage-backed securities that trade in the global capital markets. Securitization refers to the process of converting income-generating assets into securities that can be sold to investors. Payments from those assets are regularly distributed to investors as security holders.

Our Fannie Mae MBS guaranty insulates investors in our MBS from mortgage borrower credit risk. If any borrower whose loan is in one of our MBS trusts fails to make a monthly payment, we pay those shortfall amounts to the MBS investors. In exchange for providing this guaranty, we receive a guaranty fee. Guaranty fees are intended to cover the expected credit losses, administrative costs, cost of capital and return on capital targets associated with the loans included in the MBS we guarantee. For single-family loans, guaranty fees also include the TCCA fees we are required to pay to Treasury.

We create Fannie Mae MBS by placing mortgage loans in a trust and issuing securities backed by those mortgage loans. Our multifamily MBS generally have only one multifamily loan per MBS trust, while our single-family MBS have multiple loans per MBS trust. We act as trustee of our MBS trusts.

Types of Mortgage Securitization Transactions

We engage in three broad categories of mortgage securitization transactions:

- ***Lender Swap Transactions:*** A mortgage lender delivers mortgage loans to us in exchange for Fannie Mae MBS backed by those mortgage loans. The lender may choose to hold the MBS they receive or sell the MBS to other investors.
- ***Portfolio Securitization Transactions:*** A lender sells us mortgage loans for cash. When we have acquired enough mortgage loans or in response to MBS investor requests for Fannie Mae MBS with certain characteristics, we deliver those loans to an MBS trust in exchange for Fannie Mae MBS, which we then sell to MBS investors. Most of the single-family mortgage loans we buy for cash are from small to mid-sized lenders. This acquisition type allows us to give small and mid-sized lenders competitive pricing while also providing servicing and funding options that lenders can tailor to their needs.
- ***Structured Securitization Transactions:*** We create structured Fannie Mae MBS in response to requests from lenders and dealers. In these transactions, the lender or dealer owns a mortgage-related asset (typically one or more MBS) and transfers that asset for a structured Fannie Mae MBS we issue. The process for issuing structured Fannie Mae MBS is similar to the process for our lender swap securitizations described above. We receive a transaction fee from the lender or dealer for the issuance of the structured MBS securities.

U.S. Financial Technology

Certain aspects of the securitization process for our single-family Fannie Mae MBS issuances are performed by U.S. Financial Technology, LLC (“U.S. FinTech”), formerly named Common Securitization Solutions, LLC. U.S. FinTech is a limited liability company we own jointly with Freddie Mac. We do not use U.S. FinTech for multifamily Fannie Mae MBS. See “Risk Factors—GSE and Conservatorship Risk” for a discussion of risks posed by our reliance on U.S. FinTech to securitize the single-family MBS we issue and for ongoing administrative functions for our single-family MBS. See “Note

2, Conservatorship, Senior Preferred Stock Purchase Agreement and Related Matters—Related Parties" for a description of our transactions with U.S. FinTech.

Human Capital

Overview

Our employees are key to ensuring our long-term success and meeting our objectives. Our comprehensive human capital management strategy is focused on attracting, engaging, retaining and developing our workforce. We had approximately 7,000 employees as of December 2025. We believe many employees and potential recruits are attracted by our mission and the compelling nature of our work, despite our uncertain future and limitations on the compensation we can offer. See "Risk Factors—GSE and Conservatorship Risk" for a discussion of how restrictions on our compensation and uncertainty with respect to our future affects our ability to recruit and retain executives and other employees.

See "Directors, Executive Officers and Corporate Governance—Corporate Governance—Human Capital Management Oversight" for information on oversight of human capital management by our Board of Directors' Compensation and Human Capital Committee.

Attracting and Retaining Employees

We offer a total rewards package that delivers a variety of cash and non-cash rewards designed to motivate employees and improve company performance. The employee benefits that we offer promote personal and family wellness and encourage involvement in personally meaningful endeavors, including those that echo our mission. These benefits include: caregiving and bereavement leave; paid leave to engage in volunteer activities; and broad mental, physical and financial well-being benefits.

In addition, we foster a purpose-driven culture focused on employee engagement, development, and well-being. We sponsor programs and activities to cultivate a collaborative work environment by focusing on leadership principles, talent development, enterprise accessibility, team and group dynamics, and a communications strategy that reinforces the practice of working collectively to achieve innovative solutions.

Engaging and Developing Employees

We are committed to maintaining an engaged workforce as we believe it is critical to the ongoing achievement of the company's goals. We monitor employee engagement through regular surveys. These surveys are designed to gather valuable insights and practical suggestions that inform decision-making and support meaningful improvements across the company.

We focus on succession planning and talent development to be able to attract and retain talent, improve promotion readiness and cultivate bench strength. We invest in our employees' development to support their career aspirations. We provide training and opportunities that enable employees to develop business, technical, leadership and other critical skills we need to achieve our objectives and fulfill our mission. We believe succession planning mitigates risk to the company posed by leadership departures.

Conservatorship and Treasury Agreements

Conservatorship

In September 2008, FHFA was appointed as our conservator pursuant to authority provided by the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended (the "GSE Act"). Conservatorship is a statutory process designed to preserve and conserve our assets and property and put the company in a sound and solvent condition. Our conservatorship has no specified termination date.

FHFA Authority As Conservator

FHFA, as conservator, succeeded to:

- all rights, titles, powers and privileges of Fannie Mae, and of any stockholder, officer or director of Fannie Mae with respect to Fannie Mae and its assets; and
- title to the books, records and assets of any other legal custodian of Fannie Mae.

As conservator, FHFA has broad authority over our business and operations, including the authority to:

- direct us to enter into contracts or enter into contracts on our behalf; and

- transfer or sell our assets or liabilities.

The GSE Act provides special protections for mortgage loans and mortgage-related assets we hold in trust. Specifically, mortgage loans and mortgage-related assets that have been transferred to a Fannie Mae MBS trust must be held by the conservator for the beneficial owners of such MBS and cannot be used to satisfy the company's general creditors.

Board Authority in Conservatorship

While we are operating in conservatorship, our directors:

- serve on behalf of the conservator;
- exercise their authority as directed by and with the approval (where required) of the conservator;
- owe their fiduciary duties of care and loyalty solely to the conservator, and not to either the company or our stockholders; and
- are elected by the conservator, not by our stockholders.

As conservator, FHFA has issued an order authorizing our Board of Directors to exercise specified functions and authorities, and instructions regarding matters for which conservator decision or notification is required. The conservator retains the authority to amend or withdraw its order and instructions at any time. For more information on the functions and authorities of our Board of Directors during conservatorship, see "Directors, Executive Officers and Corporate Governance—Corporate Governance—Conservatorship and Board Authorities."

Stockholder Authority in Conservatorship

The conservator has suspended stockholder meetings since conservatorship, and our common stockholders are not empowered to vote on directors or any other matters. The conservator also eliminated dividends on our common and preferred stock (other than dividends on the senior preferred stock) during the conservatorship.

Treasury Agreements

FHFA, as conservator, entered into a senior preferred stock purchase agreement with Treasury on our behalf in September 2008. In connection with that agreement, we issued Treasury one million shares of Variable Liquidation Preference Senior Preferred Stock, Series 2008-2, which we refer to as the "senior preferred stock," and a warrant to purchase shares equal to 79.9% of our common stock, on a fully diluted basis, for a nominal price. The senior preferred stock purchase agreement and the terms of the senior preferred stock have been amended multiple times since 2008 by FHFA (acting on our behalf) and Treasury. Treasury and FHFA (acting on our behalf) may further amend the senior preferred stock purchase agreement, senior preferred stock and warrant at any time.

Senior Preferred Stock Purchase Agreement and Senior Preferred Stock

The senior preferred stock purchase agreement and accompanying stock certificate as amended to date include key provisions that impact us, including those described in the table below.

Treasury Funding Commitment	• On a quarterly basis, we may draw funds from Treasury to cover the amount that our total liabilities exceed our total assets for the applicable fiscal quarter (referred to as the "deficiency amount"), up to the amount of remaining funding commitment under the agreement. • As of the date of this filing: ◦ $119.8 billion has been paid to us by Treasury under this funding commitment; and ◦ $113.9 billion of funding commitment from Treasury remains; this amount would be reduced by any future payments by Treasury under the commitment.
Termination Provisions for Funding Commitment	• Treasury's funding commitment has no specified end date, but will terminate upon: ◦ our liquidation and the fulfillment of Treasury's obligations under its funding commitment; ◦ the payment in full of, or reasonable provision for, our liabilities (whether or not contingent, including guaranty obligations); or ◦ Treasury funding the maximum amount under the agreement. • Treasury also may terminate its funding commitment and void the agreement if a court vacates, modifies, amends, conditions, enjoins, stays or otherwise affects the appointment of the conservator or curtails the conservator's powers.

Rights of Debt and MBS Holders	• Holders of our debt securities or our guaranteed MBS may file a claim in the United States Court of Federal Claims for relief if we default on our payment obligations on those securities and: ◦ we and the conservator fail to exercise all rights under the agreement to draw on Treasury's funding commitment, or ◦ Treasury fails to perform its obligations under its funding commitment and we and/or the conservator are not diligently pursuing remedies for Treasury's failure. • Holders may seek to require Treasury to fund us up to: ◦ the amount necessary to cure the relevant payment defaults; ◦ the deficiency amount; or ◦ the amount of remaining funding under the agreement, whichever is the least. Any Treasury funding provided under these circumstances would increase the liquidation preference of the senior preferred stock. • The terms of the agreement generally may be amended or waived; however, no such amendment or waiver may decrease Treasury's aggregate funding commitment or add conditions to Treasury's funding commitment that would adversely affect in any material respect the holders of our debt or guaranteed MBS.
Senior Preferred Stock Dividends	• Treasury, as the holder of the senior preferred stock, has received a total of $181.4 billion in senior preferred stock dividends through December 31, 2025. The dividends we have paid to Treasury were declared by, and paid at the direction of, our conservator. • Dividend payments we make on the senior preferred stock do not restore or increase the amount of Treasury's funding commitment under the agreement. • We are currently not required to pay or accumulate new dividends on the senior preferred stock until our net worth exceeds the amount of adjusted total capital necessary for us to meet the capital requirements and buffers set forth in the enterprise regulatory capital framework. • Our net worth is the amount, if any, by which our total assets (excluding Treasury's funding commitment and any unfunded amounts related to the commitment) exceed our total liabilities (excluding any obligation with respect to equity securities). • After the "capital reserve end date" (which is defined as the last day of the second consecutive fiscal quarter during which we have had and maintained capital equal to or exceeding the capital requirements and buffers set forth in the enterprise regulatory capital framework), the quarterly dividends due on the senior preferred stock will be the lesser of (i) any quarterly increase in our net worth, and (ii) a 10% annual rate on the then-current liquidation preference of the senior preferred stock (or 12% if we fail to pay dividends due). • See "Risk Factors—GSE and Conservatorship Risk" for more information on risks associated with the resumption of dividends under the terms of the senior preferred stock.

Liquidation Preference	• The senior preferred stock: ◦ has no par value; ◦ had an aggregate initial liquidation preference of $1 billion; ◦ had an aggregate liquidation preference of $227.0 billion as of December 31, 2025; ◦ will have an aggregate liquidation preference of $230.5 billion as of March 31, 2026, due to the $3.5 billion increase in our net worth during the fourth quarter of 2025. • The aggregate liquidation preference of the senior preferred stock is increased by: ◦ any amounts Treasury pays pursuant to its funding commitment under the agreement; ◦ any quarterly commitment fees that are payable but not paid by us; ◦ any senior preferred stock dividends that are payable but not paid; and ◦ for each fiscal quarter through and including the capital reserve end date, an amount equal to the increase in our net worth, if any, during the immediately prior fiscal quarter. • The senior preferred stock ranks ahead of our common and preferred stock as to both dividends and rights upon liquidation. If we are liquidated, the holder of the senior preferred stock is entitled to its then-current liquidation preference before any distributions are made on our other equity securities.
Limits on Redemptions and Paydowns	• We may not redeem or retire the senior preferred stock prior to the termination of Treasury's funding commitment under the agreement. • We may not reduce or pay down the liquidation preference of the senior preferred stock out of regular corporate funds, except to the extent of: ◦ accumulated and unpaid dividends previously added to the liquidation preference; and ◦ quarterly commitment fees previously added to the liquidation preference. • While the senior preferred stock remains outstanding, we are required to use the net cash proceeds of issuances of equity securities to pay down the liquidation preference of the senior preferred stock; however, we are permitted to retain up to $70 billion in aggregate gross cash proceeds from issuances of common stock. • The liquidation preference of the senior preferred stock may not be paid down below $1,000 per share prior to the termination of Treasury's funding commitment. After termination, we may fully pay down the liquidation preference of the senior preferred stock.
Commitment Fee	• The agreement provides for the payment of an unspecified quarterly commitment fee to Treasury to compensate it for its ongoing support under the agreement. • The agreement also provides that: ◦ Until the capital reserve end date, the periodic commitment fee will not be set, accrue, or be payable. ◦ No later than the capital reserve end date, we and Treasury, in consultation with the Chair of the Federal Reserve, will agree on the amount of the periodic commitment fee.

Covenants

The senior preferred stock purchase agreement contains covenants that prohibit us (and, in one instance, FHFA) from taking several actions without the prior written consent of Treasury or require us to take specified actions, including the following described in the table below.

Dividends and Share Repurchases	• We may not pay dividends or make other distributions on or repurchase our equity securities (other than the senior preferred stock).
Issuances of Equity Securities	• We may not issue equity securities, except for common stock issued: ◦ upon exercise of the warrant; ◦ as required by any pre-conservatorship agreements; and ◦ following the satisfaction of two conditions: (a) the exercise of the warrant in full, and (b) the resolution of all currently pending significant litigation relating to the conservatorship and the August 2012 amendment to the senior preferred stock purchase agreement.
Termination of Conservatorship	• Neither we nor FHFA may terminate or seek to terminate the conservatorship without the prior consent of Treasury, other than through a mandatory receivership.
Asset Dispositions	• We may not sell, transfer, lease or otherwise dispose of any assets, except for dispositions for fair market value in limited circumstances, including if: ◦ the transaction is in the ordinary course of business and consistent with past practice; or ◦ the assets have a fair market value individually or in the aggregate of less than $250 million.
Subordinated Debt	• We may not issue any subordinated debt securities.
Mortgage Assets Limit	• We may not hold mortgage assets in excess of $225 billion.
Indebtedness Limit	• We may not have indebtedness in excess of $270 billion.
Executive Compensation	• We may not enter into any new compensation arrangements or increase amounts or benefits payable under existing compensation arrangements with any of our executive officers (as defined by Securities and Exchange Commission (“SEC”) rules) without the consent of the FHFA Director, in consultation with the Secretary of the Treasury.
Equitable Access and Offers for Single-Family Mortgage Loans	• We may not vary our pricing or acquisition terms for single-family loans based on the business characteristics of the seller, including the seller’s size, charter type, or volume of business with us. • We must offer to purchase at all times, for equivalent cash consideration and on substantially the same terms, any single-family mortgage loan that: ◦ is of a class of loans that we then offer to acquire for inclusion in our MBS or for other non-cash consideration; ◦ is offered by a seller that has been approved to do business with us; and ◦ has been originated and sold in compliance with our underwriting standards.

Single-Family Loan Eligibility Program	• We must maintain a program reasonably designed to ensure that the single-family loans we acquire are limited to: ◦ qualified mortgages, as defined in the Consumer Financial Protection Bureau's (the "CFPB's") ability-to-repay and qualified mortgage rule; ◦ loans exempt from the CFPB's ability-to-repay and qualified mortgage rule; ◦ loans secured by an investment property; ◦ refinancing loans with streamlined underwriting originated in accordance with our eligibility criteria for high loan-to-value ("LTV") ratio refinancings; ◦ loans originated with temporary underwriting flexibilities during times of exigent circumstances, as determined in consultation with FHFA; ◦ loans secured by manufactured housing; and ◦ such other loans that FHFA may designate that were eligible for purchase by us as of January 2021. In 2021, FHFA notified us that we are permitted to continue to acquire any government loan that would have been eligible for acquisition by us as of January 2021.
Enterprise Regulatory Capital Framework	• We are required to comply with the enterprise regulatory capital framework rule as amended from time to time.
Risk Management Plan	• While in conservatorship, we must provide an annual risk management plan to Treasury.

Common Stock Warrant

As a result of the senior preferred stock purchase agreement, in September 2008, we, through FHFA in its capacity as conservator, issued to Treasury a warrant to purchase shares of our common stock equal to 79.9% of the total number of shares of our common stock outstanding on a fully diluted basis on the date the warrant is exercised, for an exercise price of $0.00001 per share. The warrant may be exercised in whole or in part at any time on or before September 7, 2028.

See "Risk Factors—GSE and Conservatorship Risk" for a description of the risks to our business relating to the uncertainties regarding the future of our company and business, the conservatorship, the senior preferred stock purchase agreement, as well as the adverse effects of the conservatorship, the senior preferred stock and the warrant on the rights of holders of our common stock and other series of preferred stock.

Legislation and Regulation

As a federally chartered financial institution, we are subject to substantial government regulation and oversight. FHFA, our primary regulator, regulates our safety and soundness and our mission, and is also our conservator. FHFA is an independent federal agency with general supervisory and regulatory authority over Fannie Mae, Freddie Mac and the Federal Home Loan Banks ("FHLBs"). The U.S. Department of Housing and Urban Development ("HUD") and FHFA regulate us with respect to fair lending matters, and the SEC and Treasury regulate other aspects of our business. In addition, regulations by other agencies that affect the mortgage industry or the markets for our MBS, debt securities or credit risk transfer securities could have a significant impact on us. See "Risk Factors—Legal and Regulatory Risk."

Our Charter

Our charter, which is an act of Congress, sets forth our purposes and establishes the parameters under which we operate, including specifying limitations on our business. We describe certain provisions of our charter below.

- *Purposes.* Our charter states that our operations should be financed by private capital to the maximum extent feasible and authorizes us to:
  - provide stability in the secondary market for residential mortgages;
  - respond appropriately to the private capital market;
  - provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable

economic return that may be less than the return earned on other activities) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing; and

- promote access to mortgage credit throughout the nation (including central cities, rural areas and underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing.

- *Loan acquisitions and conforming loan limit.* We may purchase and securitize mortgage loans secured by single-family and multifamily properties. Single-family conventional (not government-insured or government-guaranteed) mortgage loan acquisitions are subject to an annually adjusted maximum original principal balance limit, known as the "conforming loan limit." The national conforming loan limit for single-family mortgages secured by one-unit properties is $832,750 for 2026 and was $806,500 for 2025. Higher limits apply for single-family mortgages secured by two- to four-unit properties and in four states and territories (Alaska, Hawaii, Guam and the U.S. Virgin Islands). Higher limits of up to 150% of the base loan limit also apply in certain high-cost areas.
- *Credit enhancement requirements.* Credit enhancement is generally required on any single-family conventional mortgage loan that we purchase or securitize that has an LTV ratio over 80% at the time of purchase. The Charter Act provides three options for meeting this credit enhancement requirement: (1) obtain insurance or a guaranty by a qualified insurer on the portion of the unpaid principal balance ("UPB") of the loan that exceeds 80% of the value of the collateral property; (2) the seller agrees to repurchase or replace the loan in the event of default; or (3) the seller retains at least a 10% participation interest in the loan. We primarily meet this credit enhancement requirement by obtaining mortgage insurance.
- *Additional limitations*. We may not originate mortgage loans. Similarly, we may not advance funds to a mortgage seller on an interim basis, using mortgage loans as collateral, pending the sale of the mortgages in the secondary market.
- *Exemption for our securities offerings.* Our securities offerings are exempt from registration requirements under the Securities Act of 1933. As a result, we do not file registration statements or prospectuses with the SEC for our securities offerings. However, the Securities Exchange Act of 1934 (the "Exchange Act") provides that our equity securities are not exempt securities under the Exchange Act. Consequently, we are required to file periodic and current reports with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K.
- *Exemption from specified taxes.* We are exempt from taxation by states, territories, counties, municipalities and local taxing authorities, except for taxation by those authorities on our real property. We are not exempt from the payment of federal corporate income taxes.

Capital Requirements

FHFA's enterprise regulatory capital framework establishes both leverage and risk-based minimum capital requirements, as well as a requirement that we hold prescribed capital buffers above these minimum capital requirements that can be drawn down in periods of financial stress:

- *Minimum leverage capital requirement.* The minimum leverage capital requirement is to maintain tier 1 capital equal to at least 2.5% of adjusted total assets.
- *Minimum risk-based capital requirements.* The minimum risk-based capital requirements are to maintain common equity tier 1 capital, tier 1 capital, and adjusted total capital equal to at least 4.5%, 6.0%, and 8.0%, respectively, of risk-weighted assets.
- *Buffer requirements.* The buffer requirements consist of:
  - a prescribed leverage buffer amount, or PLBA, that represents the amount of tier 1 capital we are required to hold above the minimum leverage capital requirement; and
  - a prescribed capital conservation buffer amount, or PCCBA, that consists of three risk-based capital buffers—a stability capital buffer, a stress capital buffer and a countercyclical capital buffer—and that must be comprised entirely of common equity tier 1 capital.

  In general, once we are required to be in compliance with the capital buffers, if our capital levels fall below the prescribed buffer amounts, we must restrict capital distributions, such as stock repurchases and dividends, as well as discretionary bonus payments to executives, until the buffer amounts are restored.

The enterprise regulatory capital framework also provides the following:

- Specific minimum risk-weights, or “floors,” on single-family and multifamily risk-weighted exposures, which can increase the amount of capital required for loans that would otherwise have lower risk weights;
- Specific floors on the risk-weights applicable to retained portions of credit risk transfer transactions, which decreases the capital relief obtained from these transactions;
- Risk-based capital requirements related to market risk and operational risk, in addition to credit risk;
- A countercyclical adjustment to mark-to-market LTV ratios of single-family mortgage exposures when home prices are meaningfully above or below their long-term trend;
- A requirement to publish quarterly capital reports;
- Requirements to submit capital plans to FHFA;
- Prior notice and approval requirements for certain capital actions, including capital distributions; and
- Additional elements based on U.S. banking regulations, such as the phased implementation of the advanced approaches as an alternative to the standardized approach for measuring risk-weighted assets.

Our current capital levels are significantly below the levels that would be required under the enterprise regulatory capital framework. As of December 31, 2025, our available capital for purposes of our risk-based adjusted total capital requirement was a deficit of $22 billion, resulting in a $215 billion shortfall to our risk-based adjusted total capital requirement, including buffers, of $193 billion. Our capital shortfall as of December 31, 2025 to our minimum risk-based adjusted total capital requirement excluding buffers was $135 billion. Even though we had positive net worth under U.S. generally accepted accounting principles (“GAAP”) of $109.0 billion as of December 31, 2025, we had a $22 billion deficit in available capital primarily because available capital for purposes of the enterprise regulatory capital framework excludes the $120.8 billion stated value of the senior preferred stock. See “MD&A—Liquidity and Capital Management—Capital Management—Capital Requirements” and “Note 13, Regulatory Capital Requirements” for more information about our capital requirements and metrics under the enterprise regulatory capital framework as of December 31, 2025. See “Risk Factors—GSE and Conservatorship Risk” for information on risks relating to our capital requirements.

The enterprise regulatory capital framework has a transition period for compliance. We are currently subject to the requirements to publish quarterly capital reports, submit capital plans to FHFA, and provide prior notice to, and obtain approval from, FHFA for certain capital actions; however, we are not required to comply with the minimum capital requirements or the buffer requirements while in conservatorship. The compliance date for the minimum capital requirements will be the date of termination of our conservatorship or such later date as FHFA may order. The compliance date for the buffer requirements will be the date of termination of our conservatorship. The compliance date for the advanced approaches requirements is January 2028 or such later date as FHFA may order.

Stress Testing

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) requires certain financial companies to conduct annual stress tests to determine whether the companies have the capital necessary to absorb losses as a result of adverse economic conditions. Under FHFA regulations, each year we are required to conduct a stress test using two different scenarios of financial conditions provided by FHFA—baseline and severely adverse—and to publish a summary of our stress test results for the severely adverse scenario by August 15. In August 2024, FHFA temporarily waived the requirement that we publish the severely adverse scenario by August 15, 2024. On August 15, 2025, we published on our website the results of the severely adverse scenarios for 2024 and 2025.

Receivership and Resolution Planning

Under the GSE Act, the FHFA Director must place us into receivership if he determines that our assets are less than our obligations (that is, we have a net worth deficit) or if we have not been paying our debts as they become due, in either case, for a period of 60 days. FHFA has clarified that the 60-day measurement period will commence no earlier than the SEC filing deadline for our Form 10-K or Form 10-Q for the relevant period.

Under the GSE Act we could also be put into receivership at the discretion of the FHFA Director if the statutory grounds for the discretionary appointment of a receiver are met. This includes: a substantial dissipation of assets or earnings due to unsafe or unsound practices; the existence of an unsafe or unsound condition to transact business; an inability to meet our obligations in the ordinary course of business; a weakening of our condition due to unsafe or unsound practices or conditions; critical undercapitalization; undercapitalization and no reasonable prospect of becoming adequately capitalized; the likelihood of losses that will deplete substantially all of our capital; or by consent. In the senior preferred stock purchase agreement, as amended in January 2025, FHFA agreed that it would not exercise this discretionary authority to place us into receivership without Treasury’s prior written consent.

FHFA's resolution planning rule requires that we develop a plan for submission to FHFA that would assist FHFA's planning for our rapid and orderly resolution if FHFA is appointed as our receiver. The rule also addresses procedural requirements regarding the frequency and timing for submission of resolution plans to FHFA.

The appointment of FHFA as receiver would immediately terminate the conservatorship. Placement into receivership would likely have a material adverse effect on holders of our common stock and preferred stock, and could have a material adverse effect on holders of our debt securities, Fannie Mae MBS and credit risk transfer securities. Should we be placed into receivership, different assumptions would be required to determine the carrying value of our assets, which would likely lead to substantially different financial results. For more information on the risks to our business relating to receivership and uncertainties regarding the future of our business, see "Risk Factors—GSE and Conservatorship Risk."

Portfolio Standards

The GSE Act requires FHFA to establish standards governing our portfolio holdings, to ensure that they are backed by sufficient capital and consistent with our mission and safe and sound operations. FHFA is also required to monitor our portfolio and, in some circumstances, may require us to dispose of or acquire assets. In 2010, FHFA adopted, as the regulatory standard for our portfolio holdings, the mortgage assets limit specified in the senior preferred stock purchase agreement described under "Conservatorship and Treasury Agreements—Treasury Agreements—Covenants," as it may be amended from time to time. The rule is effective for as long as we remain subject to the senior preferred stock purchase agreement.

Affordable Housing Allocations

The GSE Act requires us to set aside in each fiscal year an amount equal to 4.2 basis points for each dollar of the UPB of our new business purchases and to pay this amount to specified HUD and Treasury funds in support of affordable housing. We are prohibited from passing through the cost of these allocations to the originators of the mortgage loans that we purchase or securitize. See "Certain Relationships and Related Transactions, and Director Independence—Transactions with Related Persons—Transactions with Treasury—Treasury Interest in Affordable Housing Allocations" for information on our contribution for 2025 new business purchases.

Housing Goals

Our housing goals, which are established by FHFA in accordance with the GSE Act, require that a specified portion of mortgage loans we acquire meet specified standards relating to affordability or location.

If we do not meet a housing goal, FHFA will determine whether the goal was feasible. If FHFA finds that the goal was feasible, we may at FHFA's discretion become subject to a housing plan that could require us to take additional steps that could have an adverse effect on our results of operations and financial condition. A housing plan must describe the actions we would take to meet the goal in the next calendar year and be approved by FHFA. The potential penalties for failure to comply with housing plan requirements include a cease-and-desist order and civil money penalties.

As described in "Risk Factors—GSE and Conservatorship Risk," the actions we may take to meet our housing goals, as well as our Duty to Serve underserved markets described below, may materially adversely affect our business, results of operations and financial condition.

Single-Family Housing Goals

For single-family housing goals, our acquisitions are measured against the lower of benchmarks set by FHFA or the level of goal-eligible originations in the primary mortgage market. The single-family benchmarks are expressed as a percentage of the total number of goal-eligible single-family mortgages acquired each year.

2024 Single-Family Housing Goals

In October 2025, FHFA notified us that it had determined that we met five of our six 2024 single-family housing goals and subgoals. FHFA determined that we missed the single-family very low-income home purchase goal. FHFA found this goal was feasible, but did not require us to submit a housing plan because we missed the goal by a narrow margin.

The table below displays more information about our 2024 single-family housing goals and our performance against these goals.

2024 Single-Family Housing Goals Performance[1]

	FHFA Benchmark	Single-Family Market Level	Result
Low-income home purchase goal[2]	28 %	25.5 %	26.7 %
Very low-income home purchase goal[3]	7	6.0	5.9
Low-income areas home purchase goal[4]	19	27.9	29.0
Minority census tracts home purchase subgoal[5]	10	11.9	13.0
Low-income census tracts home purchase subgoal[6]	4	9.9	9.6
Low-income refinance goal[7]	26	34.8	36.4

(1) The FHFA benchmarks and our results are expressed as a percentage of the total number of goal-eligible single-family mortgages acquired during the year. The single-family market level is the percentage of goal-eligible single-family mortgages originated in the primary mortgage market during the year.

(2) Home purchase mortgages on single-family, owner-occupied properties to borrowers with incomes no greater than 80% of area median income.

(3) Home purchase mortgages on single-family, owner-occupied properties to borrowers with incomes no greater than 50% of area median income.

(4) The benchmark level for the low-income areas housing goal is set annually by FHFA based on the sum of (a) the benchmark level for the minority census tracts home purchase subgoal described in footnote 5 below, (b) the benchmark level for the low-income census tracts home purchase subgoal described in footnote 6 below, plus (c) an adjustment factor reflecting the additional incremental share of home purchase mortgages on single-family, owner-occupied properties to borrowers with incomes no greater than 100% of area median income who are located in federally-declared disaster areas. FHFA set the disaster areas increment for 2024 at 5%, resulting in a low-income areas home purchase goal benchmark of 19% for 2024.

(5) Home purchase mortgages on single-family, owner-occupied properties to borrowers with incomes no greater than 100% of area median income in minority census tracts. Minority census tracts are those that have a minority population of at least 30% and a median income of less than 100% of area median income.

(6) (i) Home purchase mortgages on single-family, owner-occupied properties to borrowers (regardless of income) in low-income census tracts that are not minority census tracts, and (ii) home purchase mortgages on single-family, owner-occupied properties to borrowers with incomes greater than 100% of area median income in low-income census tracts that are also minority census tracts. Low income census tracts are those where the median income is no greater than 80% of area median income.

(7) Refinance mortgages on single-family, owner-occupied properties to borrowers with incomes no greater than 80% of area median income.

2025 Single-Family Housing Goals

In December 2024, FHFA published a final rule establishing single-family and multifamily housing goals for Fannie Mae and Freddie Mac for 2025 through 2027. As described in “2026-2028 Single-Family Housing Goals” below, in December 2025, FHFA established new single-family housing goals for 2026 through 2028. Also see “Multifamily Housing Goals” below for a discussion of our multifamily housing goals.

The table below sets forth the single-family housing goal benchmarks for 2025 established pursuant to FHFA’s December 2024 final rule.

2025 Single-Family Housing Goals

	FHFA Benchmark[1]
Low-income home purchase goal	25 %
Very low-income home purchase goal	6
Low-income areas home purchase goal[2]	21
Minority census tracts home purchase subgoal	12
Low-income census tracts home purchase subgoal	4
Low-income refinance goal	26

(1) The FHFA benchmarks are expressed as a percentage of the total number of goal-eligible single-family mortgages acquired during the year. See the “2024 Single-Family Housing Goals Performance” table above for the definitions of each housing goal and subgoal.

(2) FHFA set the disaster areas increment for 2025 at 5%, resulting in a low-income areas home purchase goal benchmark of 21% for 2025.

FHFA’s final rule establishing 2025-2027 housing goals established new measurement buffers to help determine whether a housing plan would be required for failing to meet certain single-family housing goals during this period. Under the rule, FHFA generally would not require that we submit a housing plan if our performance meets or exceeds the market level for the goal minus a specified measurement buffer.

We believe we met all of our 2025 single-family housing goal benchmarks. FHFA will make a final determination regarding our 2025 single-family housing goals performance later in 2026, after the release of 2025 data reported under the Home Mortgage Disclosure Act.

2026-2028 Single-Family Housing Goals

In December 2025, FHFA published a final rule establishing single-family and multifamily housing goals for Fannie Mae and Freddie Mac for 2026 through 2028, replacing goals previously established for 2026 and 2027.

Under FHFA's final rule, FHFA will continue to evaluate our performance against the single-family housing goals using a two-part approach that compares the goals-qualifying share of our single-family mortgage acquisitions against both a benchmark level and a market level. To meet a single-family housing goal or subgoal, the percentage of our mortgage acquisitions that meet each goal or subgoal must equal or exceed either the benchmark level set in advance by FHFA or the market level for that year. The market level is determined retrospectively each year based on actual goals-qualifying originations in the overall market as measured by Home Mortgage Disclosure Act data for that year. Typically, this data is made available by the third quarter of the following year.

Compared with the prior rule, the final rule lowered the benchmark levels for the low-income home purchase goal, very low-income home purchase goal and low-income refinance goal, as well as combined the minority census tracts home purchase subgoal and low-income census tracts home purchase subgoal into a single low-income areas home purchase subgoal. FHFA set the benchmark level for the modified subgoal at 16%, which is the sum of the benchmark levels set in the prior rule for the two prior subgoals.

The table below sets forth FHFA's single-family housing goal benchmarks for 2026 through 2028.

2026-2028 Single-Family Housing Goals

	FHFA Benchmark[1]
Low-income home purchase goal	21 %
Very low-income home purchase goal	3.5
Low-income areas home purchase goal[2]	TBD
Low-income areas home purchase subgoal[3]	16
Low-income refinance goal	21

(1) The FHFA benchmarks are expressed as a percentage of the total number of goal-eligible single-family mortgages acquired during the year. See the "2024 Single-Family Housing Goals Performance" table above for the definitions of the low-income home purchase goal, very low-income home purchase goal, and low-income refinance goal.

(2) The sum of (a) the benchmark level for the low-income areas home purchase subgoal, and (b) an additional amount that will be determined separately by FHFA that takes into account families in disaster areas with incomes no greater than 100% of area median income. FHFA sets this overall low-income areas home purchase goal benchmark annually.

(3) Home purchase mortgages on single-family, owner-occupied properties with: (a) borrowers in census tracts with tract median income of no greater than 80% of area median income; or (b) borrowers with income no greater than 100% of area median income in census tracts where (i) tract income is less than 100% of area median income, and (ii) minorities comprise at least 30% of the tract population.

FHFA's December 2025 final rule establishing 2026-2028 housing goals removed the measurement buffers that had been established in FHFA's December 2024 final rule.

Multifamily Housing Goals

Our multifamily housing goals are based on the percentage share of the goal-eligible units in our annual multifamily loan acquisitions that are affordable to each income category.

2024 Multifamily Housing Goals

In October 2025, FHFA notified us that it had determined that we met all of our 2024 multifamily housing goals and subgoals.

The table below displays more information about our 2024 multifamily housing goals and our performance against these goals.

2024 Multifamily Housing Goals Performance

	FHFA Benchmark	Result
	(Percentage share of goal-eligible units)	
Low-income goal[1]	61 %	68.0 %
Very low-income subgoal[2]	12	14.5
Small multifamily low-income subgoal[3]	2.5	2.8

(1) Affordable to low-income families, defined as families with incomes less than or equal to 80% of area median income.

(2) Affordable to very low-income families, defined as families with incomes less than or equal to 50% of area median income.

(3) Units in small multifamily properties (defined as properties with 5 to 50 units) affordable to low-income families.

2025-2028 Multifamily Housing Goals

The table below sets forth the multifamily housing goal and subgoal benchmarks for 2025 through 2028. FHFA's December 2025 final rule establishing 2026 through 2028 housing goals did not change the multifamily housing goal or subgoal benchmarks for 2026 through 2028 from the 2025 benchmarks.

2025-2028 Multifamily Housing Goals

	FHFA Benchmark[1]
	(Percentage share of goal-eligible units)
Low-income goal	61 %
Very low-income goal	14
Small multifamily low-income subgoal	2

(1) See the "2024 Multifamily Housing Goals Performance" table above for the definitions of each housing goal and subgoal. The very low-income goal was previously a subgoal.

We believe we met all of our 2025 multifamily housing goals. FHFA will make a final determination regarding our 2025 multifamily housing goals performance later in the year.

Duty to Serve Underserved Markets

The GSE Act requires that we serve very low-, low-, and moderate-income families in three specified underserved markets: manufactured housing, affordable housing preservation and rural housing. FHFA requires that we adopt an underserved markets plan for each underserved market covering a three-year period that sets forth the activities and objectives we will undertake to meet our Duty to Serve in that market.

FHFA has also established an annual process for evaluating our achievements under the plans, with performance results to be reported to Congress annually. If FHFA determines that we failed to meet the requirements of an underserved markets plan, FHFA may require us to submit a housing plan for FHFA approval that could require us to take additional steps. In October 2025, FHFA reported its determination that we complied with our 2024 Duty-to-Serve requirements. We believe we also met our 2025 Duty-to-Serve obligations. In 2026, FHFA will determine our performance with respect to our 2025 Duty-to-Serve obligations.

Fair Lending

The GSE Act requires the Secretary of HUD to assure that we meet our fair lending obligations and HUD is our primary regulator for purposes of compliance with fair lending laws. Among other things, HUD periodically reviews and comments on our underwriting and appraisal guidelines to ensure consistency with the Fair Housing Act. In addition, FHFA, as our primary regulator, has broad supervisory authority to monitor and enforce our compliance with fair lending laws. In May 2024, FHFA published a final rule relating to fair lending, fair housing and other matters; however, in February 2026, FHFA published a final rule repealing the 2024 rule. In the adopting release for the final 2026 rule, FHFA noted that repeal of the 2024 rule does not diminish FHFA's duty or commitment to ensure that we carry out our statutory mission, nor does it change our statutory requirements to comply with applicable fair lending and fair housing laws.

Guaranty Fees and Pricing

Our guaranty fees and pricing are subject to regulatory, legislative and conservatorship requirements, including FHFA guidance and instruction. These requirements include the following:

- *Upfront Fees.* FHFA, as conservator, must approve changes to the single-family national loan-level price adjustments (or upfront fees) that we charge and can direct us to make other changes to our guaranty fee pricing for new single-family acquisitions.
- *Base Fees.* We can change our base single-family guaranty fee pricing, subject to minimum base guaranty fees set by FHFA. These minimum fees generally apply to our acquisitions of 30-year and 15-year single-family fixed-rate loans in lender swap transactions. FHFA has instructed us to provide at least 60 days' notice of any single-family base guaranty fee increase of more than 1 basis point. In January 2025, FHFA instructed us to not implement any broad-based increases to base single-family guaranty fees until further notice.
- *Return Targets.* For new single-family and multifamily acquisitions, FHFA has instructed us to meet minimum return on equity targets based on the enterprise regulatory capital framework requirements (including buffers) assuming those requirements were in effect today. Our minimum single-family and multifamily acquisition return thresholds are currently aligned with Freddie Mac's thresholds, though our capital requirements are not fully aligned. FHFA also has instructed us to establish a long-term target for returns at the enterprise level. These return targets affect the guaranty fees we charge.
- *TCCA Fees*. Pursuant to the Temporary Payroll Tax Cut Continuation Act of 2011, as amended by the Infrastructure Investment and Jobs Act of 2021, until October 1, 2032, we are required to collect 10 basis points in guaranty fees on all single-family mortgages delivered to us on or after April 1, 2012 and pay these amounts to Treasury. We include these amounts in net interest income and recognize the expense in legislative assessments in our consolidated statement of operations and comprehensive income. See "Certain Relationships and Related Transactions, and Director Independence—Transactions with Related Persons—Transactions with Treasury—Obligation to Pay TCCA Fees to Treasury" for additional discussion of our TCCA fees.
- *UMBS®.* Our ability to change our single-family guaranty fee pricing is limited by the FHFA rule described in "FHFA Rule on Uniform Mortgage-Backed Securities" below.

In addition, under the senior preferred stock purchase agreement, we are not permitted to charge different single-family guaranty fees based on the business characteristics of the seller, including their size, charter type or volume of business with us.

New Products and Activities

The GSE Act requires us to notify FHFA before undertaking a new activity and to obtain prior approval before offering a new product to the market, subject to certain exclusions. The FHFA rule implementing these provisions established a process for the review of new activities and products by FHFA and defined a new product as any new activity that FHFA determines merits public notice and comment about whether it is in the public interest. FHFA may approve a new product proposed by us if FHFA determines that the new product is authorized under our charter, in the public interest and consistent with safety and soundness. FHFA may place conditions or limitations on a new product or activity.

Executive Compensation

The amount and type of compensation we may pay our executives is subject to legal and regulatory restrictions, particularly while we are in conservatorship, as described in "Executive Compensation—Compensation Discussion and Analysis—Restrictions on Executive Compensation."

FHFA Rule on Uniform Mortgage-Backed Securities

We and Freddie Mac issue single-family uniform mortgage-backed securities, or "UMBS." We and Freddie Mac are required to align our programs, policies and practices that affect the prepayment rates of to-be-announced ("TBA") market-eligible MBS pursuant to an FHFA rule. The rule is intended to ensure that Fannie Mae and Freddie Mac's programs, policies and practices that have a material effect on MBS cash flows remain aligned regardless of whether we and Freddie Mac are in conservatorship. The rule provides a non-exhaustive list of covered programs, policies and practices, including: single-family guaranty fees; eligibility standards for sellers, servicers, and mortgage insurers; distressed loan servicing requirements; removal of mortgage loans from securities; servicer compensation; and proposals that could materially change the credit risk profile of our single-family mortgages. FHFA may mandate additional alignment efforts in the future that affect our business and our MBS. As a result of this rule, we must evaluate

each potential change to our programs, policies and practices, and if the change may cause misalignment, submit information relating to the change to FHFA for evaluation and approval.

Quality Control Standards for Automated Valuation Models Final Rule

In August 2024, FHFA and five other federal regulatory agencies published a final rule to implement the quality control standards mandated by the Dodd-Frank Act for the use of automated valuation models (referred to as "AVMs") by mortgage originators and secondary market issuers in determining the collateral worth of a mortgage secured by a consumer's principal dwelling. Under the final rule, institutions that engage in certain credit decisions or securitization determinations must adopt policies, practices, procedures and control systems to: ensure that AVMs used in these transactions to determine the value of mortgage collateral adhere to quality control standards designed to ensure a high level of confidence in the estimates produced by AVMs; protect against the manipulation of data; seek to avoid conflicts of interest; require random sample testing and reviews; and comply with applicable nondiscrimination laws. The rule became effective in October 2025.

Where You Can Find Additional Information

Our website address is www.fanniemae.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all other SEC reports and amendments to those reports, are available free of charge on our website as soon as reasonably practicable after we electronically file the material with, or furnish it to, the SEC. Materials that we file with or furnish to the SEC are also available from the SEC's website, www.sec.gov. Fannie Mae may make new and important information about the company available on its website. References in this report to our website or to the SEC's website do not incorporate information appearing on those websites into this report or the company's other filings with the SEC unless we explicitly state that we are incorporating the information.

Forward-Looking Statements

This report includes statements that constitute forward-looking statements within the meaning of Section 21E of the Exchange Act. In addition, we and our senior management may from time to time make forward-looking statements in our other filings with the SEC, our other publicly available written statements and orally to analysts, investors, the news media and others. Forward-looking statements often include words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "estimate," "forecast," "project," "would," "should," "could," "likely," "may," "will" or similar words. Examples of forward-looking statements in this report include, among others, statements relating to our beliefs and expectations regarding the following matters:

- economic, mortgage market and housing market conditions (including expectations regarding economic growth, home price growth, multifamily property values, the unemployment rate, loan origination volumes, interest rates and multifamily property net operating income), the factors that will affect those conditions, and the impact of those conditions on our business and financial results;
- the impact of hedge accounting on the volatility of our financial results;
- our future net worth;
- the future aggregate liquidation preference of our senior preferred stock;
- our future dividend payments on the senior preferred stock;
- our business plans and strategies, and their impact, including our plans, expectations and beliefs relating to: our use of, and the potential benefits and risks of, artificial intelligence; new credit score models; human capital management and succession planning; problem loan management; and repair costs;
- the impact of changes in our pricing;
- the factors that will attract prospective private investors in our equity securities and the impact of such factors on our ability to raise, and the cost of raising, sufficient capital to exit conservatorship and on our business;
- the credit performance of loans in our guaranty book of business (including future loan delinquencies and foreclosures) and the factors that will affect such performance;
- the effects of our credit risk transfer transactions, as well as the factors that will affect our engagement in future credit risk transfer transactions;
- the factors that will affect the competition we face;
- our holdings of agency MBS and how we intend to fund our purchases of agency MBS, and the impact of such holdings and purchases;

- how we intend to repay our debt obligations and the factors that will affect our access to debt funding;
- the factors that will affect our credit ratings and the impact of changes to our credit ratings;
- the impact of legislation and regulation on our business, financial results or financial condition;
- our housing goals and duty-to-serve performance;
- our payments to HUD and Treasury funds under the GSE Act;
- legal and regulatory proceedings;
- the risks to our business;
- the risk of default or loss relating to specified counterparties;
- the frequency and severity of flooding and other weather-related perils; and
- cyber attacks and other cybersecurity threats, and the impact of our cybersecurity defense tools and systems safeguards.

Forward-looking statements reflect our management's current expectations, forecasts or predictions of future conditions, events or results based on various assumptions and management's estimates of trends and economic conditions in the markets in which we are active and that otherwise impact our business plans. Forward-looking statements are not guarantees of future performance. By their nature, forward-looking statements are subject to significant risks and uncertainties and changes in circumstances. Our actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements.

There are a number of factors that could cause actual conditions, events or results to differ materially from those described in our forward-looking statements, including, among others, the following:

- growth, deterioration and the overall health and stability of the U.S. economy, including U.S. gross domestic product ("GDP"), unemployment rates, personal income, inflation and other indicators thereof;
- the impact of trade, fiscal, monetary, regulatory and immigration policies;
- deterioration in a specific sector of the U.S. economy or in one or more regional areas of the United States;
- future interest rates and credit spreads;
- the timing and level of, as well as regional variation in, home price changes;
- the size and our share of the U.S. mortgage market (including the volume of mortgage originations) and the factors that affect them, including population growth and household formation;
- changes in fiscal or monetary policy of the U.S. or other countries, and the impact of such changes on domestic and international financial markets;
- domestic, regional and global political risks and uncertainties;
- developments that may be difficult to predict, including: market conditions that result in changes in our deferred guaranty fee income or changes in net interest income from our portfolios; fluctuations in the estimated fair value of our assets and liabilities; and developments that affect our loss reserves, such as changes in interest rates or home prices;
- disruptions or instability in the housing and credit markets;
- changes in the demand for Fannie Mae MBS, our debt securities or our credit risk transfer securities, in general or from one or more major groups of investors;
- constraints on our entry into new credit risk transfer transactions;
- a decrease in our credit ratings;
- limitations on our ability to access the debt capital markets;
- changes in our funding needs or our sources or uses of funds;
- the size, composition, quality and performance of our guaranty book of business and retained mortgage portfolio;
- how long loans in our guaranty book of business remain outstanding;
- our and our competitors' future guaranty fee pricing and the impact of that pricing on our competitive environment and guaranty fee revenues;

- the competitive environment in which we operate, including the impact of legislative, regulatory or other developments on levels of competition in our industry and other factors affecting our market share;
- the impact of interdependence between the single-family mortgage securitization programs of Fannie Mae and Freddie Mac in connection with UMBS;
- significant challenges we face in retaining and hiring qualified executives and other employees;
- our conservatorship, including any changes to or termination (by receivership or otherwise) of the conservatorship and its effect on our business;
- the investment by Treasury, including the impact of past or potential future changes to the terms of the senior preferred stock purchase agreement, senior preferred stock or warrant, and their effect on our business, including current or future restrictions or requirements imposed on us by the terms of the senior preferred stock purchase agreement, the senior preferred stock, or the warrant, as well as the extent that these or other restrictions on our business and activities are applied to us through other mechanisms even if we cease to be subject to these agreements and instruments;
- uncertainty regarding our future, including relating to: our exit from conservatorship; our ability to raise, earn or retain the capital needed to meet our capital requirements; our future capital structure; and our future dividend requirements;
- the impact of the enterprise regulatory capital framework on our business and financial results;
- future legislative and regulatory requirements or changes, governmental initiatives, or executive orders affecting us, such as the enactment of housing finance reform legislation, including changes that limit our business activities or our footprint, impose new mandates on us, or affect our ability to change our pricing;
- future legislative and regulatory requirements or changes, governmental initiatives, or executive orders affecting macroeconomic conditions, such as changes to trade, fiscal, monetary, tax, or immigration policies;
- actions by FHFA, Treasury, the Federal Reserve, the Office of the Comptroller of the Currency (“OCC”), the Federal Deposit Insurance Corporation (“FDIC”), the Commodity Futures Trading Commission (“CFTC”), HUD, the CFPB, the SEC or other regulators, Congress, the Executive Branch, or state or local governments that affect our business;
- changes in the structure and regulation of the financial services industry;
- the possibility that changes in leadership at FHFA or the Administration will result in additional changes that affect our company or our business;
- actions we may be required to take by FHFA, in its role as our conservator or as our regulator, such as changes in the type of business we do, actions relating to UMBS or our resecuritization of Freddie Mac-issued securities, or credit risk management actions;
- limitations on our business imposed by FHFA, in its role as our conservator or as our regulator;
- adverse effects from activities we undertake to support the mortgage market and help borrowers, renters, lenders and servicers, including actions we may take to reach additional underserved borrowers, or from pursuing new business activities;
- a default by the United States government on its obligations;
- a shutdown of the United States government;
- significant changes in forbearance, modification and foreclosure activity;
- the volume and pace of any future nonperforming and reperforming loan sales and their impact on our financial results and serious delinquency rates;
- changes in borrower behavior;
- actions we may take to mitigate losses, and the effectiveness of our loss mitigation strategies, management of our REO inventory and pursuit of contractual remedies;
- environmental disasters, terrorist attacks, widespread health emergencies or pandemics, infrastructure failures, or other disruptive or catastrophic events;
- the expiration of the National Flood Insurance Program (“NFIP”) on September 30, 2026, without re-authorization, including the impact of any disruptions in the payment of claims and of delays in obtaining or renewing coverage;

- earthquakes or other natural disasters, including those for which we may be uninsured or under-insured or that may affect our counterparties or the hazard insurers insuring properties underlying our guaranty book of business;
- severe weather events, fires, floods, hail, wind or other natural disaster-related events or impacts, including those for which we may be uninsured or under-insured or that may affect our counterparties or the hazard insurers insuring properties underlying our guaranty book of business, and other natural disaster-related risks;
- defaults by one or more of our counterparties or by the hazard insurers insuring properties underlying our guaranty book of business;
- resolution or settlement agreements we may enter into with our counterparties;
- our need to rely on third parties to achieve some of our corporate objectives, including our reliance on mortgage servicers;
- our reliance on U.S. FinTech and the common securitization platform U.S. FinTech operates for a majority of our single-family securitization activities; provisions in the limited liability company agreement with U.S. FinTech that permit FHFA to appoint members to the U.S. FinTech Board of Managers, which limit the ability of Fannie Mae and Freddie Mac to control decisions of the U.S. FinTech Board of Managers; and changes FHFA may require in our relationship with or in our support of U.S. FinTech;
- the effectiveness of our risk management processes and related controls;
- the effectiveness of our business resiliency plans and systems;
- the stability and adequacy of the systems and infrastructure that impact our operations, including ours and those of U.S. FinTech, our other counterparties and other third parties;
- our reliance on models and future updates we make to our models, including the data and assumptions used by these models;
- opportunities and risks presented by the use or anticipated use of artificial intelligence technologies and other emerging technologies by us or third parties, including generative artificial intelligence and agentic artificial intelligence;
- cyber attacks or other cybersecurity breaches or threats impacting us, the third parties with which we do business or our regulators;
- changes in GAAP, guidance by the Financial Accounting Standards Board (“FASB”), SEC guidance, and our accounting policies; and
- the other factors described in “Risk Factors.”

Readers are cautioned not to unduly rely on the forward-looking statements we make and to place these forward-looking statements into proper context by carefully considering the factors identified above and those discussed in “Risk Factors” in this report. These forward-looking statements are representative only as of the date they are made, and we undertake no obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under the federal securities laws.

Item 1A. Risk Factors

The risks we face could materially adversely affect our business, results of operations, financial condition, liquidity and net worth, and could cause our actual results to differ materially from our past results or the results contemplated by any forward-looking statements we make. If any such risk occurs, the market price of our stock could decline and you may lose all or part of your investment. We believe the risks described below and in the other sections of this report referenced below are the most significant we face; however, these are not the only risks we face. We face additional risks and uncertainties not currently known to us or that we currently believe are immaterial that may also materially adversely affect us. Refer to “MD&A—Risk Management,” “MD&A—Single-Family Business” and “MD&A—Multifamily Business” for more detailed descriptions of the primary risks to our business and how we seek to manage those risks.

Risk Factors Summary

The summary of risks below provides an overview of the principal risks we are exposed to in the normal course of our business activities. This summary does not contain all of the information that may be important to you, and you should read the more detailed discussion of risks that follows this summary.

GSE and Conservatorship Risk

- The future of our company is uncertain.
- We are significantly undercapitalized and may be unable to fully satisfy our regulatory capital requirements.
- FHFA, as our conservator, controls our business activities. We may be required by FHFA to take actions that are difficult to implement, reduce our profitability, create additional challenges in meeting regulatory capital requirements, or expose us to additional risk.
- Our business activities are significantly affected by the senior preferred stock purchase agreement.
- Our regulator is authorized or required to place us into receivership under specified conditions, which would result in our liquidation. Amounts recovered by our receiver may not be sufficient to pay claims outstanding against us, repay the liquidation preference of our preferred stock or to provide any proceeds to common stockholders.
- Our business and results of operations may be materially adversely affected if we are unable to retain and recruit well-qualified executives and other employees. The conservatorship, the uncertainty of our future, and compensation limits put us at a disadvantage in competing for talent.
- Our higher capital requirements relative to our primary competitor could materially negatively affect our business.
- Pursuing our housing mission requirements may materially adversely affect our business, results of operations and financial condition.
- The conservatorship and agreements with Treasury adversely affect our common and preferred stockholders.
- The liquidity and market value of our MBS could be materially adversely affected by developments in the secondary mortgage market or the UMBS market, or by legislative, regulatory or industry developments, which could have a material adverse impact on our business, financial results and financial condition.
- Our issuance of UMBS and structured securities backed by Freddie Mac-issued securities exposes us to operational and counterparty credit risk.
- Our reliance on U.S. FinTech and the common securitization platform exposes us to significant third-party risk.
- We are limited in our ability to diversify our business.
- An active trading market in our equity securities may cease to exist, which would adversely affect the market price and liquidity of our common and preferred stock.

Credit Risk

- We may incur significant future provisions for credit losses and write-offs on the loans in our book of business, which could materially adversely affect our results of operations and financial condition.
- The credit enhancements we use provide only limited protection against potential future credit losses. These transactions also increase our expenses.
- We may suffer material losses if borrowers suffer property damage as a result of hazards for which the borrowers have no or insufficient insurance.
- The occurrence of major natural or other disasters in the United States or its territories could materially increase our provision for credit losses and our write-offs.
- One or more of our institutional counterparties may fail to fulfill their contractual obligations to us, resulting in financial losses, business disruption and decreased ability to manage risk.
- Our financial condition and results of operations may be materially adversely affected if mortgage servicers fail to perform their obligations to us.
- We may incur losses as a result of claims under our mortgage insurance policies not being paid in full or at all.
- We could experience additional financial losses due to mortgage fraud.

Operational and Model Risk

- A failure in our operational systems or infrastructure, or those of third parties or the financial services industry, could cause material business disruptions, materially adversely affect our business, liquidity, results of operations and financial condition, and materially harm our reputation.

- A cyber attack or other cybersecurity incident relating to our systems or those of third parties with which we do business could have a material adverse impact on our business, financial results and financial condition.
- Material weaknesses in our internal control over financial reporting could result in errors in our reported results or disclosures that are not complete or accurate.
- Failure of our models to produce reliable outputs may materially adversely affect our ability to manage risk and make effective business decisions, as well as create regulatory and reputational risk.

Liquidity Risk

- Limitations on our ability to access the debt capital markets could have a material adverse effect on our ability to fund our operations, and our liquidity contingency plans may be difficult or impossible to execute during a sustained liquidity crisis.
- A decrease in the credit ratings on our senior unsecured debt could increase our borrowing costs and have an adverse effect on our ability to issue debt on reasonable terms, particularly if such a decrease were not based on a similar action on the credit ratings of the U.S. government. A decrease in our credit ratings could also require that we post additional collateral for our derivatives contracts.

Market and Industry Risk

- Changes in interest rates or limitations on our ability to manage interest-rate risk successfully could materially adversely affect our financial results and condition, and increase our interest-rate risk.
- Changes in spreads could materially impact the fair value of our net assets, and therefore our results of operations and net worth.
- Our business and financial results are affected by general economic conditions, including home prices and employment trends, and changes in economic conditions or financial markets may materially adversely affect our business and financial condition. Volatility or uncertainty in global, regional or domestic political conditions also can significantly affect economic conditions and financial markets.

Legal and Regulatory Risk

- Regulatory changes in the financial services industry and shifts in monetary policy may negatively impact our business.
- Legislative, regulatory or judicial actions, and changes in interpretations of laws, regulations or accounting standards, could negatively impact our business, results of operations, financial condition, liquidity or net worth.
- We face risk of non-compliance with our legal and regulatory obligations, which could have a material adverse impact on our business, financial results and financial condition.
- Our business and financial results could be materially adversely affected by legal or regulatory proceedings.

General Risk

- In many cases, our accounting policies and methods, which are fundamental to how we report our financial condition and results of operations, require management to make judgments and estimates about matters that are inherently uncertain. Management also relies on models in making these estimates.

GSE and Conservatorship Risk

The future of our company is uncertain.

The company faces an uncertain future, including how long we will continue to exist in our current form, what changes may occur to our business model during or following conservatorship, the extent of our role in the market, the level of government support for our business, how long we will be in conservatorship, what form we will have, what ownership interest, if any, our current common and preferred stockholders will hold in us, and whether we will continue to exist. The conservatorship has been in place since 2008, is indefinite in duration, and the timing, conditions and likelihood of our emerging from conservatorship are uncertain. Our conservatorship could terminate through a receivership. Actions taken by the conservator or by a receiver could substantially dilute or eliminate any value associated with our existing common stock and preferred stock. Termination of the conservatorship, other than in connection with a mandatory receivership, requires Treasury's consent under the senior preferred stock purchase agreement.

We believe that our return on equity based on our regulatory capital requirements may not be sufficient to attract prospective private investors in our equity securities, which we believe may limit our options to raise, or increase the cost of raising, sufficient capital to exit conservatorship. Increasing our returns to a level sufficient to attract private equity investors may require increases in our pricing or changes in other aspects of our business or regulatory oversight

that could affect our competitive position, our loan acquisition volumes and market share, the mix of loans that we acquire or the type of business we do, including the level of support we provide to low- and moderate-income borrowers and renters. Our ability to increase our returns may be limited given our conservatorship status, our business model, our role in the U.S. housing market, and the limitations on our ability to change our guaranty fees and pricing described in "Business—Legislation and Regulation—Guaranty Fees and Pricing." In addition, we believe that Treasury's ownership of our senior preferred stock and Treasury's potential additional substantial equity ownership in our company, along with restrictions imposed on our business and future dividends and fees we will be required to pay to Treasury under the current terms of the senior preferred stock purchase agreement and senior preferred stock, reduces our attractiveness to prospective equity investors.

If we exit conservatorship, specified regulatory exemptions that currently apply to us or our securities would no longer apply, such as the rule implementing the Dodd-Frank Act's credit risk retention requirement and the Federal Reserve Board's single-counterparty credit limits rule. The expiration of these exemptions could result in significant changes to our business and materially adversely affect our financial results and condition.

In recent months, the Administration has made public comments suggesting it is considering various options for the future of Fannie Mae and Freddie Mac. The Administration and Congress may consider housing finance reforms or legislation that could result in significant changes in our structure, our financial condition, the amount of capital we hold, and our role in the market, including proposals that would result in Fannie Mae's liquidation or dissolution, or its merger or consolidation under common ownership with Freddie Mac. In addition, Congress may consider legislation, federal agencies such as FHFA may consider regulations or administrative actions, or the Administration may issue executive orders that directly or indirectly increase the competition we face, reduce our market share, further restrict our ability to change our loan pricing, further expand our obligations to provide funds to Treasury, further constrain our business operations, or subject us to other obligations or restrictions that may adversely affect our business. We cannot predict the likelihood, timing or nature of housing finance reform legislation or other legislation, regulations or administrative actions that will impact our activities or relating to our future, nor can we predict the extent of such impact.

We are significantly undercapitalized and may be unable to fully satisfy our regulatory capital requirements.

As of December 31, 2025, we had a $22 billion deficit in available capital for purposes of our risk-based adjusted total capital requirement, and a $215 billion shortfall to our risk-based adjusted total capital requirement including buffers. We may be unable to fully satisfy our capital requirements under the enterprise regulatory capital framework, as dividends on the senior preferred stock may resume before we reach full capitalization. Our efforts to build capital to meet our requirements can be significantly affected by the amount, type and pricing of our new loan acquisitions, which can drive increases in our required capital that offset or even outpace increases in our available capital. Other factors that can result in increases in our capital requirements include the size and performance of our guaranty book and retained mortgage portfolio, the level of our participation in credit risk transfer transactions, and economic conditions. For more information on the enterprise regulatory capital framework and our capital metrics as of December 31, 2025, see "Business—Legislation and Regulation—Capital Requirements" and "MD&A—Liquidity and Capital Management—Capital Management—Capital Requirements."

FHFA, as our conservator, controls our business activities. We may be required by FHFA to take actions that are difficult to implement, reduce our profitability, create additional challenges in meeting regulatory capital requirements, or expose us to additional risk.

In conservatorship, our business is not managed with a strategy to maximize stockholder value. Our directors owe their fiduciary duties of care and loyalty solely to the conservator. Thus, while we are in conservatorship, the Board has no fiduciary duties to the company or its stockholders. Our directors are also elected by the conservator, not by our stockholders. The Supreme Court has interpreted FHFA's authority as conservator expansively, noting that "when the FHFA acts as a conservator, it may aim to rehabilitate the regulated entity in a way that, while not in the best interests of the regulated entity, is beneficial to the Agency and, by extension, the public it serves." As conservator, FHFA can direct us to enter into contracts or enter into contracts on our behalf, and generally has the power to transfer or sell any of our assets or liabilities. Since March 17, 2025, the FHFA Director has served as the Chair of our Board, and FHFA's General Counsel has also served as a member of our Board. The Board of Directors has delegated to the Chair of the Board the authority to approve or take any action on behalf of the Board or any Board Committee or Board Committee Chair, other than the Audit Committee or Audit Committee Chair. Following this delegation, the Chair of the Board has approved certain Board and Board Committee actions on behalf of the Board and certain of its Committees, including a number of Board and executive officer appointments and compensation decisions, and may continue to do so in the future.

Our strategic direction is subject to FHFA review and approval. FHFA has also required us to meet specified annual corporate performance objectives referred to as the conservatorship scorecard. We face a variety of different, and sometimes competing, business objectives and FHFA-mandated activities. FHFA has and may require us to undertake activities that are costly or difficult to implement and that increase our operational risk. FHFA also has required us to

make changes to our business that have adversely affected our financial results and could require us to make additional changes at any time. FHFA may require us to undertake some activities that: reduce our profitability or net worth; create additional challenges in meeting regulatory capital requirements; expose us to additional credit, market, funding, operational, model, legal, strategic, reputational, and other risks; or provide additional support for the mortgage market that serves our mission, but adversely affects our financial results. For example, if FHFA directs us to begin acquiring new or novel loan products, it could result in increased credit risk, operational risk, model risk and market risk, and adversely affect our financial results.

FHFA can prevent us from engaging in business activities or transactions that we believe would benefit our business and financial results, and from time to time has done so. For example, FHFA can both prevent us from making, and direct us to make, changes to our guaranty fee pricing, and has currently set minimum return thresholds for our loan acquisitions, as described in "Business—Legislation and Regulation—Guaranty Fees and Pricing." These factors constrain our ability to address changing market conditions, pursue certain strategic objectives, manage the mix of loans we acquire, and compete with Freddie Mac and other market competitors for the acquisition of loans.

With FHFA's broad powers as conservator, changes in leadership at FHFA have resulted in significant changes to the goals, directions and regulations that FHFA establishes for us, and could result in significant additional changes to these goals, directions and regulations. These changes could have a material impact on our financial results and condition. The President has the power to remove the FHFA Director.

Our business activities are significantly affected by the senior preferred stock purchase agreement.

Even if we are released from conservatorship, we would remain subject to the terms of the senior preferred stock purchase agreement with Treasury, under which we issued the senior preferred stock and warrant, unless those terms are waived or amended. The senior preferred stock purchase agreement can only be waived or amended with the consent of Treasury. The agreement includes a number of covenants that significantly restrict our business activities. We believe these restrictions under the senior preferred stock purchase agreement adversely affect our ability to attract capital from the private sector. For more information about the covenants in the senior preferred stock purchase agreement, see "Business—Conservatorship and Treasury Agreements—Treasury Agreements—Covenants."

Our regulator is authorized or required to place us into receivership under specified conditions, which would result in our liquidation. Amounts recovered by our receiver may not be sufficient to pay claims outstanding against us, repay the liquidation preference of our preferred stock or to provide any proceeds to common stockholders.

The FHFA Director is required to place us into receivership if he makes a written determination that our assets are less than our obligations or if we have not been paying our debts as they become due, in either case, for a period of 60 days after the SEC filing deadline for any of our Form 10-Ks or Form 10-Qs. Although Treasury committed to providing us funds in accordance with the terms of the senior preferred stock purchase agreement, if we need funding from Treasury to avoid triggering FHFA's obligation to place us into receivership, Treasury may not be able to provide sufficient funds to us within the required 60 days if it has exhausted its borrowing authority, if there is a government shutdown, or if the funding we need exceeds the amount available to us under the agreement. In addition, with the prior written consent of Treasury, we could be put into receivership at the discretion of the FHFA Director at any time for the reasons set forth in the GSE Act, including if our board of directors or stockholders consent to the appointment of a receiver or, if under the definitions in the GSE Act, we are undercapitalized with no reasonable prospect of becoming adequately capitalized or we are critically undercapitalized. Under the GSE Act, FHFA succeeded to all of the rights, titles, powers and privileges of our board of directors and stockholders.

A receivership would terminate our conservatorship. In addition to the powers FHFA has as our conservator, the appointment of FHFA as our receiver would terminate all rights and claims that our stockholders and creditors may have against our assets or under our charter arising from their status as stockholders or creditors, except for their right to payment, resolution or other satisfaction of their claims as permitted under the GSE Act. If we are placed into receivership and do not or cannot fulfill our MBS guaranty obligations, there may be significant delays of any payments to our MBS holders, and the MBS holders could become unsecured creditors of ours with respect to claims made under our guaranty to the extent the mortgage collateral underlying the Fannie Mae MBS is insufficient to satisfy the claims of the MBS holders.

In the event of a liquidation of our assets by FHFA as receiver, only after payment of secured claims, administrative expenses of the receiver and the immediately preceding conservator, other obligations of the company (other than obligations to stockholders), and the liquidation preference of the senior preferred stock, would any liquidation proceeds be available to repay the liquidation preference on any other series of preferred stock. Finally, only after the liquidation preference on all series of preferred stock is repaid would any liquidation proceeds be available for distribution to the holders of our common stock. In the event of such a liquidation, we can make no assurances that there would be

sufficient proceeds to make any distribution to holders of our preferred stock or common stock, other than to the holder of our senior preferred stock. As described in "Business—Conservatorship and Treasury Agreements—Treasury Agreements—Senior Preferred Stock Purchase Agreement and Senior Preferred Stock," under the current terms of the senior preferred stock, until the capital reserve end date, the liquidation preference of the senior preferred stock increases each quarter by the amount of the increase in our net worth, if any, during the immediately prior fiscal quarter. The aggregate liquidation preference of the senior preferred stock was $227.0 billion as of December 31, 2025, and we expect it will continue to increase as we increase our net worth.

Our business and results of operations may be materially adversely affected if we are unable to retain and recruit well-qualified executives and other employees. The conservatorship, the uncertainty of our future, and compensation limits put us at a disadvantage in competing for talent.

Our business is highly dependent on the talents and efforts of our executives and other employees. The conservatorship, the uncertainty of our future, and limitations on executive compensation have had, and are likely to continue to have, an adverse effect on our ability to retain and recruit talent. Departures in key management positions and challenges in finding replacements could materially harm our ability to manage our business effectively, to successfully implement strategic initiatives, and ultimately could adversely affect our financial performance.

Actions taken by Congress, FHFA and Treasury to date, or that may be taken by them or other government agencies in the future, have had and are expected to continue to have an adverse effect on our retention and recruitment of executives. We are subject to significant restrictions on the amount and type of compensation we may pay as a result of the senior preferred stock purchase agreement and conservatorship, as described in more detail in "Executive Compensation—Compensation Discussion and Analysis—Restrictions on Executive Compensation." For example, during conservatorship direct annual compensation for our chief executive officer ("CEO") role is limited to base salary at an annual rate of $600,000 and our senior executives are prohibited from receiving bonuses. The cap on our CEO compensation continues to make retention and succession planning for this position difficult, and it may make it difficult to attract qualified candidates for this critical role in the future.

In addition to restrictions on our compensation, our ability to retain and recruit executives and other employees has been and may continue to be adversely affected by the uncertainty of potential action by the Administration or Congress with respect to our business, as described in the risk factors above.

We face competition from the financial services and technology industries, and from businesses outside of these industries, for qualified executives and other employees. If future competition for executive and employee talent is strong and if we are unable to attract, promote and retain executives and other employees with the necessary skills and talent, we would face increased risks for operational failures. In the future, if there are several high-level departures at approximately the same time, our ability to conduct our business could be materially adversely affected, which could have a material adverse effect on our results of operations and financial condition.

Our higher capital requirements relative to our primary competitor could materially negatively affect our business.

We have higher capital requirements than our primary competitor, Freddie Mac, driven primarily by our larger share of U.S. residential mortgage debt outstanding. These higher capital requirements relative to Freddie Mac could materially negatively affect our ability to compete with Freddie Mac for the acquisition of mortgage loans, our market share, and the profitability and credit characteristics of the loans we acquire.

Pursuing our housing mission requirements may materially adversely affect our business, results of operations and financial condition.

We are required by the GSE Act and FHFA regulation to support the housing market in ways that could materially adversely affect our financial results and condition. For example, we are subject to housing goals that require a portion of the mortgage loans we acquire to meet specified standards relating to affordability or location. We also have a duty to serve very low-, low-, and moderate-income families in three specified underserved markets: manufactured housing, affordable housing preservation and rural housing.

We are taking actions to support the housing market that could materially adversely affect our profitability and our ability to meet our targeted return requirements established by FHFA. For example, we are acquiring loans to meet our housing mission requirements that generally offer lower expected returns than the returns earned on non-mission-related loans, which negatively affects our ability to meet our targeted return requirements established by FHFA. In addition, some of the loans we are acquiring to meet our housing mission requirements pose a higher credit risk than the other loans we purchase, which could materially increase our provision for credit losses and our write-offs.

If we do not meet our housing goals or Duty-to-Serve requirements, and FHFA finds that the goals or requirements were feasible, FHFA may require us to submit a housing plan describing the actions we will take to improve our performance. The actions we take under the housing plan could have a material adverse effect on our results of operations and

financial condition. The potential penalties for failure to comply with housing plan requirements relating to our housing goals include a cease-and-desist order and civil money penalties. See “Business—Legislation and Regulation” for more information on our housing goals and Duty to Serve underserved markets.

The conservatorship and agreements with Treasury adversely affect our common and preferred stockholders.

The material adverse effects on our stockholders of the conservatorship and under the current terms of our agreements with Treasury include the following:

No voting rights during conservatorship. During conservatorship, our common stockholders do not have the ability to elect directors or to vote on other matters unless the conservator delegates this authority to them.

No dividends on common or preferred stock, other than senior preferred stock. Our conservator announced in September 2008 that we would not pay any dividends on the common stock or on any series of preferred stock, other than the senior preferred stock, while we are in conservatorship. In addition, under the current terms of the senior preferred stock purchase agreement, dividends may not be paid to common or preferred stockholders (other than on the senior preferred stock) without the prior written consent of Treasury, regardless of whether we are in conservatorship.

Our profits directly increase the liquidation preference of the senior preferred stock and we will be required to pay dividends on the senior preferred stock in the future. The senior preferred stock ranks senior to our common stock and all other series of our preferred stock, as well as any capital stock we issue in the future, as to both dividends and distributions upon liquidation. Accordingly, if we are liquidated, the senior preferred stock is entitled to its then-current liquidation preference, before any distribution is made to the holders of our common stock or other preferred stock. Under the current terms of the senior preferred stock, until the capital reserve end date, the liquidation preference of the senior preferred stock increases each quarter by the amount of the increase in our net worth, if any, during the immediately prior fiscal quarter. We expect the aggregate liquidation preference of the senior preferred stock will continue to increase as we increase our net worth. In addition, the current terms of the senior preferred stock provide that, following the capital reserve end date, we will be required to pay dividends on the senior preferred stock of the lesser of (1) a 10% annual rate on the then-current liquidation preference of the senior preferred stock and (2) an amount equal to the incremental increase in our net worth during the immediately prior fiscal quarter. The current terms of the senior preferred stock also provide that dividends will resume when our net worth exceeds the amount of adjusted total capital necessary for us to meet the capital requirements and buffers set forth in the enterprise regulatory capital framework, which we expect will occur before the capital reserve end date because our net worth is calculated differently than, and is higher than, our available capital under the enterprise regulatory capital framework. As of December 31, 2025, the amount of adjusted total capital necessary for us to meet the capital requirements and buffers set forth in the enterprise regulatory capital framework was $193 billion, our net worth was $109.0 billion and we had an available capital deficit of $22 billion. See “Business—Conservatorship and Treasury Agreements—Treasury Agreements—Senior Preferred Stock Purchase Agreement and Senior Preferred Stock” for more information on the dividend provisions and aggregate liquidation preference of the senior preferred stock.

Exercise of the Treasury warrant would substantially dilute the investment of current common stockholders. If Treasury exercises its warrant to purchase shares of our common stock equal to 79.9% of the total number of shares of our common stock outstanding on a fully diluted basis, the ownership interest in the company of our then-existing common stockholders will be substantially diluted.

We are not managed for the benefit of stockholders. Because we are in conservatorship, we are not managed with a strategy to maximize stockholder returns.

The senior preferred stock purchase agreement, senior preferred stock and warrant can only be waived or amended with the consent of Treasury. For additional description of the conservatorship and our agreements with Treasury, see “Business—Conservatorship and Treasury Agreements.”

The liquidity and market value of our MBS could be materially adversely affected by developments in the secondary mortgage market or the UMBS market, or by legislative, regulatory or industry developments, which could have a material adverse impact on our business, financial results and financial condition.

The success of UMBS is largely predicated on the fungibility of UMBS issued by Fannie Mae and Freddie Mac. If investors stop viewing Fannie Mae-issued UMBS and Freddie Mac-issued UMBS as fungible, or if investors prefer Freddie Mac-issued UMBS over Fannie Mae-issued UMBS, it could adversely affect the liquidity and market value of Fannie Mae MBS, the volume of our UMBS issuances and our guaranty fee revenues. Our competitiveness in purchasing single-family loans from our lenders and the volume and profitability of our single-family business activity are affected by the price performance of UMBS issued by us relative to comparable Freddie Mac-issued UMBS. If our UMBS were to trade at a material discount relative to comparable Freddie Mac-issued UMBS, or at a minor discount for

a prolonged period of time, due to prepayment performance, credit profile or other factors, such a difference in relative pricing may create an incentive for lenders to conduct more of their single-family business with Freddie Mac.

To support the fungibility of Fannie Mae-issued UMBS and Freddie Mac-issued UMBS, FHFA adopted a rule to align Fannie Mae and Freddie Mac programs, policies and practices that affect the prepayment rates of TBA-eligible mortgage-backed securities. However, these alignment efforts may not be successful and the prepayment rates on Fannie Mae-issued UMBS and Freddie Mac-issued UMBS could materially diverge in a manner that is disadvantageous for us.

It is possible that a liquid market for our UMBS may not be sustained, which could materially adversely affect their price performance and our single-family market share. A significant reduction in our market share, and thus in the volume of loans that we securitize, or a reduction in the trading volume of our UMBS, could materially reduce the liquidity of our UMBS. While we may decide to employ various strategies to support the liquidity and price performance of our UMBS, any such strategies may fail or may result in our incurring costs that materially adversely affect our business and financial results. We may cease any such activities at any time, or FHFA could require us to do so, which could materially adversely affect the liquidity and price performance of our UMBS.

In addition, we have experienced, and may continue to experience, price differences with Freddie Mac on individual new production pools of TBA-eligible mortgages, particularly with respect to specified pools and our multi-lender securities. From time to time, we may need to adjust our pricing for a particular new production pool category, introduce new initiatives, or change our loan acquisition strategy to maintain alignment and competitiveness with Freddie Mac with respect to the acquisition of such pools. Depending on the amount of pricing adjustments in any period, it is possible that those adjustments could adversely affect our guaranty fee revenues for that period.

The continued support of FHFA, Treasury, the Securities Industry and Financial Markets Association, and certain other regulatory bodies is critical to the success of UMBS. If any of these entities were to cease its support, the liquidity and market value of Fannie Mae-issued UMBS could be adversely affected. Furthermore, if either we or Freddie Mac exits conservatorship, it is unclear whether our and Freddie Mac's programs, policies and practices in support of UMBS and resecuritizations of each other's securities would be sustained.

Our issuance of UMBS and structured securities backed by Freddie Mac-issued securities exposes us to operational and counterparty credit risk.

When we resecuritize Freddie Mac-issued UMBS or other Freddie Mac securities, our guaranty of principal and interest extends to the underlying Freddie Mac security. Although we have an indemnification agreement with Freddie Mac, in the event Freddie Mac were to fail (for credit or operational reasons) to make a payment due on its securities underlying a Fannie Mae-issued structured security, we would be obligated under our guaranty to fund any shortfall and make the entire payment on the related Fannie Mae-issued structured security on that payment date. A failure by Freddie Mac to meet these obligations could have a material adverse effect on our earnings and financial condition, and we could be dependent on Freddie Mac and on the senior preferred stock purchase agreements that we and Freddie Mac each have with Treasury to avoid a liquidity event or a default under our guaranty. Our current risk exposure to Freddie Mac-issued securities is provided in "MD&A—Guaranty Book of Business." In addition, the market value and liquidity profile of single-family Fannie Mae MBS could be affected by financial and operational incidents relating to Freddie Mac, even if those incidents do not directly relate to Fannie Mae or Fannie Mae MBS.

Our reliance on U.S. FinTech and the common securitization platform exposes us to significant third-party risk.

We rely on U.S. FinTech and its common securitization platform for the operation of a majority of our single-family securitization activities. Although we jointly own U.S. FinTech with Freddie Mac, there are limitations on our ability to control the company.

The U.S. FinTech Board of Managers currently has seven members—the U.S. FinTech CEO, one member appointed by Fannie Mae, two members appointed by Freddie Mac, and three members appointed by FHFA, which includes the Board Chair. Fannie Mae and FHFA each has the right to appoint one additional board member. If FHFA appoints an additional board member, the four U.S. FinTech board members that we and Freddie Mac have the right to appoint could be outvoted by the other five board members on any matter during conservatorship and on a number of significant matters after conservatorship.

Board actions must be approved by a majority vote and the board may not take any actions absent the Chair's consent. Once either Fannie Mae or Freddie Mac has exited conservatorship and is not in receivership, the Board Chair and any board members appointed by FHFA may be removed by a unanimous vote of the Fannie Mae and Freddie Mac members and the U.S. FinTech CEO. Although the limited liability company agreement would require our approval for certain "material decisions" if either we or Freddie Mac have exited conservatorship, the U.S. FinTech Board of Managers may approve a number of actions even after conservatorship over the objection of the board members we appoint, including: approval of the annual budget and strategic plan for U.S. FinTech (so long as it does not involve a

material business change); withdrawal of capital by a member; and requiring capital contributions necessary to support U.S. FinTech's ordinary business operations. It is possible that FHFA may require us to make additional changes to the U.S. FinTech limited liability company agreement, or may otherwise impose restrictions or provisions relating to U.S. FinTech or UMBS, that may adversely affect us.

We do not currently pay service fees to U.S. FinTech under our customer services agreement; its operations are funded entirely through capital contributions from Fannie Mae and Freddie Mac pursuant to the limited liability company agreement. During conservatorship, FHFA can direct us to enter into an amendment of the customer services agreement, or enter such an amendment on our behalf, that could provide for a fee structure that would survive an exit from conservatorship absent a further amendment to the customer services agreement, which a majority of the board would have to approve. Although implementation of any fee changes could require a further amendment to the customer services agreement, we might not have significant leverage to negotiate that amendment and the associated fee changes given our dependence on U.S. FinTech.

Our securitization activities are complex and present significant operational and technological challenges and risks. Any measures we take to mitigate these challenges and risks might not be sufficient to prevent a disruption to our securitization activities. Our business activities could be adversely affected and the market for single-family Fannie Mae MBS could be disrupted if the common securitization platform were to fail or otherwise become unavailable to us or if U.S. FinTech were unable to perform its obligations to us. Any such failure or unavailability could have a significant adverse impact on our business and could adversely affect the liquidity or market value of our single-family MBS. In addition, a failure by U.S. FinTech to maintain effective controls and procedures could result in material errors in our reported results or in disclosures that are materially incomplete or materially inaccurate.

We are limited in our ability to diversify our business.

As a federally chartered corporation, we are subject to the limitations imposed by the Charter Act, extensive regulation, supervision and examination by FHFA, and regulation by other federal agencies, including Treasury, HUD and the SEC. The Charter Act defines our permissible business activities. For example, we may not originate mortgage loans or purchase single-family loans in excess of the conforming loan limits, and our business is limited to the U.S. housing finance sector. FHFA, as our regulator, may impose and has imposed additional limitations on our business. For example, the GSE Act requires us to obtain prior approval from FHFA for new products and to provide advance notice to FHFA of new activities. As described in "Business—Legislation and Regulation—Guaranty Fees and Pricing," we are also subject to a number of limitations on the guaranty fees we are permitted to charge, which is our primary source of revenue. As a result of the limitations on our ability to diversify our operations, our financial condition and results of operations depend almost entirely on conditions in a single sector of the U.S. economy, specifically, the U.S. housing market. Weak or unstable conditions in the U.S. housing market can therefore have a significant adverse effect on our business that we cannot mitigate through diversification. For a discussion of current U.S. housing market conditions, see "MD&A—Key Market Economic Indicators."

An active trading market in our equity securities may cease to exist, which would adversely affect the market price and liquidity of our common and preferred stock.

Our common stock and preferred stock are now traded exclusively in the over-the-counter market, and are not currently listed on any securities exchanges. We cannot predict the actions of market makers, investors or other market participants, and can offer no assurances that the market for our securities will be stable. If there is no active trading market in our equity securities, the market price and liquidity of the securities will be adversely affected. In addition, the market price of our common stock and preferred stock has been and may continue to be subject to significant volatility, which may be due to other factors described in these "Risk Factors," as well as speculation regarding our future, economic and political conditions generally, liquidity in the over-the-counter market in which our stock trades, and other factors, many of which are beyond our control. Such factors could cause the market price of our common stock and preferred stock to decline significantly from their current levels, which may result in significant losses to holders of our common stock and preferred stock.

Credit Risk

We may incur significant future provisions for credit losses and write-offs on the loans in our book of business, which could materially adversely affect our results of operations and financial condition.

We are exposed to a significant amount of mortgage credit risk on our $4.1 trillion guaranty book of business. Borrowers may fail to make required payments on mortgage loans we own or guaranty. This exposes us to the risk of credit losses. We have experienced significant provisions for credit losses that have materially adversely affected our financial results in certain prior periods, and this could occur again in a future period.

In general, significant home price or multifamily property value declines or increased loan delinquencies could materially increase our provision for credit losses and our write-offs. Loan delinquencies, among other factors, are influenced by

income growth rates and unemployment levels, which affect borrowers' ability to make their mortgage payments. Changes in home prices or multifamily property values affect the amount of equity that borrowers have in their properties. As home prices and multifamily property values increase, the severity of losses we incur on defaulted loans that we hold or guarantee decreases because the amount we can recover from the properties securing the loans increases. Conversely, declines in home prices and multifamily property values increase the losses we incur on defaulted loans. If home prices or multifamily property values decline rapidly and a large number of borrowers default on their loans, we could experience significant credit losses on our book of business, which could materially adversely affect our results of operations and financial condition.

The credit performance of the loans in our guaranty book of business may decline compared to recent performance, particularly if we experience national or regional declines in home prices, weakening economic conditions or higher unemployment, resulting in materially higher provisions for credit losses and write-offs. In addition, borrowers affected by a government shutdown or by a requirement to resume making their student loan payments may find it difficult to make payments on their mortgage loans.

We have loans in our single-family guaranty book of business that are typically associated with higher levels of credit risk, such as loans with high LTV ratios, high debt-to-income ("DTI") ratios and lower FICO credit scores. Similarly, we have loans in our multifamily guaranty book of business that may present higher credit risk, such as loans with high LTV ratios and lower debt service coverage ratios ("DSCRs"). We present detailed information about the risk characteristics of our single-family conventional guaranty book of business in "MD&A—Single-Family Business" and our multifamily guaranty book of business in "MD&A—Multifamily Business." At any time, the risk characteristics of the loans we acquire may change due to new or revised guidance from FHFA or due to other federal government policy changes established through legislation, rulemaking or other actions.

Changes in interest rates can also affect our credit losses, as we describe in a risk factor below in "Market and Industry Risk."

The credit enhancements we use provide only limited protection against potential future credit losses. These transactions also increase our expenses.

While we use certain credit enhancements to mitigate some of our potential future credit losses, we may not be able to obtain as much protection from our credit enhancements as we would like for a number of reasons, including:

- Some of the credit enhancements we use, such as mortgage insurance, Credit Insurance Risk Transfer™ ("CIRT™") transactions and DUS lender loss-sharing arrangements, are subject to the risk that the counterparties may not meet their obligations to us, which we discuss in a risk factor below.
- Our Connecticut Avenue Securities® ("CAS") and CIRT credit risk transfer transactions have limited terms, after which they provide limited or no further credit protection on the covered loans.
- Our credit risk transfer transactions are not designed to shield us from all losses because we retain a portion of the risk of future losses on loans covered by these transactions, including all or a portion of the first loss position in most transactions.
- In the event of a sufficiently severe economic downturn or other adverse market conditions, we may not be able to enter into new back-end credit risk transfer transactions for our recent acquisitions on economically advantageous terms.
- Mortgage insurance does not protect us from all losses on covered loans. For example, mortgage insurance does not cover property damage that is not already covered by the hazard or flood insurance we require, and such damage may result in a reduction to, or a denial of, mortgage insurance benefits.

In addition, the costs associated with credit risk transfer transactions are significant and may increase. For a discussion of how we use credit risk transfer transactions to reduce our credit risk and manage our capital requirements, see "MD&A—Single-Family Business—Single-Family Mortgage Credit Risk Management—Single-Family Credit Enhancement and Transfer of Mortgage Credit Risk" and "MD&A—Multifamily Business—Multifamily Mortgage Credit Risk Management—Multifamily Transfer of Mortgage Credit Risk."

We may suffer material losses if borrowers suffer property damage as a result of hazards for which the borrowers have no or insufficient insurance.

We require borrowers to obtain and maintain property insurance to cover the risk of damage to their homes or properties resulting from hazards such as fire, hail, wind and, for properties in a Federal Emergency Management Agency ("FEMA")-designated Special Flood Hazard Area, flooding. However, insurance would not cover property damage from hazards for which we do not generally require insurance, such as earthquake damage or flood damage on a property located outside a Special Flood Hazard Area. There may be instances in which borrowers' claims under insurance policies are not paid, borrowers' insurance is insufficient to cover their losses, borrowers fail to use insurance

proceeds to make improvements to the property commensurate with the value of the damaged improvements, or borrowers fail to maintain insurance and suffer property damage. Additionally, hazard insurers may experience significant financial strain and be unable to make payments on related claims during a period in which significant numbers of mortgaged properties are damaged by natural or other disasters. Since we generally permit borrowers to select and obtain required hazard insurance policies, our requirements for hazard insurance coverage are verified by the lender or servicer, as applicable. For single-family loans, we require a minimum financial strength rating for nongovernmental hazard insurers that must be provided by S&P Global, Demotech, AM Best or KBRA, while for multifamily loans the rating must be provided by AM Best. We do not independently verify the financial condition of these hazard insurers and rely on these rating agencies for their assessment of the financial condition of these insurers. To the extent that borrowers suffer property damage as a result of a hazard that is uninsured or underinsured, or the hazard insurer does not pay their claim, the borrowers may not pay their mortgage loans. If borrowers fail to make required payments on mortgage loans we own or guarantee, we could experience significant provisions for credit losses and write-offs on the loans in our book of business.

We estimate that, as of December 31, 2025, only a small portion of loans in our guaranty book of business were located in a Special Flood Hazard Area, for which we require flood insurance: 3.2% of loans in our single-family guaranty book of business and 7.3% of loans in our multifamily guaranty book of business. We believe that only a small portion of borrowers outside of these areas obtain flood insurance. The risk of significant flooding in places outside a Special Flood Hazard Area is expected to increase due to a number of factors. Furthermore, FEMA flood maps may not accurately reflect the extent of flood risks in certain areas, and do not indicate how the risk will change in the future. Single-family borrowers who obtain flood insurance generally rely on the National Flood Insurance Program (“NFIP”), which requires periodic congressional reauthorization. If Congress fails to extend or re-authorize the program, FEMA may not have sufficient funds to pay claims for flood damage, and borrowers may not be able to renew their flood insurance coverage or obtain new policies through the NFIP. In addition, NFIP insurance does not cover temporary living expenses, and the maximum limit of coverage available under NFIP for a single-family residential property is $250,000, which may not be sufficient to cover all losses.

Increases in the intensity or frequency of floods or other weather-related disasters may amplify many of these risks. In some areas, some insurers have ceased writing new coverage or have significantly increased insurance premiums for certain perils or conditions. As coverage becomes unavailable or prohibitively expensive in an area, home prices or multifamily property values may experience considerable negative impacts, and borrowers may face greater financial strain. Ultimately, the desirability of areas that frequently experience hurricanes, wildfires, or other natural disasters or face chronic weather-related risks such as persistent drought or excessive heat, may diminish over time. This could adversely affect those regions’ economies, home prices and multifamily property values, which may negatively impact our financial results or condition. In addition, investors may place greater weight on climate-related risks when making investment decisions, which could increase our cost or ability to transfer credit risk.

Efforts to address these risks could also affect our business. Changing policies, such as introducing new building codes, carbon taxes, and energy efficiency requirements, coupled with changing market preferences could increase housing and compliance costs, impacting borrowers’ ability to pay their mortgage loans.

The occurrence of major natural or other disasters in the United States or its territories could materially increase our provision for credit losses and our write-offs.

We conduct our business in the single-family and multifamily residential mortgage markets and own or guarantee the performance of mortgage loans throughout the United States and its territories. The occurrence of a major disruptive event, such as a major natural or environmental disaster, terrorist attack, cyber attack, pandemic, or similar event, in the United States or its territories could negatively impact our provision for credit losses and our write-offs on loans in the affected geographic area or, depending on the magnitude, scope and nature of the event, nationally, in a number of ways.

A major disruptive event that either damages or destroys single-family or multifamily real estate securing mortgage loans in our book of business or negatively impacts the ability of borrowers to make principal and interest payments on mortgage loans in our book of business could increase our delinquency rates, default rates and average loan loss severity of our book of business in the affected region or regions. The amount of losses we incur following a major disruptive event is affected by the availability of federal, state, or local assistance to borrowers affected by the event. If such assistance is unavailable or severely limited following a major disruptive event, it could impact borrowers’ ability to repay their mortgage loans and adversely affect our business and financial results.

Further, a major disruptive event or a long-lasting increase in the vulnerability of an area to disasters may significantly discourage housing activity, including homebuilding or home buying and affect borrowers’ ability or willingness to make payments on their mortgages. It could also deteriorate housing conditions or the general economy in the affected region, lowering mortgage originations, negatively affecting home prices and multifamily property values, negatively

impacting the availability, quality and affordability of insurance, and increasing delinquency and default rates. Any of these outcomes could generate significant provisions for credit losses and write-offs.

Recent years have seen frequent and severe natural disasters in the U.S., including wildfires, hurricanes and severe flooding. Population growth and an increase in people living in high-risk areas, such as coastal areas vulnerable to severe storms and flooding, have also increased the impact of these events. Although our financial exposure from these events is mitigated to the extent our book of business is geographically diverse, we remain exposed to risk, particularly in connection with the risk of geographically widespread weather events and changes in weather patterns, as well as geographic areas where our book of business is more heavily concentrated. For a description of the geographic concentration of our single-family guaranty book of business, see "MD&A—Single-Family Business—Single-Family Mortgage Credit Risk Management—Single-Family Guaranty Book Diversification and Monitoring," and for our multifamily guaranty book of business, see "MD&A—Multifamily Business—Multifamily Mortgage Credit Risk Management—Multifamily Guaranty Book Diversification and Monitoring." While many weather-related perils are expected to increase in frequency or severity, impacts of such changes remain uncertain. As a result, any continuation or increase in recent weather trends or their unpredictability, or any single natural disaster of significant scope or intensity, could have a material impact on our results of operations and financial condition.

Additionally, we do not differentiate our single-family guaranty fee pricing based on geographic area; therefore, we do not charge higher upfront guaranty fees on single-family loans in geographic areas that may be more susceptible to natural disaster-related or other major disruptive events. Charging differentiated single-family upfront guaranty fees on loans in certain geographic areas would require the approval of FHFA as conservator. For a discussion on natural disaster risk management, see "MD&A—Risk Management—Natural Disaster Risk Management."

One or more of our institutional counterparties may fail to fulfill their contractual obligations to us, resulting in financial losses, business disruption and decreased ability to manage risk.

We rely on our institutional counterparties to provide services and credit enhancements that are critical to our business. We face the risk that one or more of our institutional counterparties may fail to fulfill their contractual obligations to us. If an institutional counterparty defaults on its obligations to us, it could also negatively impact our ability to operate our business, as we outsource some of our critical functions to third parties, such as mortgage servicing, single-family Fannie Mae MBS issuance and administration, and certain technology functions.

Our primary exposures to institutional counterparties are with:

- credit guarantors that provide credit enhancements on the mortgage assets in our guaranty book of business, including mortgage insurers, reinsurers, and multifamily lenders with risk-sharing arrangements;
- mortgage lenders that sell loans to us and mortgage lenders and other counterparties that service our loans; and
- the institutions that issue the investments held in our corporate liquidity portfolio.

We also have direct counterparty exposure to: derivatives counterparties; central counterparty clearing institutions; custodial depository institutions; mortgage originators, investors and dealers; debt security dealers; and document custodians. We also have counterparty credit risk exposure to Freddie Mac arising from our resecuritization of Freddie Mac-issued securities, and to the MERS® System.

The concentration of our counterparties in similar or related businesses heightens our counterparty risk exposure. We routinely enter into a high volume of transactions with counterparties in the financial services industry, including brokers and dealers, mortgage lenders and commercial banks, and mortgage insurers, resulting in a significant credit concentration with respect to this industry. We may also have multiple exposures to particular counterparties, as many of our counterparties perform several types of services for us. For example, our lenders or their affiliates may also act as derivatives counterparties, mortgage servicers, custodial depository institutions or document custodians. Accordingly, if one of these counterparties were to become insolvent or otherwise default on its obligations to us, it could harm our business and financial results in a variety of ways.

An institutional counterparty may default on its obligations to us for a number of reasons, such as changes in financial condition that affect its credit rating, changes in its servicer rating, a reduction in liquidity, operational failures, a cybersecurity incident, or insolvency. In the event of a bankruptcy or receivership of one of our counterparties, we may be required to establish evidence of our ownership rights to the assets these counterparties hold on our behalf to the satisfaction of the bankruptcy court or receiver, which could result in a delay in accessing these assets causing a decline in their value. Counterparty defaults or limitations on their ability to do business with us could result in significant financial losses or hamper our ability to do business or manage the risks to our business. In addition, if we are unable to replace a defaulting counterparty that performs services critical to our business, it could adversely affect our ability to conduct our operations and manage risk.

We have significant exposure to institutions in the financial services industry relating to derivatives, funding, short-term lending, securities, and other transactions. We depend on our ability to enter into derivatives transactions with our derivatives counterparties in order to manage the duration and prepayment risk of our retained mortgage portfolio. If we lose access to our derivatives counterparties, it could adversely affect our ability to manage these risks.

We use clearinghouses to facilitate many of our derivative trades. If the clearinghouse or the clearing member we use to access the clearinghouse defaults, we could lose margin that we have posted with the clearing member or clearinghouse. We are also a clearing member of two divisions of Fixed Income Clearing Corporation ("FICC"), a central counterparty ("CCP"). One FICC division clears our trades involving securities purchased under agreements to resell, securities sold under agreements to repurchase, and other non-mortgage related securities. The other division clears our forward purchase and sale commitments of mortgage-related securities, including dollar roll transactions. As a clearing member of FICC, we are exposed to the risk of losses if the CCP or one or more of the CCP's clearing members fails to perform its obligations, because each FICC clearing member is required to absorb a portion of the losses incurred by other clearing members if they fail to meet their obligations to the clearinghouse. We could also incur losses associated with replacing transactions cleared through FICC in the event of a default by, or the financial or operational failure of, FICC. For more information, see "MD&A—Risk Management—Institutional Counterparty Credit Risk Management—Other Counterparties—Central Counterparty Clearing Institutions."

We also have indirect counterparty exposure to many different types of entities that provide services and credit enhancements to our direct counterparties, such as hazard insurers.

Our financial condition and results of operations may be materially adversely affected if mortgage servicers fail to perform their obligations to us.

We generally delegate the servicing of the mortgage loans in our guaranty book of business to mortgage servicers. Functions performed by mortgage servicers on our behalf include collecting from borrowers and delivering to Fannie Mae principal and interest payments, administering escrow accounts, monitoring and reporting delinquencies, performing default prevention and loss mitigation activities, and other functions. A servicer's inability or other failure to perform these functions or to follow our requirements could negatively impact our ability to, among other things: manage our book of business; collect amounts due to us; actively manage troubled loans; and implement our homeownership assistance, foreclosure prevention and other loss mitigation efforts.

A decline in a servicer's performance, such as delayed or missed opportunities for loan workouts, foreclosure alternatives or foreclosures, could significantly affect our ability to mitigate credit losses and could materially adversely affect the overall credit performance of the loans in our guaranty book of business. Servicers may experience financial and other difficulties due to the advances they are required to make on our behalf on delinquent mortgages, including mortgages subject to forbearance plans. We could be materially adversely affected if our servicers lack appropriate controls, experience a failure in their controls, or experience a disruption in their ability to service loans, including as a result of legal or regulatory actions, ratings downgrades, liquidity constraints, operational failures or cybersecurity incidents. We have experienced losses as a result of servicers' failure to perform their obligations.

As of December 31, 2025, over half of our single-family guaranty book and over half of our multifamily guaranty book were serviced by non-depository servicers. The generally lower financial strength and liquidity of non-depository mortgage servicers compared with depository mortgage servicers may negatively affect their ability to fully satisfy their financial obligations or to properly service the loans on our behalf. Non-depository servicers also are generally not subject to the same level of regulatory oversight as our mortgage servicer counterparties that are depository institutions.

Replacing a mortgage servicer can result in potentially significant increases in our costs, as well as increased operational risks. If a mortgage servicer fails, it could result in a temporary disruption in servicing and loss mitigation activities relating to the loans serviced by that mortgage servicer, particularly if there is a loss of experienced servicing personnel. We may also face challenges in transferring a large servicing portfolio. Although we have contingency plans in the event of a failure of one or more of our mortgage servicers, there can be no assurance that we will be able to successfully execute against those plans in times of severe economic stress in the mortgage servicing industry.

The actions we have taken to mitigate our risk exposure to mortgage servicers may not be sufficient to prevent us from experiencing significant financial losses or business interruptions in the event they cannot fulfill their obligations to us.

We may incur losses as a result of claims under our mortgage insurance policies not being paid in full or at all.

We rely heavily on mortgage insurers to provide insurance against borrower defaults on single-family conventional mortgage loans with LTV ratios over 80% at the time of acquisition. Although our primary mortgage insurer counterparties currently approved to write new business must meet risk-based asset requirements, there is still a risk that these mortgage insurers may fail to fulfill their obligations to pay our claims under mortgage insurance policies. If a currently approved mortgage insurer fails to meet its obligations to pay our claims, our credit losses could increase. In addition, if a regulator determines that a currently approved mortgage insurer lacks sufficient capital to pay all claims

when due, the regulator could take action that might affect the timing and amount of claim payments made to us by our currently approved mortgage insurer counterparties. We face similar risks with respect to our credit insurance risk transfer counterparties.

With respect to our currently approved primary mortgage insurers, we do not differentiate pricing based on the mortgage insurer's strength or operational performance. Additionally, we would not suspend or terminate a primary mortgage insurer's status as an eligible insurer unless there were a material violation of our private mortgage insurer eligibility requirements. Further, we generally do not select the provider of primary mortgage insurance on a specific loan, because the selection is usually made by the lender at the time the loan is originated. Accordingly, we have limited ability to manage our concentration risk with respect to primary mortgage insurers.

On at least a quarterly basis, we assess our mortgage insurer counterparties' respective abilities to fulfill their obligations to us, and our loss reserves take into account this assessment. If our assessment indicates their ability to pay claims has deteriorated significantly or if our projected claim amounts have increased, we could experience a material increase in our provision for credit losses and write-offs.

We could experience additional financial losses due to mortgage fraud.

We use a process of delegated underwriting in which single-family and multifamily lenders make specific representations and warranties about the characteristics of the mortgage loans we purchase and securitize. As a result, while we have implemented certain quality control processes, we do not independently verify all borrower information that is provided to us. This exposes us to an increased risk that one or more of the parties involved in a transaction (such as the borrower, borrower's attorney, sponsor, seller, broker, appraiser, property inspector, title agent, lender or servicer) will engage in fraud by misrepresenting facts about a mortgage loan. Similarly, we rely on delegated servicing of loans and use of a variety of external resources to assist in asset management functions, including managing our REO inventory. For a discussion of how we mitigate this risk, see "MD&A—Single-Family Business" and "MD&A—Multifamily Business." The use of artificial intelligence technologies by malicious actors could potentially increase the risks we face from mortgage fraud, as it could make mortgage fraud harder to detect. We have experienced financial losses resulting from mortgage fraud, including institutional fraud perpetrated by counterparties. In the future, we may experience additional financial losses as a result of mortgage fraud that could be material to our financial results.

Operational and Model Risk

A failure in our operational systems or infrastructure, or those of third parties or the financial services industry, could cause material business disruptions, materially adversely affect our business, liquidity, results of operations and financial condition, and materially harm our reputation.

Shortcomings or failures in our internal processes, people, or systems, third parties, or external events, could significantly disrupt our business or have a material adverse effect on our risk management, liquidity, financial statement reliability, financial condition and results of operations. Such a failure could result in legislative or regulatory intervention or sanctions, liability to counterparties, financial losses, business disruptions and damage to our reputation. For example, our business is highly dependent on our ability to manage and process, on a daily basis, an extremely large number of transactions, many of which are highly complex, across numerous and diverse markets that continuously and rapidly change and evolve. These transactions are subject to various legal, accounting and regulatory standards. Our financial, accounting, data processing or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors, including events that are wholly or partially beyond our control, adversely affecting our ability to process these transactions or manage associated data with reliability and integrity. For example, third-party changes have negatively affected the functionality and availability of certain of our systems for certain periods of time, and this could happen again in the future and materially negatively affect our ability to conduct our business. In addition, we rely on information provided by third parties in processing many of our transactions; that information may be incorrect or we may fail to properly manage or analyze it or properly monitor its data quality.

We rely upon business processes that are highly dependent on people, technology, data and the use of numerous complex systems and models to manage our business and produce information upon which our financial statements and risk reporting are prepared. This reliance increases the risk that we may be exposed to financial, reputational or other losses because of inadequately designed internal processes or data management architecture, inflexible technology or the failure of our systems. In addition, our use of third-party service providers for some of our business and technology functions increases the risk that an operational failure by a third party will adversely affect us. For example, we use third-party service providers for cloud infrastructure services. We and our customers, suppliers and other third parties have experienced interruptions in access to our platforms as a result of connectivity issues with third-party cloud-based platforms and related data centers and could experience disruptions again if there is a lapse of service, interruption of internet service provider connectivity or damage to third-party cloud-based platforms or any related data centers. The risk of these disruptions is exacerbated by key fourth-party relationships, in which some of our

third-party service providers have engaged subcontractors to provide key services and our ability to assess the fourth party's operational controls is limited.

We have implemented and continue to enhance our technology, infrastructure, operational controls, governance and organizational structure to reduce operational risks, but these actions may not fully mitigate these risks. Moreover, some of our initiatives designed to reduce our operational risk over the long term, particularly those relating to the implementation of new technology and the ongoing transition to third-party cloud-based platforms, increase our operational risk over the short term as we implement the changes, as many involve significant changes to our business processes, controls, systems and infrastructure. If we fail to implement these initiatives in a well-managed, secure and effective manner, or have gaps in our controls or governance of our cloud-based infrastructure, we may experience significant unplanned service disruptions or unforeseen costs, which could result in material harm to our business and results of operations. The high level and pace of organizational change we experienced in 2025 may increase our operational risk, as well as change our organizational environment in ways that could have a material adverse impact on our business and risk management processes.

Our ability to manage and aggregate data may be limited by the effectiveness of our policies, programs, processes, systems and practices that govern how data is acquired, validated, stored, protected, processed and shared. Failure to manage data effectively and to aggregate data in an accurate and timely manner may limit our ability to manage current and emerging risks, as well as to manage changing business needs. The increasing use of new third-party and open source artificial intelligence tools poses additional risks relating to the protection of data, including the potential exposure of significant proprietary confidential information to unauthorized recipients and the misuse of our intellectual property. Third-party service providers or other external parties, or our employees, may use artificial intelligence in ways we have not authorized that may increase our risk of a material loss of our confidential data or intellectual property, or that create material operational or reputational risks for us.

We use artificial intelligence and machine learning technology to help manage some of the operational risks we face. Our use of this technology presents risks, including the potential for outages, inefficiencies, data loss, and bias or errors in the technology's analysis and conclusions while the technology and our use of the technology matures. Additionally, the use of artificial intelligence within products or services that we use or that are used by our third-party service providers may pose similar risks. As a new technology, use of artificial intelligence without sufficient controls, governance, and risk management may result in increased risks across all of our risk categories. Further, we may be negatively impacted if we, or our third-party service providers, do not timely develop and apply artificial intelligence, or if our initiatives in these areas are deficient or fail. Our competitors may be more timely or successful in developing or integrating artificial intelligence technologies, which could materially adversely impact our business, financial results and financial condition.

We also face the risk of operational failure, termination or capacity constraints of any of the clearing agents, paying agents, exchanges, clearinghouses or other financial intermediaries, including the Federal Reserve, we use to facilitate our securities and derivatives transactions. Moreover, the consolidation and interconnectivity among clearing agents, exchanges and clearing houses increases the risk of operational failure, on both an individual basis and an industry-wide basis. Any such failure, termination or constraint could adversely affect our ability to effect transactions or manage our exposure to risk.

Most of our employees and business operations functions are consolidated in two metropolitan areas: Washington, DC and Dallas, Texas. A major disruptive event at or affecting either location (such as severe weather, natural disaster, utility failure, civil unrest, terrorist attack or active shooter) could significantly adversely impact our ability to conduct normal business operations. Moreover, because of the concentration of our employees in the Washington, DC and Dallas metropolitan areas, a regional disruption, particularly a disruption with a sustained impact, in one of these areas could prevent our employees from accessing our facilities, working remotely, or communicating with or traveling to other locations. Accordingly, the occurrence of one or more major disruptive events could materially adversely affect our ability to conduct our business and lead to financial losses.

A cyber attack or other cybersecurity incident relating to our systems or those of third parties with which we do business could have a material adverse impact on our business, financial results and financial condition.

Our operations rely on the secure processing, storage and transmission of confidential and other information (including personal information) in our computer systems and networks, and those of third parties with which we do business. Cybersecurity risks for large institutions like us have continued to increase, in part because of the proliferation of new technologies and the use of the Internet, telecommunications and cloud technologies to conduct financial transactions, and the increased sophistication and activities of organized crime, hackers, "hacktivists," terrorists, and other external parties, including nation-states and foreign state-sponsored threat actors. A number of financial services companies, consumer-based companies, software and information technology service providers, and other organizations have reported the unauthorized access or disclosure of client, customer or other confidential information (including personal

information), as well as cybersecurity incidents involving the dissemination, theft or destruction of corporate information or other assets. There have also been many highly publicized cyber attacks where threat actors have requested "ransom" payments in exchange for not disclosing stolen customer information or for restoring access to the company's systems. In addition, there have been cyber attacks against companies where threat actors have misled company personnel into granting unauthorized access or making unauthorized transfers of funds to the actors' accounts. Global events and geopolitical instability have also led to increased nation-state targeting of financial institutions in the U.S. and abroad.

We have been, and expect to continue to be, the target of cyber attacks and other cybersecurity threats, such as computer viruses, malware, ransomware, denial of service attacks, phishing and other social engineering attacks, and data breaches, from various actors, including foreign state-sponsored threat actors, cyber criminals and others. We also have experienced, and expect to continue to experience, incidents such as server malfunctions, system outages, and software or hardware failures. We could also be materially adversely affected by cybersecurity incidents that target the infrastructure of the Internet and critical service providers, as such incidents could cause widespread unavailability of websites, applications and application programming interfaces ("APIs"), and degrade website, application and API performance. Despite our efforts to protect the integrity of our systems and information, we may not be able to anticipate, detect or recognize all cybersecurity threats, or to implement effective preventative measures against all cybersecurity threats, especially because the techniques used in cyber attacks are increasingly sophisticated, change frequently, and in some cases are not recognized until launched or even later.

Our risk and exposure to cyber attacks and other cybersecurity incidents remain heightened because of, among other things:

- the evolving nature and increasing frequency of these threats, including the emergence of powerful new technologies to assist threat actors in cyber attacks, such as generative artificial intelligence, machine learning and quantum computing;
- the persistence, sophistication and intensity of cybersecurity threats;
- our prominent size and scale and our role in the financial services industry;
- the outsourcing of some of our business operations;
- our use of, as well as our third parties' use of, automation, artificial intelligence and robotics;
- a shortage of qualified cybersecurity professionals in the industry;
- our ongoing migration to cloud-based systems;
- our use of employee-owned devices for business communication;
- hybrid or remote working arrangements at our company and many third parties;
- the interconnectivity and interdependence of external parties to our systems; and
- the current global economic and political environment.

We routinely identify cybersecurity threats as well as vulnerabilities in our systems and work to address or mitigate those we have identified. We also become aware of vulnerabilities in the systems of third parties with which we do business. Some cybersecurity vulnerabilities take a substantial amount of time and coordination to resolve or mitigate. We continue to have cybersecurity vulnerabilities that we have identified but not resolved or mitigated. In addition, efforts to resolve or mitigate some of our cybersecurity vulnerabilities may be unsuccessful and some cybersecurity vulnerabilities may not be possible to resolve. We may also have cybersecurity vulnerabilities that we have not yet identified.

Cyber attacks can originate from a variety of sources, including external parties who are, or who are affiliated with, foreign governments or are involved with organized crime or terrorist organizations. Cybersecurity risks also derive from human error, fraud or malice on the part of our employees or third parties. Threat actors have attempted, and we expect will continue to attempt, to induce employees, lenders, servicers, vendors, service providers, counterparties or other users of our systems to disclose confidential and other information (including personal information) or provide access to our systems or network, or to our data or that of our counterparties or borrowers, and these types of risks may be difficult to detect or prevent.

The increasing sophistication of artificial intelligence technologies poses a greater risk of identity fraud, as threat actors may exploit artificial intelligence to create convincing false identities or manipulate verification processes. Hybrid or remote working arrangements at our company and many third parties also increases the risk associated with worker identity fraud. Failure to manage these risks or to implement effective countermeasures could lead to unauthorized transactions, financial losses, loss of confidential and other information (including personal information), reputational damage and increased regulatory scrutiny that have a material impact on our business, financial results or financial

condition. In addition, to the extent that new computing technologies, such as quantum computing, vastly increase the speed and computing power available to threat actors, it increases the risk that encryption and other protective measures we take may be defeated. Emerging technologies may also assist threat actors in finding cybersecurity vulnerabilities, as well as in obfuscating their cyber attacks.

Cybersecurity incidents from time to time could result in the theft of important assets or the unauthorized disclosure, gathering, monitoring, misuse, corruption, loss or destruction of confidential and other information (including personal information) that belongs to us, our lenders, our servicers, our counterparties, third-party service providers or borrowers that is processed and stored in, and transmitted through, our computer systems and networks. These incidents could also result in damage to our systems or otherwise cause interruptions or malfunctions in our, our lenders', our counterparties' or third parties' operations, systems or networks, which could disrupt our day-to-day business activities and negatively affect our ability to effect business transactions and manage our exposure to risk. We have experienced cybersecurity incidents and some of these incidents have resulted in disruptions to our systems and/or those of our lenders, counterparties and other third parties, as well as financial losses. While to date the impact of these incidents has not been material to our business strategy, business, financial results or financial condition, cybersecurity incidents could result in financial losses, loss of lenders, servicers and business opportunities, reputational damage, damage to our competitive position, litigation, regulatory fines, penalties or intervention, reimbursement or other compensatory costs or other harms that have a material adverse impact on our business strategy, business, financial results or financial condition.

Cyber attacks or other cybersecurity incidents can persist for an extended period of time without detection. It may take considerable time to complete an investigation of a cybersecurity incident and obtain full and reliable information. While we are investigating a cybersecurity incident, we may not know the full impact of the incident or how to remediate it, and actions and decisions that are taken or made may further increase the negative impact of the incident. In addition, announcing that a cyber attack or cybersecurity incident has occurred may worsen the impact of the attack or incident, and may increase the risk of additional cyber attacks. All or any of these challenges could further increase the costs and consequences of a cybersecurity incident, as well as hinder our ability to obtain and provide rapid, complete and reliable information about a cybersecurity incident. We may be required to expend significant additional resources to modify or add to our protective measures and to investigate and remediate vulnerabilities or other exposures arising from cybersecurity risks.

Although we maintain insurance coverage relating to cybersecurity risks, our insurance may not be sufficient to provide adequate loss coverage (including if the insurer denies future claims) and may not continue to be available to us on economically reasonable terms, or at all. Further, we cannot ensure that any indemnification or limitation of liability provisions in our agreements with lenders, servicers, service providers, vendors, counterparties and other third parties with which we do business would be enforceable or adequate or would otherwise protect us from liabilities or damages with respect to a particular claim in connection with a cybersecurity incident.

Third parties with which we do business and our regulators are also sources of cybersecurity risk. Because we are interconnected with and dependent on third-party vendors, lenders, servicers, exchanges, clearing houses, fiscal and paying agents, and other financial intermediaries, including U.S. FinTech, we could be materially adversely impacted if any of them is subject to a successful cyber attack or other cybersecurity incident. Some of the third parties with which we do business have experienced, and we expect will continue to experience, cybersecurity incidents. While third-party cybersecurity incidents have not had a material impact on our business to date, the inability of a third party with which we do business to meet its obligations to us as a result of a cybersecurity incident, our response to such an incident, or other consequences of the incident could materially adversely affect our business.

We routinely transmit and receive personal, confidential and proprietary information by electronic means. We also share this type of information with regulatory agencies and their vendors. We outsource certain functions and these relationships allow for the external storage and processing of our information, as well as lender, servicer, counterparty and borrower information, including on cloud-based systems. In addition, our lenders and servicers maintain personal, confidential and proprietary information, including borrower personal information. While we engage in actions to mitigate our exposure resulting from our information-sharing activities with lenders, servicers, regulatory agencies, vendors, service providers, counterparties and other third parties to protect against cybersecurity incidents, we cannot ensure that these third parties have appropriate controls in place to protect the confidentiality of the information. An interception, misuse or mishandling of personal, confidential or proprietary information being sent to, received from, or maintained by a lender, servicer, regulatory agency, vendor, service provider, counterparty or other third party could result in legal liability, fines, regulatory action and reputational harm that have a material adverse impact on our business, financial results or financial condition.

Material weaknesses in our internal control over financial reporting could result in errors in our reported results or disclosures that are not complete or accurate.

Management has determined that, as of the date of this filing, we have ineffective disclosure controls and procedures that result in a material weakness in our internal control over financial reporting. In addition, our independent registered public accounting firm, Deloitte & Touche LLP, has expressed an adverse opinion on our internal control over financial reporting because of the material weakness. Our ineffective disclosure controls and procedures and material weakness could result in errors in our reported results or disclosures that are not complete or accurate, which could have a material adverse effect on our business and operations.

Our material weakness relates specifically to the impact of the conservatorship on our disclosure controls and procedures. Because we are under the control of FHFA, some of the information that we may need to meet our disclosure obligations may be solely within the knowledge of FHFA. As our conservator, FHFA has the power to take actions without our knowledge that could be material to our stockholders and other stakeholders, and could significantly affect our financial performance or our continued existence as an ongoing business. Because FHFA currently functions as both our regulator and our conservator, there are inherent structural limitations on our ability to design, implement, operate and test effective disclosure controls and procedures relating to information known to FHFA. As a result, we have not been able to update our disclosure controls and procedures in a manner that adequately ensures the accumulation and communication to management of information known to FHFA that is needed to meet our disclosure obligations under the federal securities laws, including disclosures affecting our financial statements. Given the structural nature of this material weakness, we do not expect to remediate this material weakness while we are under conservatorship. See “Controls and Procedures” for further discussion of management’s conclusions on our disclosure controls and procedures and internal control over financial reporting.

Failure of our models to produce reliable outputs may materially adversely affect our ability to manage risk and make effective business decisions, as well as create regulatory and reputational risk.

We make significant use of quantitative models to measure and monitor our risk exposures and to manage our business. For example, we use models to measure and monitor our exposures to interest rate, credit and market risks, and to forecast credit losses. We use this information in making business decisions relating to strategies, initiatives, transactions, pricing and products.

Models are inherently imperfect predictors of actual results because they are based on historical data and assumptions regarding factors such as future loan demand, borrower behavior, creditworthiness and home price trends. Other potential sources of inaccurate or inappropriate model results include errors in computer code, inaccurate or incomplete data, misuse of data, or use of a model for a purpose outside the scope of the model’s design. Modeling often assumes that historical data or experience can be relied upon as a basis for forecasting future events, an assumption that may be especially tenuous in the face of unprecedented events, such as the COVID-19 pandemic. The introduction of new products or activities also presents modeling challenges and risks, as there may be limited or no historical performance data available upon which to train our models.

Given the challenges of predicting future behavior, management judgment is used throughout the modeling process, from model design decisions regarding core underlying assumptions, to interpreting and applying final model output. When market conditions change quickly and in unforeseen ways, there is an increased risk that the model assumptions and data inputs for our models are not representative of the most recent market conditions, which requires management to apply its judgment to make adjustments or overrides to our models. In a rapidly changing environment, it may not be possible to update existing models quickly enough to properly account for the most recently available data and events. In addition, in periods of low transaction volume for certain types of assets, the limited data available may reduce the reliability of model outputs.

We also use third-party models that expose us to additional risks beyond those for internally-developed models. We often have limited visibility into the third-party’s model methodology and change management process. In addition, in some instances we rely on third-party data providers to develop and provide estimates and other data for our models. This reliance on third-party data providers exposes us to risk should the data provider cease to provide the data going forward, change its methodology or fail to meet our data quality standards, which could require that we find a suitable replacement for the data and could result in the need to re-estimate our models with the new data, or we may be required to operate our models without the data.

We currently use artificial intelligence and machine learning techniques in our models, and expect to increase our use of these modeling techniques. The use of new artificial intelligence and machine learning technology in our models presents risks, such as the risk of undetected bias in the model and the limited ability to understand and challenge the model due to a limited ability to observe the internal workings of many machine learning models. Further, we use artificial intelligence models developed by third parties, and, to that extent, are dependent in part on the manner in which those third parties develop and train their models, including risks arising from the inclusion of any unauthorized

material in the training data for their models, and the effectiveness of the steps these third parties have taken to limit the risks associated with the output of their models, matters over which we may have limited visibility.

To the extent our internal models or the third-party models that we use fail to produce reliable outputs on an ongoing basis, we may not make appropriate business and risk management decisions, including decisions affecting loan purchases, guaranty fee pricing, management of credit losses, and asset and liability management. While we employ strategies to manage and govern the risks associated with our use of models, they have not always been fully effective. Errors were previously discovered in some of the models we use, and we continue to have deficiencies in our current processes for managing model risk. And we have experienced instances where model failures have adversely affected our business and risk management decisions, and resulted in errors in our external disclosures. As noted in "MD&A—Risk Management—Model Risk Management," we have completed remediation of our model governance and standards, and are in the process of implementing the updated governance and standards across our modeling inventory. Until these remediation activities are completed, we face a higher risk that we may make inappropriate business or risk management decisions based on unreliable model outputs that could materially negatively affect our financial results and condition, and result in material errors in our external disclosures that create regulatory and reputational risk.

Also see the risk factor below in "General Risk" for a discussion of the risks associated with the use of models in our accounting methods.

Liquidity Risk

Limitations on our ability to access the debt capital markets could have a material adverse effect on our ability to fund our operations, and our liquidity contingency plans may be difficult or impossible to execute during a sustained liquidity crisis.

Our ability to fund our business depends in part on our ongoing access to the debt capital markets. Market concerns about matters such as the extent of government support for our business and debt securities, the future of our business (including future profitability, future structure, regulatory actions and our status as a government-sponsored enterprise) and the creditworthiness of the U.S. government could cause a severe negative effect on our access to the unsecured debt markets, particularly for long-term debt. We believe that our ability in recent years to issue debt of varying maturities at attractive pricing resulted from federal government support of our business. As a result, we believe that our status as a government-sponsored enterprise and continued federal government support are essential to maintaining our access to debt funding. Changes or perceived changes in federal government support of our business, our debt securities or our status as a government-sponsored enterprise could materially and adversely affect our ability to fund our business. There can be no assurance that the government will continue to support our business or our debt securities, or that our current level of access to debt funding will continue. If our senior preferred stock purchase agreement with Treasury is amended to reduce its support for our debt securities issued after such amendment, it could materially increase our borrowing costs or materially adversely affect our access to the debt capital markets.

U.S. banking regulators currently recognize our debt as a high quality liquid asset for U.S.-regulated financial institutions. Any regulatory or other changes causing our debt to no longer be considered a high quality liquid asset could significantly increase our debt funding costs or reduce our ability to issue debt.

The Federal Reserve Banks provide us with fiscal agency and depository services, and we make extensive use of the Federal Reserve Banks' payment systems in our daily business activities. We are required to fully fund our payment accounts at the Federal Reserve Bank of New York to the extent necessary to cover principal and interest payments on our debt and mortgage-related securities each day. The Federal Reserve Bank of New York, acting as our fiscal agent, will initiate payments to depository institutions, which will credit the accounts of the holders of our securities. Although we maintain access to various sources of intraday liquidity, such access is not guaranteed. If we have insufficient resources to fully fund our Federal Reserve payment accounts on a given day, there could be delays in the payments on our securities. Unlike depository financial institutions, we do not currently have access to the Federal Reserve's discount window, nor are we allowed to overdraw our Federal Reserve accounts during the business day.

Future changes or disruptions in the financial markets could significantly change the amount, mix and cost of funds we obtain, as well as our liquidity position. If we are unable to issue a sufficient amount of short- and long-term debt securities at attractive rates, it could interfere with the operation of our business and have a material adverse effect on our liquidity, results of operations, financial condition and net worth.

Our liquidity contingency plans may be difficult or impossible to execute during a sustained market liquidity crisis. If the financial markets experience substantial volatility in the future, it could significantly adversely affect the amount, mix and cost of funds we obtain, as well as our liquidity position. If we cannot access the unsecured debt markets, our ability to repay maturing indebtedness and fund our operations could be significantly impaired. In this event, our alternative source of liquidity, our corporate liquidity portfolio, may not be sufficient to meet our liquidity needs. As noted in "MD&A

—Retained Mortgage Portfolio," we expect to continue to increase our holdings of agency MBS and intend to fund these purchases primarily through cash from business operations, the sale of assets in our corporate liquidity portfolio and the issuance of additional debt securities. As a result, the size of our corporate liquidity portfolio may decline from its current level.

A decrease in the credit ratings on our senior unsecured debt could increase our borrowing costs and have an adverse effect on our ability to issue debt on reasonable terms, particularly if such a decrease were not based on a similar action on the credit ratings of the U.S. government. A decrease in our credit ratings could also require that we post additional collateral for our derivatives contracts.

A reduction in our credit ratings could materially adversely affect our liquidity, our ability to conduct our normal business operations, our financial condition and our results of operations. Credit ratings on our senior unsecured debt, as well as the credit ratings of the U.S. government, are primary factors that could affect our borrowing costs and our access to the debt capital markets. Credit ratings on our debt are subject to revision or withdrawal at any time by the rating agencies. Actions by governmental entities impacting the support our business or our debt securities receive from Treasury could adversely affect the credit ratings on our senior unsecured debt. If our senior preferred stock purchase agreement with Treasury is amended to reduce its support for our debt securities issued after such amendment, it could result in a downgrade in the credit ratings on our senior unsecured debt.

Because we rely on the U.S. government for capital support, in recent years, when a rating agency has taken an action relating to the U.S. government's credit rating, they have taken a similar action relating to our ratings at approximately the same time. S&P Global Ratings ("S&P"), Moody's Ratings ("Moody's") and Fitch Ratings ("Fitch") have all indicated that they would likely lower their ratings on the debt of Fannie Mae and certain other government-related entities if they were to lower their ratings on the U.S. government. As a result, if a failure to raise the debt limit, a government shutdown or other event results in downgrades of the government's credit rating, our credit ratings are likely to be similarly downgraded.

A reduction in our credit ratings could also cause certain derivatives counterparties to demand that we post additional collateral for our derivative contracts or to terminate our contracts. Additionally, a reduction in our credit ratings could reduce investor demand for our MBS. Our credit ratings, ratings outlook and additional collateral requirements are described in "MD&A—Liquidity and Capital Management—Liquidity Management—Credit Ratings" and "Note 9, Derivative Instruments."

Market and Industry Risk

Changes in interest rates or limitations on our ability to manage interest-rate risk successfully could materially adversely affect our financial results and condition, and increase our interest-rate risk.

We are subject to interest-rate risk, which is the risk that movements in interest rates will adversely affect the value of our assets or liabilities or our future earnings or capital. Our exposure to interest-rate risk primarily arises from two sources: (1) our "net portfolio," which we define as: our retained mortgage portfolio assets, our corporate liquidity portfolio, outstanding debt of Fannie Mae, mortgage commitments and risk management derivatives; and (2) our consolidated MBS trusts. We describe these risks and how we manage these risks in "MD&A—Risk Management—Market Risk Management, including Interest-Rate Risk Management." Changes in interest rates affect both the value of our mortgage and other assets and prepayment rates on our mortgage loans, which could have a material adverse effect on our financial results and condition, as well as our liquidity. Changes in interest rates also affect the earnings on our investments in our corporate liquidity portfolio and retained mortgage portfolio. The impact on our business and financial results from changes in interest rates can depend on many factors, including but not limited to the size and composition of our retained mortgage portfolio, corporate liquidity portfolio and guaranty book of business, as well as market and economic conditions.

Our ability to manage interest-rate risk depends on our ability to issue debt instruments with a range of maturities and other features, including call provisions, at attractive rates and to engage in derivatives transactions. We must exercise judgment in selecting the amount, type and mix of debt and derivative instruments that will most effectively manage our interest-rate risk. The amount, type and mix of financial instruments that are available to us may not offset possible future changes in the spread between our borrowing costs and the interest we earn on our mortgage assets. We mark to market changes in the estimated fair value of our derivatives through our earnings on a quarterly basis, but we do not similarly mark to market changes in some of the financial instruments that generate our interest-rate risk exposures. As a result, changes in interest rates, particularly significant changes, can have an adverse effect on our earnings and net worth, depending on the nature of the changes and the derivatives and short-term investments we hold at that time. Although we have a hedge accounting program that is designed to reduce the volatility of our financial results associated with changes in benchmark interest rates, our hedge accounting program does not eliminate all potential earnings volatility associated with changes in interest rates. Decreasing interest rates would likely reduce the amounts

that we earn on our corporate liquidity portfolio, as we tend to earn lower yields on this portfolio in a declining interest rate environment.

We have experienced significant fair value losses in some periods due to changes in interest rates. Our hedge accounting program is specifically designed to address the volatility of our financial results associated with changes in fair value related to changes in the benchmark interest rates. As such, earnings variability driven by other factors, such as spreads or the timing of when we recognize deferred guaranty fee income, remains. We describe how the timing of when we recognize deferred guaranty fee income is sensitive to mortgage interest rates in “MD&A—Key Market Economic Indicators” and “MD&A—Consolidated Results of Operations—Net Interest Income.” In addition, our ability to effectively reduce earnings volatility is dependent on having the right mix and volume of interest-rate swaps available. As our portfolio of interest-rate swaps varies over time, our ability to reduce earnings volatility through hedge accounting may vary as well.

Changes in interest rates also can affect our loss reserves and provision for credit losses. When interest rates increase, our credit losses from loans with adjustable payment terms may increase as borrower payments increase at their reset dates, which increases the borrower’s risk of default. Rising interest rates may also reduce the opportunity for these borrowers to refinance into a fixed-rate loan. Similarly, many borrowers may have additional debt obligations, such as home equity lines of credit and second liens, that also have adjustable payment terms. If a borrower’s payment on his or her other debt obligations increases due to rising interest rates or a change in amortization, it increases the risk that the borrower may default on a loan we own or guarantee. Rising interest rates also typically reduce expected future loan prepayments, which tends to lengthen the expected life of our loans and therefore generally increases the probability of default on the loans and therefore our loss reserves. When interest rates decrease, it can result in an increase in our acquisition of refinance loans; the enterprise regulatory capital framework requires higher capital on refinance loans than on purchase loans.

Increases in interest rates may also reduce the ability of multifamily borrowers to refinance their loans, which often have balloon balances at maturity. In addition, in a rising interest rate environment, multifamily borrowers with adjustable-rate mortgages may have difficulty paying higher monthly payments if property operating income is not increasing at a similar pace. While we generally require multifamily borrowers with adjustable-rate mortgages to purchase an interest rate cap to protect against large movements in interest rates, purchasing or replacing these required interest rate caps, especially those with longer terms and/or lower strike rates, becomes more expensive as interest rates rise.

Changes in interest rates also typically affect our business volume. A higher interest rate environment generally results in lower business volumes, as fewer loans may benefit from refinancing and the higher cost of borrowing reduces affordability, driving lower mortgage volumes. A reduction in our business volume can reduce our net interest income and adversely affect our financial results. Interest rate increases also can negatively affect the demand for and liquidity of our MBS or result in slowdowns in home price growth, home price declines or declines in multifamily property values, which also could adversely affect our results of operations, net worth and financial condition.

Changes in spreads could materially impact the fair value of our net assets, and therefore our results of operations and net worth.

Spread risk is the risk from changes in an instrument’s value that relate to factors other than changes in interest rates. We can experience losses from changes in the spreads between our financial assets, including mortgage purchase and sale commitments, and our financial liabilities, including the derivatives we use to hedge our position. Changes in market conditions, including changes in interest rates, liquidity, prepayment and default expectations, and the level of uncertainty in the market for a particular asset class may cause fluctuations in spreads. Changes in mortgage spreads have contributed to significant volatility in our financial results in certain periods, due to fluctuations in the estimated fair value of the financial instruments that we mark to market through our earnings, and this could occur again in a future period. Changes in mortgage spreads could cause significant fair value losses, and could adversely affect our near-term financial results and net worth. If our agency MBS holdings increase as we expect, as described in “MD&A—Retained Mortgage Portfolio,” it will increase our exposure to spread risk. Spread risk is intrinsic to our business model. While we monitor our spread risk exposure and manage the risk where feasible and appropriate, we do not seek to fully mitigate this risk and accept some level of spread risk. See “MD&A—Risk Management—Market Risk Management, including Interest-Rate Risk Management—Other Market Risk” for additional discussion of spread risk.

Our business and financial results are affected by general economic conditions, including home prices and employment trends, and changes in economic conditions or financial markets may materially adversely affect our business and financial condition. Volatility or uncertainty in global, regional or domestic political conditions also can significantly affect economic conditions and financial markets.

In general, a prolonged period of slow growth in the U.S. economy or a deterioration or volatility in general economic conditions or financial markets could materially adversely affect our results of operations, net worth and financial condition. Our business is significantly affected by the status of the U.S. economy, including home prices and

employment trends, as well as economic growth rates, interest rates and inflation rates. For example, see a risk factor above in “Credit Risk” for a discussion of how worsening economic conditions could negatively affect the credit performance of loans in our guaranty book of business and result in materially higher provisions for credit losses and write-offs. Deterioration in economic conditions also typically results in reduced housing market activity, which reduces our business volume. As noted in a risk factor above, a reduction in our business volume can reduce our net interest income and adversely affect our financial results.

Global economic conditions can also adversely affect our business and financial results. Changes or volatility in market conditions resulting from deterioration in or uncertainty regarding global economic conditions can adversely affect the value of our assets, which could materially adversely affect our results of operations, net worth and financial condition. To the extent global economic conditions negatively affect the U.S. economy, they also could negatively affect the credit performance of the loans in our book of business.

Volatility or uncertainty in global, regional or domestic political conditions also can significantly affect economic conditions and financial markets, including volatility or uncertainty in connection with additional changes the Administration may implement relating to trade, fiscal or immigration policies. Global, regional or domestic political unrest also could affect growth and financial markets.

We describe above the risks to our business posed by changes in interest rates and changes in spreads. In addition, future changes, disruptions or volatility in financial markets as a result of global, regional or domestic economic or political conditions could significantly change the amount, mix and cost of funds we obtain, as well as our liquidity position.

Legal and Regulatory Risk

Regulatory changes in the financial services industry and shifts in monetary policy may negatively impact our business.

Changes in the regulation of the financial services industry are affecting and are expected to continue to affect many aspects of our business. Such changes could affect our business directly or indirectly if they affect our lenders and other counterparties. The Administration or Congress may implement changes in the regulation of the financial services industry or in fiscal or monetary policy that substantially affect our business and financial results, including investor demand for our debt securities, MBS and credit risk transfer transactions, the amount and credit quality of the loans we acquire, and the servicing of our loans. For example, changes in regulations applicable to U.S. banks could affect the volume and characteristics of mortgage loans available in the market for us to purchase, and could also affect demand for our MBS and debt securities, as U.S. banks purchase a large amount of our MBS and debt securities. New or revised liquidity or capital requirements applicable to U.S. banks could materially affect banks’ willingness to deliver loans to us and to service our loans, as well as demand by those banks for our MBS and debt securities. In addition, developments in connection with the single-counterparty credit limit regulations, including those taken in anticipation of our potential future exit from conservatorship, could also cause our lenders and investors to change their business practices.

Our business is significantly affected by shifts in fiscal and monetary policies, particularly actions taken by the Federal Reserve. The actions of the Federal Reserve, Treasury, the OCC, the FDIC, the SEC, the CFTC, the CFPB, and international central banking authorities directly or indirectly impact financial institutions’ cost of funds for lending, capital-raising and investment activities, which could increase our borrowing costs or make borrowing more difficult for us. Changes in monetary policy are beyond our control and can be difficult to anticipate. The Federal Reserve currently holds a significant amount of mortgage-backed securities issued by us, Freddie Mac and Ginnie Mae. At the time of this filing, the Federal Reserve has not announced any plans to begin selling the mortgage-backed securities in its portfolio. If the Federal Reserve announces such a plan or changes its announced strategy to reduce its mortgage-backed securities holdings, it could reduce the current level of demand for our MBS, which could adversely affect our results of operations, net worth and financial condition.

Legislative and regulatory changes could affect us in substantial and unforeseeable ways and could have a material adverse effect on our business, results of operations, financial condition, liquidity and net worth.

Legislative, regulatory or judicial actions, and changes in interpretations of laws, regulations or accounting standards, could negatively impact our business, results of operations, financial condition, liquidity or net worth.

Legislative, regulatory or judicial actions at the federal, state or local level could negatively impact our business, results of operations, financial condition, liquidity or net worth. Legislative, regulatory or judicial actions could affect us in a number of ways, including by imposing significant additional costs on us, diverting management attention or other resources from other matters, or increasing our operational risk. We could also be affected by:

- Further actions taken by the U.S. Congress, Treasury, the Federal Reserve, FHFA or other national, state or local government agencies or legislatures in response to emergencies, such as expanding or extending our obligations to help borrowers, renters or counterparties.
- Designation as a systemically important financial institution by the Financial Stability Oversight Council ("FSOC"). We have not been designated as a systemically important financial institution; however, FSOC announced in 2020 that it will continue to monitor the secondary mortgage market activities of the government-sponsored enterprises to ensure potential risks to financial stability are adequately addressed. Designation as a systemically important financial institution would result in our becoming subject to additional regulation and oversight by the Federal Reserve Board.
- Other agencies of the U.S. government or Congress asking us to take actions to support the housing and mortgage markets or in support of other goals. For example, in December 2011, Congress enacted the TCCA under which we increased our guaranty fee on all single-family mortgages delivered to us by 10 basis points. The revenue generated by this fee increase is paid to Treasury. In November 2021, the Infrastructure Investment and Jobs Act was enacted, which extended to October 1, 2032 our obligation under the TCCA to collect 10 basis points in guaranty fees on single-family mortgages delivered to us and pay the associated revenue to Treasury.

The laws, regulations and accounting standards that apply to our business are often complex and, in many cases, we must make interpretive decisions regarding the application of those laws, regulations and accounting standards to our business activities. Changes in interpretations, whether in response to regulatory guidance, industry conventions, our own reassessments or otherwise, could adversely affect our business, results of operations or ability to satisfy applicable regulatory requirements.

We face risk of non-compliance with our legal and regulatory obligations, which could have a material adverse impact on our business, financial results and financial condition.

We operate in a highly regulated industry and are subject to heightened supervision from FHFA, as both our regulator and our conservator. Our compliance systems and programs may not be adequate to confirm that we are in compliance with all legal, regulatory, and other requirements as the requirements continue to evolve. We also rely upon third parties and their respective compliance risk management programs. The failure or limits of any such third-party compliance programs may expose us to legal and compliance risk. Our reliance on and interdependence with third parties is further illustrated by the number and complexity of our contracts. These contracts expose us to the risk that we could fail to perform our obligations in a satisfactory manner and that a contractual counterparty could commence legal proceedings against us for deficiencies related to our performance. If we fail to comply with our legal and regulatory obligations, it could result in enforcement actions, investigations, fines, monetary and other penalties, additional restrictions on our business activities imposed by FHFA, and harm to our reputation that may adversely affect our results of operations and financial condition.

Privacy and cybersecurity are currently areas of considerable legislative and regulatory attention, with new or modified laws, regulations, rules and standards being frequently adopted and potentially subject to divergent interpretation or application in different jurisdictions in a manner that may create inconsistent or conflicting requirements for businesses. The uncertainty created by these legislative and regulatory developments is compounded by the rapid pace of technology development, including in artificial intelligence and quantum computing, that affect the use or security of data, including personal information. Our business manages and holds a large volume of data, including a large volume of personal information. Privacy and cybersecurity laws and regulations often impose strict requirements on the collection, storage, handling, use, disclosure, transfer, security, and other processing of personal information. These laws and regulations, combined with our evolving data footprint, may increase our compliance costs and require additional changes to our business and operations. An actual or perceived failure to comply with these laws and regulations or contractual obligations by us, or by our lenders, servicers, vendors, service providers, counterparties and our other third parties, could result in legal liabilities, fines, regulatory action and reputational harm that have a material adverse impact on our business, financial results and financial condition. In addition, compliance with new or changing laws, regulations or industry standards relating to artificial intelligence may impose significant additional operational risks and costs.

Our business and financial results could be materially adversely affected by legal or regulatory proceedings.

We are a party to various claims and other legal proceedings. We are periodically involved in government investigations. We may be required to establish accruals and to make substantial payments in the event of adverse judgments or settlements of any such claims, investigations or proceedings, which could have a material adverse effect on our business, results of operations, financial condition, liquidity and net worth. For example, due to a judgment against us in two cases consolidated for trial in the U.S. District Court for the District of Columbia, which are described in "Note 17, Commitments and Contingencies" and "Legal Proceedings," we accrued a total of $545 million from 2023

through 2025 relating to the jury verdict and related awards of prejudgment and post-judgment interest. Any legal proceeding or governmental investigation, even if resolved in our favor, could result in negative publicity, reputational harm or cause us to incur significant legal and other expenses. In addition, responding to these matters could divert significant internal resources away from managing our business.

General Risk

In many cases, our accounting policies and methods, which are fundamental to how we report our financial condition and results of operations, require management to make judgments and estimates about matters that are inherently uncertain. Management also relies on models in making these estimates.

Our management must exercise judgment in applying many of our accounting policies and methods so that they comply with GAAP and reflect management's judgment of the most appropriate manner to report our financial condition and results of operations. In some cases, management must select the appropriate accounting policy or method from two or more acceptable alternatives, any of which might be reasonable under the circumstances but might affect the amounts of assets, liabilities, revenues and expenses that we report. See "Note 1, Summary of Significant Accounting Policies" for a description of our significant accounting policies.

We have identified one of our accounting estimates, allowance for loan losses, as critical to the presentation of our financial condition and results of operations, as described in "MD&A—Critical Accounting Estimates." We believe this estimate is critical because it involves significant judgments and assumptions about highly complex and inherently uncertain matters, and the use of reasonably different judgments and assumptions could have a material impact on our reported results of operations or financial condition.

Because our financial statements involve estimates for amounts that are very large, even a small change in the estimate can have a significant impact for the reporting period. For example, because of the large size of our allowance for loan losses, even a change that has a small impact relative to the size of this allowance can have a meaningful impact on our results for the quarter in which we make the change.

Many of our accounting methods involve substantial use of models, which are inherently imperfect predictors of actual results because they are based on historical data and assumptions to project future events. For example, we use models to determine expected lifetime losses on loans and certain other financial instruments. Our actual results could differ significantly from those generated by our models. As a result, the estimates that we use to prepare our financial statements, as well as our estimates of our future results of operations, may be inaccurate, perhaps significantly. For more discussion of the risks associated with our use of models, see a risk factor in "Operational and Model Risk" above.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Cybersecurity Risk Management and Strategy

Overview

Cybersecurity risk is a key operational risk that we face; therefore, managing cybersecurity risk is an inherent part of our business activities. We describe the material cybersecurity risks we face in "Risk Factors—Operational and Model Risk."

Cybersecurity Risk Management Program

We have developed and continue to enhance our cybersecurity risk management program as we seek to protect the security of our information systems, software, networks and other technology assets against unauthorized attempts to access confidential information and data or to disrupt or degrade business operations. Our cybersecurity risk management program has evolved, and continues to evolve, based on the changing needs of our business, the evolving threat environment, and evolving legal and regulatory requirements.

We design and assess our cybersecurity risk management program based on the National Institute of Standards and Technology Framework for Improving Critical Infrastructure Cybersecurity (the "NIST Cybersecurity Framework"). While we generally consult the NIST Cybersecurity Framework when designing and assessing our cybersecurity risk management program, we have not implemented and do not plan to implement all categories and subcategories included in the framework. We use the framework as a guide to help us identify, assess and manage cybersecurity risks relevant to our business based on our current understanding of the cybersecurity threat environment.

Integration into Enterprise Risk Management Framework

Our cybersecurity risk management program is integrated into our overall Enterprise Risk Management framework, which is described in "MD&A—Risk Management—Overview." Our Enterprise Response Framework establishes the reporting structure and escalation process for managing all enterprise incidents, including cybersecurity-related incidents. The framework defines the relationship and notification steps among the various crisis management stakeholders, including the Board of Directors, the Management Committee, the CEO, other members of the executive leadership team, the crisis manager and crisis management coordinators. See "Cybersecurity Governance—Management Role" for a description of the oversight role of the Corporate Risk & Compliance division, Internal Audit and the management-level Technology & Third Party Risk Committee and Enterprise Risk Committee relating to cybersecurity risk management.

Cybersecurity Risk Management Strategy

Overview and Goal. Fannie Mae has a multilayered cybersecurity defense strategy. We take a risk-based defense-in-depth approach that prioritizes the highest impact events and employs overlapping layers of protection. Our cybersecurity threat operations operate with the goal of identifying, preventing, and mitigating cybersecurity threats and responding to cybersecurity incidents in accordance with incident response and recovery plans.

Tools and Safeguards. As part of our cybersecurity defense strategy, we employ tools and systems safeguards intended to help secure our networks, applications, data and infrastructure, and to manage cybersecurity vulnerabilities. These safeguards include network and perimeter defense, infrastructure security, cloud security, endpoint protection, data protection, identity management and network segmentation. We work to evaluate and improve on these tools and safeguards through periodic cybersecurity assessments and the integration of cybersecurity threat intelligence.

Backup Data Storage. We have both internal and external third-party backup data storage to help protect our data from cybersecurity incidents. We test our internal backup restoration process on a regular basis.

Response Plans and Procedures. We maintain cybersecurity incident response procedures that identify the activities and escalation processes to be implemented upon detection of a cybersecurity incident, and we routinely practice these activities and processes. We also have business and technology continuity plans and a crisis management plan, which we test on a regular basis.

Training. We provide mandatory cybersecurity training to employees and contractors on an annual basis. We test our employees' response to simulated phishing scenarios on a regular basis. We also conduct enhanced training for certain groups of employees that may pose higher risk.

Assessments. We examine the effectiveness of our cyber defenses through various means, including internal audits, targeted testing, vulnerability testing, maturity assessments, incident response exercises and industry benchmarking.

Insurance Coverage. We maintain insurance coverage relating to cybersecurity risks. As described in "Risk Factors—Operational and Model Risk," our insurance may not be sufficient to provide adequate loss coverage.

Role of External Consultants, Vendors and Other Third Parties

We regularly use external consultants and vendors to assist in our assessment and management of cybersecurity risks, including employing third parties to evaluate the security of our networks and our approach to cybersecurity risk management, such as external vendors that conduct penetration testing against our network on at least an annual basis, an external vendor that reviews and tests our cybersecurity incident response plan on at least an annual basis, and external vendors that support our network event alerting and detection capabilities. We also have external vendors on retainer to assist with cybersecurity incident response activities if requested.

We are also focused on building and maintaining relationships with the appropriate government and law enforcement agencies and with other businesses, industry groups and cybersecurity services to better understand the cybersecurity risks in our environment, enhance our defenses and improve our resiliency against cybersecurity threats.

Third-Party Cybersecurity Risk Oversight

Our cybersecurity risk management program extends to oversight of third parties that pose a cybersecurity risk to us, including lenders that use our systems and third-party service providers. In alignment with the NIST Cybersecurity Framework and FHFA regulatory guidance, we have established a risk-based framework for managing third-party risk that defines specified triggers for assessing and reporting cyber-related third-party risks and events. Pursuant to this framework, we have implemented both preventive and detective controls to mitigate cybersecurity risks posed by third parties.

We have identified certain third parties that we believe pose a higher cybersecurity risk to us because they have significant access to our systems or data. For these higher-risk third parties, we have implemented additional requirements, including:

- We assess these higher-risk third parties' cybersecurity controls through a cybersecurity questionnaire and a review of their cybersecurity controls, either through independent audits or by direct review of their cybersecurity policies and practices.
- We use third-party cybersecurity monitoring and alert services to monitor these higher-risk third parties.
- We conduct periodic monitoring reviews of these higher-risk third parties' cybersecurity policies and practices.

Cybersecurity Governance

Overview

We address the risk from cybersecurity threats using a cross-functional approach, involving management personnel from our technology, operations, legal, corporate risk & compliance, internal audit and other key business functions in an ongoing dialogue regarding cybersecurity threats and incidents. As described in "Board Oversight" below, management also regularly reports to the Risk Policy and Capital Committee of the Board on cybersecurity risk matters. We have implemented controls and procedures for the escalation of cybersecurity incidents so that decisions regarding the disclosure and reporting of such incidents can be made in a timely manner.

Board Oversight

The full Board of Directors oversees the company's cybersecurity risk management, assisted by the Risk Policy and Capital Committee of the Board. The Board has delegated management-level risk oversight, including for cybersecurity risk matters, to the Enterprise Risk Committee, as described under "Management Role" below.

The Risk Policy and Capital Committee of the Board discusses cybersecurity risk matters with management throughout the year. Senior management team members, such as the Chief Security Officer or Deputy Chief Risk Officer of Non-Financial Risk & Compliance, report to the Risk Policy and Capital Committee and/or the Board on matters such as updates on our cybersecurity risk management program, resiliency, and external cybersecurity developments, threats and risks. The company has procedures to escalate information regarding certain cybersecurity incidents to the Board Chair. At least once every two years, the Risk Policy and Capital Committee reviews and approves the company's Cybersecurity Risk Policy and Operational Risk Policy.

Management Role

Our Chief Security Officer leads our Information Security organization, which has primary responsibility for assessing and managing our cybersecurity risks. Our Chief Security Officer has principal management responsibility for overseeing the company's cybersecurity risk management program. Our Chief Security Officer reports to our Chief Control Officer and Head of Enterprise Operations.

The Information Security organization works collaboratively across the company to help protect the company's information systems from cybersecurity threats and to respond to cybersecurity threats and incidents. The Information Security organization monitors information systems to detect anomalies, including attempted cyber attacks, as well as user activity for access controls and risks of insider threat. The Information Security organization also monitors and investigates cybersecurity incidents through detection tools, reports from end users, and other cybersecurity threat and vulnerability intelligence. The Information Security organization also shares and obtains information on cybersecurity threats through participation in the Financial Services Information Sharing and Analysis Center, referred to as FS-ISAC, a member-driven organization that advances cybersecurity and resilience in the global financial system.

As appropriate, multidisciplinary teams are deployed to address cybersecurity threats and to respond to cybersecurity incidents in accordance with the company's incident response processes. The Information Security organization and Corporate Risk & Compliance division are informed about and monitor the prevention, detection and mitigation of cybersecurity incidents through risk and control assessments, targeted reviews, scenario analysis, and monitoring of risk metrics. The company's performance in managing cybersecurity risk is reported to the Technology & Third Party Risk Committee, the Enterprise Risk Committee and the Risk Policy and Capital Committee of the Board of Directors.

As noted above, the Board has delegated oversight responsibility at the management level for risk-related matters to the Enterprise Risk Committee, members of which include senior leaders throughout the company. The Enterprise Risk Committee has delegated primary responsibility for management-level oversight of cybersecurity risk management to the Technology & Third Party Risk Committee. The Technology & Third Party Risk Committee receives reports on cybersecurity risk matters on a regular basis from the company's Chief Security Officer. The Technology & Third Party Risk Committee reviews and approves the company's management-level cybersecurity risk policies and standards. The

Technology & Third Party Risk Committee also reviews and monitors metrics relating to cybersecurity risk. The Technology & Third Party Risk Committee escalates matters to the Operational Risk Committee or the Enterprise Risk Committee as appropriate.

The company's Corporate Risk & Compliance division provides risk-based independent oversight of cybersecurity risk management performed by the Information Security organization. Members of the Corporate Risk & Compliance division chair the Technology & Third Party Risk Committee and the Enterprise Risk Committee.

The company's Internal Audit organization audits the Corporate Risk & Compliance division's oversight of cybersecurity risk management and also independently tests the effectiveness of the company's cybersecurity risk management and governance. Members of the Internal Audit organization participate as non-voting members of both the Technology & Third Party Risk Committee and the Enterprise Risk Committee.

Management Expertise

Chief Security Officer

Our Chief Security Officer has over 21 years of professional experience in information security, including over 1 year in his current position, over 8 years as Fannie Mae's Chief Information Security Officer (2016-2024) and over 1 year as Fannie Mae's Deputy Chief Information Security Officer. Our Chief Security Officer holds a graduate degree in information technology management.

Technology & Third Party Risk Committee

Members of the Technology & Third Party Risk Committee include officers with expertise in cybersecurity risk oversight, such as the Chief Security Officer described above and the head of our Technology and Third Party Risk Oversight department. As of December 2025, several members of the Technology & Third Party Risk Committee had prior work experience in cybersecurity and several had a relevant degree or certification, or other knowledge, skills or background in cybersecurity.

Impact of Risks from Cybersecurity Threats

We and the third parties with which we do business have been, and we expect will continue to be, the target of cyber attacks and other cybersecurity threats. To date, risks from cybersecurity threats, including as a result of previous cybersecurity incidents, have not materially affected our business, including our business strategy, results of operations or financial condition. However, large-scale cyber attacks perpetrated against other companies in recent years suggest that the risk of damaging cyber attacks is increasing. Notwithstanding our efforts to manage cybersecurity risks as described above, we may not be successful in preventing or mitigating a cybersecurity incident that could have a material adverse effect on our business, including our business strategy, results of operations and financial condition. See "Risk Factors—Operational and Model Risk" for additional discussion of cybersecurity risks to our business.

Item 2. Properties

There are no physical properties that are material to us.

Item 3. Legal Proceedings

This item describes our material legal proceedings. We describe additional material legal proceedings in "Note 17, Commitments and Contingencies," which is incorporated herein by reference. In addition to the matters specifically described or incorporated by reference in this item, we are involved in legal and regulatory proceedings that arise in the ordinary course of business that we do not expect will have a material impact on our business or financial condition. However, litigation claims and proceedings of all types are subject to many factors and their outcome and effect on our business and financial condition generally cannot be predicted accurately.

We establish an accrual for legal claims only when a loss is probable and we can reasonably estimate the amount of such loss. The actual costs of resolving legal claims may be substantially higher or lower than the amounts accrued for those claims. If certain of these matters are determined against us, FHFA or Treasury, it could have a material adverse effect on our results of operations, liquidity and financial condition, including our net worth.

Senior Preferred Stock Purchase Agreements Litigation

Since June 2013, preferred and common stockholders of Fannie Mae and Freddie Mac filed lawsuits in multiple federal courts against one or more of the United States, Treasury and FHFA, challenging actions taken by the defendants relating to the Fannie Mae and Freddie Mac senior preferred stock purchase agreements and the conservatorships of Fannie Mae and Freddie Mac. Some of these lawsuits also contain claims against Fannie Mae and Freddie Mac. The

legal claims being advanced by one or more of these lawsuits include challenges to the net worth sweep dividend provisions of the senior preferred stock that were implemented pursuant to August 2012 amendments to the agreements, the payment of dividends to Treasury under the net worth sweep dividend provisions, and FHFA's decision to require Fannie Mae and Freddie Mac to draw funds from Treasury to pay dividends to Treasury prior to the August 2012 amendments. The plaintiffs seek various forms of equitable and injunctive relief as well as damages. The cases that remain pending or were terminated after September 30, 2025 are as follows:

District of Columbia (In re Fannie Mae/Freddie Mac Senior Preferred Stock Purchase Agreement Class Action Litigations and Fairholme Funds v. FHFA). Fannie Mae is a defendant in two cases filed in the U.S. District Court for the District of Columbia, including a consolidated class action. The cases were consolidated for trial, and on August 14, 2023, the jury returned a verdict for the plaintiffs and awarded damages of $299.4 million to Fannie Mae preferred stockholders. On March 20, 2024, the court entered final judgment and set the amount of prejudgment interest owed by Fannie Mae at $199.7 million. Defendants filed a notice of appeal on April 11, 2025, and plaintiffs filed a notice of cross appeal on April 25, 2025. See "Note 17, Commitments and Contingencies" for additional information.

Western District of Michigan (Rop et al. v. FHFA et al.). On June 1, 2017, preferred and common stockholders of Fannie Mae and Freddie Mac filed a complaint for declaratory and injunctive relief against FHFA and Treasury in the U.S. District Court for the Western District of Michigan. FHFA and Treasury moved to dismiss the case on September 8, 2017, and plaintiffs filed a motion for summary judgment on October 6, 2017. On September 8, 2020, the court denied plaintiffs' motion for summary judgment and granted defendants' motion to dismiss. On October 4, 2022, the U.S. Court of Appeals for the Sixth Circuit reversed the dismissal and remanded the case to the district court to determine whether the stockholders suffered compensable harm. On February 2, 2023, plaintiffs filed a petition with the Supreme Court seeking review of the Sixth Circuit's decision, which the Supreme Court denied on June 12, 2023. On August 11, 2023, plaintiffs submitted a motion for leave to file an amended complaint in the district court, which the court denied on December 11, 2024. On March 27, 2025, FHFA filed a motion for judgment on the pleadings. Treasury likewise filed a motion for judgment on the pleadings on March 28, 2025. On April 1, 2025, plaintiffs filed a motion for leave to amend their complaint.

U.S. Court of Federal Claims (Fisher et al. v. United States of America). On December 2, 2013, common stockholders of Fannie Mae filed a lawsuit against the United States that listed Fannie Mae as a nominal defendant. The plaintiffs alleged that the net worth sweep dividend provisions of the senior preferred stock that were implemented pursuant to the August 2012 amendment constituted a taking of Fannie Mae's property without just compensation in violation of the U.S. Constitution. On February 15, 2023, the court issued an order for plaintiffs to show cause why their claims should not be dismissed, as claims similar to theirs brought by other Fannie Mae stockholders in other cases against the United States had been dismissed by the court. On September 1, 2023, the court dismissed the case with prejudice. On August 12, 2025, the U.S. Court of Appeals for the Federal Circuit affirmed the trial court's order dismissing the case. The plaintiffs did not file a petition with the Supreme Court seeking further review by the November 10, 2025 deadline, and the case is now concluded.

Item 4. Mine Safety Disclosures

None.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Common Stock

Our common stock is traded in the over-the-counter market and quoted on the OTCQB, operated by OTC Markets Group Inc., under the ticker symbol "FNMA." Over-the-counter market quotations for our common stock reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A., and its address is P.O. Box 43006, Providence, RI 02940-3006 or, for overnight correspondence, 150 Royall St., Suite 101, Canton, MA 02021.

Holders

As of January 29, 2026, we had approximately 6,800 registered holders of record of our common stock. In addition, as of January 29, 2026, Treasury held a warrant giving it the right to purchase shares of our common stock equal to 79.9% of the total number of shares of our common stock outstanding on a fully diluted basis on the date of exercise.

Recent Sales of Unregistered Equity Securities

Under the terms of our senior preferred stock purchase agreement with Treasury, we are prohibited from selling or issuing our equity interests without the prior written consent of Treasury except under limited circumstances described in "Business—Conservatorship and Treasury Agreements—Treasury Agreements—Covenants."

During the quarter ended December 31, 2025, we did not sell any equity securities.

Information about Certain Securities Issuances by Fannie Mae

Pursuant to SEC regulations, public companies are required to disclose certain information when they incur a material direct financial obligation or become directly or contingently liable for a material obligation under an off-balance sheet arrangement. The disclosure must be made in a current report on Form 8-K under Item 2.03 or, if the obligation is incurred in connection with certain types of securities offerings, in prospectuses for that offering that are filed with the SEC.

Because the securities we issue are exempted securities under the Securities Act of 1933, we do not file registration statements or prospectuses with the SEC with respect to our securities offerings. To comply with the disclosure requirements of Form 8-K relating to the incurrence of material financial obligations, in accordance with a "no-action" letter we received from the SEC staff in 2004, we report our incurrence of these types of obligations in offering circulars or prospectuses (or supplements thereto) that we post on our website within the same time period that a prospectus for a non-exempt securities offering would be required to be filed with the SEC. To the extent we incur a material financial obligation that is not disclosed in this manner, we would file a Form 8-K if required to do so under applicable Form 8-K requirements.

The website address for disclosure about our debt securities is www.fanniemae.com/debtsearch. From this address, investors can access the offering circular and related supplements for debt securities offerings under Fannie Mae's universal debt facility, including pricing supplements for individual issuances of debt securities. Disclosure about our obligations pursuant to the MBS we issue, some of which may be off-balance sheet obligations, can be found at www.fanniemae.com/mbsdisclosure. From this address, investors can access information and documents about our MBS, including prospectuses and related prospectus supplements. We are providing our website address solely for your information. Information appearing on our website is not incorporated into this report.

Our Purchases of Equity Securities

We did not repurchase any of our equity securities during the fourth quarter of 2025.

Dividends

As described in "Business—Conservatorship and Treasury Agreements," our conservator has eliminated dividends on our common and preferred stock (other than dividends on the senior preferred stock) during the conservatorship. In addition, under the current terms of our senior preferred stock purchase agreement with Treasury, we may not pay dividends or make other distributions on or repurchase our equity securities (other than the senior preferred stock) without the prior written consent of Treasury.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

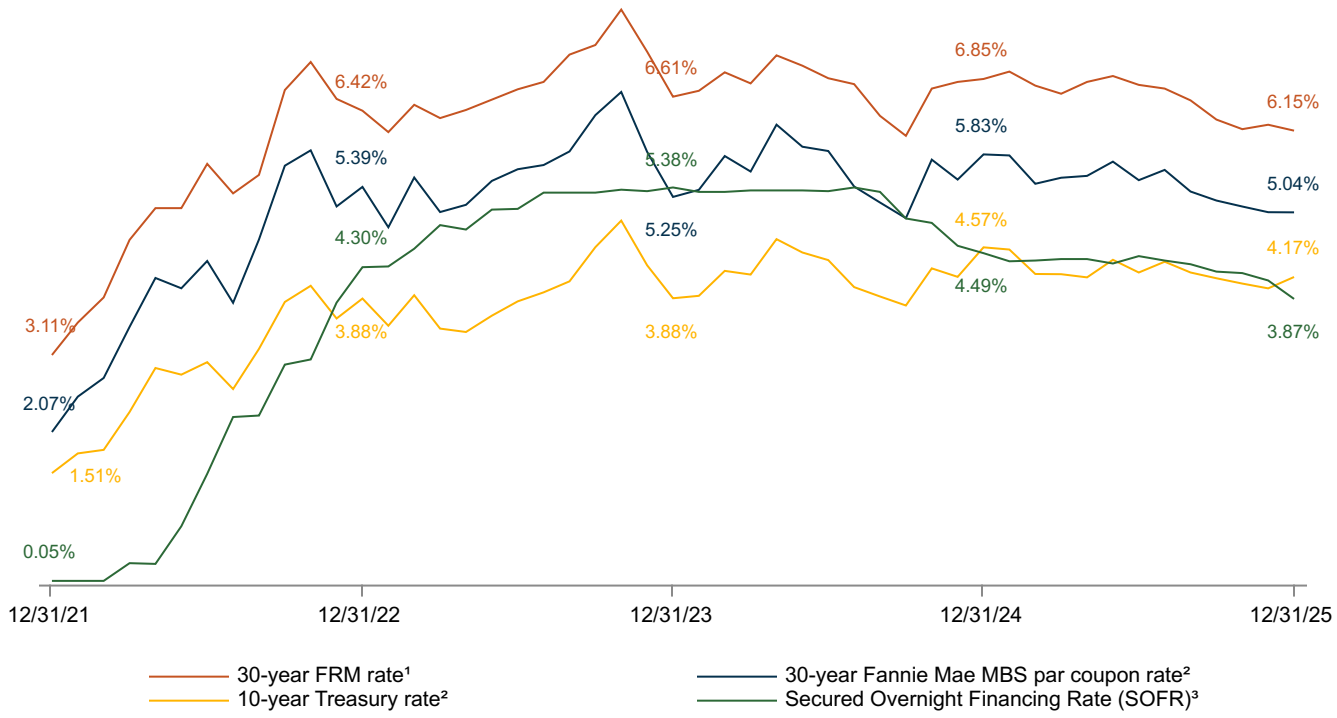
You should read this MD&A together with our consolidated financial statements and the accompanying notes included in this report. This MD&A does not discuss 2023 performance or a comparison of 2023 versus 2024 performance for select areas where we have determined the omitted information is not necessary to understand our current-period financial condition, changes in our financial condition, or our results. The omitted information may be found in our 2024 Form 10-K, filed with the SEC on February 14, 2025, in MD&A sections titled "Consolidated Results of Operations," "Single-Family Business," "Multifamily Business," and "Liquidity and Capital Management."

Key Market Economic Indicators

Below we discuss how varying macroeconomic conditions can influence our financial results across different business and economic environments. Our forecasts and expectations are based on many assumptions, subject to many uncertainties and may change, perhaps substantially, from our current forecasts and expectations. See "Forward-Looking Statements" and "Risk Factors" for a discussion of factors that could cause actual results to differ materially from our current forecasts and expectations.

Market Interest Rates

Selected Market Interest Rates



(1) Refers to the U.S. weekly average fixed-rate mortgage rate according to Freddie Mac's Primary Mortgage Market Survey®. These rates are reported using the latest available data for a given period.

(2) According to Bloomberg.

(3) Refers to the daily rate per the Federal Reserve Bank of New York.

How Interest Rates Can Affect Our Financial Results

- *Net interest income*. Changes in interest rates impact the timing of when we recognize certain components of net interest income. Our primary source of net interest income is guaranty fees we receive for assuming the

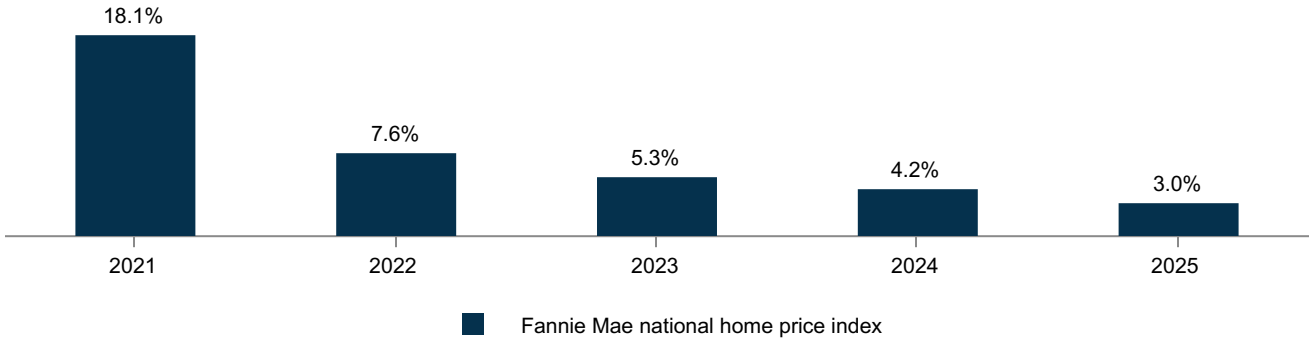
credit risk on our guaranty book of business, which consists of upfront and base guaranty fees. Since we amortize upfront guaranty fees over the contractual life of the loan, when a loan prepays, the remaining upfront fees on the loan are recognized as income in that period. In a rising interest-rate environment, our mortgage loans generally prepay more slowly as borrowers are less likely to refinance, which typically results in lower deferred guaranty fee income as those upfront fees are amortized into interest income over a longer period of time. Conversely, in a declining interest-rate environment, our mortgage loans generally prepay faster as borrowers are more likely to refinance, typically resulting in higher deferred guaranty fee income as loan prepayments accelerate the realization of those upfront fees as interest income. However, since most of the loans in our single-family guaranty book of business continue to have mortgage interest rates meaningfully below the current prevailing rate as of December 31, 2025, we may not experience higher deferred guaranty fee income in a declining interest-rate environment unless mortgage interest rates drop to a level that is low enough to incentivize more borrowers to refinance. Interest rates also affect the amount of interest income we earn on our assets. Our corporate liquidity portfolio and certain mortgage-related assets typically earn more interest income in a higher interest-rate environment and less interest income in a lower interest-rate environment. On our corporate debt, we typically pay more interest in a higher interest-rate environment and less interest in a lower interest-rate environment. See “Consolidated Results of Operations—Net Interest Income” for a discussion of how interest rate changes impacted our financial results and for information on the interest rates of the loans in our single-family conventional guaranty book of business compared to the prevailing average 30-year fixed-rate mortgage rate as of year-end 2025.

- *Fair value gains (losses)*. We have exposure to fair value gains and losses resulting from changes in interest rates, primarily through our trading securities, mortgage commitment derivatives and risk management derivatives, which we mark to market through earnings. We apply fair value hedge accounting to address some of this exposure to interest rates. For more information about our fair value gains (losses), see “Consolidated Results of Operations—Fair Value Gains (Losses), Net.”
- *(Provision) benefit for credit losses*. When mortgage interest rates increase, our expected credit losses on loans generally increase because (1) we expect fewer borrowers will refinance their loans, thereby extending the expected life of the loan, which increases our expectation of loss and (2) borrowers with adjustable-rate loans or multifamily loans with balloon balances due at maturity face increased costs and a reduced ability to refinance. This increase in our expectation of loss contributes to our provision for credit losses. Conversely, when mortgage interest rates decrease, our expectation of loss generally decreases, which reduces our provision for credit losses. For more information on our (provision) benefit for credit losses, see “Consolidated Results of Operations—(Provision) Benefit for Credit Losses.”

The U.S. weekly average 30-year fixed-rate mortgage rate decreased to 6.15% at the end of the fourth quarter of 2025, compared to 6.30% at the end of the third quarter of 2025 and 6.85% at the end of the fourth quarter of 2024.

Home Prices

Single-Family Annual Home Price Growth Rate[1]



(1) Calculated internally using property data on loans purchased by Fannie Mae, Freddie Mac, and other third-party home sales data. Fannie Mae’s home price index is a weighted repeat transactions index, measuring average price changes in repeat sales on the same properties. Fannie Mae’s home price index excludes prices on properties sold in foreclosure. Fannie Mae’s home price growth rates represent estimates based on non-seasonally adjusted preliminary data and are subject to change as additional data becomes available.

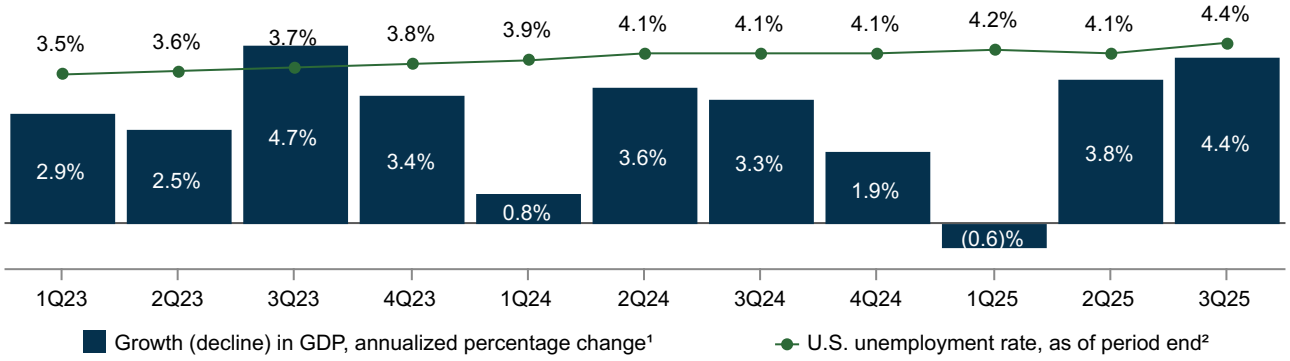
How Home Prices Can Affect Our Financial Results

- Actual and forecasted home prices impact our provision or benefit for credit losses as well as the growth and size of our guaranty book of business.
- Changes in home prices affect the amount of equity that borrowers have in their homes. Borrowers with less equity typically have higher delinquency and default rates, particularly in times of economic stress.
- As home prices increase, the severity of losses we incur on defaulted loans that we hold or guarantee decreases because the amount we can recover from the properties securing the loans increases. Declines in home prices may increase the losses we incur on defaulted loans.
- As home prices rise, the principal balance of loans associated with newly acquired purchase loans may increase, causing growth in the size of our guaranty book. Additionally, rising home prices can increase the amount of equity borrowers have in their home, which may lead to an increase in origination volumes for cash-out refinance loans with higher principal balances than the existing loan. Replacing existing loans with newly acquired cash-out refinances can affect the growth and size of our guaranty book.

We currently estimate home prices on a national basis increased by 3.0% in 2025. We expect home price growth of 2.4% on a national basis in 2026. We also expect regional variation in the timing and rate of home price changes.

Economic Activity

GDP and Unemployment Rate



(1) Real GDP growth (decline) is based on the quarterly series calculated by the Bureau of Economic Analysis and is subject to revision.

(2) According to the U.S. Bureau of Labor Statistics and subject to revision.

How GDP and the Unemployment Rate Can Affect Our Financial Results

- Changes in U.S. gross domestic product ("GDP") and the unemployment rate can affect several mortgage market factors, including the demand for both single-family and multifamily housing and the level of loan delinquencies, which impact credit losses.
- Economic growth is a key factor for the performance of mortgage-related assets. In a growing economy, employment and income typically rise, thus allowing borrowers to meet payment requirements, existing homeowners to consider purchasing and moving to another home, and renters to consider becoming homeowners. Homebuilding typically increases to meet the rise in demand. Mortgage delinquencies typically fall in an expanding economy, thereby decreasing credit losses.
- In a slowing economy, income growth and housing activity typically slow, followed by softening employment. As an economic slowdown intensifies, households typically reduce their spending, further accelerating the slowdown. An economic slowdown can lead to employment losses, impairing the ability of borrowers and renters to meet mortgage and rental payments, thus causing loan delinquencies to rise.

GDP increased in the first three quarters of 2025. Bureau of Economic Analysis GDP data for the fourth quarter of 2025 was not available at the time of filing this report. However, we anticipate that the fourth quarter 2025 GDP report will show growth, and that GDP will continue to grow in 2026. The unemployment rate was 4.4% in December 2025, flat from September 2025. We expect the unemployment rate to remain relatively stable in 2026.

The impact of trade, fiscal, monetary, regulatory, and immigration policies, and geopolitical events, is uncertain and could materially impact our outlook for interest rates, home price growth, and economic growth.

See "Risk Factors—Credit Risk" and "Risk Factors—Market and Industry Risk" for further discussion of risks to our business and financial results associated with interest rates, home prices, and economic conditions.

Consolidated Results of Operations

This section discusses our consolidated results of operations and should be read together with our consolidated financial statements and the accompanying notes.

In the third quarter of 2025, we made a change in accounting principle, which has been applied retrospectively to the consolidated balance sheets and consolidated statements of cash flows. In the third and fourth quarters of 2025, we also revised the presentation of certain items in the consolidated statements of operations and other comprehensive income, and prior periods have been recast accordingly. Refer to "Note 1, Summary of Significant Accounting Policies—Basis of Presentation" for a description of these changes in accounting principle and presentation.

Summary of Consolidated Results of Operations

	For the Year Ended December 31,			Variance	
	2025	2024	2023	2025 vs. 2024	2024 vs. 2023
	(Dollars in millions)				
Net interest income[1]	**$ 28,608**	$ 28,748	$ 28,773	$ (140)	$ (25)
Fee and other income	**356**	321	275	35	46
Net revenues	**28,964**	29,069	29,048	(105)	21
Fair value gains (losses), net	**90**	1,821	1,304	(1,731)	517
Investment gains (losses), net[2]	**105**	(96)	(265)	201	169
Other gains (losses), net	**195**	1,725	1,039	(1,530)	686
(Provision) benefit for credit losses	**(1,606)**	186	1,670	(1,792)	(1,484)
Non-interest expense:					
Administrative expenses[3]	**(3,579)**	(3,619)	(3,445)	40	(174)
Legislative assessments[4]	**(3,749)**	(3,766)	(3,745)	17	(21)
Credit enhancement expense[5]	**(1,656)**	(1,641)	(1,512)	(15)	(129)
Other income (expense), net[2][6]	**(586)**	(685)	(1,099)	99	414
Total non-interest expense	**(9,570)**	(9,711)	(9,801)	141	90
Income before federal income taxes	**17,983**	21,269	21,956	(3,286)	(687)
Provision for federal income taxes	**(3,619)**	(4,291)	(4,548)	672	257
Net income	**$ 14,364**	$ 16,978	$ 17,408	$ (2,614)	$ (430)
Total comprehensive income	**$ 14,355**	$ 16,975	$ 17,405	$ (2,620)	$ (430)

(1) Includes net interest income generated by the 10 basis point guaranty fee increase we implemented pursuant to the Temporary Payroll Tax Cut Continuation Act of 2011, and as extended by the Infrastructure Investment and Jobs Act, which is paid to Treasury and not retained by us. We refer to this as TCCA fees, or income related to TCCA.

(2) Beginning in the fourth quarter of 2025, we changed the presentation of debt extinguishment gains and losses from "Other income (expense), net" to "Investment gains (losses), net." Prior periods have been recast to conform with the current period presentation.

(3) Consists of salaries and employee benefits and professional services, technology and occupancy expenses.

(4) Consists of TCCA fees, affordable housing allocations and FHFA assessments.

(5) Single-family credit enhancement expense consists of costs associated with our freestanding credit enhancements, which primarily include our CAS and CIRT programs, enterprise-paid mortgage insurance ("EPMI") and certain lender risk-sharing programs. Multifamily credit enhancement expense primarily consists of costs associated with our Multifamily CIRT™ ("MCIRT™") and Multifamily Connecticut Avenue Securities® ("MCAS™") programs as well as amortization expense for certain lender risk-sharing programs. Excludes CAS transactions accounted for as debt instruments and credit risk transfer programs accounted for as derivative instruments.

(6) Primarily consists of foreclosed property income (expense), change in the expected benefits from our freestanding credit enhancements, and gains (losses) from partnership investments.

Net Interest Income

Overview

Our primary source of net interest income is guaranty fees we receive for assuming the credit risk on mortgage loans underlying Fannie Mae MBS held by third parties in our guaranty book of business. We recognize almost all of our guaranty fee revenue in net interest income because, in our consolidated balance sheets, we consolidate the substantial majority of mortgage loans underlying our Fannie Mae MBS. Guaranty fees from these mortgage loans account for the difference between the interest income on mortgage loans in consolidated trusts and the interest expense on the debt of consolidated trusts.

We also earn interest income from our retained mortgage portfolio and corporate liquidity portfolio as described below. In addition, income or expense from hedge accounting is a component of our net interest income.

Net Interest Income from Guaranty Book of Business

For single-family mortgage loans, there are two components of our guaranty fees:

- *Base fees.* These fees are ongoing fees that factor into a mortgage loan's interest rate, which are collected each month over the life of the mortgage loan.
- *Upfront fees*. These fees are one-time payments made by lenders upon loan delivery to us. Upfront fees include risk-based fees, referred to as "loan-level price adjustments," that vary by the attributes of the loan and the borrower (such as loan size, LTV ratio, borrower credit score, etc.). Upfront fees also include payments we make to and receive from lenders to adjust the monthly contractual guaranty fee rate on a Fannie Mae MBS. These fees are initially recorded as cost basis adjustments to the mortgage loan and are then amortized into net interest income over the contractual life of the loan.

For multifamily mortgage loans, base fees are the primary component of our guaranty fee.

In our "Components of Net Interest Income" table, we display net interest income from our guaranty book of business in three categories:

- *Base guaranty fee income excluding TCCA,* which primarily consists of ongoing monthly fees that are contractually due to us for assuming credit risk and that we collect and recognize each month over the life of the mortgage loan, excluding the portion of those fees related to the TCCA described below.
- *Base guaranty fee income related to TCCA,* which is the portion of the base fees we collect that are not retained by us but paid to Treasury pursuant to the Temporary Payroll Tax Cut Continuation Act of 2011, as amended.
- *Deferred guaranty fee income,* which primarily represents income from the upfront fees described above that are amortized into net interest income. Deferred guaranty fee income also includes the amortization of cost basis adjustments on our mortgage loans and debt of consolidated trusts that are not associated with upfront fees. These basis adjustments consist of premiums and discounts that are established when we initially recognize mortgage loans and debt of consolidated trusts in our consolidated balance sheets at fair value. We amortize these basis adjustments over the contractual life of the associated financial instrument.

Other Sources of Net Interest Income

Net Interest Income from Portfolios

We also recognize net interest income on the difference between interest income earned on the assets in our retained mortgage portfolio and our corporate liquidity portfolio (collectively, our "portfolios") and the interest expense associated with our funding debt. See "Retained Mortgage Portfolio" and "Liquidity and Capital Management—Liquidity Management—Corporate Liquidity Portfolio" for more information about our portfolios.

Income (Expense) from Hedge Accounting

To reduce the impact of interest-rate volatility on our financial results, we apply fair value hedge accounting. As a result, during the hedging period, we recognize fair value changes attributable to movements in benchmark interest rates for mortgage loans, funding debt, and the related interest-rate swaps in the hedging relationships, as a component of net interest income. We also recognize the amortization of hedge-related basis adjustments and any related interest accrual on the swaps as a component of net interest income.

As of December 31, 2025, 2024 and 2023, we had $2.0 billion, $2.6 billion and $3.6 billion, respectively, in net cumulative fair value hedge basis adjustments. These adjustments have been or will be amortized as net expenses over the remaining contractual life of the respective hedged items in the "Income (expense) from hedge accounting" line item in the "Components of Net Interest Income" table below. The substantial majority of these hedge basis adjustments relate to our funding debt. See "Note 1, Summary of Significant Accounting Policies" and "Note 9, Derivative Instruments" for more information about our hedge accounting program.

Components of Net Interest Income

The table below displays the components of our net interest income from our guaranty book of business, from our portfolios, as well as from hedge accounting.

Components of Net Interest Income

	For the Year Ended December 31,			Variance	
	2025	2024	2023	2025 vs. 2024	2024 vs. 2023
	(Dollars in millions)				
Net interest income from guaranty book of business:					
Base guaranty fee income excluding TCCA	**$ 16,980**	$ 16,557	$ 16,155	$ 423	$ 402
Base guaranty fee income related to TCCA	**3,424**	3,442	3,431	(18)	11
Net deferred guaranty fee income	**3,191**	3,291	4,003	(100)	(712)
Total net interest income from guaranty book of business	**23,595**	23,290	23,589	305	(299)
Net interest income from portfolios[(1)]	**5,590**	6,298	6,173	(708)	125
Income (expense) from hedge accounting	**(577)**	(840)	(989)	263	149
Total net interest income	**$ 28,608**	$ 28,748	$ 28,773	$ (140)	$ (25)

(1) Includes interest income from assets held in our retained mortgage portfolio and our corporate liquidity portfolio, as well as other assets used to support lender liquidity. Also includes interest expense on our funding debt.

Net interest income decreased by $140 million in 2025 compared with 2024 primarily driven by lower net interest income from portfolios, partially offset by higher base guaranty fee income.

- *Lower net interest income from portfolios.* Lower net interest income from portfolios in 2025 compared with 2024 was primarily driven by higher costs on long-term funding debt. This was driven by higher average rates on our long-term funding debt as we issued debt in a higher-interest rate environment relative to maturing long-term debt as well as a higher average balance outstanding.
- *Higher base guaranty fee income.* Higher base guaranty fee income was primarily driven by higher average guaranty fees on recent single-family acquisitions as well as an increase in our multifamily guaranty book of business.

Net interest income was relatively flat in 2024 compared with 2023. The $25 million decline was driven by lower deferred guaranty fee income, primarily offset by higher income from base guaranty fees and lower expense from hedge accounting.

- *Lower deferred guaranty fee income.* The decrease in deferred guaranty fee income in 2024 compared to 2023 was primarily driven by less income from the amortization of premiums on debt of consolidated trusts. This decrease was largely driven by rising interest rates throughout much of 2023 and 2024, which reduced the prices of newly issued MBS debt thereby decreasing premiums.
- *Higher base guaranty fee income.* Higher base guaranty fee income was primarily driven by higher average guaranty fees on recent single-family acquisitions.
- *Lower expense from hedge accounting*. We had lower expense from hedge accounting in 2024 compared with 2023, primarily driven by lower interest expense on derivatives in hedging relationships.

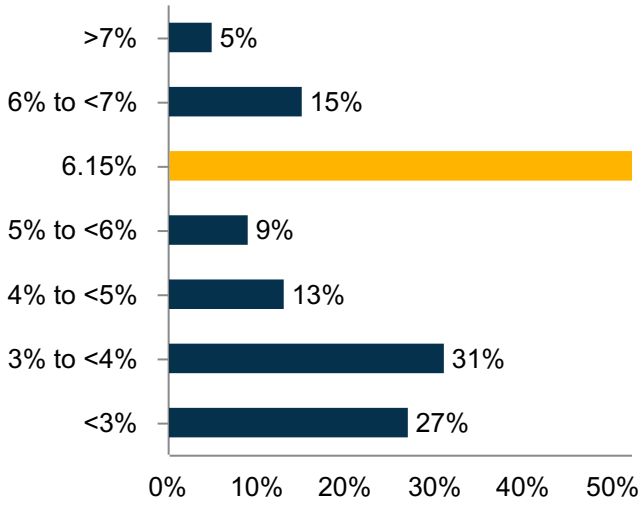
Analysis of Unamortized Deferred Guaranty Fees

The following charts present information about the interest rates of the loans in our single-family conventional guaranty book of business as well as information about our deferred guaranty fees.

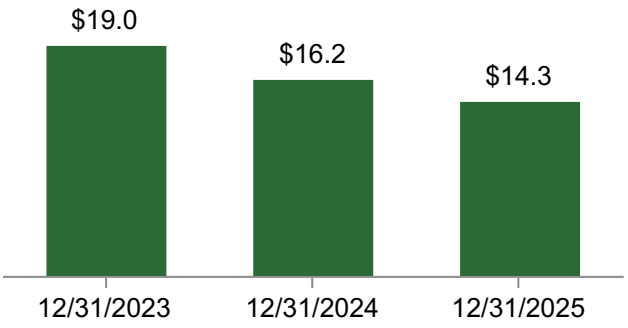
As shown in the chart below (on the left), most of our single-family conventional guaranty book of business as of December 31, 2025 had an interest rate lower than the U.S. weekly average 30-year fixed-rate mortgage rate. Per Freddie Mac's Primary Mortgage Market Survey®, as of December 31, 2025, the U.S. weekly average interest rate for a single-family 30-year fixed-rate mortgage was 6.15%. Accordingly, even if interest rates decline to 5%, most of the borrowers whose mortgage loans are in our single-family conventional guaranty book of business still would not be incentivized to refinance.

The other chart below (on the right) presents guaranty fees that will be amortized into deferred guaranty fee income in future periods, which we refer to as "unamortized deferred guaranty fees." Deferred guaranty fees primarily result from the upfront fees that we receive on single-family loans we acquire, which are recorded as cost basis adjustments to the mortgage loan. Deferred guaranty fees also include cost basis adjustments on our mortgage loans and debt of consolidated trusts that are not associated with upfront fees, such as premiums and discounts. We amortize these cost basis adjustments as deferred guaranty fee income over the remaining contractual life of the mortgage loans or debt. As discussed in "Key Market Economic Indicators," the timing of when we recognize deferred guaranty fee income depends on the life of the mortgage loan, which, for single-family in particular, is sensitive to changes in mortgage interest rates as those changes impact the borrowers' incentive to refinance.

Interest Rates of Single-Family Conventional Guaranty Book of Business Compared with the U.S. Weekly Average 30-Year Fixed-Rate Mortgage Rate As of December 31, 2025



Unamortized Deferred Guaranty Fees (Dollars in billions)



Represents the U.S. weekly average 30-year fixed-rate mortgage rate as of December 31, 2025, according to Freddie Mac's Primary Mortgage Market Survey®.

Represents the percentage of single-family conventional guaranty book of business by select interest rate band based on the current interest rate of the mortgage loans.

Represents the net unamortized cost basis adjustment balance that will be amortized and recognized through deferred guaranty fee income over the remaining contractual life of the mortgage loans or debt.

The amount of deferred guaranty fee income we record can vary and is primarily impacted by: (1) the amount of upfront fees we charge on single-family mortgage loans, (2) changes in interest rates, which affect the premiums and discounts we record on newly acquired mortgage loans and newly created debt of consolidated trusts, and (3) the amount by which premiums and discounts on existing loans and debt of consolidated trust are different compared to newly acquired loans and debt. The balance of our unamortized deferred guaranty fees decreased as of December 31, 2025, compared with December 31, 2024, largely as a result of amortization of existing upfront fees on single-family loans and premiums of existing MBS debt. In addition, interest-rate-driven pricing changes resulted in fewer premiums on newly issued MBS debt relative to MBS debt that amortized, which further reduced the balance of unamortized deferred guaranty fees.

Analysis of Net Interest Income

The table below displays an analysis of our net interest income, average balances and related yields earned on assets and incurred on liabilities. For most components of the average balances, we use a daily weighted average of the UPB net of unamortized cost basis adjustments. When daily average balance information is not available, such as for mortgage loans, we use monthly averages.

Analysis of Net Interest Income and Yield[1]

	For the Year Ended December 31,								
	2025			2024			2023		
	Average Balance	Interest Income/ (Expense)	Average Rates Earned/ Paid	Average Balance	Interest Income/ (Expense)	Average Rates Earned/ Paid	Average Balance	Interest Income/ (Expense)	Average Rates Earned/ Paid
	(Dollars in millions)								
Interest-earning assets:									
Cash	**$ 11,575**	**$ 495**	**4.28 %**	$ 11,618	$ 607	5.22 %	$ 11,623	$ 594	5.11 %
Securities purchased under agreements to resell	**76,751**	**3,354**	**4.37**	78,451	4,170	5.32	86,486	4,427	5.12
Investments in securities	**78,239**	**2,438**	**3.12**	58,863	1,430	2.43	55,329	1,257	2.27
Mortgage loans:									
Mortgage loans of Fannie Mae	**53,692**	**2,231**	**4.16**	51,403	2,288	4.45	52,074	2,438	4.68
Mortgage loans of consolidated trusts	**4,081,061**	**149,918**	**3.67**	4,091,884	141,864	3.47	4,082,569	130,796	3.20
Total mortgage loans[2]	**4,134,753**	**152,149**	**3.68**	4,143,287	144,152	3.48	4,134,643	133,234	3.22
Advances to lenders	**3,297**	**182**	**5.52**	3,174	207	6.52	3,137	202	6.44
Total interest-earning assets	**$4,304,615**	**$ 158,618**	**3.68 %**	$4,295,393	$ 150,566	3.51 %	$4,291,218	$ 139,714	3.25 %
Interest-bearing liabilities:									
Short-term funding debt	**$ 14,177**	**$ (585)**	**4.13 %**	$ 11,674	$ (595)	5.10 %	$ 13,440	$ (672)	5.00 %
Long-term funding debt	**115,506**	**(5,036)**	**4.36**	108,579	(4,276)	3.94	117,979	(4,039)	3.42
Total debt of Fannie Mae	**129,683**	**(5,621)**	**4.33**	120,253	(4,871)	4.05	131,419	(4,711)	3.58
Debt securities of consolidated trusts held by third parties	**4,064,519**	**(124,389)**	**3.06**	4,082,271	(116,947)	2.86	4,083,997	(106,230)	2.60
Total interest-bearing liabilities	**$4,194,202**	**$ (130,010)**	**3.10 %**	$4,202,524	$ (121,818)	2.90 %	$4,215,416	$ (110,941)	2.63 %
Net interest income/net interest yield		**$ 28,608**	**0.66 %**		$ 28,748	0.67 %		$ 28,773	0.67 %

(1) Includes the effects of discounts, premiums and other cost basis adjustments, including basis adjustments related to hedge accounting.

(2) Average balance includes mortgage loans on nonaccrual status. Interest income includes loan fees of $3.0 billion, $2.8 billion and $2.8 billion for the years ended 2025, 2024 and 2023, respectively. Loan fees primarily consist of yield maintenance revenue we recognized on the prepayment of multifamily mortgage loans and the amortization of upfront cash fees exchanged when we acquire the mortgage loan.

The table below displays the change in our net interest income between periods and the extent to which that variance is attributable to: (1) changes in the volume of our interest-earning assets and interest-bearing liabilities or (2) changes in the interest rates of these assets and liabilities.

Rate/Volume Analysis of Changes in Net Interest Income

	2025 vs. 2024			2024 vs. 2023		
	Total Variance	Variance Due to:[1] Volume	Rate	Total Variance	Variance Due to:[1] Volume	Rate
	(Dollars in millions)					
Interest income:						
Cash	**$ (112)**	**$ (2)**	**$ (110)**	$ 13	$ —	$ 13
Securities purchased under agreements to resell	**(816)**	**(89)**	**(727)**	(257)	(422)	165
Investments in securities	**1,008**	**542**	**466**	173	83	90
Mortgage loans:						
Mortgage loans of Fannie Mae	**(57)**	**99**	**(156)**	(150)	(31)	(119)
Mortgage loans of consolidated trusts	**8,054**	**(376)**	**8,430**	11,068	299	10,769
Total mortgage loans	**7,997**	**(277)**	**8,274**	10,918	268	10,650
Advances to lenders	**(25)**	**8**	**(33)**	5	2	3
Total interest income	**$ 8,052**	**$ 182**	**$ 7,870**	$ 10,852	$ (69)	$ 10,921
Interest expense:						
Short-term funding debt	**$ 10**	**$ (115)**	**$ 125**	$ 77	$ 89	$ (12)
Long-term funding debt	**(760)**	**(284)**	**(476)**	(237)	338	(575)
Total debt of Fannie Mae	**(750)**	**(399)**	**(351)**	(160)	427	(587)
Debt securities of consolidated trusts held by third parties	**(7,442)**	**511**	**(7,953)**	(10,717)	45	(10,762)
Total interest expense	**(8,192)**	**112**	**(8,304)**	(10,877)	472	(11,349)
Net interest income	**$ (140)**	**$ 294**	**$ (434)**	$ (25)	$ 403	$ (428)

[1] Combined rate/volume variances are allocated between rate and volume based on the relative size of each variance.

(Provision) Benefit for Credit Losses

Our (provision) benefit for credit losses can vary substantially from period to period due to factors such as changes in actual and forecasted home prices, property valuations, and fluctuations in actual and forecasted interest rates. Other drivers include the volume and credit risk profile of our new acquisitions, borrower payment behavior; events such as natural disasters or pandemics; the type, volume and effectiveness of our loss mitigation activities, including forbearances and loan modifications, the volume of completed foreclosures and the volume and pricing of loans redesignated from held for investment (“HFI”) to held for sale (“HFS”). The benefit or provision for credit losses includes our benefit or provision for loan losses, advances of pre-foreclosure costs, accrued interest receivable losses, our guaranty loss reserves and credit losses on our available-for-sale (“AFS”) debt securities.

Our (provision) benefit for credit losses and our related loss reserves can also be impacted by updates to the models, assumptions and data used in determining our allowance for loan losses. Although we believe the estimates underlying our allowance as of December 31, 2025 are reasonable, they are subject to uncertainty. Changes in future economic conditions and loan performance from our current expectations may result in volatility in our allowance for loan losses and, as a result, our benefit or provision for credit losses. See “Critical Accounting Estimates” for additional information about how our estimate of credit losses is subject to uncertainty. See “Risk Factors—Credit Risk” for a discussion of factors that could result in significant provisions for credit losses on the loans in our book of business.

The table below presents our single-family and multifamily benefit or provision for credit losses and the change in expected credit enhancement recoveries.

(Provision) Benefit for Credit Losses and Change in Expected Credit Enhancement Recoveries by Segment

	For the Year Ended December 31,		
	2025	2024	2023
	(Dollars in millions)		
(Provision) benefit for credit losses:			
Single-family (provision) benefit for credit losses	**$ (1,323)**	$ 938	$ 2,165
Multifamily (provision) benefit for credit losses	**(283)**	(752)	(495)
Total (provision) benefit for credit losses	**$ (1,606)**	$ 186	$ 1,670
Change in expected credit enhancement recoveries:[1]			
Single-family	**$ (85)**	$ (134)	$ (310)
Multifamily	**158**	328	117
Total change in expected credit enhancement recoveries	**$ 73**	$ 194	$ (193)

[1] Consists of estimated changes in benefits from our freestanding credit enhancements, which are recognized as a component of "Other income (expense), net" in our consolidated statements of operations and comprehensive income.

Single-Family (Provision) Benefit for Credit Losses

Our single-family provision for credit losses in 2025 was primarily driven by current-year loan acquisitions and by loan delinquencies.

- *Provision for newly acquired loans.* The provision for newly acquired loans was largely attributable to our 2025 single-family acquisitions, which primarily consisted of purchase loans. At acquisition, we record expected lifetime credit losses for newly acquired loans, resulting in provision for credit losses. Purchase loans generally have higher original LTV ratios than refinance loans, and as a result, generally carry higher expected lifetime credit losses than refinance loans.
- *Provision from loan delinquencies.* As loans migrate into delinquency status, expected credit losses increase due to higher probabilities of default and greater loss severity assumptions. For 2025, provision related to loan delinquencies was primarily driven by loans that became newly delinquent during the year, as well as an increase in the population of loans that were 60 days or more past due, which resulted in higher expected credit losses.

Our single-family benefit for credit losses in 2024 was primarily driven by improvements to our longer-term single-family home price forecast, partially offset by provision from the risk profile of newly acquired loans, and provision related to higher mortgage interest rates.

- *Home price forecast benefit*. We recognized a benefit from improvements to our longer-term single-family home price forecast. Higher home prices decrease the likelihood that loans will default and reduce the amount of losses on loans that default, which impacts our estimate of losses and ultimately reduces our loss reserves and provision for credit losses.
- *Provision for newly acquired loans.* The provision for newly acquired loans was primarily driven by the credit risk profile of our 2024 single-family acquisitions, which primarily consisted of purchase loans.
- *Provision for higher interest rates.* We also recognized provision from higher mortgage interest rates. As mortgage rates increase, we expect a decrease in future prepayments on single-family loans. Lower expected prepayments extend the expected life of the loan, which increases our expectation of credit losses.

See "Key Market Economic Indicators" for additional information about how home prices and interest rates affect our credit loss estimates, including a discussion of home price growth and our home price forecast. Also see "Critical Accounting Estimates" for more information about our home price and interest rate forecasts and how they can impact our single-family (provision) benefit for credit losses.

Multifamily (Provision) Benefit for Credit Losses

Our multifamily provision for credit losses in 2025 was primarily driven by an increase in delinquencies including provision from seriously delinquent loans that were written down to the net recoverable amount of the loans' collateral value during the period. These factors were partially offset by a slightly improved long-term forecast of multifamily property net operating income ("NOI") and property values.

See "Critical Accounting Estimates" for more information about our NOI and property value growth estimates and how they can affect our multifamily (provision) benefit for credit losses.

Our multifamily provision for credit losses in 2024 was primarily driven by declining multifamily property values, an increase in multifamily loan delinquencies, and provision related to our estimate of losses on loans involving fraud or suspected fraud. These factors were partially offset by an improved long-term forecast of multifamily property NOI.

- *Provision relating to declining multifamily property values*. During 2024, multifamily property values declined, primarily due to elevated interest rates resulting in higher market yield requirements. This decrease in property values led to higher LTV ratios for loans in our multifamily guaranty book of business, which drove higher estimated risk of default and loss severity in the allowance and therefore a higher credit loss provision.
- *Provision relating to increased delinquencies.* Multifamily loan delinquencies increased in 2024, particularly for adjustable-rate conventional loans that became seriously delinquent and were written down to their net recoverable amount, which contributed to the multifamily provision for credit losses.
- *Provision relating to fraud or suspected fraud*. Expected losses relating to multifamily lending transactions involving fraud or suspected fraud further heightened the risk of default and added to our multifamily credit loss provision.
- *Benefit relating to improved NOI forecast.* Our forecast of NOI on multifamily properties improved compared to our prior forecast, which also positively impacted our projection of multifamily property values. This improvement in our NOI forecast was primarily due to a refinement of our forecast assumptions to use the average NOI historical growth rate for a longer period of the forecast.

Change in Expected Credit Enhancement Recoveries

Change in expected credit enhancement recoveries consists of the change in expected and realized benefits from our freestanding credit enhancements. The benefit from expected credit enhancement recoveries in 2025 and 2024 was primarily driven by lender loss-sharing benefits relating to realized and expected losses on multifamily loans. For 2025, the benefit was partially offset by a downward revision to our forecast of expected single-family credit enhancement receivables.

Fair Value Gains (Losses), Net

The estimated fair value of our derivatives, trading securities and other financial instruments carried at fair value may fluctuate substantially from period to period because of changes in interest rates, the yield curve, mortgage and credit spreads and implied volatility, as well as activity related to these financial instruments.

Our hedge accounting program is designed to hedge our exposure to changes in benchmark interest rates, specifically the Secured Overnight Financing Rate ("SOFR"), and cannot be applied to changes in interest rate spreads, convexity, or seasoning (i.e., the effect of financial instruments moving closer to maturity). As a result, our fair value gains and losses after the impact of hedge accounting are also impacted by components unrelated to changes in SOFR. See "Note 1, Summary of Significant Accounting Policies—Fair Value Hedge Accounting" for additional information.

The table below displays the components of our fair value gains and losses.

Fair Value Gains (Losses), Net

	For the Year Ended December 31,		
	2025	2024	2023
	(Dollars in millions)		
Risk management derivatives fair value gains (losses)[1]	**$ 57**	$ 923	$ (133)
Impact of hedge accounting[2]	**14**	(163)	481
Risk management derivatives fair value gains (losses), net	**71**	760	348
Mortgage commitment derivatives fair value gains (losses), net	**(1,006)**	533	120
Credit enhancement derivatives fair value gains (losses), net	**(23)**	(82)	46
Other derivatives fair value gains (losses), net	**1**	—	—
Total derivatives fair value gains (losses), net	**(957)**	1,211	514
Trading securities gains, net	**1,482**	570	1,006
Long-term debt fair value gains (losses), net	**(702)**	59	(308)
Other, net[3]	**267**	(19)	92
Fair value gains (losses), net	**$ 90**	$ 1,821	$ 1,304

(1) Includes net change in fair value for the period and net contractual interest income (expense) on interest-rate swaps, which is primarily impacted by changes in interest rates and changes in the composition of our interest-rate swaps portfolio.

(2) The "Impact of hedge accounting" reflected in this table shows the net gain or loss from swaps in hedging relationships plus any accrued interest during the applicable periods that are recognized in "Net interest income." For more information about our hedge accounting program, see "Note 1, Summary of Significant Accounting Policies" and "Note 9, Derivative Instruments."

(3) Consists primarily of fair value gains and losses on mortgage loans held at fair value.

Fair value gains, net in 2025 was primarily driven by declining interest rates, which resulted in gains on fixed-rate trading securities, mortgage loans held at fair value, and risk management derivatives, as well as losses on mortgage commitment derivatives and long-term debt of consolidated trusts held at fair value that largely offset these gains. Factors that are not covered by our hedge accounting program, as discussed above, largely offset each other in 2025.

Fair value gains, net in 2024 was driven by gains on risk management derivatives, trading securities, and mortgage commitment derivatives. Gains on risk management derivatives and mortgage commitment derivatives were primarily due to rising interest rates, and gains on trading securities were primarily driven by holdings of U.S. Treasury securities moving closer to maturity (i.e., seasoning), which resulted in the reversal of previously recorded fair value losses. The impact of hedge accounting was a loss for the period, partially offsetting gains on risk management derivatives.

For information on our use of derivatives to manage interest-rate risk, see "Risk Management—Market Risk Management, including Interest-Rate Risk Management—Interest-Rate Risk Management."

Legislative Assessments

Legislative assessments consists of TCCA fees, FHFA assessments and affordable housing allocations. For additional information on our TCCA fees, FHFA assessments and affordable housing allocations, see “Certain Relationships and Related Transactions, and Director Independence—Transactions with Related Persons” and “Note 2, Conservatorship, Senior Preferred Stock Purchase Agreement and Related Matters—Related Parties.”

The table below displays the components of our legislative assessments.

Legislative Assessments

	For the Year Ended December 31,		
	2025	2024	2023
	(Dollars in millions)		
TCCA fees[1]	**$ 3,424**	$ 3,442	$ 3,431
FHFA assessments[2]	**154**	164	159
Affordable housing allocations:[3]			
Treasury’s Capital Magnet Fund	**60**	56	54
HUD’s Housing Trust Fund	**111**	104	101
Total affordable housing allocations	**171**	160	155
Total legislative assessments	**$ 3,749**	$ 3,766	$ 3,745

(1) TCCA fees are expenses recognized as a result of the 10 basis point increase in guaranty fees on all single-family mortgages delivered to us on or after April 1, 2012 pursuant to the Temporary Payroll Tax Cut Continuation Act of 2011 and as extended by the Infrastructure Investment and Jobs Act, which we pay to Treasury.

(2) FHFA assessments are expenses relating to our obligation under the GSE Act to pay FHFA to cover a portion of its costs, expenses and working capital.

(3) Affordable housing allocations relates to the GSE Act requirement to set aside each year an amount equal to 4.2 basis points of the UPB of our new business purchases and to pay this amount to specified HUD and Treasury funds in support of affordable housing. In March 2025, we paid $160 million to the funds based on our new business purchases in 2024. For 2025, we recognized an expense of $171 million related to this obligation based on $408.2 billion in new business purchases during the year. We expect to pay this amount to the funds in 2026.

Administrative Expenses

Administrative expenses consists of salaries and employee benefits, professional services, and technology and occupancy costs, and were $3.6 billion in 2025 and 2024. Cost reductions from fewer employees and contractors were mostly offset by an increase in severance costs and higher occupancy expenses, resulting in a net $40 million decrease in administrative expenses. Severance costs were $95 million higher in 2025 compared with 2024, with total headcount declining from approximately 8,200 employees as of December 2024 to approximately 7,000 employees as of December 2025. Occupancy expenses increased by $55 million in 2025 compared with 2024, primarily related to costs associated with reducing our real estate footprint.

Other Income (Expense), Net

Other expense decreased from $685 million in 2024 to $586 million in 2025, primarily driven by a decrease in our foreclosed property expense as a result of a reduction of our single-family REO properties and reduced repair costs. This was partially offset by a decrease in the benefits on our expected credit enhancement recoveries on multifamily loans. See “(Provision) Benefit for Credit Losses” for a discussion of our changes in expected credit enhancement recoveries.

Consolidated Balance Sheet Analysis

This section discusses our consolidated balance sheets and should be read together with our consolidated financial statements and the accompanying notes.

Summary of Consolidated Balance Sheets

	As of December 31,		
	2025	2024	Variance
	(Dollars in millions)		
Assets			
Cash	**$ 11,452**	$ 13,477	$ (2,025)
Restricted cash	**31,131**	25,059	6,072
Securities purchased under agreements to resell	**45,650**	56,250	(10,600)
Investments in securities, at fair value	**69,889**	79,197	(9,308)
Mortgage loans:			
Of Fannie Mae	**58,173**	50,408	7,765
Of consolidated trusts	**4,069,504**	4,095,305	(25,801)
Allowance for loan losses	**(8,364)**	(7,707)	(657)
Mortgage loans, net of allowance for loan losses	**4,119,313**	4,138,006	(18,693)
Deferred tax assets, net	**9,828**	10,545	(717)
Other assets	**30,275**	27,197	3,078
Total assets	**$4,317,538**	$4,349,731	$ (32,193)
Liabilities and equity			
Debt:			
Of Fannie Mae	**$ 127,289**	$ 139,422	$ (12,133)
Of consolidated trusts	**4,053,140**	4,088,675	(35,535)
Other liabilities	**28,097**	26,977	1,120
Total liabilities	**4,208,526**	4,255,074	(46,548)
Total stockholders' equity	**109,012**	94,657	14,355
Total liabilities and equity	**$4,317,538**	$4,349,731	$ (32,193)

Restricted Cash

The increase in restricted cash from December 31, 2024 to December 31, 2025 was primarily driven by an increase in prepayments of loans held in consolidated trusts, resulting in higher cash balances held in trusts at period end. For information on our accounting policy for restricted cash, see "Note 1, Summary of Significant Accounting Policies."

Securities Purchased Under Agreements to Resell and Investments in Securities, at Fair Value

The primary driver of the decrease in securities purchased under agreements to resell and investments in securities, at fair value, from December 31, 2024 to December 31, 2025, was the reinvestment of proceeds from sales and maturities of U.S. Treasury securities and maturities of securities purchased under agreements to resell into agency MBS held in our retained mortgage portfolio and payments made to redeem debt of Fannie Mae. See "Liquidity and Capital Management—Liquidity Management—Corporate Liquidity Portfolio" and "Retained Mortgage Portfolio" for additional information.

Mortgage Loans, Net of Allowance for Loan Losses

The mortgage loans reported in our consolidated balance sheets are classified as either HFS or HFI and include loans owned by Fannie Mae and loans held in consolidated trusts.

Mortgage loans, net of allowance for loan losses decreased from December 31, 2024 to December 31, 2025, driven primarily by a reduction in single-family loans, as single-family loan paydowns, liquidations and sales outpaced acquisitions. This decrease in single-family loans was partially offset by an increase in multifamily loans during 2025.

For additional information on our mortgage loans, see "Note 4, Mortgage Loans," and for additional information on changes in our allowance for credit losses, see "Note 5, Allowance for Credit Losses."

Debt

Debt of Fannie Mae represents short-term and long-term corporate debt issued to maintain adequate liquidity to fund our operations. Debt of consolidated trusts represents the amount of Fannie Mae MBS issued from consolidated trusts and held by third-party certificateholders.

Debt of Fannie Mae decreased from December 31, 2024 to December 31, 2025 as our funding needs were primarily satisfied by earnings retained from our operations. The decrease in debt of consolidated trusts from December 31, 2024 to December 31, 2025 was primarily driven by liquidations of Fannie Mae single-family MBS outpacing issuances and an increase in Fannie Mae MBS held in our retained mortgage portfolio. Purchases of Fannie Mae MBS from consolidated trusts for our retained mortgage portfolio result in the derecognition of related balances in debt of consolidated trusts. See “Liquidity and Capital Management—Liquidity Management—Debt Funding” for a summary of activity in debt of Fannie Mae and a comparison of the mix between our outstanding short-term and long-term debt. Also see “Note 8, Short-Term and Long-Term Debt” for additional information on our total outstanding debt.

Retained Mortgage Portfolio

Our retained mortgage portfolio consists of mortgage loans and mortgage-related securities that we own, including Fannie Mae MBS and non-Fannie Mae mortgage-related securities. Assets held by consolidated MBS trusts that back mortgage-related securities owned by third parties are not included in our retained mortgage portfolio.

We classify our retained mortgage portfolio into three categories:

- *Agency MBS investments and lender liquidity* includes balances related to agency MBS that we have purchased for investment purposes as well as balances related to our portfolio securitization activity, which supports our efforts to provide liquidity to the single-family and multifamily mortgage markets.
- *Loss mitigation* includes delinquent mortgage loans we purchase from our MBS trusts, which enables us to initiate certain loss mitigation efforts.
- *Other* primarily includes legacy assets that we purchased for investment purposes prior to our entry into conservatorship in 2008.

The following table displays the components of our retained mortgage portfolio, based on UPB. Based on the nature of the asset, these balances are included in either "Investments in securities, at fair value" or "Mortgage loans, net of allowance for loan losses" in our "Summary of Consolidated Balance Sheets" table above.

The retained mortgage portfolio increased $37.6 billion to $132.5 billion as of December 31, 2025 compared with $94.9 billion as of December 31, 2024. This was primarily due to an increase in agency securities resulting from providing liquidity to the secondary mortgage market and increased agency MBS investments following FHFA's October 2025 increase in the amount of agency MBS that we are permitted to hold for investment purposes to $40 billion. The increase was further driven by lower sales of nonperforming and reperforming loans from the portfolio and increased purchases of delinquent loans from MBS trusts.

Retained Mortgage Portfolio

	As of December 31,	
	2025	2024
	(Dollars in millions)	
Agency MBS investments and lender liquidity:		
Agency securities[1]	**$ 70,416**	$ 40,550
Mortgage loans	**7,821**	8,093
Total agency MBS investments and lender liquidity	**78,237**	48,643
Loss mitigation mortgage loans[2]	**48,594**	40,194
Other:		
Reverse mortgage loans and securities[3]	**2,709**	3,542
Other mortgage loans and securities[4]	**2,921**	2,502
Total other	**5,630**	6,044
Total retained mortgage portfolio	**$ 132,461**	$ 94,881
Retained mortgage portfolio by segment:		
Single-family mortgage loans and mortgage-related securities	**$ 123,426**	$ 89,308
Multifamily mortgage loans and mortgage-related securities	**$ 9,035**	$ 5,573

(1) Consists of Fannie Mae, Freddie Mac and Ginnie Mae mortgage-related securities, including Freddie Mac securities guaranteed by Fannie Mae. Excludes Fannie Mae and Ginnie Mae reverse mortgage securities and Fannie Mae-wrapped private-label securities.

(2) Includes single-family loans on nonaccrual status of $12.7 billion and $10.3 billion as of December 31, 2025 and 2024, respectively. Also includes multifamily loans on nonaccrual status of $3.0 billion and $2.9 billion as of December 31, 2025 and 2024, respectively.

(3) Includes Fannie Mae and Ginnie Mae reverse mortgage securities.

(4) Other mortgage loans primarily includes multifamily loans on accrual status and single-family loans that are not included in the loss mitigation or agency MBS investments and lender liquidity categories. Other mortgage securities primarily includes private-label securities and mortgage revenue bonds.

The amount of mortgage assets that we may own is capped at $225 billion under the terms of our senior preferred stock purchase agreement with Treasury. We are also subject to specified limitations on the composition of our retained mortgage portfolio pursuant to FHFA guidance. In January 2026, FHFA increased the prior limitation on our agency MBS investments to allow us to further support the secondary mortgage market, while generating viable economic returns. As a result of this change, we are permitted to increase our agency MBS investments, provided that our total mortgage assets do not exceed the $225 billion cap under the terms of our senior preferred stock purchase agreement with Treasury, with collateralized mortgage obligation securities remaining capped at $5 billion of our agency MBS investments.

As a result of the additional increase in our agency MBS investment limit, we expect to continue to increase our holdings of agency MBS, while balancing the other uses of our retained mortgage portfolio described above and remaining in compliance with the $225 billion cap under the terms of our senior preferred stock purchase agreement with Treasury. We intend to fund our agency MBS purchases primarily through cash from business operations, the sale of assets in our corporate liquidity portfolio and the issuance of additional debt securities, taking into consideration our liquidity requirements and market conditions. Our agency MBS investments may fluctuate based on market conditions and other purchases for our retained mortgage portfolio, such as purchases of loans from our MBS trusts for loss mitigation purposes and to facilitate portfolio securitization transaction activity. For information on our corporate liquidity portfolio and outstanding debt, see "Liquidity and Capital Management."

We include 10% of the notional value of the interest-only securities we hold in calculating the size of the retained mortgage portfolio for the purpose of determining compliance with the senior preferred stock purchase agreement

mortgage assets cap and associated FHFA instructions. As of December 31, 2025, 10% of the notional value of our interest-only securities was $1.8 billion, which is not included in the table above.

Under the terms of our MBS trust documents, we have the option or, in some instances, the obligation, to purchase mortgage loans that meet specific criteria from an MBS trust. FHFA has also provided us with instruction on our single-family delinquent loan buyout policy. The purchase price for these loans is the UPB of the loans plus accrued interest. In support of our loss mitigation strategies, we purchased $15.5 billion of loans from our single-family MBS trusts during 2025, the substantial majority of which were delinquent, compared with $12.7 billion during 2024.

Guaranty Book of Business

When we securitize mortgage loans originated by lenders into Fannie Mae mortgage-backed securities, we issue guarantees, assuming the credit risk for those mortgage loans. Our guaranty book of business offers insight into both the guarantees we've issued and the credit risk of the loans we've acquired that back our MBS outstanding or that are held in our retained mortgage portfolio.

Our "guaranty book of business" consists of: (1) Fannie Mae MBS outstanding, excluding the portions of any structured securities we issue that are backed by Freddie Mac securities, (2) mortgage loans of Fannie Mae held in our retained mortgage portfolio, and (3) other credit enhancements that we provide on mortgage assets. These components are categorized as either conventional or government based on whether the underlying mortgage loans or securities are fully or partially guaranteed or insured by the U.S. government (referred to as "government") or are not fully or partially guaranteed or insured by the U.S. government (referred to as "conventional").

We use the term "Fannie Mae MBS" or "our MBS" to refer to any type of mortgage-backed security that we issue, including Fannie Mae-issued UMBS, and structured securities such as Supers® and Real Estate Mortgage Investment Conduit securities ("REMICs").

We and Freddie Mac each issue single-family UMBS. In some instances, our MBS are resecuritizations of securities backed in whole or in part by Freddie Mac-issued UMBS, in which case our guaranty extends to the underlying Freddie Mac securities, shown as "Freddie Mac securities guaranteed by Fannie Mae" in the table below. The Freddie Mac securities guaranteed by Fannie Mae are excluded from our "guaranty book of business" because Freddie Mac continues to guarantee the payment of principal and interest on the underlying Freddie Mac securities, but included in "Total Fannie Mae guarantees" as presented in the table below.

The table below displays the composition of our guaranty book of business and our total Fannie Mae guarantees based on UPB.

Composition of Fannie Mae Guaranty Book of Business

	As of December 31,					
	2025			2024		
	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total
	(Dollars in millions)					
Conventional guaranty book of business	**$3,592,548**	**$ 537,832**	**$4,130,380**	$3,632,700	$ 502,080	$ 4,134,780
Government guaranty book of business	**4,732**	**473**	**5,205**	5,705	490	6,195
Guaranty book of business	**3,597,280**	**538,305**	**4,135,585**	3,638,405	502,570	4,140,975
Freddie Mac securities guaranteed by Fannie Mae[1]	**184,345**	**—**	**184,345**	200,086	—	200,086
Total Fannie Mae guarantees	**$3,781,625**	**$ 538,305**	**$4,319,930**	$3,838,491	$ 502,570	$ 4,341,061

(1) Represents the UPB of Freddie Mac-issued UMBS backing Fannie Mae-issued Supers and REMICs. Because we do not have the power to direct matters (primarily the servicing of mortgage loans) that impact the credit risk to which we are exposed, which constitute control of these securitization trusts, we do not consolidate these trusts in our consolidated balance sheet, giving rise to off-balance sheet exposure. See "Liquidity and Capital Management—Liquidity Management—Off-Balance Sheet Arrangements" and "Note 7, Financial Guarantees" for more information regarding our maximum exposure to loss on unconsolidated Fannie Mae MBS and Freddie Mac securities.

We present the guaranty book of business in this section and in our Monthly Summary reports, which are available on our website, based on the UPB of our MBS outstanding. In the "Single-Family Business" and "Multifamily Business" sections of this report, we present our single-family conventional guaranty book of business and our multifamily guaranty book of business, respectively, based on the UPB of mortgage loans underlying our MBS. These amounts differ primarily as a result of payments we receive on underlying loans that have not yet been paid to the MBS holders or in instances where we have advanced missed borrower payments on mortgage loans to make required distributions to MBS holders. The difference in these measurements is less than 1%. Using these two presentations allows us to

base the disclosure in this section and in our Monthly Summary reports on the MBS measurement, and disclosures about the composition of loans in our guaranty book of business on the loan measurement.

Business Segment Financial Results

We have two reportable business segments: Single-Family and Multifamily. This section discusses the primary components of net income for our Single-Family Business and Multifamily Business segments. This information complements the discussion of our consolidated financial results in "Consolidated Results of Operations."

Single-Family Business Financial Results[1]

	For the Year Ended December 31,			Variance	
	2025	2024	2023	2025 vs. 2024	2024 vs. 2023
			(Dollars in millions)		
Net interest income[2]	**$ 23,893**	$ 24,130	$ 24,229	$ (237)	$ (99)
Fee and other income	**281**	245	205	36	40
Net revenues	**24,174**	24,375	24,434	(201)	(59)
Fair value gains (losses), net	**(16)**	1,745	1,231	(1,761)	514
Investment gains (losses), net[3]	**94**	(99)	(232)	193	133
Other gains (losses), net	**78**	1,646	999	(1,568)	647
(Provision) benefit for credit losses	**(1,323)**	938	2,165	(2,261)	(1,227)
Non-interest expense:					
Administrative expenses[4]	**(2,918)**	(3,000)	(2,858)	82	(142)
Legislative assessments[5]	**(3,688)**	(3,719)	(3,699)	31	(20)
Credit enhancement expense[6]	**(1,343)**	(1,349)	(1,281)	6	(68)
Other income (expense), net[3][7]	**(606)**	(771)	(970)	165	199
Total non-interest expense	**(8,555)**	(8,839)	(8,808)	284	(31)
Income before federal income taxes	**14,374**	18,120	18,790	(3,746)	(670)
Provision for federal income taxes	**(2,958)**	(3,690)	(3,935)	732	245
Net income	**$ 11,416**	$ 14,430	$ 14,855	$ (3,014)	$ (425)

Multifamily Business Financial Results[1]

	For the Year Ended December 31,			Variance	
	2025	2024	2023	2025 vs. 2024	2024 vs. 2023
			(Dollars in millions)		
Net interest income	**$ 4,715**	$ 4,618	$ 4,544	$ 97	$ 74
Fee and other income	**75**	76	70	(1)	6
Net revenues	**4,790**	4,694	4,614	96	80
Fair value gains (losses), net	**106**	76	73	30	3
Investment gains (losses), net[3]	**11**	3	(33)	8	36
Other gains (losses), net	**117**	79	40	38	39
(Provision) benefit for credit losses	**(283)**	(752)	(495)	469	(257)
Non-interest expense:					
Administrative expenses[4]	**(661)**	(619)	(587)	(42)	(32)
Legislative assessments[5]	**(61)**	(47)	(46)	(14)	(1)
Credit enhancement expense[6]	**(313)**	(292)	(231)	(21)	(61)
Other income (expense), net[3][7]	**20**	86	(129)	(66)	215
Total non-interest expense	**(1,015)**	(872)	(993)	(143)	121
Income before federal income taxes	**3,609**	3,149	3,166	460	(17)
Provision for federal income taxes	**(661)**	(601)	(613)	(60)	12
Net income	**$ 2,948**	$ 2,548	$ 2,553	$ 400	$ (5)

(1) See “Note 11, Segment Reporting” for information about our segment allocation methodology.

(2) For single-family, includes net interest income generated by the 10 basis point guaranty fee increase we implemented pursuant to the Temporary Payroll Tax Cut Continuation Act of 2011, and as extended by the Infrastructure Investment and Jobs Act, which is paid to Treasury and not retained by us.

(3) Beginning in the fourth quarter of 2025, we changed the presentation of debt extinguishment gains and losses from “Other income (expense), net” to “Investment gains (losses), net.” Prior periods have been recast to conform with the current period presentation.

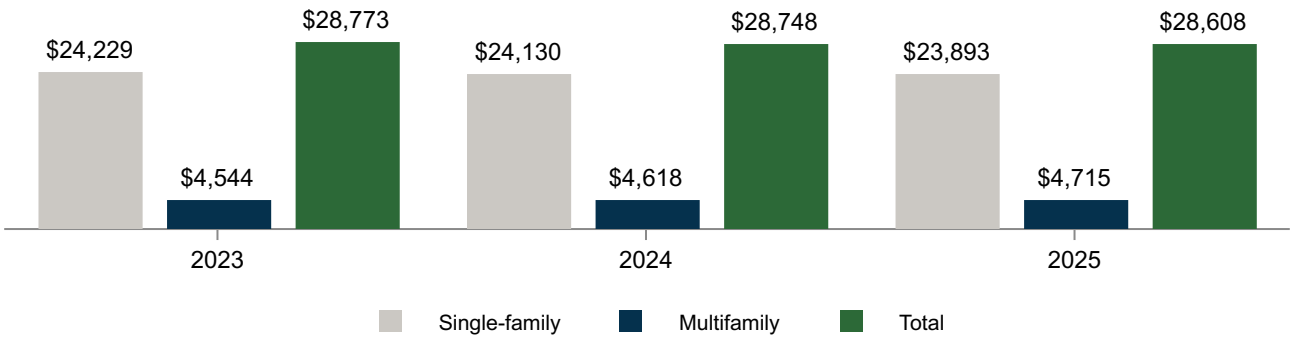
(4) Consists of salaries and employee benefits and professional services, technology and occupancy expenses.

(5) For single-family, consists of the portion of our single-family guaranty fees that is paid to Treasury pursuant to the TCCA, affordable housing allocations and FHFA assessments. For multifamily, consists of affordable housing allocations and FHFA assessments.

(6) Single-family credit enhancement expense consists of costs associated with our freestanding credit enhancements, which primarily include our CAS and CIRT programs, EPMI and certain lender risk-sharing programs. Multifamily credit enhancement expense primarily consists of costs associated with our MCIRT™ and MCAS™ programs as well as amortization expense for certain lender risk-sharing programs. Excludes CAS transactions accounted for as debt instruments and credit risk transfer programs accounted for as derivative instruments.

(7) Primarily consists of foreclosed property income (expense), change in the expected benefits from our freestanding credit enhancements and gains (losses) from partnership investments.

Net Interest Income
(Dollars in millions)



Single-Family

The $237 million decrease in net interest income in 2025 compared with 2024 was primarily driven by lower net interest income from portfolios, partially offset by higher base guaranty fee income.

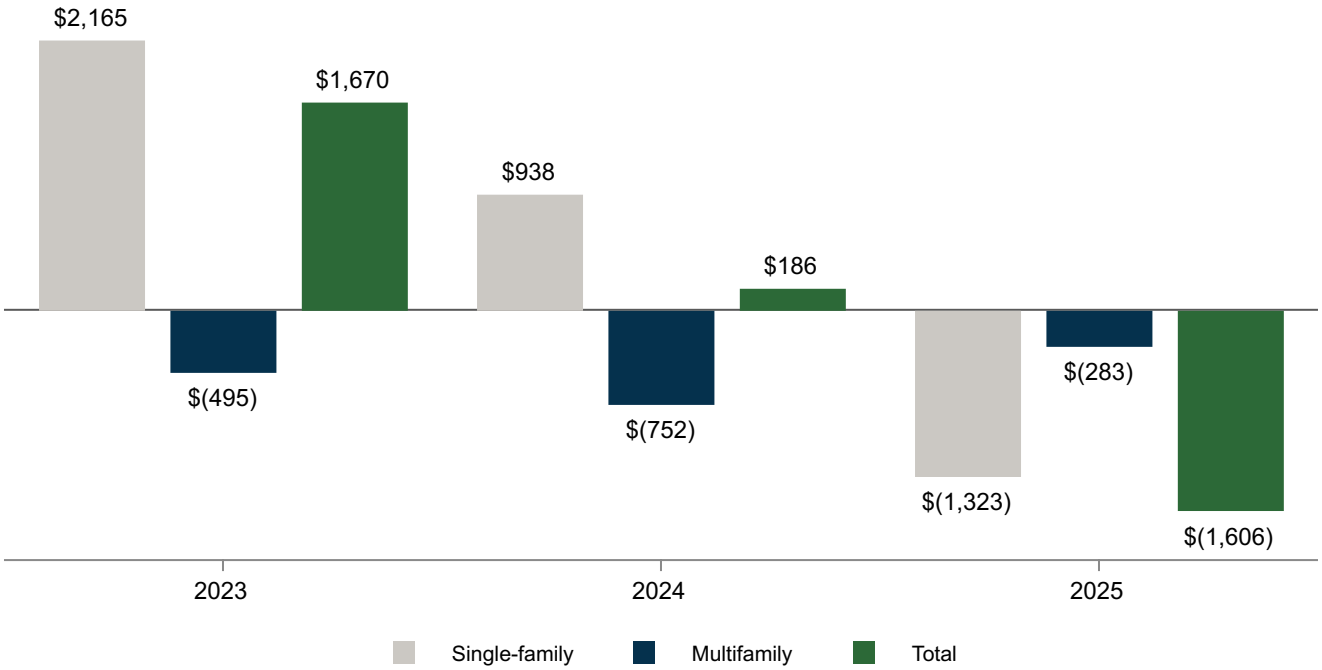
The $99 million decrease in net interest income in 2024 compared with 2023 was driven by lower deferred guaranty fee income, primarily offset by higher income from base guaranty fees and lower expense from hedge accounting.

Multifamily

The $97 million increase in net interest income in 2025 compared with 2024 was primarily driven by higher guaranty fee income as a result of an increase in the size of our multifamily guaranty book of business and higher yield maintenance income, partially offset by lower average charged guaranty fees.

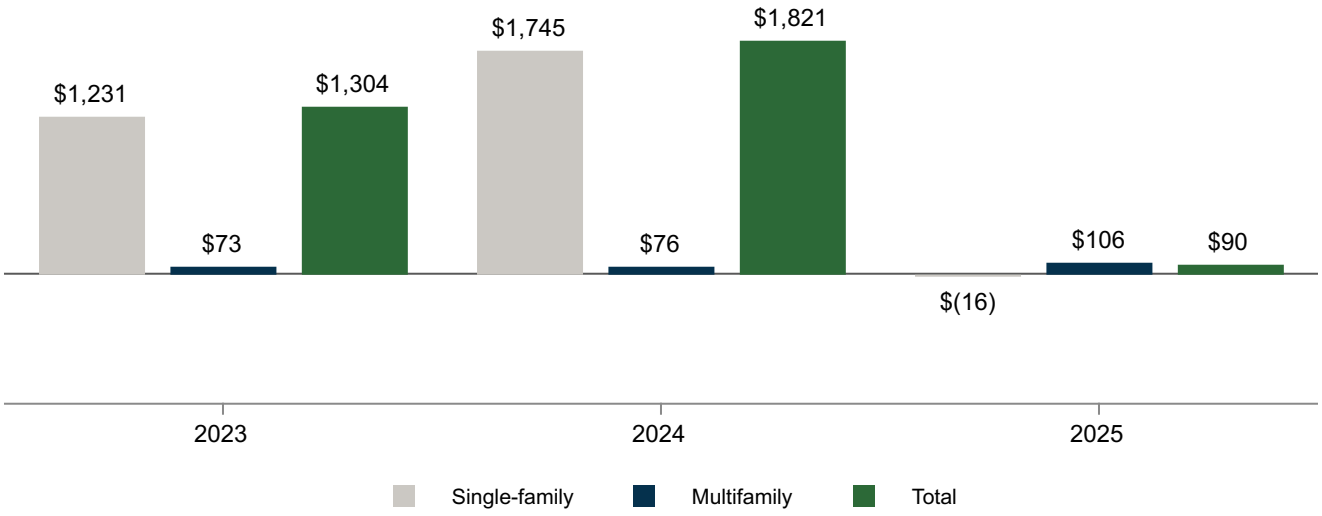
The $74 million increase in net interest income in 2024 compared with 2023 was primarily driven by higher guaranty fee income as a result of an increase in the size of our multifamily guaranty book of business, partially offset by lower average charged guaranty fees and lower yield maintenance income from fewer prepayments.

(Provision) Benefit for Credit Losses
(Dollars in millions)



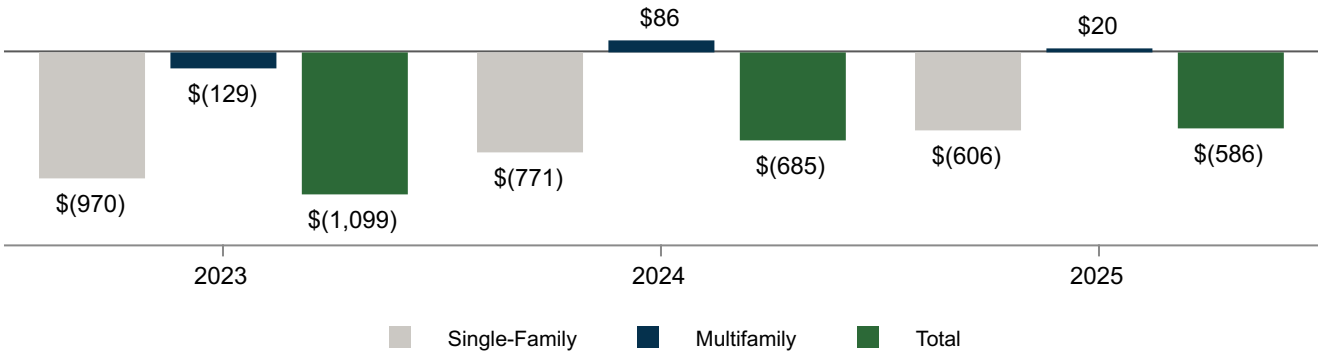
See “Consolidated Results of Operations—(Provision) Benefit for Credit Losses” for a discussion of our single-family and multifamily (provision) benefit for credit losses.

Fair Value Gains (Losses), Net
(Dollars in millions)



The change in fair value gains (losses), net from 2024 to 2025 was primarily driven by activity within our single-family segment. See “Consolidated Results of Operations—Fair Value Gains (Losses), Net” for a discussion of our consolidated fair value gains (losses).

Other Income (Expense), Net
(Dollars in millions)



Single-Family

Other expense, net, decreased from $771 million in 2024 to $606 million in 2025 primarily due to a decrease in our foreclosed property expense as a result of a reduction of our single-family REO properties and reduced repair costs.

Multifamily

Other income, net decreased from $86 million in 2024 to $20 million in 2025, primarily due to a decline in our expected credit enhancement recoveries on multifamily loans. The decrease in estimated credit losses subject to credit enhancements on our multifamily guaranty book of business decreased the amount we expect to receive from our multifamily loss sharing arrangements.

Single-Family Business

Single-Family Primary Business Activities

Providing Liquidity for Single-Family Mortgage Loans

Working with lenders, our Single-Family business provides liquidity to the mortgage market primarily by acquiring single-family loans from lenders and securitizing those loans into Fannie Mae MBS, which are either delivered to the lenders or sold to investors or dealers. We describe our securitization transactions in “Business—Mortgage Securitizations.” Our Single-Family business also supports liquidity in the mortgage market and the businesses of our lenders through other activities, such as issuing structured Fannie Mae MBS backed by single-family mortgage assets and buying and selling single-family agency mortgage-backed securities.

Our Single-Family business securitizes and purchases primarily conventional (not government-insured or government-guaranteed) single-family fixed-rate or adjustable-rate, first-lien mortgage loans, or mortgage-related securities backed by these types of loans. We also securitize or purchase loans insured by the Federal Housing Administration (“FHA”), loans guaranteed by the Department of Veterans Affairs (“VA”), loans guaranteed by the Rural Development Housing and Community Facilities Program of the U.S. Department of Agriculture, manufactured housing mortgage loans and other mortgage-related securities.

Single-Family Mortgage Servicing

Our single-family mortgage loans are serviced by mortgage servicers on our behalf. Some loans are serviced by the lenders that initially sold the loans to us. In other cases, loans are serviced by third-party servicers that did not originate or sell the loans to us. For loans we own or guarantee, the lender or servicer must obtain our approval before selling servicing rights to another servicer.

Our mortgage servicers typically collect and deliver principal and interest payments, administer escrow accounts, monitor and report on loan performance, perform early delinquency intervention activities, evaluate transfers of ownership interests, respond to requests for partial releases of security, and handle insurance proceeds from casualty and condemnation losses. Our mortgage servicers are the primary point of contact for borrowers and perform a key role in the effective implementation of our servicing policies, negotiation of workouts for delinquent and troubled loans, and other loss mitigation activities. Mortgage servicers also inspect and preserve properties and process foreclosures and bankruptcies. For information on the risks of our reliance on servicers, refer to “Risk Factors—Credit Risk.”

We compensate servicers primarily by permitting them to retain a specified portion of each interest payment on a serviced mortgage loan as a servicing fee. Servicers also generally retain assumption fees, late payment charges and other similar charges, to the extent they are collected from borrowers, as additional servicing compensation. We also compensate servicers for negotiating workouts on problem loans.

Our servicers are required to develop, follow and maintain written procedures relating to loan servicing and legal compliance in accordance with our Servicing Guide. We oversee servicer compliance with our Servicing Guide requirements and execution of our loss mitigation programs by conducting reviews of select servicers. These reviews are designed to test a servicer's quality control processes and compliance with our requirements across key servicing functions. Issues identified through these Servicing Guide compliance reviews are provided to the servicer with prescribed corrective actions and expected resolution due dates, and we monitor servicers' remediation of their compliance issues.

We employ a servicer performance management program, called the Servicer Total Achievement and Rewards™ (STAR™) Program, which provides our largest servicers a transparent framework of key metrics and operational assessments to recognize strong performance and identify areas of weakness. Performance management staff measure, monitor and manage overall servicer performance by conducting regular servicer performance reviews in an effort to promote optimal performance, mitigate risk and explore best practices or areas of opportunity to take action and improve performance where necessary or appropriate.

Repercussions for poor performance by a servicer may include performance improvement plans, lost incentive income, compensatory fees, monetary and non-monetary remedies, and reduced opportunity for STAR Program recognition. If poor performance persists, servicing may ultimately be transferred to a different servicer.

Single-Family Credit Risk and Credit Loss Management

Our Single-Family business:

- Prices and manages the credit risk on loans in our single-family guaranty book of business through our loan acquisition policies, including our Selling Guide.
- Enters into transactions that transfer a portion of the credit risk on some of the loans in our single-family guaranty book of business through our credit risk transfer programs.
- Works to reduce costs of defaulted single-family loans, including through forbearance plans, home retention solutions, foreclosure alternatives, management of foreclosures and our REO inventory, selling nonperforming loans, and pursuing contractual remedies from lenders, servicers and providers of credit enhancement.

See "Single-Family Mortgage Credit Risk Management" below for discussion of our strategies for managing credit risk and credit losses on single-family loans.

Single-Family Lenders and Investors

We work with lenders that operate within the primary mortgage market where mortgage loans are originated and funds are loaned to borrowers. Our lenders include mortgage banking companies, savings and loan associations, savings banks, commercial banks, credit unions, community banks, private mortgage originators, and state and local housing finance agencies. Lenders originating mortgages in the primary mortgage market often sell them in the secondary mortgage market in the form of whole loans or in the form of mortgage-related securities.

During 2025, approximately 1,200 lenders delivered single-family mortgage loans to us. We acquire a significant portion of our single-family mortgage loans from several large mortgage lenders. During 2025, our top five lenders, in the aggregate, accounted for 36% of our single-family business volume, compared with 29% in 2024. Rocket Companies, Inc. and United Wholesale Mortgage, LLC were the only lenders that accounted for 10% or more of our single-family business volume in 2025, representing approximately 12% and 10%, respectively. The percentage attributable to Rocket Companies, Inc. includes volume from its affiliates Nationstar Mortgage LLC, doing business as Mr. Cooper, which Rocket Companies, Inc. acquired in October 2025, and from Rocket Mortgage, LLC, and represents volume from these lenders for the entire year rather than solely the post acquisition period. For information on our single-family mortgage servicers, see "Risk Management—Institutional Counterparty Credit Risk Management—Mortgage Servicers and Sellers."

We have a diversified funding base of domestic and international investors. Fannie Mae single-family MBS investors include money managers, banks, insurance companies, real estate investment trusts, the U.S. Federal Reserve, foreign central banks, corporations, state and local governments, and other municipal authorities. Our CAS investors primarily consist of money managers, hedge funds, and insurance companies, while our CIRT transaction counterparties are insurers and reinsurers.

Single-Family Competition

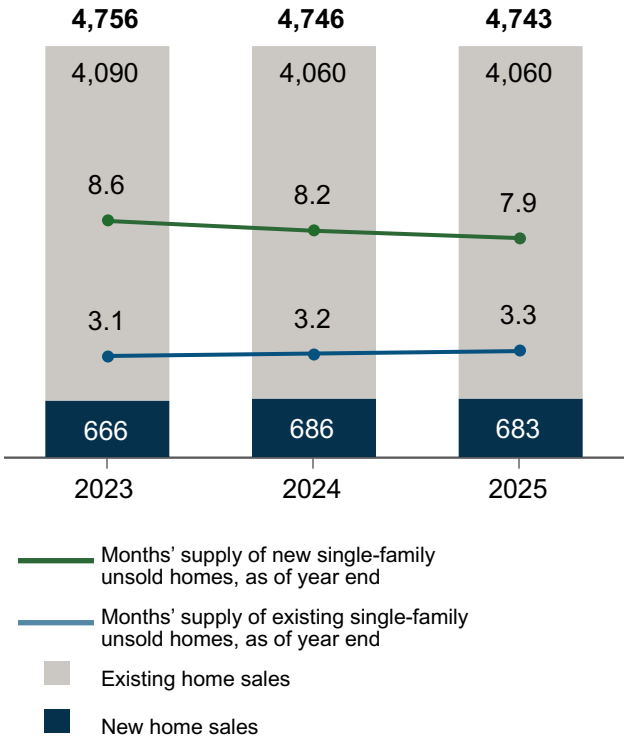
We compete to acquire single-family mortgage assets in the secondary mortgage market and to issue single-family mortgage-backed securities to investors. Competition to acquire single-family mortgage assets is significantly affected by: our and our competitors' pricing, eligibility standards and risk appetite; the number and nature of single-family mortgage loans originated and available for us to purchase in the secondary mortgage market (and whether sellers elect to retain loans with better credit characteristics); investor demand for UMBS and for our and our competitors' other mortgage-backed securities; and macroeconomic conditions. Our ability to compete may also be affected by many other factors, including: our and our competitors' capital requirements; our and Freddie Mac's return on capital requirements; applicable requirements to purchase mission-related loans; FHFA's single-family mortgage purchase, servicing and securitization requirements aimed at aligning our single-family MBS with Freddie Mac's MBS; direction from FHFA; new or existing legislation or regulations applicable to us, our lenders or our investors; and our senior preferred stock purchase agreement with Treasury.

Our primary competitors for the acquisition of single-family mortgage assets are Freddie Mac, FHA, the VA, the FHLBs, U.S. banks and thrifts, securities dealers, insurance companies, and investment funds. Our primary competitors for the issuance and/or guarantee of single-family mortgage-backed securities are Freddie Mac, Ginnie Mae (which primarily guarantees securities backed by FHA-insured loans and VA-guaranteed loans) and private market competitors. Competition for investors and counterparties in our credit risk transfer transactions comes primarily from other issuers of mortgage credit risk transfer transactions, such as Freddie Mac and private mortgage insurers. We also compete for investor funds against other credit-related securitized products, such as private-label residential mortgage-backed securities ("RMBS"), commercial RMBS, and collateralized loan obligations. The nature of our primary competitors and the overall levels of competition we face could change as a result of a variety of factors, many of which are outside our control. See "Business—Conservatorship and Treasury Agreements," "Business—Legislation and Regulation," and "Risk Factors" for information on matters that could affect our business and competitive environment.

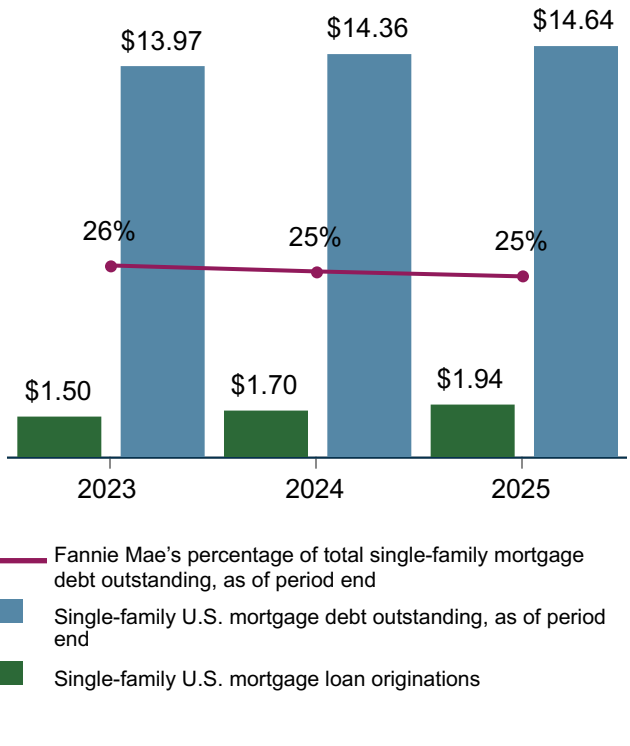
Single-Family Mortgage Market

In the charts below we present macroeconomic factors that affect the single-family mortgage market in which our Single-Family business operates. Home sales and the supply of unsold homes are indicators of the underlying demand for mortgage loans, which impacts our acquisition volumes.

Total Single-Family Home Sales and Months' Supply of Unsold Homes[1]
(Home sales units in thousands)



Single-Family Mortgage Originations and Mortgage Debt Outstanding[2]
(Dollars in trillions)



(1) Total existing home sales data according to National Association of REALTORS®. New single-family home sales data for 2023 and 2024 according to the U.S. Census Bureau. The 2025 new single-family home sales data is the January 2026 forecast from our Economic and Strategic Research Group, as U.S. Census Bureau data for 2025 was not available at the time of filing this report. The seasonally adjusted months' supply of new single-family unsold homes for 2025 is based on data reported by U.S. Census Bureau as of October 2025 (the latest available data). Certain previously reported data has been updated to reflect revised historical data from one or both of these organizations.

(2) 2025 information is as of September 30, 2025 and is based on the Federal Reserve's January 2026 mortgage debt outstanding release, the latest date for which the Federal Reserve has estimated mortgage debt outstanding for single-family residences. Prior-period amounts have been changed to reflect revised historical data from the Federal Reserve.

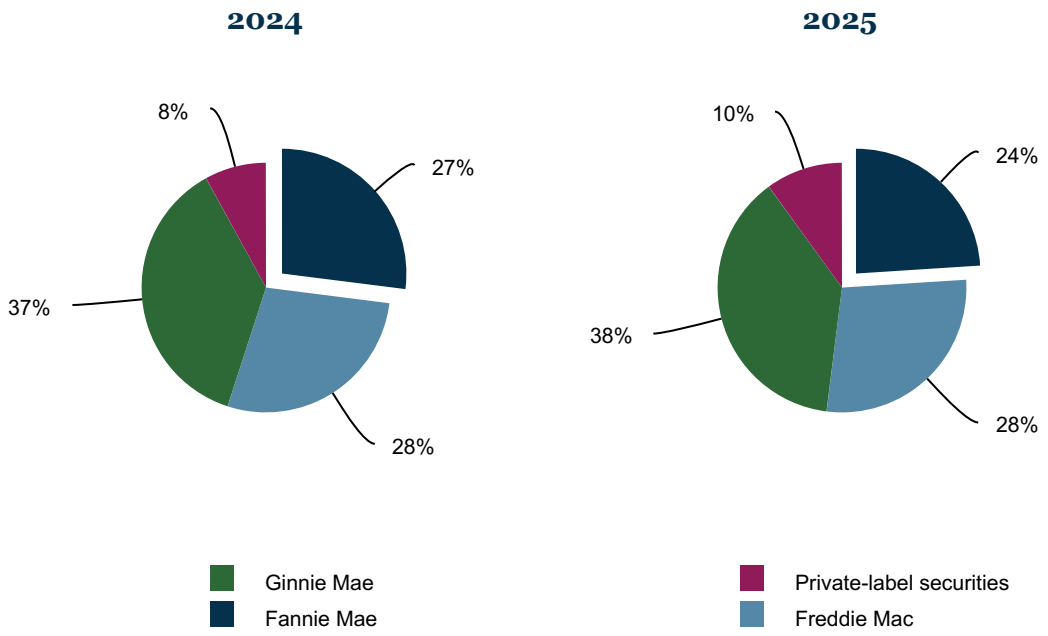
Additional Information

- The U.S. weekly average 30-year fixed-rate mortgage rate was 6.15% as of December 31, 2025 compared with 6.85% as of December 26, 2024, and averaged 6.60% in 2025, compared with 6.72% in 2024, according to Freddie Mac's Primary Mortgage Market Survey®.
- We forecast that total originations in the U.S. single-family mortgage market in 2026 will increase from 2025 levels by approximately 24%, from an estimated $1.94 trillion in 2025 to $2.41 trillion in 2026, and the amount of refinance originations in the U.S. single-family mortgage market will increase from an estimated $560 billion in 2025 to $917 billion in 2026.

Single-Family Mortgage-Related Securities Issuances Share

Our single-family Fannie Mae MBS issuances were $337 billion in 2025, compared with $329 billion in 2024 and $320 billion in 2023. This slight increase in issuances compared with 2024 was driven by a modest uptick in refinancing activity in 2025, prompted by a decline in interest rates during the second half of 2025. Based on the latest data available, the charts below display our estimated share of single-family mortgage-related securities issuances as compared with that of our primary competitors for the issuance of single-family mortgage-related securities for the periods indicated.

Single-Family Mortgage-Related Securities Issuances Share



We estimate our share of single-family mortgage-related securities issuances was 30% in 2023.

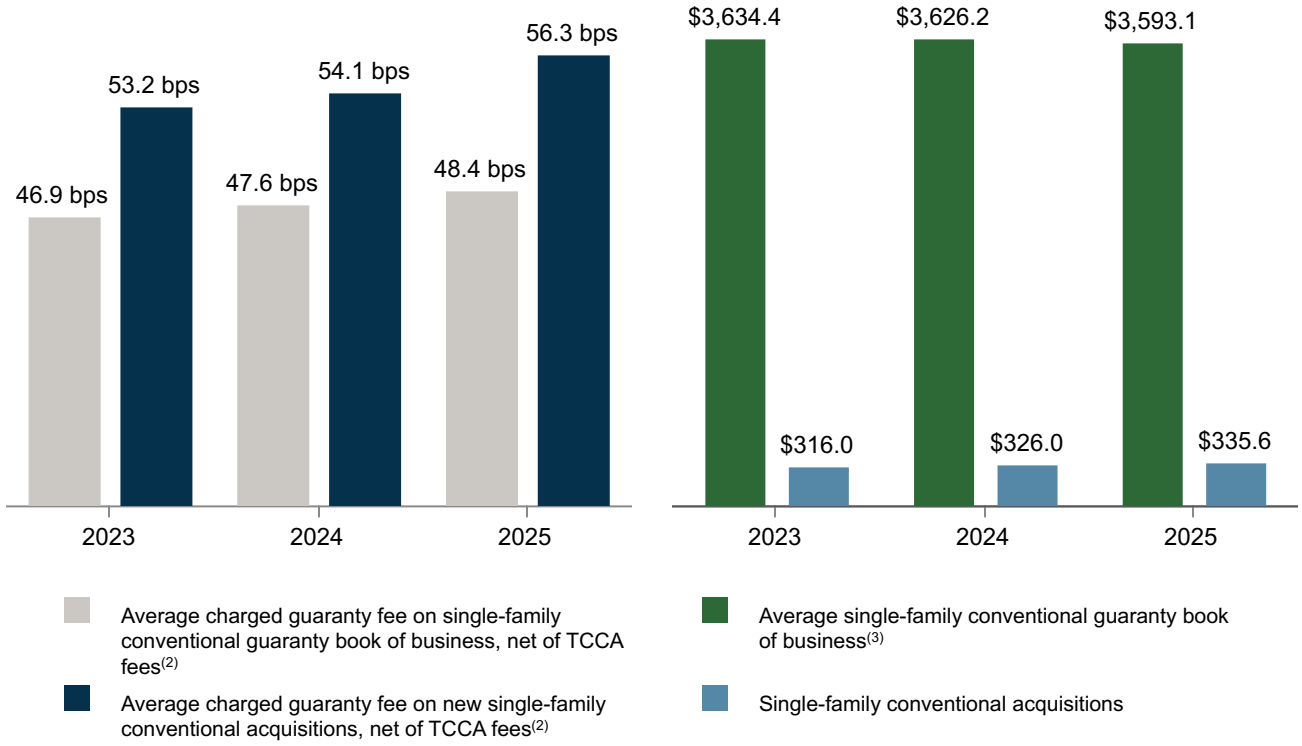
Our market share is influenced by various factors, primarily the pricing of single-family loans and the competitive market environment. These factors have led to a decrease in our share of mortgage-related securities issuances in recent years. When making pricing and acquisition decisions for single-family loans, we must consider a mix of often competing factors, such as competitive market dynamics, our capital requirements, our housing mission requirements and UMBS market liquidity objectives. Balancing these considerations can sometimes create challenges that impact our ability to compete effectively in the marketplace. For a discussion of factors that affect or could affect our business, our competitive environment, demand for our MBS, or the liquidity and market value of our MBS, as well as the risks associated with our conservatorship, our higher capital requirements relative to that of our primary competitor, our housing mission requirements, the UMBS market and the performance of our MBS, see “Business—Conservatorship and Treasury Agreements,” “Business—Legislation and Regulation,” “Risk Factors” and “Single-Family Competition.”

Single-Family Business Metrics

Net interest income for our Single-Family business is driven by the guaranty fees we charge and the size of our single-family conventional guaranty book of business. The guaranty fees we charge are based in part on the characteristics of the loans we acquire. We may adjust our guaranty fees in light of market conditions and to achieve return targets. As a result, the average charged guaranty fee on new acquisitions may fluctuate based on the credit quality and product mix of loans acquired, as well as market conditions and other factors.

The charts below display our average charged guaranty fees, net of TCCA fees, on our single-family conventional guaranty book of business and on new single-family conventional loan acquisitions, along with our average single-family conventional guaranty book of business and our single-family conventional loan acquisitions for the periods presented.

Select Single-Family Business Metrics[1] (Dollars in billions)



(1) For information reported in this "Single-Family Business" section, our single-family conventional guaranty book of business is measured using the UPB of our mortgage loans underlying Fannie Mae MBS outstanding.

(2) Excludes the impact of a 10 basis point guaranty fee increase implemented pursuant to the TCCA, the incremental revenue from which is paid to Treasury and not retained by us.

(3) Our single-family conventional guaranty book of business primarily consists of single-family conventional mortgage loans underlying Fannie Mae MBS outstanding. It also includes single-family conventional mortgage loans of Fannie Mae held in our retained mortgage portfolio, and other credit enhancements that we provide on single-family conventional mortgage assets. Our single-family conventional guaranty book of business does not include: (a) mortgage loans guaranteed or insured, in whole or in part, by the U.S. government; (b) Freddie Mac-acquired mortgage loans underlying Freddie Mac-issued UMBS that we have resecuritized; or (c) non-Fannie Mae single-family mortgage-related securities held in our retained mortgage portfolio for which we do not provide a guaranty. Our average single-family conventional guaranty book of business is based on the average of quarter-end balances.

Our single-family conventional loan acquisition volumes remained at low levels in 2025. Housing affordability constraints, limited supply, and market competition continued to put downward pressure on the volume of purchase loans we acquired. In addition, while interest rates decreased during the second half of 2025, the U.S. weekly average 30-year fixed-rate mortgage rate during the year still remained higher than the interest rates of most outstanding single-family loans, resulting in higher, but still relatively low, refinance volumes. Our average single-family conventional guaranty book of business continued to decrease in 2025, decreasing to $3.59 trillion in 2025 from $3.63 trillion in 2024, as liquidations from the book outpaced acquisitions.

Average charged guaranty fee on newly acquired conventional single-family loans is a metric management uses to measure the amount we earn as compensation for the credit risk we manage and to assess our return. Average charged guaranty fee represents, on an annualized basis, the average of the base guaranty fees charged during the period for our single-family conventional guaranty arrangements, which we receive monthly over the life of the loan, plus the recognition of any upfront cash payments, including loan-level price adjustments, based on an estimated average life at the time of acquisition. The calculation of single-family conventional charged guaranty fees at acquisition is sensitive to changes in inputs used in the calculation, including assumptions about the weighted average life of the loan, therefore changes in charged guaranty fees are not necessarily indicative of a change in pricing.

Our average charged guaranty fee on newly acquired conventional single-family loans, net of TCCA fees, increased in 2025 compared with 2024 and 2023, primarily as a result of a shift in the mix and profile of loans we acquired, as well as higher base guaranty fees charged on new single-family loan acquisitions.

Single-Family Mortgage Credit Risk Management

Our strategy for managing single-family mortgage credit risk consists of four primary components, which we discuss in greater detail in the sections below:

- our acquisition and servicing policies along with our underwriting and servicing standards;
- guaranty book diversification and monitoring;
- the transfer of credit risk through risk transfer transactions and the use of credit enhancements; and
- management of problem loans.

We typically obtain our single-family credit information from the lenders or servicers of the mortgage loans in our guaranty book of business and receive representations and warranties from them as to the accuracy of the information. While we perform various quality assurance checks by sampling loans to assess compliance with our underwriting and eligibility criteria, we do not independently verify all reported information and we rely on lender representations and warranties regarding the accuracy of the characteristics of loans in our guaranty book of business. See “Risk Factors” for a discussion of risks relating to mortgage fraud as a result of this reliance on lender representations and warranties.

Single-Family Acquisition and Servicing Policies and Underwriting and Servicing Standards

Overview

Our Single-Family business is responsible for setting underwriting and servicing standards and pricing, and managing credit risk relating to our single-family guaranty book of business.

Underwriting and Servicing Standards

The Fannie Mae Single-Family Selling Guide (“Selling Guide”) sets forth our underwriting and eligibility guidelines, as well as our policies and procedures related to selling single-family mortgages to us. Our Servicing Guide sets forth our policies for servicing the loans in our single-family guaranty book.

Desktop Underwriter

Our proprietary automated underwriting system, Desktop Underwriter® (DU®), is used by mortgage lenders to evaluate the substantial majority of our single-family loan acquisitions. DU measures credit risk by assessing the primary and contributory risk factors of a mortgage and provides a comprehensive risk assessment of a borrower’s loan application and eligibility of the loan for sale to us. Risk factors evaluated by DU include the key loan attributes described under “Single-Family Guaranty Book Diversification and Monitoring” below. DU applies our own assessment of the borrower’s credit data, including using trended credit data when available. DU analyzes the results of this risk and eligibility evaluation to arrive at the underwriting recommendation for the loan casefile. As part of our comprehensive risk management approach, we periodically update DU to reflect changes to our underwriting and eligibility guidelines. As part of normal business operations, we regularly review DU to determine whether its risk analysis and eligibility assessment are appropriate based on the current market environment and loan performance information. We also regularly review DU’s underlying risk assessment models and recalibrate these models to improve DU’s ability to effectively analyze risk and avoid excessive risk layering. Factors we take into account in these evaluations include the profile of loans delivered to us, loan performance and current market conditions.

Other Underwriting Standards

DU was used to evaluate the substantial majority of the single-family loans we acquired in 2025. We also purchase and securitize mortgage loans that have been underwritten using other automated underwriting systems, as well as manually underwritten mortgage loans that meet our stated underwriting requirements or mortgage loans that meet agreed-upon standards that differ from our standard underwriting and eligibility criteria. The majority of loans we acquired in 2025 that were not underwritten with DU were underwritten through a third-party automated underwriting system, such as Freddie Mac’s Loan Product Advisor®.

Servicing Policies

Our servicing policies establish the requirements our servicers must follow in:

- processing and remitting loan payments;
- working with delinquent borrowers on loss mitigation activities;
- managing and protecting Fannie Mae’s interest in the pledged property; and
- processing bankruptcies and foreclosures.

Our goal is to ensure that our policies support credit risk management over the life of the mortgage loan by enabling early delinquency outreach by servicers, promoting loss mitigation in the event of default and providing for the preservation and protection of the collateral supporting the mortgage loan. See “Single-Family Primary Business Activities—Single-Family Mortgage Servicing” above for more information on the servicing of our single-family mortgage loans.

New Credit Score Models

Fannie Mae uses credit scores to provide a foundation for risk-based pricing, and support disclosures to investors. We currently use the “classic FICO® Score” from Fair Isaac Corporation as our credit score model, which FHFA has approved.

In October 2022, FHFA announced the validation and approval of two new credit score models for use by Fannie Mae and Freddie Mac: the FICO® Score 10T credit score model and the VantageScore® 4.0 credit score model. In July 2025, FHFA announced that Fannie Mae and Freddie Mac are moving forward with an interim phase in the transition to the new credit score models, in which we will permit lenders to deliver mortgage loans using a credit score generated by either the classic FICO Score model or the VantageScore 4.0 model as we continue to work towards full implementation of modernized credit scoring and credit reporting. FHFA also announced that implementation efforts are underway with respect to the FICO Score 10T credit score model, and that Fannie Mae and Freddie Mac expect to be able to publish historical FICO Score 10T data and adopt scores from the model at a later date.

We will update our Selling Guide and make additional changes to support the adoption of VantageScore 4.0 in the near future. During the interim phase, we will accept either classic FICO Score or VantageScore 4.0 credit scores on a given loan, but not both. FHFA has advised that the inclusion of VantageScore 4.0 credit scores during the interim phase will not change our current tri-merge credit reporting requirement.

Quality Control Process

Our quality control process includes using automated tools to help us determine whether a loan meets our eligibility requirements by conducting in-depth reviews and selecting random samples of performing loans for quality control review shortly after acquisition.

Repurchase Requests and Representation and Warranty Framework

If we determine that a mortgage loan did not meet our Selling Guide requirements, then our mortgage sellers and/or servicers are obligated to repurchase the loan, reimburse us for our losses or provide other remedies, unless the loan is eligible for relief under our representation and warranty framework. We refer to our demands that mortgage sellers and servicers meet these obligations as repurchase requests.

Under our representation and warranty framework, lenders can obtain relief from repurchase liability for violations of certain underwriting representations and warranties. Loans with 36 months of consecutive monthly payments and minimal delinquencies over a specified time period or with satisfactory conclusion of a full-file quality control review are eligible for relief. However, no relief may be granted for violations of “life of loan” representations and warranties, such as those relating to whether a loan was originated in compliance with applicable laws or conforms to our charter requirements. As of December 31, 2025, 81% of the outstanding loans in our single-family conventional guaranty book of business that were acquired and are subject to this framework have obtained relief based solely on payment history or the satisfactory conclusion of a full-file quality control review, and an additional 16% remain eligible for relief in the future.

In addition, lenders may obtain relief from liability for violations of a more narrow set of representations and warranties through the use of specified underwriting tools. This primarily includes relief for:

- borrower income, asset and employment data that has been validated through DU; and
- appraised property value for appraisals that have received a qualifying risk score in Collateral Underwriter®, our appraisal review tool.

The table below shows information about issued and outstanding repurchase requests on single-family loans.

Issued and Outstanding Repurchase Requests

	2025	2024
	(Dollars in billions)	
Total loans delivered for the applicable twelve-month period[1]	**$ 329.3**	$ 307.4
Repurchase requests issued as of year end on loans delivered during the applicable twelve-month period[2]	**0.45 %**	0.48 %

	As of December 31,	
	2025	2024
	(Dollars in millions)	
Outstanding Repurchase Requests:		
UPB of outstanding repurchase requests[3]	**$ 284**	$ 220
As a percentage of our single-family conventional guaranty book of business	**0.01 %**	0.01 %
Percentage of outstanding repurchase requests over 180 days outstanding	**2 %**	3 %

(1) The applicable twelve-month period for 2025 is May 1, 2024 through April 30, 2025 and for 2024 is May 1, 2023 through April 30, 2024. For 2025, this represents the most recent twelve-month period as of December 31, 2025 for which we have issued substantially all repurchase demands. The 2024 period is presented on the same basis for comparability with the 2025 period.

(2) Represents repurchase requests issued as of December 31, 2025 and 2024, on loans delivered to us during the applicable twelve-month periods referenced in the prior footnote.

(3) The dollar amounts of our outstanding repurchase requests are based on the UPB of the loans underlying the repurchase request, which often differs from the amount collected or reimbursed from mortgage sellers and/or servicers depending on the type of remedy agreed upon.

Single-Family Guaranty Book Diversification and Monitoring

Overview

The composition of our single-family conventional guaranty book of business is diversified by product type, loan characteristics and geography, all of which influence credit quality and performance and may reduce our credit risk. We monitor various loan attributes, in conjunction with housing market and economic conditions, to determine if our pricing, eligibility and underwriting criteria are appropriately calibrated to ensure the risk associated with loans we acquire fits within our corporate risk appetite and meets our other mission and return objectives. In some cases, we may decide to significantly reduce our participation in riskier loan product categories. We also review the payment performance of loans in order to help identify potential problem loans early in the delinquency cycle and to guide the development of our loss mitigation strategies.

The profile of our single-family conventional guaranty book of business includes the following key risk characteristics:

- *LTV ratio.* LTV ratio is a strong predictor of credit performance. Lower LTV ratios are generally associated with a reduced likelihood of default and lower loss severity in the event of default. This relationship also applies to estimated mark-to-market LTV ratios. An LTV ratio above 100% indicates that the borrower's mortgage balance is greater than the property's current market value, which increases the risk of default and potential loss severity.
- *Product type.* Certain loan product types have features that may result in increased risk. Generally, intermediate-term, fixed-rate mortgages exhibit the lowest default rates, followed by long-term, fixed-rate mortgages. Historically, adjustable-rate mortgages (“ARMs”), including negative-amortizing and interest-only loans, and balloon/reset mortgages have exhibited higher default rates than fixed-rate mortgages, partly because the borrower’s payments rose, within limits, as interest rates changed.
- *Number of units.* Mortgages on one-unit properties tend to have lower credit risk than mortgages on two-, three- or four-unit properties.
- *Property type.* Certain property types have a higher risk of default. For example, condominiums tend to have higher credit risk than single-family detached properties.
- *Occupancy type.* Mortgages on properties occupied by the borrower as a primary or secondary residence tend to have lower credit risk than mortgages on investment properties.

- *Credit score.* Credit score is a measure often used by the financial services industry, including us, to assess borrower credit quality and the likelihood that a borrower will repay future obligations as expected. A higher credit score typically indicates lower credit risk.
- *DTI ratio.* DTI ratio refers to the ratio of a borrower's outstanding debt obligations (including both mortgage debt and certain other long-term and significant short-term debts) to that borrower's reported or calculated monthly income, to the extent the income is used to qualify for the mortgage. As a borrower's DTI ratio increases, the associated risk of default on the loan generally increases, especially if other higher-risk factors are present. From time to time, we revise our guidelines for determining a borrower's DTI ratio. The amount of income reported by a borrower and used to qualify for a mortgage may not represent the borrower's total income; therefore, the DTI ratios we report may be higher than borrowers' actual DTI ratios.
- *Loan purpose.* Loan purpose refers to how the borrower intends to use the funds from a mortgage loan—either for a home purchase or refinancing of an existing mortgage. Cash-out refinancings have a higher risk of default than either mortgage loans used for the purchase of a property or other refinancings that restrict the amount of cash returned to the borrower.
- *Geographic concentration.* Local economic conditions affect borrowers' ability to repay loans and the value of collateral underlying loans. Geographic diversification reduces mortgage credit risk.
- *Loan age.* We monitor year of origination and loan age, which is defined as the number of years since origination. The risk of default on mortgage loans typically does not peak until the third through fifth year following origination; however, this range can vary based on many factors, including changes in macroeconomic conditions and foreclosure timelines.

The following table displays our single-family conventional business volumes and our single-family conventional guaranty book of business, based on certain key risk characteristics that we use to evaluate the risk profile and credit quality of our single-family loans.

We provide additional information on the credit characteristics of our single-family loans in our quarterly earnings presentations and financial supplements, which we furnish to the SEC with current reports on Form 8-K and make available on our website. Information in our quarterly earnings presentations and financial supplements is not incorporated by reference into this report.

Key Risk Characteristics of Single-Family Conventional Business Volume and Guaranty Book of Business[1]

	Percent of Single-Family Conventional Business Volume at Acquisition[2] For the Year Ended December 31,			Percent of Single-Family Conventional Guaranty Book of Business[3] As of December 31,		
	2025	2024	2023	2025	2024	2023
Original LTV ratio:[4]						
<= 60%	**18 %**	17 %	16 %	**23 %**	24 %	25 %
60.01% to 70%	**11**	11	10	**14**	14	14
70.01% to 80%	**33**	33	34	**33**	34	33
80.01% to 90%	**15**	15	16	**12**	11	11
90.01% to 95%	**17**	17	18	**13**	12	12
95.01% to 100%	**6**	7	6	**5**	4	4
Greater than 100%	**—**	—	—	**—**	1	1
Total	**100 %**	100 %	100 %	**100 %**	100 %	100 %
Weighted average	***77 %***	*77 %*	*78 %*	***74 %***	*73 %*	*73 %*
Average loan amount	**$ 339,906**	$ 331,950	$ 321,205	**$ 210,595**	$ 209,326	$ 207,883
Loan count (in thousands)	**987**	982	984	**16,949**	17,281	17,494
Estimated mark-to-market LTV ratio:[5]						
<= 60%				**67 %**	69 %	68 %
60.01% to 70%				**11**	12	14
70.01% to 80%				**11**	10	10
80.01% to 90%				**7**	6	5
90.01% to 100%				**4**	3	3
Greater than 100%				*	*	*
Total				**100 %**	100 %	100 %
Weighted average				***51 %***	*50 %*	*51 %*
FICO credit score at origination:[6]						
< 620	* %	* %	* %	* %	* %	* %
620 to < 660	**3**	2	3	**3**	3	4
660 to < 680	**3**	3	3	**4**	4	4
680 to < 700	**5**	5	5	**6**	6	6
700 to < 740	**18**	18	20	**19**	20	20
>= 740	**71**	72	69	**68**	67	66
Total	**100 %**	100 %	100 %	**100 %**	100 %	100 %
Weighted average	***757***	*758*	*755*	***753***	*753*	*753*
DTI ratio at origination:[7]						
<= 43%	**64 %**	64 %	64 %	**73 %**	74 %	75 %
43.01% to 45%	**10**	10	10	**9**	9	9
Greater than 45%	**26**	26	26	**18**	17	16
Total	**100 %**	100 %	100 %	**100 %**	100 %	100 %
Weighted average	***38 %***	*38 %*	*38 %*	***36 %***	*35 %*	*35 %*

	Percent of Single-Family Conventional Business Volume at Acquisition[2] For the Year Ended December 31,			Percent of Single-Family Conventional Guaranty Book of Business[3] As of December 31,		
	2025	2024	2023	2025	2024	2023
Product type:						
Fixed-rate:[8]						
Long-term	**92 %**	96 %	96 %	**90 %**	89 %	87 %
Intermediate-term	**6**	3	3	**9**	10	12
Total fixed-rate	**98**	99	99	**99**	99	99
Adjustable-rate	**2**	1	1	**1**	1	1
Total	**100 %**	100 %	100 %	**100 %**	100 %	100 %
Number of property units:						
1 unit	**97 %**	97 %	98 %	**97 %**	97 %	98 %
2-4 units	**3**	3	2	**3**	3	2
Total	**100 %**	100 %	100 %	**100 %**	100 %	100 %
Property type:						
Single-family homes	**92 %**	91 %	91 %	**91 %**	91 %	91 %
Condo/Co-op	**8**	9	9	**9**	9	9
Total	**100 %**	100 %	100 %	**100 %**	100 %	100 %
Occupancy type:						
Primary residence	**94 %**	93 %	92 %	**92 %**	91 %	91 %
Second/vacation home	**2**	2	2	**3**	3	3
Investor	**4**	5	6	**5**	6	6
Total	**100 %**	100 %	100 %	**100 %**	100 %	100 %
Loan purpose:						
Purchase	**74 %**	83 %	86 %	**50 %**	48 %	45 %
Cash-out refinance	**10**	9	10	**19**	19	20
Other refinance	**16**	8	4	**31**	33	35
Total	**100 %**	100 %	100 %	**100 %**	100 %	100 %
Geographic concentration:[9]						
Midwest	**17 %**	16 %	14 %	**14 %**	14 %	14 %
Northeast	**15**	15	13	**16**	16	16
Southeast	**25**	26	28	**23**	23	23
Southwest	**23**	22	24	**20**	19	19
West	**20**	21	21	**27**	28	28
Total	**100 %**	100 %	100 %	**100 %**	100 %	100 %
Origination year:						
2019 and prior				**20 %**	22 %	25 %
2020				**20**	22	24
2021				**26**	28	30
2022				**12**	13	13
2023				**6**	7	8
2024				**8**	8	—
2025				**8**	—	—
Total				**100 %**	100 %	100 %

* Represents less than 0.5% of single-family conventional business volume or guaranty book of business.

(1) Second-lien mortgage loans held by third parties are not reflected in the original LTV or the estimated mark-to-market LTV ratios in this table.

(2) Calculated based on the UPB of single-family loans for each category at time of acquisition.

(3) Calculated based on the aggregate UPB of single-family loans for each category divided by the aggregate UPB of loans in our single-family conventional guaranty book of business as of the end of each period.

(4) The original LTV ratio generally is based on the original UPB of the loan divided by the appraised property value reported to us at the time of acquisition of the loan. Excludes loans for which this information is not readily available.

(5) The aggregate estimated mark-to-market LTV ratio is based on the UPB of the loan as of the end of each reported period divided by the estimated current value of the property, which we calculate using an internal valuation model that estimates periodic changes in home value. Excludes loans for which this information is not readily available.

(6) Loans with unavailable FICO credit scores represent less than 0.5% of single-family conventional business volume or guaranty book of business, and therefore are not presented separately in this table.

(7) Excludes loans for which this information is not readily available.

(8) Long-term fixed-rate consists of mortgage loans with maturities greater than 15 years, while intermediate-term fixed-rate loans have maturities equal to or less than 15 years.

(9) Midwest consists of IL, IN, IA, MI, MN, NE, ND, OH, SD and WI. Northeast consists of CT, DE, ME, MA, NH, NJ, NY, PA, PR, RI, VT and VI. Southeast consists of AL, DC, FL, GA, KY, MD, MS, NC, SC, TN, VA and WV. Southwest consists of AZ, AR, CO, KS, LA, MO, NM, OK, TX and UT. West consists of AK, CA, GU, HI, ID, MT, NV, OR, WA and WY.

Characteristics of our New Single-Family Loan Acquisitions

Refinancing activity was higher in 2025 compared to 2024 as interest rates declined in the second half of 2025, resulting in a modest increase in the number of borrowers who could benefit from refinancing. Accordingly, the share of our single-family loan acquisitions consisting of refinance loans (versus home purchase loans) increased to 26% in 2025 compared with 17% in 2024. Typically, refinance loans have lower LTV ratios than home purchase loans. This trend contributed to a minor decrease in the percentage of our single-family loan acquisitions with LTV ratios over 80%, from 39% in 2024 to 38% in 2025. In addition, our acquisitions of loans from first-time home buyers decreased to 37% of our single-family loan acquisitions in 2025 from 41% in 2024.

The credit profile of our future acquisitions will depend on many factors, including:

- our future guaranty fee pricing and our competitors' pricing, and any impact of that pricing on the volume and mix of loans we acquire;
- our internal risk limits;
- our future eligibility standards and those of mortgage insurers, FHA and VA;
- the percentage of loan originations representing refinancings;
- changes in interest rates;
- our future objectives and activities in support of those objectives, including actions we may take to reach additional underserved creditworthy borrowers;
- government and regulatory policy;
- market and competitive conditions; and
- our capital requirements.

We expect the ultimate performance of our loans will be affected by borrower behavior, public policy and macroeconomic trends, including unemployment, the economy and home prices.

High-Balance Loans

The standard conforming loan limit for a one-unit property was $766,550 for 2024, $806,500 for 2025 and increased to $832,750 for 2026. As we discuss in "Business—Legislation and Regulation—Our Charter," we are permitted to acquire loans with higher balances in certain areas, which we refer to as high-balance loans.

The following table displays the amount of high-balance loans in our single-family conventional guaranty book of business.

Single-Family High-Balance Loans

	As of December 31,	
	2025	**2024**
UPB (in billions)	**$ 214.3**	$ 225.9
Percentage of single-family conventional guaranty book of business	**6 %**	6 %

Adjustable-Rate Mortgages

ARMs are mortgage loans with an interest rate that adjusts periodically over the life of the mortgage based on changes in a specified index. The table below displays the UPB for ARMs in our single-family conventional guaranty book of business by the year of their next scheduled contractual reset date. The contractual reset is either an adjustment to the loan's interest rate or a scheduled change to the loan's monthly payment to begin to reflect the payment of principal. The timing of the actual reset dates may differ from those presented due to a number of factors, including refinancing or exercising of other provisions within the terms of the mortgage.

Single-Family Adjustable-Rate Mortgages[1]

	Reset Year						
	2026	2027	2028	2029	2030	Thereafter	Total
	(Dollars in millions)						
ARMs[2]	$ 8,835	$ 2,041	$ 2,811	$ 3,007	$ 2,641	$ 11,439	$ 30,774

(1) Excludes loans for which there is not an additional reset for the remaining life of the loan.

(2) Includes $1.8 billion of interest-only and negative-amortizing loans. We have not acquired interest-only loans since 2014, and we have not acquired negative-amortizing loans since 2007.

Single-Family Credit Enhancement and Transfer of Mortgage Credit Risk

Overview

One of the key components of our credit risk management strategy is the transfer of mortgage credit risk to third parties. The table below displays information about the loans in our single-family conventional guaranty book of business covered by one or more forms of credit enhancement, including mortgage insurance or a credit risk transfer transaction.

Single-Family Loans with Credit Enhancement

	As of December 31,			
	2025		2024	
	UPB	Percentage of Single-Family Conventional Guaranty Book of Business	UPB	Percentage of Single-Family Conventional Guaranty Book of Business
	(Dollars in billions)			
Primary mortgage insurance	**$ 756**	**21 %**	$ 761	21 %
Connecticut Avenue Securities	**859**	**24**	850	23
Credit Insurance Risk Transfer	**418**	**12**	419	12
Other	**28**	**1**	45	1
Less: Loans covered by multiple credit enhancements	**(398)**	**(11)**	(408)	(11)
Total single-family loans with credit enhancement	**$ 1,663**	**47 %**	$ 1,667	46 %

The table above presents the UPB and percentage of our single-family conventional guaranty book of business that is covered by the referenced credit enhancements, but does not present the risk in force of such credit enhancements. “Risk in force” refers to the maximum potential loss recovery under the applicable credit enhancement transaction. The risk in force of our back-end single-family credit risk transfer transactions, which refers to the maximum amount of losses that could be absorbed by credit risk transfer investors, was approximately $39 billion as of December 31, 2025, compared with approximately $43 billion as of December 31, 2024. Our back-end credit risk transfer transactions consist of our Connecticut Avenue Securities, Credit Insurance Risk Transfer, and other transactions. For information on our risk-in-force primary mortgage insurance coverage, see “Risk Management—Institutional Counterparty Credit Risk Management—Mortgage Insurers.”

Mortgage Insurance

Our charter generally requires credit enhancement on any single-family conventional mortgage loan that we purchase or securitize if it has an LTV ratio over 80% at the time of acquisition. We generally achieve this through primary mortgage insurance. Primary mortgage insurance transfers varying portions of the credit risk associated with a mortgage loan to a third-party insurer. For us to receive a payment in settlement of a claim under a primary mortgage insurance policy, the insured loan must be in default and the borrower’s interest in the property securing the loan must have been extinguished, generally in a foreclosure action, short sale or a deed-in-lieu of foreclosure. Claims are generally paid three to six months after title to the property has been transferred.

Our approved monoline mortgage insurers’ financial ability and willingness to pay claims is an important determinant of our overall credit risk exposure. For a discussion of our exposure to and management of the counterparty credit risk associated with mortgage insurers, see “Risk Management—Institutional Counterparty Credit Risk Management—Mortgage Insurers” and “Note 14, Concentrations of Credit Risk.”

Credit Risk Transfer Transactions

Our Single-Family business has developed other risk-sharing capabilities to transfer portions of our single-family mortgage credit risk to the private market. These credit risk transfer transactions are described in the table below. Our credit risk transfer transactions are designed to transfer a portion of the losses we expect would be incurred in an economic downturn or a stressed credit environment. While these transactions are expected to mitigate some of our potential future credit losses (generally net of any proceeds received from front-end credit enhancements, such as primary mortgage insurance), they are not designed to shield us from all losses. We retain a portion of the future credit losses on all loans covered by CAS and CIRT transactions, including all or a portion of the first loss positions in most transactions. Because our credit risk transfer transactions reduce our credit risk, they also affect our capital requirements and our returns on capital.

We have designed our credit risk transfer transactions so that the principal payment and loss performance of the transactions correspond to the performance of the loans in the underlying reference pools. Generally, loss reimbursement payments are received after the underlying property has been liquidated and all applicable proceeds, including primary mortgage insurance benefits, have been applied to reduce the loss.

In 2025, we transferred a portion of the mortgage credit risk on single-family mortgage loans with a UPB of $179.8 billion at the time of the transactions. When engaging in these transactions, we consider their cost, the resulting capital relief provided by the transactions, and the overall credit risk transfer capacity of the market. The cost of our credit risk transfer transactions is impacted by macroeconomic and housing market sentiment, as well as the demand and capacity of the investors and reinsurers that support these transactions. When structuring our credit risk transfer transactions, we may choose to adjust the amount of first loss retained by Fannie Mae in these transactions as a way to manage costs or market capacity, or as a way to adjust the amount of capital relief we are targeting for the transaction. Changes in our capital requirements, including the capital relief assigned for credit risk transfer transactions, could cause us to modify our credit risk transfer activities.

We provide a portion of the guaranty fee to investors in our credit risk transfer transactions as compensation for their taking on a share of the credit risk of the related loans. We record the substantial majority of expenses related to our credit risk transfer transactions in “Credit enhancement expense” within our consolidated statements of operations and comprehensive income.

Principal Categories of Our Single-Family Credit Risk Transfer Transactions

	Transaction Description	Other Key Characteristics
CAS REMIC®	• We transfer to investors a portion of the mortgage credit risk associated with losses on a reference pool of mortgage loans. • We create a reference pool consisting of recently acquired single-family mortgage loans included in our guaranty book of business and create a hypothetical securitization structure with notional credit risk positions, or tranches (that is, first loss, mezzanine and senior). • We recognize the cost of credit protection in "Credit enhancement expense" in our consolidated statements of operations and comprehensive income. • We recognize the expected benefits from the credit protection in "Other income (expense), net" in our consolidated statements of operations and comprehensive income. • CAS REMIC transactions align the timing of our recognition of credit losses with the related recovery from the CAS REMIC. We record the expected benefit and the loss in the same period.	• The principal balance of the CAS REMIC decreases as a result of credit losses on loans in the related reference pool. These write downs of the principal balance reduce the total amount of payments that the CAS trust is obligated to make to investors. • Credit losses on the loans in the reference pool for a CAS transaction are first applied to the first loss tranche. If credit losses on these loans exceed the outstanding principal balance of the first loss tranche, losses are then applied to reduce the outstanding principal balance of the mezzanine loss tranche. • Transactions beginning with our October 2021 issuances were issued with a 20-year final maturity date and an optional early redemption of 5 years, or the date at which the outstanding balance of the underlying reference loans is less than or equal to 10% of the original balance. • After maturity or early redemption, if exercised, the CAS REMIC provides no further credit protection with respect to the reference loans that were previously underlying that CAS REMIC transaction. • Presents minimal counterparty credit risk as the CAS trust receives the proceeds that will reimburse us for certain credit events on the related loans upon the issuance of the CAS REMIC.
CIRT	• Insurance transactions whereby we obtain actual loss coverage on pools of loans either directly from an insurance provider that retains the risk, or from an insurance provider that simultaneously cedes all of its risk to one or more reinsurers. • In CIRT deals, we generally retain an initial portion of losses on the loans in the pool (for example, the first 0.75% of the initial pool UPB). Reinsurers cover losses above this retention amount up to a detachment point (for example, the next 4.0% of the initial pool UPB). We retain all losses above this detachment point. The initial portion of losses we retain and the detachment points vary in CIRT transactions—the percentages provided above are only examples. • We make premium payments on CIRT deals that we recognize in "Credit enhancement expense" in our consolidated statements of operations and comprehensive income. • We recognize the expected benefits from the credit protection in "Other income (expense), net" in our consolidated statements of operations and comprehensive income.	• The insurance layer typically provides coverage for losses on the pool that are likely to occur only in a stressed economic environment. • Insurance benefits are received after the underlying property has been liquidated and all applicable proceeds, including private mortgage insurance benefits, have been applied to the loss. • To date, CIRT transactions generally have been structured with 10, 12-1/2, or 18-year terms, and covered loans that are delinquent as of the final scheduled month continue to be covered until and unless they eventually cure. The transaction term may vary based upon market execution and the capital benefit. • Presents counterparty credit risk. A portion of the insurers' or reinsurers' obligations is collateralized with highly-rated liquid assets held in a trust account initially determined according to the ratings of such insurer or reinsurer. Contractual provisions require additional collateral to be posted in the event of adverse developments with the counterparty, such as a ratings downgrade. For additional discussion of our exposure to and management of counterparty credit risk associated with CIRT transactions, see "Risk Management—Institutional Counterparty Credit Risk Management—Reinsurers."

The following table displays the primary characteristics of the loans in our single-family conventional guaranty book of business without credit enhancement.

Single-Family Loans Currently without Credit Enhancement

	As of December 31,			
	2025		2024	
	UPB	Percentage of Single-Family Conventional Guaranty Book of Business	UPB	Percentage of Single-Family Conventional Guaranty Book of Business
	(Dollars in billions)			
Low LTV ratio or short-term[1]	**$ 989**	**28 %**	$ 1,049	29 %
Pre-credit risk transfer program inception[2]	**181**	**5**	209	6
Recently acquired[3]	**195**	**5**	186	5
Other[4]	**797**	**22**	764	21
Less: Loans in multiple categories	**(256)**	**(7)**	(258)	(7)
Total single-family loans currently without credit enhancement	**$ 1,906**	**53 %**	$ 1,950	54 %

(1) Represents loans with an LTV ratio less than or equal to 60% or loans with an original maturity of 20 years or less.

(2) Represents loans that were acquired before the inception of our credit risk transfer programs. Also includes Refi Plus™ loans.

(3) Represents loans that were recently acquired and have not been included in a reference pool.

(4) Includes adjustable-rate mortgage loans, loans with a combined LTV ratio greater than 97%, non-Refi Plus loans acquired after the inception of our credit risk transfer programs that became 30 or more days delinquent prior to inclusion in a credit risk transfer transaction, and loans that were delinquent as of December 31, 2025 or December 31, 2024. Also includes loans that were previously included in a credit risk transfer transaction but subsequently had the coverage canceled or the covered term of the transaction ended.

Single-Family Problem Loan Management

Overview

Our problem loan management strategies focus primarily on reducing defaults to avoid losses that would otherwise occur and pursuing foreclosure alternatives to mitigate the severity of the losses we incur. If a borrower does not make required payments, or is in jeopardy of not making payments, we work with the loan servicer to offer workout solutions to minimize the likelihood of foreclosure as well as the severity of loss. When appropriate, we seek to move to foreclosure expeditiously.

Below we describe the following:

- delinquency statistics on our problem loans;
- efforts undertaken to manage our problem loans, including the role of servicers in loss mitigation, forbearance plans, loan workouts, and sales of nonperforming and reperforming loans;
- REO management; and
- other single-family credit-related information, including our credit loss and loan sale performance and credit loss concentration metrics.

We also provide ongoing credit performance information on loans underlying single-family Fannie Mae MBS and loans covered by single-family credit risk transfer transactions. For loans backing Fannie Mae MBS, see the “Forbearance and Delinquency Dashboard” available in the MBS section of our Data Dynamics® tool, which is available at www.fanniemae.com/datadynamics. For loans covered by credit risk transfer transactions, see the “Deal Performance Data” report available in the CAS and CIRT sections of the tool. Information on our website is not incorporated into this report. Information in Data Dynamics may differ from similar measures presented in our financial statements and other public disclosures for a variety of reasons, including as a result of variations in the loan population covered, timing differences in reporting and other factors.

Delinquency

The tables below display the delinquency status of loans and changes in the volume of seriously delinquent loans in our single-family conventional guaranty book of business based on the number of loans. Single-family seriously delinquent loans are loans that are 90 days or more past due or in the foreclosure process. Our single-family serious delinquency rate is expressed as a percentage of our single-family conventional guaranty book of business based on loan count. Management monitors the single-family serious delinquency rate as an indicator of potential future credit losses and loss mitigation activities. Serious delinquency rates are reflective of our performance in assessing and managing credit risk associated with single-family loans in our guaranty book of business. A higher serious delinquency rate may result in a higher allowance for loan losses. For information on our single-family serious delinquency rate based on UPB, see "Note 14, Concentrations of Credit Risk—Risk Characteristics of our Guaranty Book of Business—Single-Family Credit Risk Characteristics."

Delinquency Status and Activity of Single-Family Conventional Loans

	As of December 31,		
	2025	**2024**	**2023**
Delinquency status:			
30 to 59 days delinquent	**1.05 %**	1.05 %	1.06 %
60 to 89 days delinquent	**0.30**	0.29	0.26
Seriously delinquent (“SDQ”):	**0.58**	0.56	0.55
Percentage of SDQ loans that have been delinquent for more than 180 days	**43**	41	47
Percentage of SDQ loans that have been delinquent for more than two years	**4**	5	10

	For the Year Ended December 31,		
	2025	**2024**	**2023**
Single-family SDQ loans (number of loans):			
Beginning balance	**97,129**	96,479	114,960
Additions	**186,783**	182,083	169,197
Removals:			
Modifications and other loan workouts	**(79,703)**	(76,336)	(77,478)
Liquidations and sales	**(51,749)**	(29,967)	(31,439)
Cured or less than 90 days delinquent	**(54,575)**	(75,130)	(78,761)
Total removals	**(186,027)**	(181,433)	(187,678)
Ending balance	**97,885**	97,129	96,479

Our single-family serious delinquency rate increased by 2 basis points as of December 31, 2025 compared with December 31, 2024, remaining near historically low levels. Given our expectation of slower home price growth in 2026 and 2027, the credit performance of the loans in our single-family guaranty book of business may decline compared with recent performance, which could lead to higher delinquencies or an increase in our single-family serious delinquency rate.

Factors that affect our single-family serious delinquency rate include:

- the percentage of our loans that receive forbearance and the length of time they remain in forbearance;
- the pace and effectiveness of payment deferrals, loan modifications and other workouts;
- the timing and volume of nonperforming loan sales we execute;
- pandemics and natural disasters;
- servicer performance; and
- changes in home prices, unemployment levels and other macroeconomic conditions.

The table below displays the serious delinquency rates for, and the percentage of our seriously delinquent single-family conventional loans represented by, the specified loan categories. Percentage of book amounts represent the UPB of loans for each category divided by the UPB of our total single-family conventional guaranty book of business. The reported categories are not mutually exclusive.

Single-Family Conventional Seriously Delinquent Loan Concentration Analysis

	As of December 31,								
	2025			2024			2023		
	Percentage of Book Outstanding[1]	Percentage of Seriously Delinquent Loans[2]	Serious Delinquency Rate	Percentage of Book Outstanding[1]	Percentage of Seriously Delinquent Loans[2]	Serious Delinquency Rate	Percentage of Book Outstanding[1]	Percentage of Seriously Delinquent Loans[2]	Serious Delinquency Rate
States:									
California	**18 %**	**10 %**	**0.44 %**	19 %	9 %	0.41 %	19 %	10 %	0.42 %
Florida	**6**	**10**	**0.85**	6	11	0.96	6	9	0.73
Illinois	**3**	**5**	**0.73**	3	5	0.69	3	5	0.70
New York	**4**	**5**	**0.78**	4	6	0.79	5	6	0.92
Texas	**8**	**10**	**0.74**	8	10	0.73	7	9	0.64
All other states	**61**	**60**	**0.54**	60	59	0.51	60	61	0.52
Estimated mark-to-market LTV ratio:									
<= 60%	**67**	**64**	**0.47**	69	67	0.47	68	69	0.49
60.01% to 70%	**11**	**14**	**0.98**	12	14	0.94	14	15	0.80
70.01% to 80%	**11**	**10**	**0.88**	10	10	0.85	10	9	0.77
80.01% to 90%	**7**	**7**	**1.03**	6	6	0.97	5	5	0.81
90.01% to 100%	**4**	**4**	**0.98**	3	3	0.77	3	2	0.59
Greater than 100%	*	**1**	**3.46**	*	*	2.82	*	*	2.05
Credit enhanced:[3]									
Primary MI & other[4]	**21**	**35**	**1.26**	21	34	1.17	21	33	1.08
Credit risk transfer[5]	**37**	**32**	**0.63**	36	32	0.61	36	30	0.54
Non-credit enhanced	**53**	**48**	**0.45**	54	49	0.44	55	52	0.46

* Represents less than 0.5% of single-family conventional guaranty book of business.

(1) Percentage of book amounts represent the UPB of loans for each category divided by the UPB of our total single-family conventional guaranty book of business.

(2) Calculated based on the number of single-family loans that were seriously delinquent for each category divided by the total number of single-family conventional loans that were seriously delinquent.

(3) The credit-enhanced categories are not mutually exclusive. A loan with primary mortgage insurance that is also covered by a credit risk transfer transaction will be included in both the “Primary MI & other” category and the “Credit risk transfer” category. As a result, the “Credit enhanced” and “Non-credit enhanced” categories do not sum to 100%. The total percentage of our single-family conventional guaranty book of business with some form of credit enhancement as of December 31, 2025 was 47%.

(4) Refers to loans included in an agreement used to reduce credit risk by requiring primary mortgage insurance, collateral, letters of credit, corporate guarantees, or other agreements to provide an entity with some assurance that it will be compensated to some degree in the event of a financial loss. Excludes loans covered by credit risk transfer transactions unless such loans are also covered by primary mortgage insurance.

(5) Refers to loans included in reference pools for credit risk transfer transactions, including loans in these transactions that are also covered by primary mortgage insurance. For CAS and some lender risk-sharing transactions, this represents the outstanding UPB of the underlying loans on the single-family mortgage credit book, not the outstanding reference pool, as of the specified date.

Forbearance Plans and Loan Workouts

As a part of our credit risk management efforts, we offer several types of loss mitigation options to help homeowners stay in their home or to otherwise avoid foreclosure. Loss mitigation options can consist of a forbearance plan or a loan workout. Our loan workouts reflect additional types of home retention solutions that help reinstate loans to current status, including repayment plans, payment deferrals, and loan modifications. Our loan workouts also include foreclosure alternatives, such as short sales and deeds in-lieu of foreclosure.

As of December 31, 2025, the UPB of single-family loans in forbearance was $7.5 billion, or 0.2% of our single-family conventional guaranty book of business, compared with $8.0 billion, or 0.2% of our single-family conventional guaranty book of business, as of December 31, 2024.

We work with our servicers to implement our home retention solution and foreclosure alternative initiatives, and we emphasize the importance of early contact with borrowers and early entry into a home retention solution. We require that servicers first evaluate borrowers for eligibility under a workout option before considering foreclosure. The existence

of a second lien may limit our ability to provide borrowers with loan workout options, particularly those that are part of our foreclosure prevention efforts; however, we are not required to contact a second lien holder to obtain their approval prior to providing a borrower with a loan modification.

Home Retention Solutions

When a borrower cannot bring the loan current by reinstating the loan or through a repayment plan, we use our payment deferral and loan modification workout options to help resolve the loan's delinquency. A payment deferral is a loss mitigation option which defers the repayment of the delinquent principal and interest payments and other eligible default-related amounts that were advanced on behalf of the borrower by converting them into a non-interest-bearing balance due at the earlier of the payoff date, the maturity date, or sale or transfer of the property. The remaining mortgage terms, interest rate, payment schedule, and maturity date remain unchanged, and no trial period is required. The number of months of payments deferred varies based on the types of hardships the borrower is facing.

We also offer single-family borrowers loan modifications, which contractually change the terms of the loan. Our loan modification programs generally require completion of a trial period of three to four months where the borrower makes reduced monthly payments prior to receiving the modification.

Our loan modifications are designed to reach a 20% targeted principal and interest payment reduction for the borrower. As outlined by our Servicing Guide, loan modifications include the following concessions as necessary to achieve a 20% targeted payment reduction:

- capitalization of past due amounts, a form of payment delay, which capitalizes interest and other eligible default-related amounts that were advanced on behalf of the borrower that are past due into the UPB of the loan; and
- a term extension, which may extend the contractual maturity date of the loan up to 40 years from the effective date of the modification.

In addition to these concessions, loan modifications may also include an interest rate reduction, which reduces the contractual interest rate of the loan, or a principal forbearance, which is another form of payment delay that includes forbearing repayment of a portion of the principal balance as a non-interest bearing amount that is due at the earlier of the payoff date, the maturity date, or sale or transfer of the property.

Our primary loan modification program is currently the Flex Modification program, which offers payment relief for eligible borrowers.

Foreclosure Alternatives

We offer foreclosure alternatives for borrowers who are unable to retain their homes. Foreclosure alternatives may be more appropriate if the borrower has experienced a significant adverse change in financial condition due to events such as long-term unemployment or reduced income, divorce, or unexpected issues like medical bills, and is therefore no longer able to make the required mortgage payments. To avoid foreclosure and satisfy the first-lien mortgage obligation, our servicers work with a borrower to:

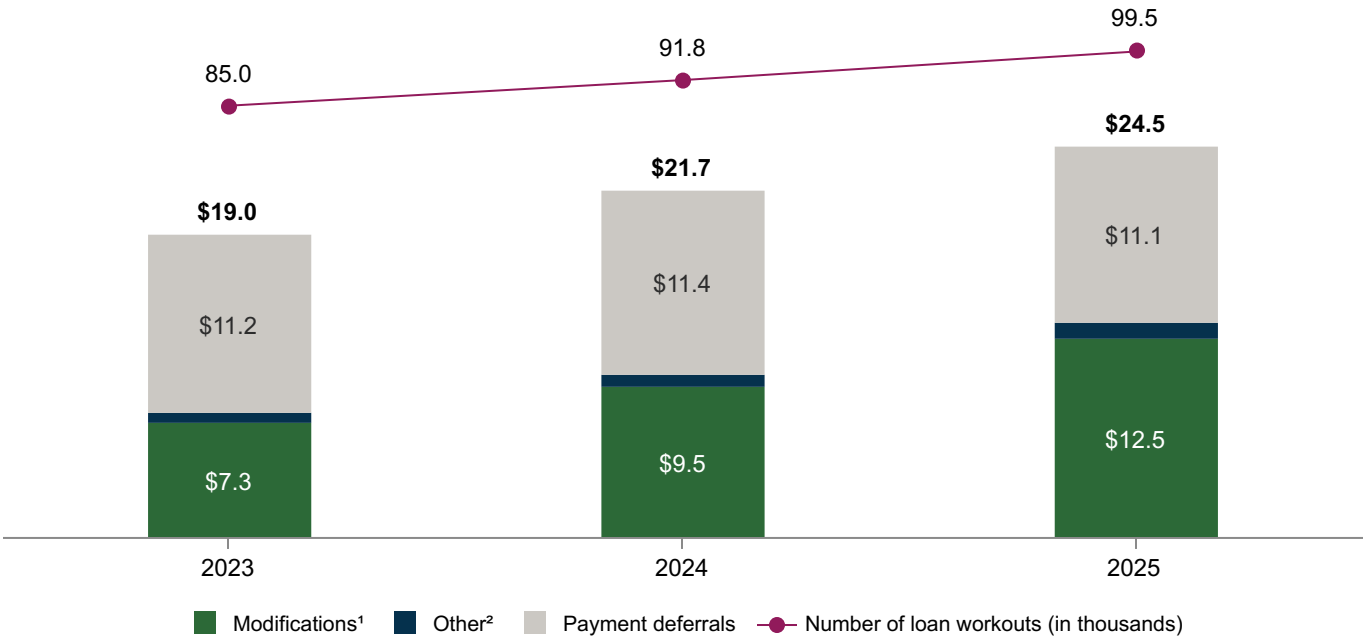
- accept a deed-in-lieu of foreclosure, whereby the borrower voluntarily signs over the title to their property to the servicer; or
- sell the home prior to foreclosure in a short sale, whereby the borrower sells the home for less than the full amount owed to Fannie Mae under the mortgage loan.

These alternatives are designed to reduce our credit losses while helping borrowers avoid having to go through a foreclosure.

Loan Workout Metrics

The chart below displays the UPB of our completed single-family loan workouts by type, as well as the number of loan workouts. This table does not include loans in an active forbearance arrangement, trial modifications, and repayment plans that have been initiated but not completed.

Completed Loan Workout Activity
(Dollars in billions)



(1) Excludes approximately 20,500 loans, 19,300 loans and 16,300 loans in a trial modification period that was not yet complete as of December 31, 2025, 2024 and 2023, respectively.

(2) Other was $938 million, $773 million and $516 million for the years ended December 31, 2025, 2024 and 2023, respectively. Other includes repayment plans and foreclosure alternatives. Repayment plans reflect only those plans associated with loans that were 60 days or more delinquent at the execution of the plan.

The increase in loan workout activity in 2025 compared with 2024 was primarily driven by an increase in loan modifications, which includes borrowers affected by disaster activity.

The table below displays the percentage of our single-family loan modifications completed during 2024 and 2023 that were current or paid off one year after modification and, for modifications completed during 2023, two years after modification.

Percentage of Single-Family Completed Loan Modifications That Were Current or Paid Off at One and Two Years Post-Modification

	2024 Modifications				2023 Modifications			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
One Year Post-Modification	59%	60%	62%	64%	63%	69%	72%	75%
Two Years Post-Modification					75	79	80	82

Nonperforming and Reperforming Loan Sales

We also undertake efforts to mitigate credit losses and manage our problem loans by selling our nonperforming and reperforming loans, thereby removing them from our guaranty book of business. This problem loan management strategy is intended to reduce: the number of seriously-delinquent loans, the severity of losses incurred on these loans, and the capital we would be required to hold for such loans.

Nonperforming and Reperforming Loan Sale Activity

	For the Year Ended December 31,		
	2025	2024	2023
	(Dollars in millions)		
Reperforming Loan Sales:			
Number of loans sold	**6,001**	19,909	11,626
Aggregate UPB of loan sales	**$ 1,082**	$ 3,790	$ 2,219
Nonperforming Loan Sales:			
Number of loans sold	**2,084**	3,978	2,265
Aggregate UPB of loan sales	**$ 431**	$ 698	$ 354

REO Management

If a loan defaults, we may acquire the property through foreclosure or a deed-in-lieu of foreclosure. The table below displays our REO activity by region. Regional REO acquisition trends generally follow a pattern that is similar to, but lags, that of regional delinquency trends.

Single-Family REO Properties

	For the Year Ended December 31,		
	2025	2024	2023
Single-family REO properties (number of properties):			
Beginning of period inventory of single-family REO properties[1]	**5,895**	8,403	8,779
Acquisitions by geographic area:[2]			
Midwest	**764**	876	1,265
Northeast	**353**	477	847
Southeast	**807**	652	982
Southwest	**803**	602	754
West	**397**	387	344
Total REO acquisitions[1]	**3,124**	2,994	4,192
Dispositions of REO	**(4,500)**	(5,502)	(4,568)
End of period inventory of single-family REO properties[1]	**4,519**	5,895	8,403
Carrying value of single-family REO properties (dollars in millions)	**$ 830**	$ 1,106	$ 1,396
Single-family foreclosure rate[3]	**0.02 %**	0.02 %	0.02 %
REO net sales price to UPB[4]	**136 %**	143 %	129 %
REO net sales price to UPB and costs to repair[5]	**82 %**	89 %	97 %
Short sales net sales price to UPB[6]	**84 %**	89 %	91 %

(1) Consists of held-for-sale and held-for-use properties, which are reported in our consolidated balance sheets as a component of "Other assets."

(2) See footnote 9 to the "Key Risk Characteristics of Single-Family Conventional Business Volume and Guaranty Book of Business" table for states included in each geographic region.

(3) Reflects the total number of properties acquired through foreclosure or deeds-in-lieu of foreclosure as a percentage of the total number of loans in our single-family conventional guaranty book of business as of the end of each period.

(4) Calculated as the amount of sale proceeds received on disposition of REO properties during the respective periods, excluding those subject to repurchase requests made to our sellers or servicers, divided by the aggregate UPB of the related loans at the time of foreclosure. Net sales price represents the contract sales price less selling costs for the property and other charges paid by the seller at closing, and excludes the cost associated with any property repairs.

(5) Calculated as the amount of sale proceeds received on disposition of REO properties during the respective periods, excluding those subject to repurchase requests made to our sellers or servicers, divided by the aggregate UPB of the related loans at the time of foreclosure and costs to repair the property. Net sales price represents the contract sales price less selling costs for the property and other charges paid by the seller at closing.

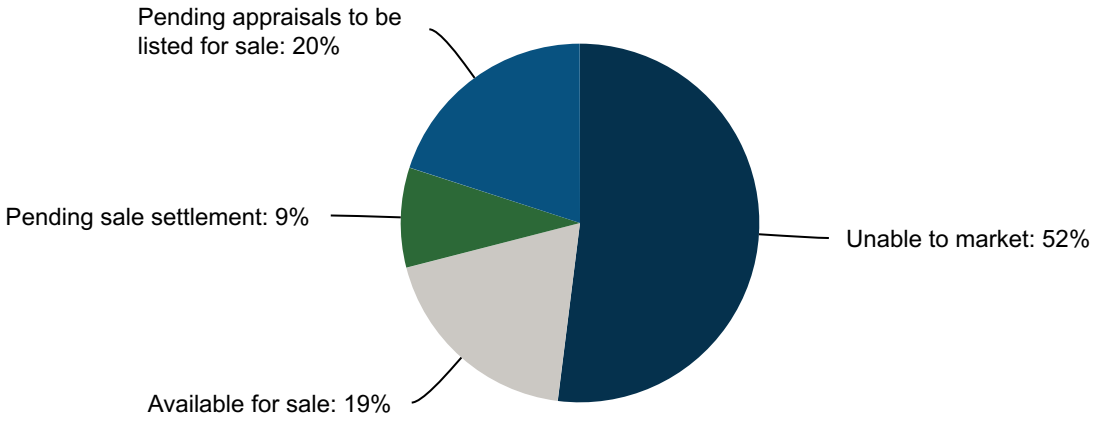
(6) Calculated as the amount of sale proceeds received on properties sold in short sale transactions during the respective periods divided by the aggregate UPB of the related loans. Net sales price includes borrower relocation incentive payments and subordinate lien(s) negotiated payoffs.

Our REO net sales price to UPB, excluding costs to repair, declined to 136% in 2025 from 143% in 2024, primarily driven by REO properties with higher LTV ratios at foreclosure, resulting in a higher average UPB relative to the sales price. The ratio of REO net sales price to UPB and costs to repair declined to 82% in 2025 from 89% in 2024, primarily driven by higher average UPB and rising capitalizable repair costs per property due to inflation and labor shortages. Our prior REO repair strategy was to conduct repairs on the majority of the properties we acquired. In March 2025, FHFA directed us to revise our REO repair strategy, and we expect our revised strategy will result in lower repair costs on our REO properties over time.

We market and sell the majority of our foreclosed properties through local real estate professionals. In some cases, we use alternative methods of disposition, including selling homes to municipalities, other public entities or non-profit organizations, and selling properties through public auctions. We also engage in third-party sales at foreclosure, which allow us to avoid maintenance and other REO expenses we would have incurred had we acquired the property.

As shown in the chart below, the majority of our REO properties are unable to be marketed at any given time because the properties are under repair, occupied or are subject to state or local redemption or confirmation periods, which delays the marketing and disposition of these properties.

REO Property Status
As of December 31, 2025



Single-Family Credit Loss Performance Metrics and Loan Sale Performance

The single-family credit loss performance metrics and loan sale performance measures below present information about losses or gains we realized on our single-family loans during the periods presented. For the purposes of our single-family credit loss performance metrics, credit losses or gains represent write-offs net of recoveries and foreclosed property income or expense. The amount of these losses or gains in a given period is driven by foreclosures, pre-foreclosure sales, post-foreclosure REO activity, mortgage loan redesignations, and other events that trigger write-offs and recoveries. The single-family credit loss metrics we present are not defined terms and may not be calculated in the same manner as similarly titled measures reported by other companies. Management uses these measures to evaluate the effectiveness of our single-family credit risk management strategies in conjunction with leading indicators such as serious delinquency and forbearance rates, which are potential indicators of future realized single-family credit losses. We believe these measures provide useful information about our single-family credit performance and the factors that impact it.

The table below displays the components of our single-family credit loss performance metrics. Because sales of nonperforming and reperforming loans are a part of our credit loss mitigation strategy, we also provide information in the table below on our loan sale performance through the "Gains (losses) on sales and other valuation adjustments" line item.

Single-Family Credit Loss Performance Metrics and Loan Sale Performance

	For the Year Ended December 31,		
	2025	2024	2023
	(Dollars in millions)		
Write-offs	**$ (550)**	$ (458)	$ (223)
Recoveries	**191**	258	210
Foreclosed property income (expense)	**(250)**	(387)	10
Credit gains (losses)	**(609)**	(587)	(3)
Write-offs on the redesignation of mortgage loans from HFI to HFS[1]	**(187)**	(270)	(658)
Net credit gains (losses) and write-offs on redesignations	**(796)**	(857)	(661)
Gains (losses) on sales and other valuation adjustments[2]	**—**	(21)	(52)
Net credit gains (losses), write-offs on redesignations and gains (losses) on sales and other valuation adjustments	**$ (796)**	$ (878)	$ (713)
Credit gain (loss) ratio (in bps)[3]	**(1.7)**	(1.6)	*
Net credit gains (losses), write-offs on redesignations and gains (losses) on sales and other valuation adjustments ratio (in bps)[4]	**(2.2)**	(2.4)	(2.0)

* Represents less than 0.05 bps.

(1) Consists of the lower of cost or fair value adjustment at time of redesignation.

(2) Consists of gains or losses realized on the sales of nonperforming and reperforming mortgage loans during the period and temporary lower of cost or market adjustments on HFS loans, which are recognized in "Investment gains (losses), net" in our consolidated statements of operations and comprehensive income.

(3) Calculated based on the amount of "Credit gains (losses)" divided by the average single-family conventional guaranty book of business during the period.

(4) Calculated based on the amount of "Net credit gains (losses), write-offs on redesignations and gains (losses) on sales and other valuation adjustments" divided by the average single-family conventional guaranty book of business during the period.

The table below displays concentrations of our net single-family credit gains (losses) and write-offs on redesignations based on geography.

Concentration Analysis of Net Credit Gains (Losses) and Write-offs on Redesignations

	Percentage of Single-Family Conventional Guaranty Book of Business Outstanding[1]		Amount of Single-Family Credit Gains (Losses) and Redesignation Write-offs[2]	
	As of December 31,		For the Year Ended December 31,	
	2025	2024	2025	2024
			(Dollars in millions)	
Geographical distribution:				
California	**18 %**	19 %	**$ (100)**	$ (110)
Florida	**6**	6	**(71)**	(36)
Illinois	**3**	3	**(50)**	(67)
New York	**4**	4	**(66)**	(80)
Texas	**8**	8	**(77)**	(44)
All other states	**61**	60	**(432)**	(520)
Total	**100 %**	100 %	**$ (796)**	$ (857)

(1) Calculated based on the aggregate UPB of single-family loans for each category divided by the aggregate UPB of loans in our single-family conventional guaranty book of business as of the end of each period.

(2) Credit gains (losses) and write-offs on redesignations do not include gains (losses) on sales and other valuation adjustments. Excludes the impact of recoveries resulting from resolution agreements related to representation and warranty matters and compensatory fee income related to servicing matters that have not been allocated to specific loans.

Single-Family Maturity Information

The below table shows the contractual maturities and interest rate sensitivities of our single-family mortgage loan portfolio as recorded on our consolidated balance sheets. Although the loans in our consolidated portfolio have varying contractual terms (for example, 15-year, 30-year, etc.), the actual life of the loans is likely to be significantly less than their contractual term as a result of prepayment. Therefore, the contractual term is not a reliable indicator of the loans' expected lives. Single-family mortgages can be prepaid in whole or in part at any time without penalty.

Single-Family Loans: Maturities and Terms of the Consolidated Mortgage Loan Portfolio[1]

	As of December 31, 2025				
	Due within 1 year[2]	Greater than 1 year but within 5 years	Greater than 5 years but within 15 years	Greater than 15 years	Total
	(Dollars in millions)				
Single-family mortgage loans:					
Loans held for sale	$ 8	$ 24	$ 69	$ 152	$ 253
Loans held for investment:					
Of Fannie Mae	3,266	4,581	13,392	35,215	56,454
Of consolidated trusts	125,761	527,056	1,336,368	1,526,090	3,515,275
Total UPB of single-family mortgage loans	129,035	531,661	1,349,829	1,561,457	3,571,982
Cost basis adjustments, net					32,479
Total single-family mortgage loans[3]	$ 129,035	$ 531,661	$ 1,349,829	$ 1,561,457	$ 3,604,461
Single-family mortgage loans by interest rate sensitivity:					
Fixed-rate	$ 125,595	$ 527,501	$ 1,338,526	$ 1,547,071	$ 3,538,693
Adjustable-rate	3,440	4,160	11,303	14,386	33,289
Total UPB of single-family mortgage loans	$ 129,035	$ 531,661	$ 1,349,829	$ 1,561,457	$ 3,571,982

(1) We report the scheduled repayments in the maturity category in which the payment is due, such that a loan's balance may be presented across multiple maturity categories.

(2) Due within 1 year includes reverse mortgages for which there is no defined maturity date of $2.5 billion as of December 31, 2025.

(3) Excludes accrued interest receivable. The UPB of single family loans is based on the amount of contractual UPB due and excludes any write-offs for amounts deemed uncollectible. Those write-offs are presented as a component of cost basis adjustments, net.

Multifamily Business

Multifamily Primary Business Activities

Providing Liquidity for Multifamily Mortgage Loans

Our Multifamily business provides mortgage market liquidity primarily for properties with five or more residential units, which may be apartment communities, cooperative properties, seniors housing, dedicated student housing or manufactured housing communities. Our Multifamily business works with our multifamily lenders to provide funds to the mortgage market primarily by securitizing multifamily mortgage loans acquired from these lenders into Fannie Mae MBS, which are sold to investors or dealers. We also purchase multifamily mortgage loans and provide credit enhancement for bonds issued by state and local housing finance authorities to finance multifamily housing. Our Multifamily business supports liquidity in the mortgage market through other activities, such as buying and selling Fannie Mae multifamily MBS and issuing structured securities backed by Fannie Mae collateral. We also continue to invest in multifamily Low Income Housing Tax Credit ("LIHTC") projects to help support and preserve the supply of affordable rental housing.

Key Characteristics of the Multifamily Business

The Multifamily business has a number of key characteristics that distinguish it from our Single-Family business.

- *Collateral:* Multifamily loans are collateralized by properties that generate cash flows predominantly driven by rental income received from tenants and effectively operate as businesses.
- *Borrowers and sponsors:* Multifamily borrowing entities are typically owned, directly or indirectly, by for-profit corporations, limited liability companies, partnerships, real estate investment trusts and individuals who invest in real estate for cash flow and expected returns in excess of their original contribution of equity. Borrowing entities are typically single-asset entities, with the property as their only asset. The ultimate owner of a multifamily borrowing entity is referred to as the "sponsor." We evaluate both the borrowing entity and its sponsor when considering a new transaction and managing our business. We refer to both the borrowing entities and their sponsors as "borrowers." When considering a multifamily borrower, creditworthiness is evaluated through a combination of quantitative and qualitative data, including liquid assets, net worth, number of units owned, experience in a market and/or property type, multifamily portfolio performance, access to additional liquidity, debt maturities, asset/property management platform, senior management experience, reputation, and exposures to lenders and Fannie Mae.
- *Non-recourse:* Multifamily loans are generally non-recourse to the borrowers, meaning that we may only seek repayment of the loan through the value of the underlying collateral.
- *Lenders:* During 2025, we executed multifamily transactions with 28 lenders. Of these, 24 lenders delivered loans to us under our DUS program described below. In determining whether to enter into a selling and servicing arrangement with a multifamily lender, we consider the lender's: financial strength; multifamily underwriting and servicing experience and processes, including relevant policies and procedures in place; portfolio performance; and willingness and ability to share in the risk of loss associated with the multifamily loans they originate.
- *Loan size:* The average size of a multifamily loan (based on UPB) in our guaranty book of business is much larger than the average size of a single-family loan. See "Single-Family Guaranty Book Diversification and Monitoring" and "Multifamily Guaranty Book Diversification and Monitoring" for additional information about the average size of single-family and multifamily loans in our guaranty book.
- *Underwriting process:* Multifamily loans require detailed underwriting of the property's operating cash flow. Our underwriting standards include an evaluation of the property's operating income compared to loan payments, property market value, property quality and condition, market and submarket factors, and ability to refinance at maturity.
- *Term and lifecycle:* In contrast to the standard 30-year single-family residential loan, multifamily loans typically have original loan terms of 5, 7, or 10 years, with balloon payments due at maturity.
- *Prepayment terms:* To reduce the likelihood of prepayments during the term of a loan, most Fannie Mae multifamily loans impose prepayment premiums, primarily yield maintenance. This is in contrast to single-family loans, which do not have prepayment premiums.

Delegated Underwriting and Servicing Program

Fannie Mae's DUS program is a unique business model that is intended to align the interests of the lender and Fannie Mae. Our DUS lender network of 24 current members is composed of mortgage banking companies, large diversified financial institutions, and banks. We pre-approve DUS lenders and delegate to these lenders the authority to underwrite and service multifamily loans on our behalf in accordance with our standards and requirements. Delegation permits lenders to respond to customers more rapidly, as the lender generally has the authority to approve a loan within our prescribed parameters. In certain cases when a loan's credit characteristics do not meet established delegation criteria, Fannie Mae's internal credit team may assess whether a loan's risk profile is within our risk tolerance.

DUS lenders typically share a portion of the credit risk on our multifamily loans for the life of the loans. The servicing fees we pay to DUS lenders include compensation for the portion of credit risk they retain. See "Multifamily Mortgage Credit Risk Management" for additional information about our lender risk sharing.

Multifamily Mortgage Servicing

Substantially all of the multifamily loans in our guaranty book of business as of December 31, 2025 and 2024 were serviced by DUS lenders or their affiliates on our behalf. Multifamily servicers are responsible for the evaluation of the financial condition of properties and property owners, administering various types of loan- and property-level agreements (including agreements covering replacement reserves, completion or repair, and operations and maintenance), as well as conducting routine property inspections. When elevated risks in a transaction are identified,

we may require additional evaluation and mitigation of these risks, such as conducting additional property inspections and requiring borrowers to complete repairs within specific timelines. We monitor multifamily servicing relationships and retain the right to approve servicing transfers, which are infrequent.

Multifamily Credit Risk and Credit Loss Management

Our Multifamily business:

- Sets the underwriting and servicing standards and credit requirements for lenders to underwrite multifamily loans on our behalf.
- Prices and manages the credit risk on loans in our multifamily guaranty book of business. Lenders retain a portion of the credit risk in substantially all multifamily transactions.
- Enters into additional transactions that transfer a portion of Fannie Mae's credit risk on some of the loans in our multifamily guaranty book of business through back-end credit risk transfer transactions.
- Works to reduce costs of defaulted multifamily loans, including through loss mitigation strategies such as forbearance and modification, management of foreclosures and our REO inventory, and pursuing contractual remedies from lenders, servicers, borrowers, sponsors, and providers of credit enhancement.

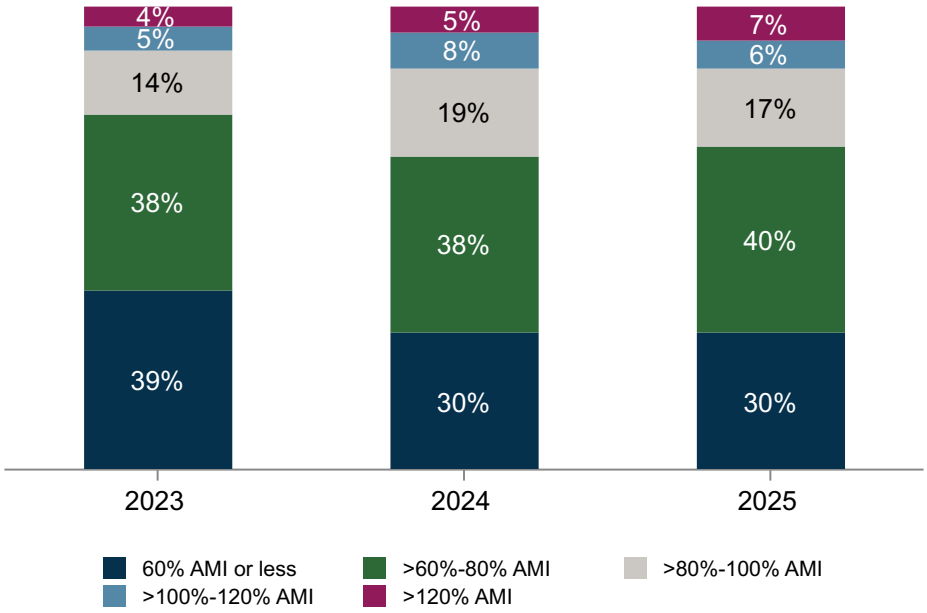
See "Multifamily Mortgage Credit Risk Management" for a discussion of our strategies for managing credit risk and credit losses on multifamily loans.

Multifamily Activities Supporting Affordable Rental Housing

Overview

A core component of Fannie Mae's mission is to support the U.S. multifamily housing market by helping serve the nation's rental housing needs. We focus on supporting affordable housing, which is housing that is affordable to households earning at or below the median income in their area, as well as on workforce housing, which is housing that is affordable to those earning at or below 120% of area median income. Approximately 93% of the multifamily units we financed in 2025 that were potentially eligible for housing goals credit were affordable to those earning at or below 120% of the median income in their area. The chart below shows a breakout of our multifamily acquisitions by area median income.

Multifamily Rental Units by Affordability Relative to Area Median Income (AMI)[1]



[1] Based on rents reported at loan origination. Rents may change following loan origination. Reflects multifamily acquisitions potentially eligible for housing goals credit, which consists of newly acquired units financed by first liens; excludes second liens on units for which we had financed the first lien, manufactured housing communities, and manufactured housing rentals.

Targeted Affordable Housing

To serve low- and very-low-income households, we have a team that focuses exclusively on relationships with lenders financing privately-owned multifamily properties that receive public subsidies in exchange for maintaining long-term affordable rents. We work with borrowers that may utilize housing programs and subsidies provided by local, state and federal agencies; examples include tax incentives (such as those provided through LIHTC or tax abatement) and rent subsidies (such as project-based Section 8 rental assistance or tenant vouchers). The public subsidy programs are largely targeted to provide housing to those earning less than 60% of area median income (as defined by HUD) and are structured to ensure that the low- and very low-income households who benefit from the programs pay no more than 30% of their gross monthly income for rent and utilities. As of December 31, 2025, these affordable loans represented approximately 12% of our multifamily guaranty book of business, based on UPB, including $7.0 billion in bond credit enhancements.

Our acquisition of loans financing properties affordable to low- and very-low income households help us meet our multifamily housing goals and FHFA's requirement that a portion of our multifamily volume be focused on affordable and underserved markets. We discuss our multifamily housing goals in "Business—Legislation and Regulation—Housing Goals—Multifamily Housing Goals" and we discuss our requirement to focus on affordable and underserved markets in "Multifamily Business Metrics—Multifamily New Business Volume."

Equity Investments in Low Income Housing Tax Credit Projects

We make equity investments in LIHTC partnerships. These LIHTC partnerships have generally been established to identify, develop and operate multifamily housing that is leased to qualifying residential tenants. LIHTC encourages private equity investment in creating and preserving affordable units throughout the country by awarding federal tax credits to affordable housing developers, who then exchange those tax credits with corporate investors, such as Fannie Mae, in return for capital contributions. In August 2025, FHFA doubled our annual LIHTC investment limit from $1 billion to $2 billion. The increase in the LIHTC investment limit enables us to expand support for Duty to Serve-designated rural areas by directing additional equity capital to underserved and rural communities, enhancing affordable housing development in areas with limited access to traditional financing.

Multifamily Lenders and Investors

Our Multifamily business works primarily with our DUS lender network. During 2025, our top five multifamily lenders, in the aggregate, accounted for 50% of our multifamily business volume, compared with 49% in 2024. Three of our lenders, Walker & Dunlop, Wells Fargo, and CBRE Multifamily Capital accounted for 12%, 11%, and 10%, respectively, of our 2025 multifamily business volume. No other lenders accounted for 10% or more of our multifamily business volume in 2025.

We have a diversified funding base of domestic and international investors. Fannie Mae multifamily MBS investors include money managers, banks, insurance companies, real estate investment trusts, corporations, state and local governments, and other municipal authorities. Our Multifamily Connecticut Avenue Securities® ("MCAS™") investors primarily consist of money managers and hedge funds, while our Multifamily CIRT™ ("MCIRT™") transaction counterparties are insurers and reinsurers.

Multifamily Competition

We compete to acquire multifamily mortgage assets in the secondary mortgage market and to issue multifamily mortgage-backed securities to investors. Our primary competitors for the acquisition of multifamily mortgage assets are Freddie Mac, life insurers, U.S. banks and thrifts, and other institutional investors. Our primary competitors for the issuance of multifamily mortgage-backed securities are Freddie Mac, U.S. banks, Ginnie Mae, and private-label issuers of commercial mortgage-backed securities. Competition in these activities is significantly affected by: our and our competitors' pricing, eligibility standards, loan structures and risk appetite; lender preferences; the number and types of multifamily mortgage loans offered for sale in the secondary mortgage market; investor demand for our and our competitors' mortgage-backed securities; and macroeconomic conditions. Our ability to compete may also be affected by many other factors, including: actions we take to support affordable multifamily housing; direction from FHFA; our senior preferred stock purchase agreement with Treasury; our or our competitors' capital requirements; our and Freddie Mac's return on capital requirements; and new or existing legislation or regulations applicable to us, our lenders or our investors. The nature of our primary competitors and the overall levels of competition we face could change as a result of a variety of factors, many of which are outside our control. See "Business—Conservatorship and Treasury Agreements," "Business—Legislation and Regulation," and "Risk Factors" for information on matters that could affect our business and competitive environment.

Multifamily Mortgage Market

The multifamily market saw rental demand slow moderately along with continued elevated levels of new supply entering the market in 2025. Modestly decreasing interest rates were associated with an increase in multifamily property sales transactions, but multifamily property valuations declined year over year.

- *Vacancy rates*. Based on data from Moody's Analytics, the national multifamily vacancy rate for institutional investment-type apartment properties increased to 6.7% as of December 31, 2025, compared with 6.6% as of September 30, 2025, and 6.4% as of December 31, 2024. The estimated average national multifamily vacancy rate over the last 15 years was approximately 5.1%.
- *Rents*. Based on Moody's Analytics data, effective rents decreased 0.8% during the fourth quarter of 2025, compared to a decrease of 0.1% during the third quarter of 2025 and an increase of 0.3% during the fourth quarter of 2024. Effective rents as of the fourth quarter of 2025 remain unchanged from the fourth quarter of 2024.
- *Net absorption*. Net absorption, the net change in the total number of occupied multifamily rental units, declined in the fourth quarter of 2025, consistent with the increase in vacancy rates. Based on Moody's Analytics data, net absorption for the fourth quarter of 2025 declined 42% compared with the third quarter of 2025 and 48% compared with the fourth quarter of 2024.
- *Property sales volumes.* Based on preliminary MSCI RCA data, multifamily property sales for 2025 were $165 billion, higher than the $151 billion volume during 2024, and much closer to the 2015 to 2019 annual average level of $169 billion.
- *Property values.* According to data from the MSCI RCA Commercial Property Price Index ("RCA CPPI™"), multifamily property values declined 19% from their peak in the second quarter of 2022 to the fourth quarter of 2025 and decreased approximately 1% from the fourth quarter of 2024 to the fourth quarter of 2025.

We estimate that more than 500,000 multifamily rental units were delivered to the U.S. housing market in 2025, which is well above the past 10-year average of 424,000 units delivered annually. Additionally, there were approximately 793,000 multifamily rental units underway as of November 2025, and based on recent historical trends we expect between 450,000 and 500,000 units will be completed in 2026.

Vacancy rates and rents are important to loan performance because multifamily loans are generally repaid from the cash flows generated by the underlying property. We expect vacancy rates will decline slightly by the end of 2026, and we expect cumulative rent growth below 2.0% for the year. We also expect slowing household formation, but elevated single-family housing prices in many places continue to push many new households into the rental market and keep a number of tenants renting longer. If job growth slows substantially, lower demand could push up vacancies and limit rent growth potential.

Property value is important to credit quality because when a multifamily loan matures, a borrower may be required to make up any value shortfalls if the value estimate has declined below the UPB of the loan and the borrower needs new financing for the property. A borrower may default on its loan if the UPB of the loan is significantly higher than the current property value.

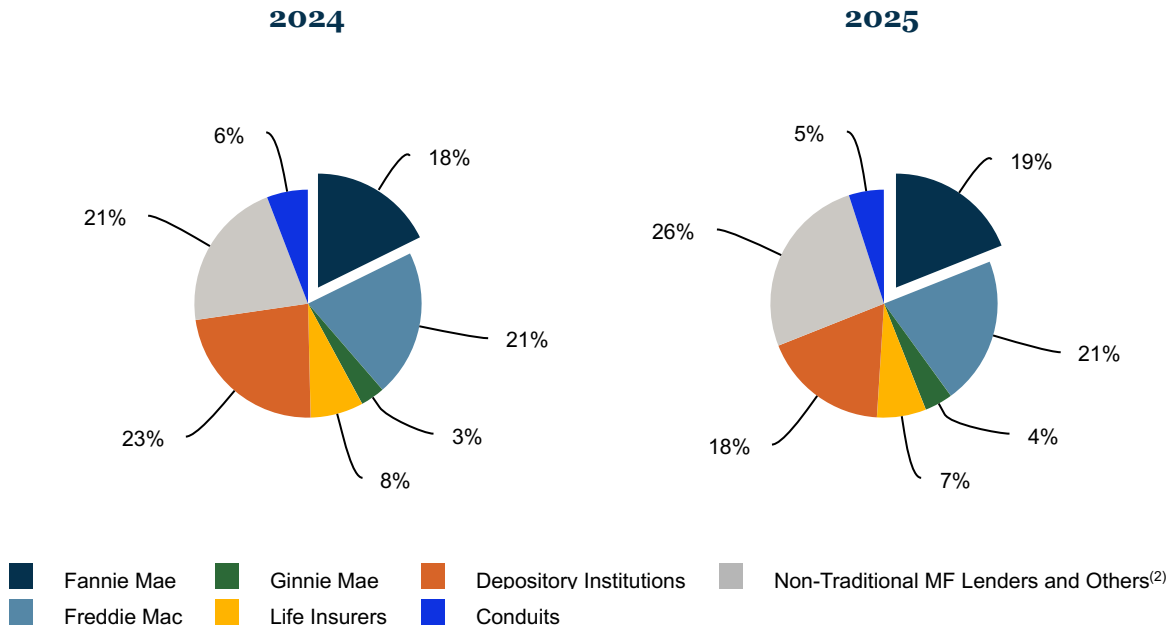
Multifamily property capitalization rates, the indicated rate of return on investment for commercial properties sold during the quarter, were estimated at 5.5% in the fourth quarter of 2025, down slightly from 5.6% in the third quarter of 2025, but the same level as in the fourth quarter of 2024. Multifamily capitalization rates increased substantially between the first quarter of 2022 and the fourth quarter of 2023 but have averaged around 5.6% since then, with the spread between multifamily capitalization rates and 10-year Treasury rates, which is an important consideration for commercial real estate investors, remaining significantly narrower than the spread that was observed prior to 2022.

Multifamily Mortgage Acquisition Share

In 2025, both GSEs collectively acquired approximately $150 billion in multifamily mortgage volume; Fannie Mae's share of these acquisitions was 49% and Freddie Mac's share was 51%.

The chart below displays our estimated share of multifamily mortgage acquisitions during the twelve months ended as of September 30, 2025, the latest date available, and the twelve months ended September 30, 2024, as compared with that of our primary competitors for the acquisition of multifamily mortgage assets.

Multifamily Mortgage Acquisition Share[1]



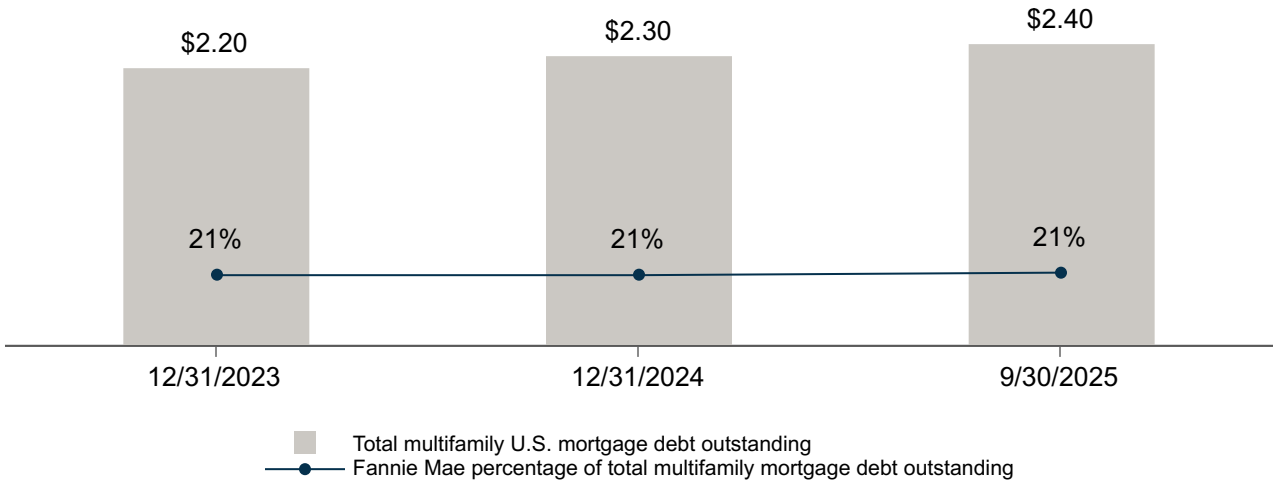
[1] According to the American Council of Life Insurers ("ACLI"), Trepp, Mortgage Bankers Association and Fannie Mae Multifamily Economic and Strategic Research Group.

[2] Other includes state and local credit agencies, FHLBs and other financial institutions.

Multifamily Mortgage Debt Outstanding

As shown in the chart below, we have remained a continuous source of liquidity in the U.S. multifamily market.

Multifamily Mortgage Debt Outstanding[1]
(Dollars in trillions)

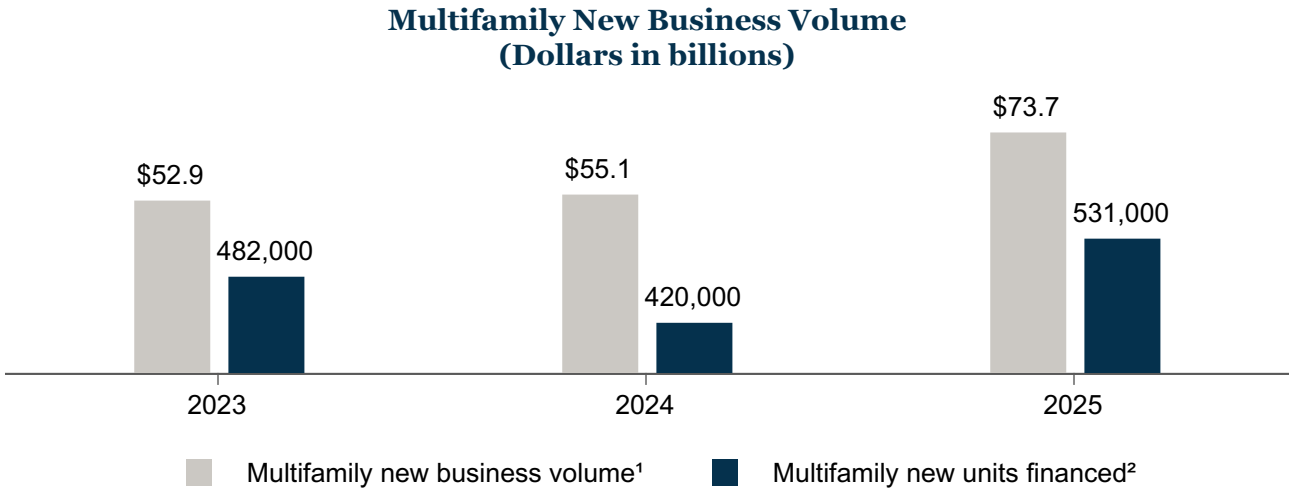


[1] Multifamily mortgage debt outstanding as of September 30, 2025 is based on the Federal Reserve's January 2026 mortgage debt outstanding release, the latest date for which the Federal Reserve has estimated mortgage debt outstanding for multifamily residences. Prior-period amounts have been updated to reflect revised historical data from the Federal Reserve.

Multifamily Business Metrics

Multifamily New Business Volume

The chart below displays our new multifamily loan acquisitions by UPB and number of units financed.



(1) Reflects UPB of new multifamily loans securitized or purchased as well as credit enhancements provided during the period. These figures will not agree to Fannie Mae MBS issued during the period, as Fannie Mae MBS issued also include portfolio securitizations and certain conversions that result in a new Fannie Mae MBS issuance without a newly created loan and exclude bond or mortgage loan credit enhancements.

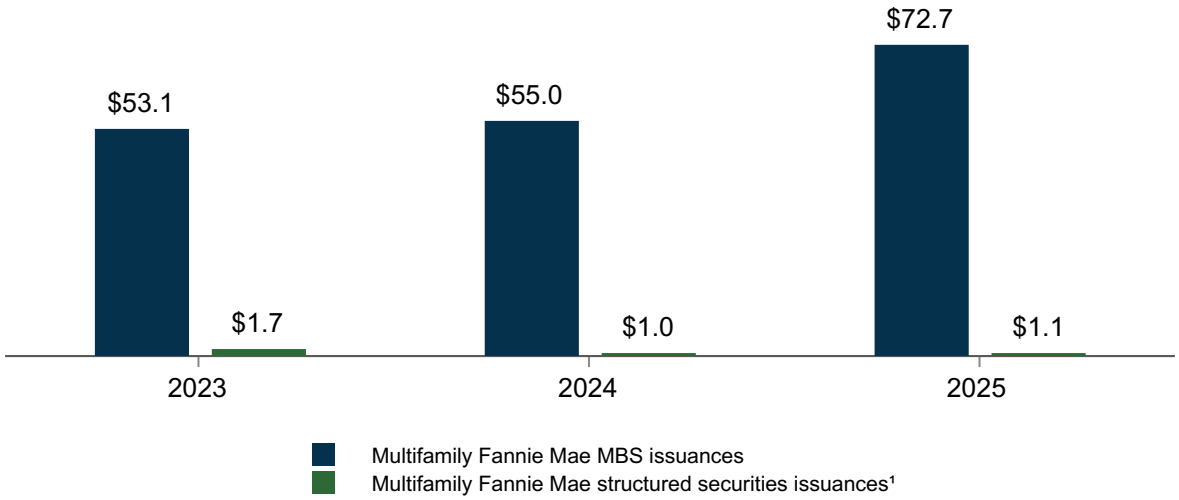
(2) Reflects newly acquired units financed by first liens and excludes manufactured housing rentals.

Multifamily business volumes increased by 34% in 2025 compared with 2024, reflecting increased market activity in 2025. We are subject to an annual multifamily loan purchase cap set by FHFA, which was $73 billion in 2025 and increased to $88 billion for 2026. FHFA requires that at least 50% of our multifamily loan purchases be mission-driven, focused on specified affordable and underserved market segments, and certain loan categories are exempt from the loan purchase cap. The significant majority of our multifamily new business volume of $73.7 billion in 2025 counted towards FHFA's 2025 multifamily loan purchase cap.

Multifamily Securities Issuances

We securitize the vast majority of multifamily mortgage loans we acquire through lender swap transactions. We also support liquidity in the market by issuing structured MBS backed by multifamily Fannie Mae MBS, including through our Fannie Mae GeMS™ program.

Multifamily Fannie Mae MBS Issuances
(Dollars in billions)

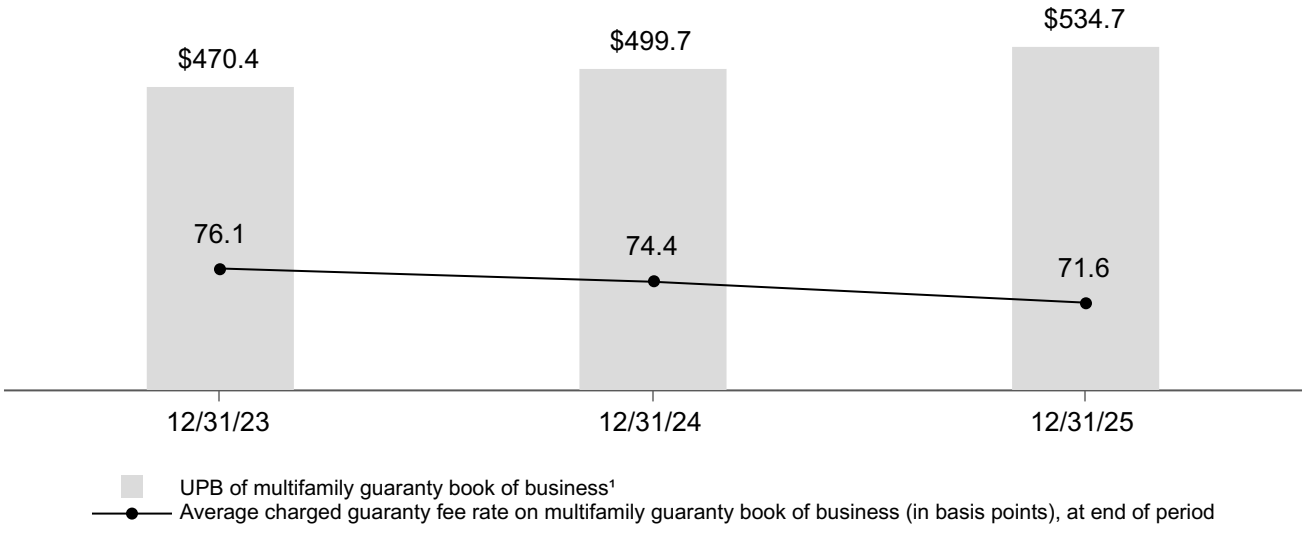


(1) A portion of structured securities issuances may be backed by Fannie Mae MBS issued during the same period and held by Fannie Mae. Structured securities backed by Fannie Mae MBS that are issued by a third party are not included in the multifamily Fannie Mae MBS structured security issuance amounts.

Multifamily Guaranty Book of Business and Average Charged Guaranty Fee

The chart below displays the UPB and average charged guaranty fee related to our multifamily guaranty book of business.

Multifamily Guaranty Book of Business and Charged Fee
(Dollars in billions)



(1) Our multifamily guaranty book of business primarily consists of multifamily mortgage loans underlying Fannie Mae MBS outstanding, multifamily mortgage loans of Fannie Mae held in our retained mortgage portfolio, and other credit enhancements that we provide on multifamily mortgage assets. It does not include non-Fannie Mae multifamily mortgage-related securities held in our retained mortgage portfolio for which we do not provide a guaranty.

Our multifamily guaranty book of business grew to $534.7 billion as of December 31, 2025, a 7% increase from December 31, 2024, driven by our acquisitions combined with low prepayment volumes due to the high interest rate environment.

Our average charged guaranty fee represents the return we earn as compensation for the credit risk we assume on our multifamily guaranty book of business. The average charged guaranty fee on our multifamily guaranty book of business decreased 2.8 basis points in 2025 compared with 2024, due to lower average charged fees on our 2025 acquisitions as compared with the loans in our multifamily guaranty book of business as of December 31, 2024. Our guaranty fee is impacted by the rate at which loans in our book of business turn over as well as the guaranty fees we charge on new business volumes, which are set at the time we acquire the loans. Multifamily pricing is primarily based on individual loan characteristics, but is also influenced by external forces, such as interest rates, MBS spreads, the availability and cost of other sources of liquidity, and our mission-related goals.

Multifamily Mortgage Credit Risk Management

Our strategy for managing multifamily mortgage credit risk consists of the following primary components:

- our underwriting and servicing standards;
- guaranty book diversification and monitoring;
- the transfer of mortgage credit risk to third parties, including our lenders; and
- management of problem loans.

The credit risk profile of a loan in our multifamily guaranty book of business is primarily influenced by:

- the current and anticipated cash flows from the property;
- the type and location of the property;
- the condition and value of the property;
- the financial strength of the borrower;
- market trends; and
- the structure of the financing.

These and other factors affect both the amount of expected credit loss on a given loan and the sensitivity of that loss to changes in the economic environment. These factors and our strategy for managing multifamily mortgage credit risk are described in more detail below.

We typically obtain our multifamily credit information from the lenders or servicers of the mortgage loans in our guaranty book of business and receive representations and warranties from them as to the accuracy of the information. While we perform various quality assurance checks by sampling loans to assess compliance with our underwriting and eligibility criteria, we do not independently verify all reported information and we rely on lender representations and warranties regarding the accuracy of the characteristics of loans in our guaranty book of business. See “Risk Factors” for a discussion of risks relating to mortgage fraud as a result of this reliance on lender representations and warranties.

Multifamily Underwriting Standards

Our Multifamily business is responsible for pricing and managing the credit risk on our multifamily guaranty book of business. Multifamily loans that we purchase or that back Fannie Mae MBS are underwritten by a Fannie Mae-approved lender and may be subject to our underwriting review prior to closing, depending on the product type, loan size, market and/or other factors. Our underwriting standards generally include, among other things, property cash flow analysis and third-party appraisals. We periodically refine our underwriting standards based on changes in our risk appetite.

Our standards for multifamily loans specify maximum original LTV ratio and minimum original debt service coverage ratio (“DSCR”) values that vary based on loan characteristics. Our experience has been that original LTV ratio and DSCR values have been reliable indicators of future credit performance. We limit acquisitions of multifamily loans with original LTV ratios greater than 80% or with original DSCRs of 1.25 or less, as they pose more credit risk than we typically seek. The percentage of our new multifamily business volume acquired in 2025 with original LTV ratios greater than 80% was less than 1%, compared with approximately 1% in 2024. The percentage of new multifamily business volume acquired in 2025 with original DSCRs (based on actual debt service payments) of 1.25 or less was approximately 3%, compared with approximately 4% in 2024.

In 2024 and 2025, we implemented a number of improvements relating to gaps we had previously identified in our management of multifamily loan origination fraud risk and our oversight of multifamily seller/servicer counterparties, and we are currently testing these improvements to confirm that we have remediated the identified gaps. We are also

developing new artificial intelligence-powered tools to assist us in detecting multifamily mortgage fraud. While we have improved our processes for managing multifamily mortgage fraud risk, we continue to face risks associated with multifamily mortgage fraud. See “Risk Factors—Credit Risk” for a discussion of this risk.

Multifamily Guaranty Book Diversification and Monitoring

Diversification within our multifamily guaranty book of business by geographic concentration, loan term, interest rate structure, borrower concentration, loan size, property type, and credit enhancement coverage are important factors that influence credit performance and may help reduce our credit risk.

As part of our ongoing credit risk management process, we and our lenders monitor the performance and risk characteristics of our multifamily loans and the underlying properties on an ongoing basis throughout the loan term at the asset and portfolio level. We generally require lenders to provide quarterly and/or annual financial updates for multifamily loans. We closely monitor loans that are higher risk, including loans with an estimated current DSCR below 1.0, as that is an indicator of heightened default risk.

The physical condition of the properties that serve as collateral for our multifamily loans is an important credit risk characteristic. As such, we require that our lenders assess property condition at origination, and our lenders also conduct and deliver to us their property assessments throughout the life of the loan. We maintain a robust quality control process with respect to property condition, including requiring third-party inspections for certain properties with a higher risk profile. Some borrowers may not invest in needed property repairs and maintenance, or in capital replacements, particularly in times of economic stress when they may not have sufficient resources. When concerns about property condition of underlying collateral arise, we have a dedicated team that actively engages with our lenders and borrowers to seek remediation of the identified issues. Failure to perform repairs may result in a default under the loan documents.

We manage our exposure to interest-rate risk and monitor changes in interest rates, which can impact multiple aspects of our multifamily loans. High interest rates may reduce the ability of multifamily borrowers to refinance their loans, which often have balloon balances at maturity. We have a team that proactively manages upcoming loan maturities to minimize losses on maturing loans and assists lenders and borrowers with timely and appropriate refinancing or payoff of maturing loans. We provide information on the maturity schedule of our multifamily loans in “Multifamily Problem Loan Management and Multifamily Maturity Information” below and in our quarterly financial supplements, which we furnish to the SEC with current reports on Form 8-K and make available on our website. Information in our quarterly financial supplements is not incorporated by reference into this report.

Additionally, in a high interest-rate environment, multifamily borrowers with adjustable-rate mortgages will have higher monthly payments, which may lower their DSCRs. The percentage of our multifamily guaranty book of business with a current DSCR below 1.0 was approximately 4% as of December 31, 2025, compared to 6% as of December 31, 2024, as displayed in the table below. This decrease was primarily attributable to properties financed with adjustable-rate mortgages reporting higher DSCRs in their latest operating statements as a result of the current interest rate environment. We generally require multifamily borrowers with adjustable-rate mortgages to purchase and maintain interest rate caps for the life of the loan to protect against large movements in rates as well as maintain escrows at our servicers to reserve for the cost of replacing these caps. We actively monitor interest-rate related risks as part of our risk management process. For more information on our criticized loan population, see “Multifamily Problem Loan Management—Credit Performance Statistics on Multifamily Problem Loans.”

In addition to the factors discussed above, we track the following credit risk characteristics to determine loan credit quality indicators, which are the internal risk categories we use and which are further discussed in “Note 4, Mortgage Loans”:

- delinquency status;
- the relevant local market and economic conditions that may signal changing risk or return profiles; and
- other risk factors.

For example, we closely monitor rental payment trends and vacancy levels in local markets, as well as capitalization rates, to identify loans that merit closer attention or loss mitigation actions. The primary asset management responsibilities for our multifamily loans are performed by our DUS and other multifamily lenders. We periodically evaluate these lenders’ performance for compliance with our asset management criteria.

The following table displays our multifamily business volumes and our multifamily guaranty book of business, based on certain key risk characteristics that we use to evaluate the risk profile and credit quality of our multifamily loans.

We provide additional information on the credit characteristics of our multifamily loans in our quarterly earnings presentations and financial supplements, which we furnish to the SEC with current reports on Form 8-K and make available on our website. Information in our quarterly earnings presentations and financial supplements is not incorporated by reference into this report.

Key Risk Characteristics of Multifamily Business Volume and Guaranty Book of Business

	Multifamily Business Volume at Acquisition[1] For the Year Ended December 31,			Multifamily Guaranty Book of Business[2] As of December 31,		
	2025	**2024**	**2023**	**2025**	**2024**	**2023**
LTV ratio:						
Weighted-average original LTV ratio	**62 %**	62 %	59 %	**63 %**	63 %	63 %
DSCR:						
Weighted-average DSCR[3]	**1.6**	1.6	1.6	**1.9**	2.0	2.0
Current DSCR below 1.0[3]	**N/A**	N/A	N/A	**4 %**	6 %	4 %
Loan amount and count:						
Average loan amount (in millions)	**$ 22**	$ 21	$ 19	**$ 17**	$ 17	$ 16
Loan count	**3,308**	2,602	2,812	**30,593**	29,651	28,926
Interest rate type:						
Fixed-rate	**99 %**	100 %	99 %	**95 %**	93 %	91 %
Adjustable-rate	**1**	*	1	**5**	7	9
Total	**100 %**	100 %	100 %	**100 %**	100 %	100 %
Amortization type:						
Full interest-only	**66 %**	61 %	63 %	**48 %**	45 %	42 %
Partial interest-only[4]	**28**	31	32	**42**	44	46
Fully amortizing	**6**	8	5	**10**	11	12
Total	**100 %**	100 %	100 %	**100 %**	100 %	100 %
Asset class type:						
Conventional/co-op	**96 %**	94 %	92 %	**91 %**	90 %	89 %
Seniors housing	**1**	3	1	**2**	3	3
Student housing	*****	1	1	**2**	3	3
Manufactured housing	**3**	2	6	**5**	4	5
Total	**100 %**	100 %	100 %	**100 %**	100 %	100 %
Affordable[5]	**11 %**	11 %	12 %	**12 %**	12 %	12 %
Small balance loans (based on loan count)[6]	**33 %**	34 %	40 %	**45 %**	47 %	48 %
Geographic concentration:[7]						
Midwest	**12 %**	12 %	13 %	**12 %**	12 %	12 %
Northeast	**21**	13	12	**15**	15	15
Southeast	**26**	30	32	**28**	27	27
Southwest	**20**	23	24	**22**	22	22
West	**21**	22	19	**23**	24	24
Total	**100 %**	100 %	100 %	**100 %**	100 %	100 %

* Represents less than 0.5% of multifamily business volume or guaranty book of business.

(1) Calculated based on the UPB of multifamily loans for each category divided by the aggregate UPB at time of acquisition, excluding small balance loans which is calculated based on loan count rather than UPB.

(2) Calculated based on the aggregate UPB of multifamily loans for each category divided by the aggregate UPB of loans in our multifamily guaranty book of business as of the end of each period, excluding small balance loans which is calculated based on loan count rather than UPB.

(3) For our business volumes, the DSCR is calculated using the actual debt service payments for the loan. For our book of business, our estimates of current DSCRs are based on the latest available income information, including the related debt service covering a 12-month period, from quarterly and annual statements for these properties. When an annual statement is the latest statement available, it is used. When operating statement information is not available, the underwritten DSCR is used. Co-op loans are excluded from this metric.

(4) Consists of mortgage loans that were underwritten with a partial interest-only term, regardless of whether the loan is currently in its interest-only period.

(5) Represents Multifamily Affordable Housing ("MAH") loans, which are defined as financing for properties that are under an agreement that provides long-term affordability, such as properties with rent subsidies or income restrictions. MAH loans are included within the asset class categories referenced above.

(6) Small balance loans refer to multifamily loans with an original UPB of up to $9 million. Small balance loans are included within the asset class categories referenced above. We present this metric in the table based on loan count rather than UPB. Small balance loans comprised 10%, 10% and 11% of our multifamily guaranty book of business as of December 31, 2025, 2024 and 2023, respectively, based on UPB of the loan.

(7) Midwest consists of IL, IN, IA, MI, MN, NE, ND, OH, SD and WI. Northeast consists of CT, DE, ME, MA, NH, NJ, NY, PA, PR, RI, VT and VI. Southeast consists of AL, DC, FL, GA, KY, MD, MS, NC, SC, TN, VA and WV. Southwest consists of AZ, AR, CO, KS, LA, MO, NM, OK, TX and UT. West consists of AK, CA, GU, HI, ID, MT, NV, OR, WA and WY.

Multifamily Transfer of Mortgage Credit Risk

Overview

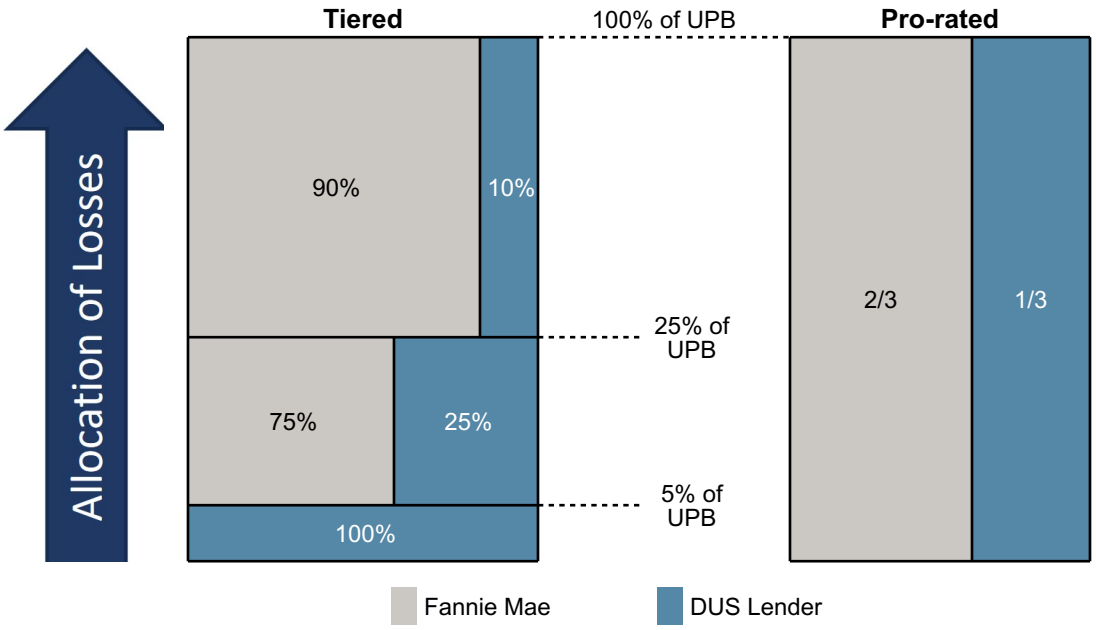
Lender risk-sharing is a cornerstone of our Multifamily business. We primarily transfer risk through our DUS program, which is described under "Multifamily Primary Business Activities—Delegated Underwriting and Servicing Program." To complement our DUS front-end lender-risk sharing program, we also engage in back-end credit risk transfer transactions through our MCIRT and MCAS programs.

Front-End Credit Risk Sharing

Our DUS model is designed to transfer approximately one-third of the credit risk on our multifamily loans to lenders, either on a pro-rated or tiered basis, but the amount of credit loss shared in any given transaction may vary. Lenders who share on a tiered basis typically absorb losses on the first 5% of the UPB of a loan at the time of loss settlement, and above 5% share a percentage of the loss with us, with the maximum loss capped at 20% of the original UPB of the loan. Among our DUS network, bank lenders tend to use pro-rated loss sharing, as it results in more favorable regulatory capital requirements for them, while non-depository lenders vary based on preference.

The chart below displays the percentage of credit risk retained by Fannie Mae or transferred to third parties under our typical DUS lender risk-sharing arrangements. As of December 31, 2025, 44% of our multifamily guaranty book of business was covered by tiered loss sharing and 56% was covered by pro-rated loss sharing. As of December 31, 2024, 43% of our multifamily guaranty book of business was covered by tiered loss sharing and 56% was covered by pro-rated loss sharing.

Principal Types of Multifamily DUS Loss Sharing



In certain situations, lenders may assume a smaller portion of the credit risk. We establish lender-specific loss-sharing limits for individual transactions based on loan size, lender financial performance, and lender creditworthiness, among other factors. When loss sharing is reduced on a loan, the servicing fee paid to the lender is reduced and our guaranty fee is increased to reflect the lower credit risk retained by the lender.

Non-DUS lenders, which represent a small portion of our multifamily guaranty book of business, typically share or absorb losses based on a negotiated percentage of the loan or the pool balance. As a result of our lender risk-sharing agreements, our maximum potential loss recovery from both DUS and non-DUS loans represented approximately 24% of the UPB of our multifamily guaranty book of business as of December 31, 2025 and December 31, 2024.

Back-End Credit Risk Sharing

Our back-end MCAS and MCIRT credit risk transfer programs transfer a portion of the credit risk associated with a reference pool of multifamily mortgage loans to insurers, reinsurers, or investors. These credit-risk sharing transactions were primarily designed to further reduce the capital requirements associated with loans in the reference pool, which reflects the benefit of additional credit risk protection in the event of a stress environment. While we transfer multifamily credit risk through front-end lender risk-sharing at the time of acquisition, our multifamily back-end credit risk transfer activity occurs later, sometimes a year or more after acquisition.

In 2025, we entered into two new multifamily credit risk transfer transactions through our MCIRT and MCAS programs. When engaging in multifamily credit risk transfer transactions, we consider their cost, the resulting capital relief, and the overall credit risk appetite of the market. The cost of our credit risk transfer transactions is impacted by macroeconomic conditions and housing market sentiment, as well as the demand and capacity of the investors and reinsurers that support these transactions.

The table below displays the total UPB of multifamily loans and the percentage of our multifamily guaranty book of business, based on UPB, that is covered by a back-end credit risk transfer transaction. The table does not reflect front-end lender risk-sharing arrangements, as only a small portion of our multifamily guaranty book of business is not covered by these arrangements.

Multifamily Loans in Back-End Credit Risk Transfer Transactions

	As of December 31,			
	2025		2024	
	UPB	Percentage of Multifamily Guaranty Book of Business	UPB	Percentage of Multifamily Guaranty Book of Business
	(Dollars in millions)			
MCIRT	**$ 105,740**	**20 %**	$ 101,181	20 %
MCAS	**67,040**	**12**	56,142	11
Total	**$ 172,780**	**32 %**	$ 157,323	31 %

Multifamily Problem Loan Management

We employ proactive management and monitoring of our multifamily guaranty book, which are designed to mitigate losses and delinquencies on our multifamily guaranty book of business.

Credit Performance Statistics on Multifamily Problem Loans

The percentage of loans in our multifamily guaranty book of business that were criticized was 6% as of December 31, 2025 and 7% as of December 31, 2024. The criticized loans category substantially consists of loans classified as "Substandard" and also includes loans classified as "Special Mention" or "Doubtful." Substandard loans are loans that have a well-defined weakness that could impact their timely full repayment. While the majority of the substandard loans in our multifamily guaranty book of business are currently making timely payments, we continue to monitor the performance of our substandard loan population. For more information on our credit quality indicators, including our population of substandard loans, see "Note 4, Mortgage Loans."

Our multifamily serious delinquency rate increased to 0.74% as of December 31, 2025, compared with 0.57% as of December 31, 2024, primarily driven by new entrants into the seriously delinquent loan population resulting from sustained market challenges in recent periods. The impact of new delinquencies was partially offset by the foreclosure of the remaining loans in a specific seniors housing portfolio that was written off in 2023. Our multifamily serious delinquency rate consists of multifamily loans that were 60 days or more past due based on UPB, expressed as a percentage of our multifamily guaranty book of business.

Management monitors the multifamily serious delinquency rate as an indicator of potential future credit losses and loss mitigation activities. Serious delinquency rates are reflective of our performance in assessing and managing credit risk associated with multifamily loans in our guaranty book of business. A higher serious delinquency rate may result in a higher allowance for loan losses. The percentage of loans in our multifamily guaranty book of business that were 180 days or more delinquent was 0.56% as of December 31, 2025, compared with 0.44% as of December 31, 2024.

In addition to the credit performance information on our multifamily loans provided in this report, we provide additional information about the performance of our multifamily loans that back MBS and whole loan REMICs in the "Data Collections" section of our DUS Disclose® tool, available at www.fanniemae.com/dusdisclose. Information on our website is not incorporated into this report. Information in Data Collections may differ from similar measures presented in our financial statements and other public disclosures for a variety of reasons, including as a result of variations in the loan population covered, timing differences in reporting and other factors.

Multifamily REO Management

As of December 31, 2025, we held 181 multifamily REO properties with a carrying value of $1.0 billion, compared with 139 properties with a carrying value of $638 million as of December 31, 2024. The increase in foreclosure activity was primarily driven by the remaining properties from a specific seniors housing portfolio that was written off in 2023.

Multifamily Credit Loss Performance Metrics

The amount of multifamily credit losses or gains we realize in a given period is driven by foreclosures, pre-foreclosure sales, post-foreclosure REO activity and other events that trigger write-offs and recoveries. Our multifamily credit loss performance metrics are not defined terms and may not be calculated in the same manner as similarly titled measures reported by other companies. For the purposes of our multifamily credit loss performance metrics, credit losses or gains

represent write-offs net of recoveries and foreclosed property income or expense. We believe our multifamily credit losses, and our multifamily credit losses net of freestanding loss-sharing arrangements, provide useful information about our multifamily credit performance because they display our multifamily credit losses in the context of our multifamily guaranty book of business, including changes to the benefit we expect to receive from loss-sharing arrangements. Management views multifamily credit losses, net of freestanding loss-sharing arrangements, as a key metric related to our multifamily business model and our strategy to share multifamily credit risk.

The table below displays the components of our multifamily credit loss performance metrics, as well as our multifamily initial write-off severity rate and write-off loan count.

Multifamily Credit Loss Performance Metrics

	For the Year Ended December 31,		
	2025	**2024**	**2023**
	(Dollars in millions)		
Write-offs[1]	**$ (470)**	$ (505)	$ (401)
Recoveries	**108**	86	59
Foreclosed property income (expense)	**(119)**	(234)	(174)
Credit gains (losses)	**(481)**	(653)	(516)
Change in expected benefits from freestanding loss-sharing arrangements[2]	**184**	148	41
Credit gains (losses), net of freestanding loss-sharing arrangements	**$ (297)**	$ (505)	$ (475)
Credit gain (loss) ratio (in bps)[3]	**(9.4)**	(13.5)	(11.3)
Credit gain (loss) ratio, net of freestanding loss-sharing arrangements (in bps)[2][3]	**(5.8)**	(10.5)	(10.4)
Multifamily initial write-off severity rate on liquidated loans[4]	**25 %**	25 %	8 %
Multifamily write-off loan count on liquidated loans[5]	**67**	23	18

(1) Represents write-offs at a liquidation event, which includes a foreclosure, a deed-in-lieu of foreclosure or a short sale, as well as write-offs prior to a liquidation event. Write-offs associated with non-REO sales are net of loss sharing.

(2) Represents changes to the benefit we expect to receive only from write-offs as a result of certain freestanding loss-sharing arrangements, primarily multifamily DUS lender risk-sharing transactions. Changes to the expected benefits we will receive are recorded in "Other income (expense), net" in our consolidated statements of operations and comprehensive income.

(3) Calculated based on the amount of "Credit gains (losses)" and "Credit gains (losses), net of freestanding loss-sharing arrangements," divided by the average multifamily guaranty book of business during the period.

(4) Rate is calculated as the initial write-off amount divided by the UPB of the loans written off and is based on write-offs associated with a liquidation event. The rate excludes any costs, gains or losses associated with REO after initial acquisition through final disposition. The rate also excludes write-offs when a loan is determined to be uncollectible prior to a liquidation event. Write-offs are net of lender loss-sharing agreements.

(5) Represents the number of loans that experienced write-offs associated with a liquidation event during the period.

Multifamily Maturity Information

The below table shows the contractual maturities and interest rate sensitivities of our multifamily mortgage loan portfolio as recorded on our consolidated balance sheets. Although loans in our consolidated portfolio have varying contractual terms, the actual life of the loans may be less than their contractual term as a result of prepayment.

Multifamily Loans: Maturities and Terms of the Consolidated Mortgage Loan Portfolio[1]

	As of December 31, 2025				
	Due within 1 year	Greater than 1 year but within 5 years	Greater than 5 years but within 15 years	Greater than 15 years	Total
	(Dollars in millions)				
Multifamily mortgage loan portfolio:[2]					
Loans held for investment:					
Of Fannie Mae	$ 831	$ 1,488	$ 1,862	$ 13	$ 4,194
Of consolidated trusts	25,586	247,696	243,728	4,671	521,681
Total UPB of multifamily mortgage loans	26,417	249,184	245,590	4,684	525,875
Cost basis adjustments, net					(2,659)
Total multifamily mortgage loans[2]	$ 26,417	$ 249,184	$ 245,590	$ 4,684	$ 523,216
Multifamily mortgage loan portfolio by interest rate sensitivity:					
Fixed-rate	$ 25,018	$ 238,423	$ 232,995	$ 4,590	$ 501,026
Adjustable-rate	1,399	10,761	12,595	94	24,849
Total UPB of multifamily mortgage loans	$ 26,417	$ 249,184	$ 245,590	$ 4,684	$ 525,875

(1) We report the scheduled repayments in the maturity category in which the payment is due, such that a loan's balance may be presented across multiple maturity categories.

(2) Excludes accrued interest receivable. The UPB of multifamily loans is based on the amount of contractual UPB due and excludes any write-offs for amounts deemed uncollectible. Those write-offs are presented as a component of cost basis adjustments, net.

Consolidated Credit Ratios and Select Credit Information

The table below displays select credit ratios on our single-family conventional guaranty book of business and our multifamily guaranty book of business, as well as the inputs used in calculating these ratios. For purposes of calculating our consolidated credit ratios and the credit loss reserves and write-offs, net of recoveries, the ratios are inclusive of our allowance for loan losses, allowance for accrued interest receivable, and reserve for guaranty losses. These amounts exclude reserves for advances of pre-foreclosure costs and the allowance for available-for-sale securities.

Consolidated Credit Ratios and Select Credit Information

	As of					
	December 31, 2025			December 31, 2024		
	Single-family	Multifamily	Consolidated Total	Single-family	Multifamily	Consolidated Total
	(Dollars in millions)					
Credit loss reserves as a percentage of:						
Guaranty book of business	**0.17 %**	**0.43 %**	**0.20 %**	0.15 %	0.48 %	0.19 %
Nonaccrual loans at amortized cost	**22.03**	**70.02**	**27.19**	19.95	95.27	26.43
Nonaccrual loans as a percentage of:						
Guaranty book of business	**0.77 %**	**0.62 %**	**0.75 %**	0.74 %	0.50 %	0.71 %
Select financial information used in calculating credit ratios:						
Credit loss reserves	**$ (6,066)**	**$ (2,319)**	**$ (8,385)**	$ (5,332)	$ (2,398)	$ (7,730)
Guaranty book of business[1]	**3,569,324**	**534,715**	**4,104,039**	3,617,267	499,652	4,116,919
Nonaccrual loans at amortized cost	**27,532**	**3,312**	**30,844**	26,728	2,517	29,245

(1) Guaranty book of business is as of period end. For single-family, represents the conventional guaranty book of business.

Our credit loss reserves increased as of December 31, 2025 compared with December 31, 2024 primarily as a result of a provision for credit losses, which increased our allowance for loan losses, as we describe in “Consolidated Results of Operations—(Provision) Benefit for Credit Losses.”

Consolidated Write-off Ratio and Select Credit Information

	For the Year Ended December 31,								
	2025			2024			2023		
	Single-family	Multifamily	Total	Single-family	Multifamily	Total	Single-family	Multifamily	Total
	(Dollars in millions)								
Select credit ratio:									
Write-offs, net of recoveries, as a percentage of the average guaranty book of business (in bps)	**1.5**	**7.0**	**2.2**	1.3	8.7	2.2	1.8	7.5	2.5
Select financial information used in calculating credit ratio:									
Write-offs[1]	**$ 737**	**$ 470**	**$ 1,207**	$ 728	$ 505	$ 1,233	$ 881	$ 401	$ 1,282
Recoveries	**(191)**	**(108)**	**(299)**	(258)	(86)	(344)	(210)	(59)	(269)
Write-offs, net of recoveries	**$ 546**	**$ 362**	**$ 908**	$ 470	$ 419	$ 889	$ 671	$ 342	$ 1,013
Average guaranty book of business[2]	**$3,593,097**	**$ 514,197**	**$4,107,294**	$3,626,208	$ 482,541	$4,108,749	$3,634,426	$ 455,137	$4,089,563

(1) Represents write-offs when a loan is determined to be uncollectible. For single-family, also includes any write-offs upon the redesignation of mortgage loans from HFI to HFS.

(2) Average guaranty book of business is based on the average of quarter-end balances. For single-family, represents the conventional guaranty book of business.

Liquidity and Capital Management

Liquidity Management

Our business activities require that we maintain adequate liquidity to fund our operations. Our liquidity risk management requirements are designed to address our liquidity risk, which is the risk that we will not be able to meet our obligations when they come due, including the risk associated with the inability to access funding sources or manage fluctuations in funding levels. Liquidity risk management involves forecasting funding requirements, maintaining sufficient funding capacity to meet our needs based on our ongoing assessment of financial market liquidity and adhering to our regulatory requirements.

Primary Sources and Uses of Funds

Our liquidity depends largely on our ability to issue debt in the capital markets, including both corporate debt and sales of our MBS securities. We believe that our status as a government-sponsored enterprise and continued federal government support are essential to maintaining our access to the debt markets. Substantially all of our sources and uses of funds identified below are both short-term and long-term in nature.

Our primary sources of funds include:

- issuance of long-term and short-term corporate debt;
- proceeds from the sale of mortgage-related securities, mortgage loans, corporate liquidity portfolio assets, and REO assets;
- principal and interest payments received on mortgage loans, mortgage-related securities and non-mortgage investments we own;
- guaranty fees received on Fannie Mae MBS, including the TCCA fees collected by us on behalf of Treasury;
- payments received from mortgage insurance counterparties and other providers of credit enhancement; and
- borrowings we may make under a secured intraday funding line of credit or against mortgage-related securities and other investment securities we hold pursuant to repurchase agreements and loan agreements.

Our primary uses of funds include:

- the repayment of matured, redeemed and repurchased debt;
- the purchase of mortgage loans (including delinquent loans from MBS trusts), mortgage-related securities and other investments;
- interest payments on outstanding debt;
- administrative expenses;
- losses, including advances for past due principal and interest, incurred in connection with our Fannie Mae MBS guaranty obligations;
- payments of federal income taxes;
- payments of TCCA fees to Treasury; and
- payments associated with our credit risk transfer program expenses.

Liquidity Risk Management Practices and Contingency Planning

Many factors, both internal and external to our business, could influence our debt activity, affect the amount, mix and cost of our debt funding, reduce demand for our debt securities, increase our liquidity or roll over risk, or otherwise have a material adverse impact on our liquidity position, including:

- changes or perceived changes in federal government support of our business or our debt securities;
- changes in or the elimination of our status as a government-sponsored enterprise;
- changes by investors in how they view our debt or regulatory changes causing our debt to no longer be considered a high-quality liquid asset;
- actions taken by the President, FHFA, the Federal Reserve, Treasury, or other government agencies;
- legislation relating to us or our business;
- a change or perceived change in the creditworthiness of the U.S. government, due to our reliance on the U.S. government's support;
- a U.S. government payment default on its debt obligations;
- a downgrade in the credit ratings of our senior unsecured debt or the U.S. government's debt from the major ratings organizations;
- future changes or disruptions in the financial markets;
- a systemic event leading to the withdrawal of liquidity from the market;
- an extreme market-wide widening of credit spreads;
- public statements by key policy makers;
- a significant decline in our net worth;
- potential investor concerns about the adequacy of funding available to us under or about changes to the senior preferred stock purchase agreement;
- loss of demand for our debt, or certain types of our debt, from a significant number of investors;
- a significant credit or operational (including cybersecurity) event involving us or one of our major institutional counterparties; or
- a sudden catastrophic operational failure in the financial sector.

See "Risk Factors" for a discussion of the risks we face relating to:

- the uncertain future of our company;
- our reliance on the issuance of debt securities to obtain funds for our operations and the relative cost to obtain these funds;
- our liquidity contingency plans;
- our credit ratings; and
- other factors that could adversely affect our ability to obtain adequate debt funding or otherwise negatively impact our liquidity, including the factors listed above.

Also see “Business—Conservatorship and Treasury Agreements—Treasury Agreements.”

We maintain a liquidity management framework and conduct liquidity contingency planning to prepare for an event in which our access to the unsecured debt markets becomes limited.

Our liquidity requirements established by FHFA have four components we must meet:

- a short-term cash flow metric that requires us to meet our expected cash outflows and continue to provide liquidity to the market over a 30-day period of stress, plus an additional $10 billion buffer;
- an intermediate cash flow metric that requires us to meet our expected cash outflows and continue to provide liquidity to the market over a 365-day period of stress;
- a specified minimum stable funding (as defined by FHFA) to less-liquid asset ratio. Less-liquid assets are those that are not eligible to be pledged as collateral to Fixed Income Clearing Corporation; and
- a requirement that we fund our assets with stable funding that has a specified minimum term relative to the term of the assets.

As of December 31, 2025, we were in compliance with these requirements.

We execute operational testing of our ability to rely upon our U.S. Treasury collateral to obtain financing. We enter into relatively small repurchase agreements to confirm that we have the operational and systems capability to do so. In addition, we have positioned collateral in advance to clearing banks in the event we seek to enter into repurchase agreements in the future. We do not, however, have committed repurchase agreements with specific counterparties, as historically we have not relied on this form of funding. As a result, our use of such facilities and our ability to enter into them in significant dollar amounts may be challenging in a stressed market environment. See “Corporate Liquidity Portfolio” for further discussions of our alternative sources of liquidity if our access to the debt markets were to become limited.

While our liquidity contingency planning attempts to address stressed market conditions and our status in conservatorship, we believe accessing all liquidity sources in those plans could be difficult or impossible to execute under stressed conditions for a company of our size in our circumstances. See “Risk Factors—Liquidity Risk” for a description of the risks associated with our ability to fund operations and our liquidity contingency planning.

Debt Funding

We separately present the debt from consolidations (“Debt of consolidated trusts”) and the debt issued by us (“Debt of Fannie Mae”) in our consolidated balance sheets. This discussion regarding debt funding focuses on the debt of Fannie Mae. We primarily fund our business through MBS issuances, retained earnings, and the issuance of a variety of short-term and long-term debt securities in the domestic and international capital markets. Accordingly, we are subject to “roll over,” or refinancing, risk on our outstanding debt.

Our debt securities are actively traded in the over-the-counter market. We have a diversified funding base of domestic and international investors. Purchasers of our debt securities are geographically diversified and include fund managers, commercial banks, pension funds, insurance companies, foreign central banks, corporations, state and local governments, and other municipal authorities. We compete for low-cost debt funding with institutions that hold mortgage portfolios, including Freddie Mac and the FHLBs.

Our debt funding needs and debt funding activity may vary from period to period depending on factors such as market conditions, refinance volumes, our capital and liquidity management, our net worth, and the size of our retained mortgage portfolio. See “Retained Mortgage Portfolio” for information about our retained mortgage portfolio and limits on its size.

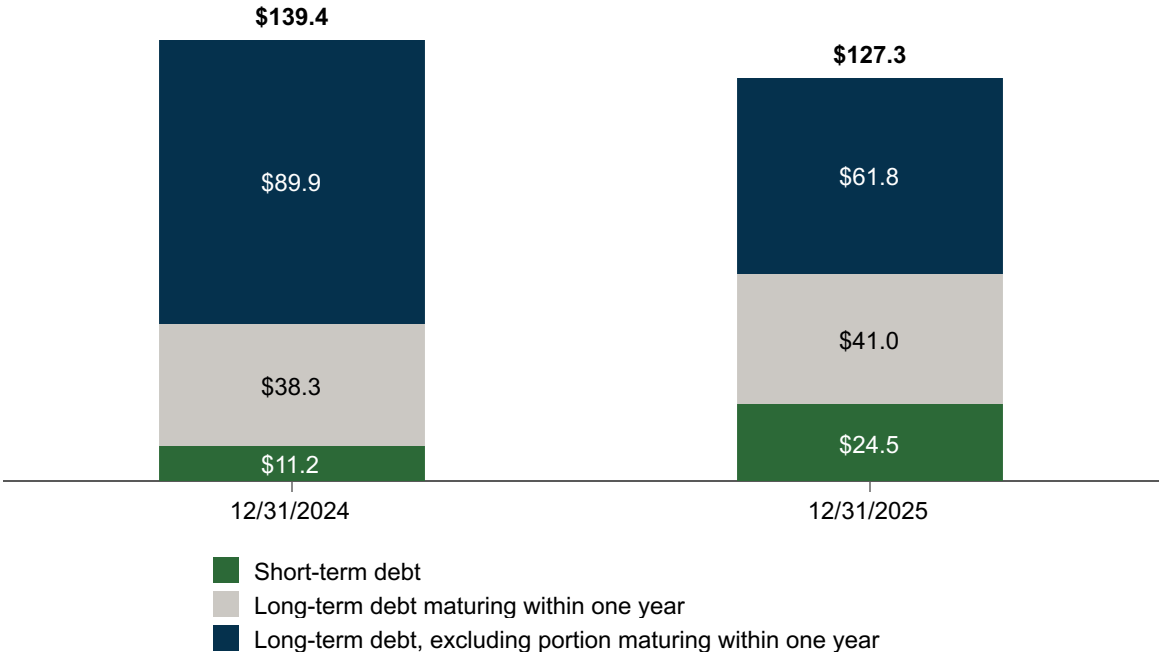
The UPB of our aggregate indebtedness was $130.0 billion as of December 31, 2025. Pursuant to the terms of the senior preferred stock purchase agreement, we are prohibited from issuing debt without the prior consent of Treasury if it would result in our aggregate indebtedness exceeding our outstanding debt limit, which is set to $270 billion. The calculation of our indebtedness for purposes of complying with our debt limit reflects the UPB and excludes debt basis adjustments and debt of consolidated trusts.

Outstanding Debt

Total outstanding debt of Fannie Mae includes short-term and long-term debt and excludes debt of consolidated trusts. Short-term debt of Fannie Mae consists of borrowings with an original contractual maturity of one year or less and, therefore, does not include the current portion of long-term debt. Long-term debt of Fannie Mae consists of borrowings with an original contractual maturity of greater than one year.

The following chart and table display information on our outstanding short-term and long-term debt based on original contractual maturity. Our outstanding debt decreased in 2025 as our funding needs were primarily satisfied by earnings retained from our operations. Additionally, we increased the proportion of short-term debt to replace maturing long-term obligations.

Debt of Fannie Mae[1]
(Dollars in billions)



(1) Outstanding debt balance consists of the UPB, premiums and discounts, fair value adjustments, hedge-related basis adjustments and other cost basis adjustments. Reported amounts include net discount unamortized cost basis adjustments and fair value adjustments of $2.6 billion and $3.7 billion as of December 31, 2025 and 2024, respectively.

Selected Debt Information

	As of December 31,	
	2025	2024
	(Dollars in billions)	
Selected Weighted-Average Interest Rates[1]		
Interest rate on short-term debt	**3.66 %**	4.33 %
Interest rate on long-term debt, including portion maturing within one year	**3.89**	3.30
Interest rate on callable debt	**3.45**	2.83
Selected Maturity Data		
Weighted-average maturity of debt maturing within one year (in days)	**189**	160
Weighted-average maturity of debt maturing in more than one year (in months)	**49**	43
Other Data		
Outstanding callable debt[2]	**$ 35.4**	$ 41.0

(1) Excludes the effects of fair value adjustments and hedge-related basis adjustments.

(2) Includes short-term callable debt of $40 million and $95 million as of December 31, 2025 and 2024, respectively.

We intend to repay our short-term and long-term debt obligations as they become due primarily through cash from business operations, the sale of assets in our corporate liquidity portfolio and the issuance of additional debt securities.

For information on the maturity profile of our outstanding long-term debt for each of the years 2026 through 2030 and thereafter, see “Note 8, Short-Term and Long-Term Debt.”

Debt Funding Activity

The table below displays activity in debt of Fannie Mae. This activity excludes the debt of consolidated trusts and intraday borrowing. The reported amounts of debt issued and paid off during each period represent the face amount of the debt at issuance and redemption.

Activity in Debt of Fannie Mae

	For the Year Ended December 31,		
	2025	2024	2023
	(Dollars in millions)		
Issued during the period:			
Short-term:			
Amount	**$ 383,233**	$ 259,586	$ 227,787
Weighted-average interest rate	**4.15 %**	5.06 %	4.86 %
Long-term:			
Amount	**$ 30,234**	$ 49,422	$ 8,636
Weighted-average interest rate	**4.15 %**	4.90 %	5.27 %
Total issued:			
Amount	**$ 413,467**	$ 309,008	$ 236,423
Weighted-average interest rate	**4.15 %**	5.03 %	4.87 %
Paid off during the period:[1]			
Short-term:			
Amount	**$ 369,834**	$ 265,743	$ 220,645
Weighted-average interest rate[2]	**4.19 %**	4.57 %	4.18 %
Long-term:			
Amount	**$ 56,819**	$ 28,294	$ 26,918
Weighted-average interest rate	**2.20 %**	3.09 %	1.65 %
Total paid off:			
Amount	**$ 426,653**	$ 294,037	$ 247,563
Weighted-average interest rate	**3.93 %**	4.43 %	3.91 %

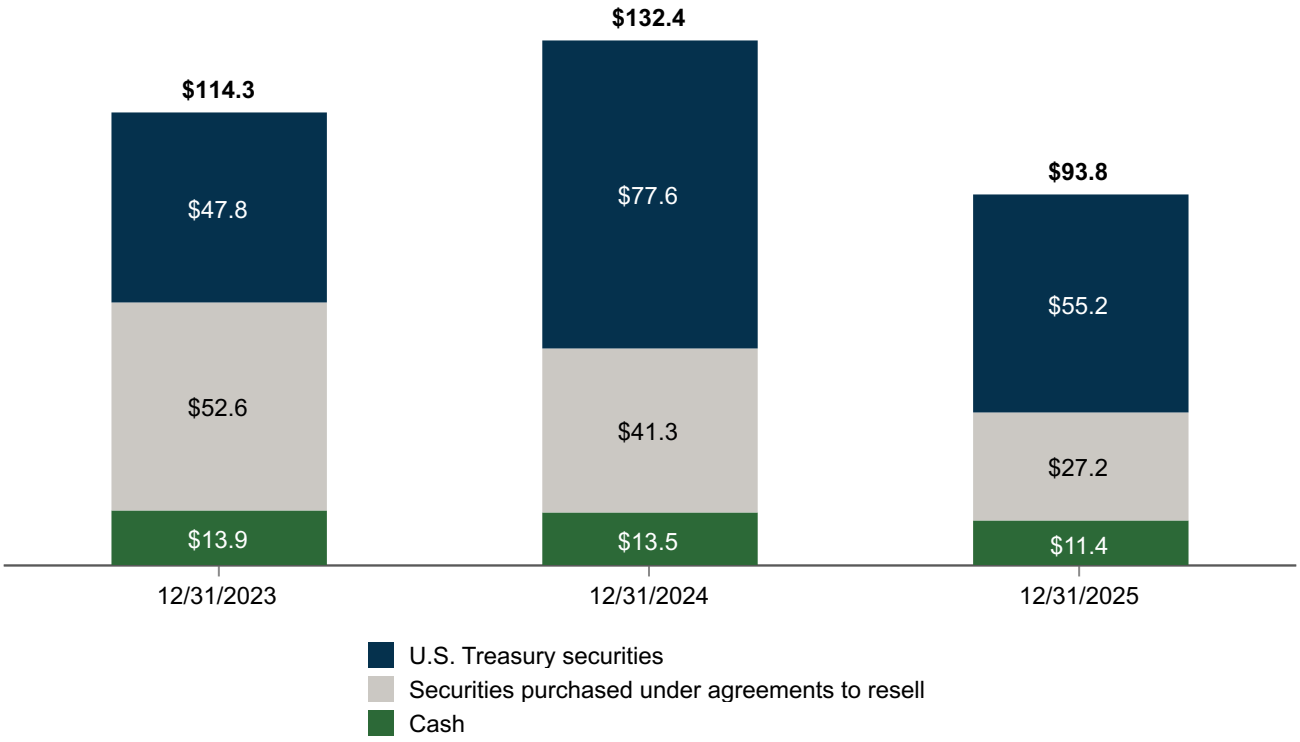
(1) Consists of all payments on debt, including regularly scheduled principal payments, payments at maturity, payments resulting from calls and payments for any other repurchases. Repurchases of debt and early retirements of zero-coupon debt are reported at original face value, which does not equal the amount of actual cash payment.

(2) Includes interest generated from negative interest rates on certain repurchase agreements, which offset our short-term funding costs.

Corporate Liquidity Portfolio

The chart below displays information on the composition of our corporate liquidity portfolio. The balance and composition of our corporate liquidity portfolio fluctuates as a result of factors such as changes in our cash flows, liquidity in the fixed-income markets, our investment strategy, and our liquidity risk management framework and practices. Our corporate liquidity portfolio decreased in 2025, primarily due to liquidating assets to pay off maturing debt of Fannie Mae that was not replaced, and the sale of U.S. Treasury securities and maturities of securities purchased under agreement to resell, with proceeds reinvested into agency MBS investments held in our retained mortgage portfolio. For information on our expectation to continue to increase our holdings of agency MBS and how we intend to fund those purchases, see “Retained Mortgage Portfolio.”

Corporate Liquidity Portfolio
(Dollars in billions)



Off-Balance Sheet Arrangements

We enter into certain business arrangements to facilitate our statutory purpose of providing liquidity to the secondary mortgage market and to reduce our exposure to interest rate fluctuations. Some of these arrangements are not recorded in our consolidated balance sheets or may be recorded in amounts different from the full contract or notional amount of the transaction, depending on the nature or structure of, and the accounting required to be applied to, the arrangement. These arrangements are commonly referred to as “off-balance sheet arrangements” and expose us to potential losses in excess of the amounts recorded in our consolidated balance sheets.

Our off-balance sheet arrangements result primarily from the following:

- our guaranty of mortgage loan securitization and resecuritization transactions over which we have no control, which are reflected in our unconsolidated Fannie Mae MBS net of any beneficial ownership interest we retain, and other financial guarantees that we do not control;
- liquidity support transactions; and
- partnership interests.

The total amount of our off-balance sheet exposure related to unconsolidated Fannie Mae MBS net of any beneficial interest that we retain, and other financial guarantees was $195.7 billion as of December 31, 2025 and $211.5 billion as of December 31, 2024. The majority of the other financial guarantees consists of Freddie Mac securities backing Fannie Mae structured securities. See “Guaranty Book of Business” and “Note 7, Financial Guarantees” for more information regarding our maximum exposure to loss on unconsolidated Fannie Mae MBS and Freddie Mac securities.

Our total outstanding liquidity commitments to advance funds for securities backed by multifamily housing revenue bonds totaled $3.6 billion as of December 31, 2025 and $4.3 billion as of December 31, 2024. These commitments require us to advance funds to third parties that enable them to repurchase tendered bonds or securities that are unable to be remarketed.

We have investments in various limited partnerships and similar legal entities, which consist of LIHTC investments, community investments and investments in other entities. When we do not have a controlling financial interest in those entities, our consolidated balance sheets reflect only our investment rather than the full amount of the partnership's assets and liabilities. See "Note 3, Consolidations and Transfers of Financial Assets—Unconsolidated VIEs" for information regarding our investments in limited partnerships and similar legal entities.

Equity Funding

Under the current terms of the senior preferred stock purchase agreement, we are prohibited from issuing equity securities without Treasury's consent, except in limited circumstances. As a result, our current access to equity funding is limited to draws under the senior preferred stock purchase agreement. Even if Treasury approves our issuance of additional equity securities, there may not be a sufficient market for new issuances of our equity securities due to factors such as our conservatorship status, the covenants under the senior preferred stock purchase agreement, Treasury's ownership of the warrant to purchase up to 79.9% of the total shares of our common stock outstanding, and the uncertainty regarding our future, as described in "Risk Factors—GSE and Conservatorship Risk." For a description of the funding available and the covenants under the senior preferred stock purchase agreement, see "Business—Conservatorship and Treasury Agreements—Treasury Agreements."

Contractual Obligations

We have contractual obligations that affect our liquidity and capital resource requirements. These contractual obligations primarily consist of debt obligations (and associated interest payment obligations) and mortgage purchase commitments recognized on our consolidated balance sheet.

- For information about the amounts, maturities and contractual interest rates of our obligations related to debt, see "Note 8, Short-Term and Long-Term Debt."
- For information about our mortgage purchase commitments, see "Note 17, Commitments and Contingencies."

Our contractual obligations also include $3.8 billion in cash received as collateral, unrecognized tax benefits, lease obligations, and future cash payments due under our unconditional and legally binding obligations to fund LIHTC partnership investments and other partnerships.

In addition, our short- and long-term liquidity and capital resource needs may be affected by our contractual obligations to make the payments listed below. The amounts of these payments are uncertain and will depend on future events:

- payments on our obligations to stand ready to perform under our guarantees relating to Fannie Mae MBS and other financial guarantees, including Fannie Mae commingled structured securities. The amount and timing of payments under these arrangements are generally contingent upon the occurrence of future events. For a description of the amount of our on- and off-balance sheet Fannie Mae MBS and other financial guarantees as of December 31, 2025, see "Guaranty Book of Business" and "Off-Balance Sheet Arrangements;"
- payments associated with our back-end credit risk transfer transactions, the amount and timing of which are contingent upon the occurrence of future credit and prepayment events for the related reference pool of mortgage loans. For more information on these transactions, see "Single-Family Business—Single-Family Mortgage Credit Risk Management—Single-Family Credit Enhancement and Transfer of Mortgage Credit Risk—Credit Risk Transfer Transactions" and "Multifamily Business—Multifamily Mortgage Credit Risk Management—Multifamily Transfer of Mortgage Credit Risk;" and
- payments related to our interest-rate risk management derivatives that may require cash settlement in future periods, the amount and timing of which depend on changes in interest rates. For more information on these transactions, see "Note 9, Derivative Instruments."

Credit Ratings

Our credit ratings from the major credit ratings organizations, as well as the credit ratings of the U.S. government, are primary factors that could affect our ability to access the capital markets and our cost of funds. In addition, our credit ratings are important when we seek to engage in certain long-term transactions, such as derivative transactions. See "Risk Factors—Liquidity Risk" for a discussion of the risks to our business relating to a decrease in our credit ratings.

The table below displays our credit ratings issued by the three major credit rating agencies.

Fannie Mae Credit Ratings

	As of December 31, 2025		
	S&P	**Moody's**	**Fitch**
Long-term senior debt	AA+	Aa1	AA+
Short-term senior debt	A-1+	P-1	F1+
Preferred stock	D	Ca(hyb)	C/RR6
Outlook	Stable	Stable	Stable

On May 19, 2025, Moody's downgraded our long-term senior unsecured debt rating to Aa1 from Aaa and changed the outlook to stable from negative. This action followed Moody's downgrade of the U.S. Government's long-term issuer and senior unsecured ratings to Aa1 from Aaa and change in outlook to stable from negative on May 16, 2025.

We have no covenants in our existing debt agreements that would be violated by a downgrade in our credit ratings. However, in connection with certain derivatives counterparties, we could be required to provide additional collateral to or terminate transactions with certain counterparties in the event that our senior unsecured debt ratings are downgraded. See "Note 9, Derivative Instruments—Derivative Counterparty Credit Exposure" for a description of additional collateral we would be required to post to derivatives counterparties in the event of certain credit ratings downgrades.

Cash Flows

Year Ended December 31, 2025. Cash and restricted cash increased from $38.5 billion as of December 31, 2024 to $42.6 billion as of December 31, 2025. The increase was primarily driven by cash inflows from (1) proceeds from repayments of loans, (2) the sale of Fannie Mae MBS to third parties, (3) proceeds from issuances of debt of Fannie Mae, (4) sales of trading securities, and (5) maturity of investments in securities purchased under agreements to resell.

Largely offsetting these cash inflows were cash outflows primarily from (1) payments on outstanding debt of Fannie Mae and consolidated trusts, (2) purchases of loans acquired as held for investment, and (3) advances to lenders.

Year Ended December 31, 2024. Cash and restricted cash increased from $34.0 billion as of December 31, 2023 to $38.5 billion as of December 31, 2024. The increase was primarily driven by cash inflows from (1) proceeds from repayments of loans, (2) the sale of Fannie Mae MBS to third parties, (3) issuances of funding debt, which outpaced redemptions, and (4) maturity of investments in securities purchased under agreements to resell.

Partially offsetting these cash inflows were cash outflows primarily from (1) payments on outstanding debt of consolidated trusts, (2) purchases of loans acquired as held for investment, and (3) advances to lenders.

Capital Management

Capital Requirements

For a description of our capital requirements under the enterprise regulatory capital framework, see "Business—Legislation and Regulation—Capital Requirements." Although the enterprise regulatory capital framework went into effect in February 2021, we are not required to hold capital according to the framework's requirements until the date of termination of our conservatorship, or such later date as may be ordered by FHFA.

The table below sets forth information about our capital requirements under the standardized approach of the enterprise regulatory capital framework. As of December 31, 2025, we had a deficit in available capital for purposes of the enterprise regulatory capital framework even though we had positive net worth under GAAP of $109.0 billion primarily because the $120.8 billion stated value of the senior preferred stock does not qualify as regulatory capital. Our deficit in available capital for purposes of our risk-based adjusted total capital requirement declined $15 billion in 2025, from $37 billion as of December 31, 2024 to $22 billion as of December 31, 2025.

As of December 31, 2025, we had a $215 billion shortfall to our risk-based adjusted total capital requirement including buffers of $193 billion, and a $135 billion shortfall to our minimum risk-based adjusted total capital requirement excluding buffers of $113 billion. From December 31, 2024 to December 31, 2025, our capital shortfall including buffers declined by $12 billion and our shortfall excluding buffers declined by $11 billion. These declines were primarily driven by increased retained earnings, which more than offset the rise in minimum capital requirements associated with higher risk-weighted assets during 2025. The increase in risk-weighted assets during 2025 was largely driven by loans we acquired during the period that carried higher credit risk-weights compared to seasoned loans that liquidated, as well as market risk associated with the increase in retained mortgage portfolio assets. Under the enterprise regulatory capital framework, we are required to hold capital associated with the market risk of the mortgage assets held in our retained mortgage portfolio. As a result, increases in purchases of agency MBS for our retained mortgage portfolio generally result in an increase in the amount of capital we are required to hold.

Capital Metrics under the Enterprise Regulatory Capital Framework as of December 31, 2025[1]

(Dollars in billions)			
		Stress capital buffer	$ 33
		Stability capital buffer	47
Adjusted total assets	$ 4,423	Countercyclical capital buffer	—
Risk-weighted assets	1,411	Prescribed capital conservation buffer amount	$ 80

	Minimum Capital Ratio Requirement	Minimum Capital Requirement	Available Capital (Deficit)	Capital Shortfall (without Buffers)[2]	Applicable Buffers[3]	Total Capital Requirement (including Buffers)	Capital Shortfall (including Buffers)[2]
Risk-based capital:							
Total capital (statutory)[4]	8.0 %	$ 113	$ (3)	$ (116)	N/A	$ 113	$ (116)
Common equity tier 1 capital	4.5	63	(41)	(104)	$ 80	143	(184)
Tier 1 capital	6.0	85	(22)	(107)	80	165	(187)
Adjusted total capital	8.0	113	(22)	(135)	80	193	(215)
Leverage capital:							
Core capital (statutory)[5]	2.5	111	(12)	(123)	N/A	111	(123)
Tier 1 capital	2.5	111	(22)	(133)	23	134	(156)

Capital Metrics under the Enterprise Regulatory Capital Framework as of December 31, 2024[1]

(Dollars in billions)

		Stress capital buffer	$ 33
		Stability capital buffer	48
Adjusted total assets	$ 4,460	Countercyclical capital buffer	—
Risk-weighted assets	1,364	Prescribed capital conservation buffer amount	$ 81

	Minimum Capital Ratio Requirement	Minimum Capital Requirement	Available Capital (Deficit)	Capital Shortfall (without Buffers)[2]	Applicable Buffers[3]	Total Capital Requirement (including Buffers)	Capital Shortfall (including Buffers)[2]
Risk-based capital:							
Total capital (statutory)[4]	8.0 %	$ 109	$ (18)	$ (127)	N/A	$ 109	$ (127)
Common equity tier 1 capital	4.5	61	(56)	(117)	$ 81	142	(198)
Tier 1 capital	6.0	82	(37)	(119)	81	163	(200)
Adjusted total capital	8.0	109	(37)	(146)	81	190	(227)
Leverage capital:							
Core capital (statutory)[5]	2.5	111	(26)	(137)	N/A	111	(137)
Tier 1 capital	2.5	111	(37)	(148)	24	135	(172)

(1) Ratios are calculated as a percentage of risk-weighted assets for risk-based capital metrics and as a percentage of adjusted total assets for leverage capital metrics.

(2) The capital shortfall in these columns represents the difference between the applicable capital requirement (without or with buffers, as applicable) and the available capital deficit.

(3) Prescribed capital conservation buffer amount, or PCCBA, for risk-based capital and prescribed leverage buffer amount, or PLBA, for leverage capital.

(4) The sum of (a) core capital (see definition in footnote 5 below); and (b) a general allowance for foreclosure losses.

(5) The sum of (a) the stated value of our outstanding common stock (common stock less treasury stock); (b) the stated value of our outstanding perpetual, noncumulative preferred stock; (c) our paid-in capital; and (d) our retained earnings (accumulated deficit).

While it is not applicable until the date of termination of our conservatorship, our maximum payout ratio represents the percentage of eligible retained income that we are permitted to pay out in the form of distributions or discretionary bonus payments under the enterprise regulatory capital framework. As of December 31, 2025, our maximum payout ratio under the enterprise regulatory capital framework was 0%. See “Note 13, Regulatory Capital Requirements” for information on our capital ratios as of December 31, 2025 and December 31, 2024 under the enterprise regulatory capital framework.

The table below presents certain components of our regulatory capital.

Regulatory Capital Components

	As of December 31,	
	2025	2024
	(Dollars in millions)	
Total equity	**$ 109,012**	$ 94,657
Less:		
Senior preferred stock	**120,836**	120,836
Preferred stock	**19,130**	19,130
Common equity	**(30,954)**	(45,309)
Less: deferred tax assets arising from temporary differences that exceed 10% of common equity tier 1 capital and other regulatory adjustments	**9,828**	10,545
Common equity tier 1 capital (deficit)	**(40,782)**	(55,854)
Add: perpetual, noncumulative preferred stock	**19,130**	19,130
Tier 1 capital (deficit)	**(21,652)**	(36,724)
Tier 2 capital adjustments	**—**	—
Adjusted total capital (deficit)	**$ (21,652)**	$ (36,724)

The table below presents certain components of our core capital.

Statutory Capital Components

	As of December 31,	
	2025	2024
	(Dollars in millions)	
Total equity	**$ 109,012**	$ 94,657
Less:		
Senior preferred stock	**120,836**	120,836
Accumulated other comprehensive income (loss), net of taxes	**20**	29
Core capital (deficit)	**(11,844)**	(26,208)
Less: general allowance for foreclosure losses	**(8,581)**	(7,876)
Total capital (deficit)	**$ (3,263)**	$ (18,332)

Capital Activity

Under the terms governing the senior preferred stock, no dividends were payable to Treasury for the fourth quarter of 2025 and none are payable for the first quarter of 2026.

Under the terms governing the senior preferred stock, through and including the capital reserve end date, any increase in our net worth during a fiscal quarter results in an increase in the same amount of the aggregate liquidation preference of the senior preferred stock in the following quarter. The capital reserve end date is defined as the last day of the second consecutive fiscal quarter during which we have had and maintained capital equal to, or in excess of, all of the capital requirements and buffers under the enterprise regulatory capital framework.

As a result of these terms governing the senior preferred stock, the aggregate liquidation preference of the senior preferred stock increased to $227.0 billion as of December 31, 2025, from $223.1 billion as of September 30, 2025, due to the $3.9 billion increase in our net worth in the third quarter of 2025. The aggregate liquidation preference of the senior preferred stock will further increase to $230.5 billion as of March 31, 2026, due to the $3.5 billion increase in our net worth in the fourth quarter of 2025. See “Business—Conservatorship and Treasury Agreements—Treasury Agreements” for more information on the terms of our senior preferred stock, including how the aggregate liquidation preference is determined.

Treasury Funding Commitment

Treasury made a commitment under the senior preferred stock purchase agreement to provide funding to us under certain circumstances if we have a net worth deficit. As of December 31, 2025, the remaining amount of Treasury's funding commitment to us was $113.9 billion. We have not received any funding from Treasury under this commitment since the first quarter of 2018. See "Note 2, Conservatorship, Senior Preferred Stock Purchase Agreement and Related Matters" for more information on Treasury's funding commitment under the senior preferred stock purchase agreement.

Risk Management

Overview

We manage the risks that arise from our business activities through our enterprise risk management program. Our risk management activities are aligned with the requirements of FHFA's Enterprise Risk Management Program Advisory Bulletin, which are consistent with the general principles set forth by the Committee of Sponsoring Organizations of the Treadway Commission's ("COSO") Enterprise Risk Management—Integrating with Strategy and Performance framework.

Risk Categories

We are exposed to the following principal risk categories:

- ***Credit Risk***. Credit risk is the risk of loss arising from another party's failure to meet its contractual obligations. For financial securities or instruments, credit risk is the risk of not receiving principal, interest or other financial obligation on a timely basis. Our credit risk exposure exists primarily in connection with our guaranty book of business (including natural disaster-related exposure) and our institutional counterparties.
- ***Market Risk***. Market risk is the risk of loss resulting from changes in the economic environment. This risk arises from fluctuations in interest and exchange rates. This risk also includes the risk to earnings or capital arising from movements in market rates or prices such as foreign exchange rates, equity prices, credit spreads, and/or commodity prices. Market risk includes interest-rate risk and spread risk, which are discussed in "Risk Management—Market Risk Management, including Interest-Rate Risk Management."
- ***Liquidity Risk***. Liquidity risk is the risk to our current or projected financial condition and resilience arising from an inability to meet obligations when they come due, including the risk associated with the inability to access funding sources or manage fluctuations in funding levels.
- ***Operational Risk***. Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems, and third parties, or disruptions from external events. Operational risk includes cyber and other information security risk.
- ***Model Risk***. Model risk is the risk of potential adverse consequences (such as financial loss or reputational damage) due to: inappropriate model design; errors in model coding, implementation, inputs or assumptions; inadequate model performance; or incorrect use or application of model outputs or reports.
- ***Strategic Risk***. Strategic risk is the risk of loss resulting from poor implementation of business decisions or the failure to respond appropriately to changes in the industry or external environment.
- ***Compliance Risk***. Compliance risk is the risk of legal or regulatory sanctions, damage to current or projected financial condition, damage to business resilience or damage to reputation resulting from nonconformance with compliance obligations.
- ***Reputational Risk***. Reputational risk is the risk that substantial negative publicity may cause a decline in public perception of us, a decline in our customer base, costly litigation, revenue reductions or losses.

See "Risk Factors" for a more detailed discussion of risks that could materially adversely affect our business, results of operations, financial condition, liquidity and net worth. The following discussion, as well as the "Single-Family Business—Single-Family Mortgage Credit Risk Management," "Multifamily Business—Multifamily Mortgage Credit Risk Management" and "Liquidity and Capital Management" sections of this report, address how we manage the categories of risk we have determined present the most significant exposure.

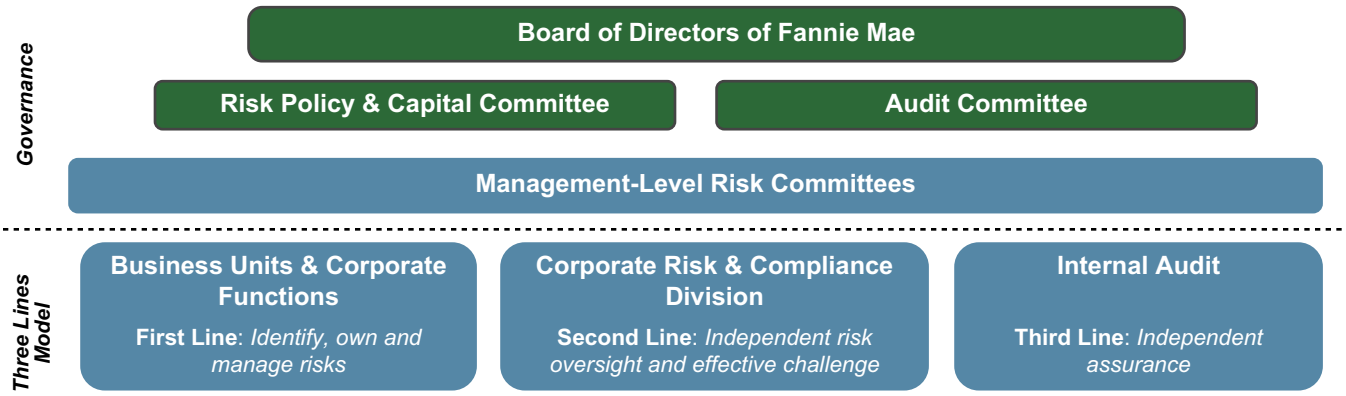
Components of Risk Management

Our risk management program is composed of four inter-related components.

- ***Governance & Organizational Structure.*** Our risk governance structure establishes authority, responsibility and accountability for risk management, which we conduct through a variety of controls designed to act in concert, including delegations of authority, risk committees, risk policies, risk appetite and risk limits.
- ***Risk Appetite Framework.*** We manage and govern our risk-taking activities through a risk appetite and limits framework that is aligned to our corporate strategy and defines boundaries across businesses and risk types.
- ***Risk Identification, Assessment, Control & Monitoring.*** We identify, assess, respond to, control, and monitor risks generated in the pursuit of our strategy and objectives. Performing these activities across the company allows us to address risks arising from different sources and tailor appropriate responses.
- ***Reporting & Communication Processes.*** We identify, capture and communicate relevant information so that stakeholders can carry out their responsibilities and make sound and informed risk management decisions.

Risk Management Governance

We manage risk by using the "three lines model." Our Board of Directors and management-level risk committees are also integral to our risk management program.



Board of Directors

- Oversees our enterprise risk management program and its alignment with our strategy and business objectives
- Approves Board-level risk policies, risk appetite and risk limits
- Delegates authorities to the CEO and Enterprise Risk Committee
- Certain activities require conservator decision or notification. See "Directors, Executive Officers and Corporate Governance—Corporate Governance" for more information

Risk Policy & Capital Committee

- Assists the Board in overseeing enterprise risk management and recommends for Board approval Board-level risk policies, risk appetite and limits
- Approves Risk Policy & Capital Committee-level risk policies

Audit Committee

- Oversees our accounting, reporting, and financial practices, including the integrity of our financial statements and internal control over financial reporting, as well as our compliance with legal and regulatory requirements

Management-Level Risk Committees

- Consist of an Enterprise Risk Committee chaired by our Chief Risk Officer and additional committees overseeing risk across the company, including first-line risk committees
- Include members of management from the first and second line functions and senior members from the third line function
- Approve management-level policies, establish risk parameters, and recommend risk policies

- Provide a cross-functional forum for discussing and documenting risks and responses
- Review decisions on matters that may expose our enterprise to significant, new or unusual risk

Business Units & Corporate Functions (First Line)

- Accountable for identifying, assessing, controlling, monitoring and reporting on all risks in executing their functions and operating in a sound control environment
- Conform to the risk appetite, policies, standards, and limits or thresholds approved by FHFA, the Board and the relevant management-level risk committees
- Includes control functions that provide control and oversight

Corporate Risk & Compliance Division (Second Line)

- Oversees all first-line activities to create an aggregate view of the company's financial and non-financial risks relative to risk appetite
- Second line functions are independent and report directly to the Board of Directors and CEO

Internal Audit (Third Line)

- An independent, objective assurance and advisory function
- Provides an independent evaluation of the effectiveness of internal controls, risk management, and governance

Credit Risk Management Overview

Below we discuss how we manage mortgage credit risk, institutional counterparty credit risk, and natural disaster risk.

Mortgage Credit Risk Management

Mortgage credit risk arises from the risk of loss resulting from the failure of a borrower to make required mortgage payments. We are exposed to credit risk on our book of business because we either hold mortgage assets, have issued a guaranty in connection with the creation of Fannie Mae MBS backed by mortgage assets or have provided other credit enhancements on mortgage assets. For information on how we manage mortgage credit risk, see "Single-Family Business—Single-Family Mortgage Credit Risk Management" and "Multifamily Business—Multifamily Mortgage Credit Risk Management."

Institutional Counterparty Credit Risk Management

Overview

Institutional counterparty credit risk is the risk of loss resulting from the failure of an institutional counterparty to fulfill its contractual obligations to us. Our primary exposure to institutional counterparty credit risk exists with our:

- credit guarantors, including mortgage insurers, reinsurers and multifamily lenders with risk sharing arrangements;
- mortgage lenders that sell loans to us and mortgage lenders and other counterparties that service our loans; and
- institutions that issue the investments held in our corporate liquidity portfolio.

We also have direct counterparty exposure to: derivatives counterparties, central counterparty clearing institutions, custodial depository institutions, mortgage originators, investors and dealers, debt security dealers, and document custodians. We also have counterparty credit risk exposure to Freddie Mac arising from our resecuritization of Freddie Mac-issued securities, and to the MERS® System.

We routinely enter into a high volume of transactions with counterparties in the financial services industry resulting in a significant credit concentration with respect to this industry. We also may have multiple exposures to particular counterparties, as many of our institutional counterparties perform several types of services for us. Accordingly, if one of these counterparties were to become insolvent or otherwise default on its obligations to us, it could harm our business and financial results in a variety of ways. Our overall objective in managing institutional counterparty credit risk is to maintain individual and portfolio-level counterparty exposures within acceptable ranges based on our risk-based rating system. We seek to achieve this objective through the following:

- establishment and observance of counterparty eligibility standards appropriate to each exposure type and level;
- establishment of risk limits;
- requiring collateralization of exposures where appropriate; and
- exposure monitoring and management.

See “Risk Factors—Credit Risk” for additional discussion of the risks to our business if one or more of our institutional counterparties fails to fulfill their contractual obligations to us.

Counterparty Risk Management Framework

Establishment and Observance of Counterparty Eligibility Standards

The institutions with which we do business vary in size, complexity and geographic footprint. Because of this, counterparty eligibility criteria vary depending upon the type and magnitude of the risk exposure incurred. We use a risk-based approach to assess the credit risk of our counterparties, which may include regular examination of their financial statements, confidential communication with the management of those counterparties and regular monitoring of publicly available credit rating information. This and other information is used to develop proprietary credit rating metrics that we use to assess credit quality. Factors including corporate or third-party support or guarantees, our knowledge of the counterparty and its management, reputation, quality of operations and experience are also important in determining the initial and continuing eligibility of a counterparty.

Establishment of Risk Limits

Institutions are assigned a risk limit to ensure that our risk exposure is maintained at a level we believe is appropriate for the institution’s credit assessment and the time horizon for the exposure, as well as to diversify exposure so that we adequately manage our concentration risk. A corporate risk limit is first established at the counterparty level for the aggregate of all activity and then is divided among our individual business units. Our business units may further subdivide limits among products or activities.

Collateralization of Exposures

We may require collateral, letters of credit or investment agreements as a condition to approving exposure to a counterparty. Collateral requirements are determined after a comprehensive review of the credit quality and the level of risk exposure of each counterparty. We may require that a counterparty post collateral in the event of an adverse event such as a ratings downgrade. Collateral requirements are monitored and adjusted as appropriate.

Exposure Monitoring and Management

The risk management functions of the individual business units are responsible for managing the counterparty exposures associated with their activities within risk limits. An oversight team that reports to our Chief Risk Officer is responsible for establishing and enforcing corporate policies and procedures regarding counterparties, establishing corporate limits and aggregating and reporting institutional counterparty exposure. We regularly update exposure limits for individual institutions and communicate changes to the relevant business units. We regularly report exposures against the risk limits to the Risk Policy and Capital Committee of the Board of Directors.

Mortgage Insurers

We are generally required, pursuant to our charter, to obtain credit enhancements on single-family conventional mortgage loans that we purchase or securitize with LTV ratios over 80% at the time of purchase. We use several types of credit enhancements to manage our single-family mortgage credit risk, including primary and pool mortgage insurance coverage. Our primary exposure associated with mortgage insurers is that they will fail to fulfill their obligations to reimburse us for claims under our insurance policies.

Actions we take to manage this risk include:

- maintaining financial and operational eligibility requirements that an insurer must meet to become and remain a qualified mortgage insurer;
- regularly monitoring our exposure to individual mortgage insurers and mortgage insurer credit ratings, including in-depth financial reviews and analyses of the insurers’ portfolios and capital adequacy under hypothetical stress scenarios;
- requiring certification and supporting documentation annually from each mortgage insurer; and
- performing periodic reviews of mortgage insurers to confirm compliance with eligibility requirements and to evaluate their management, control and underwriting practices.

The master policies issued by our primary mortgage insurers govern their claim-paying obligations to us, including circumstances in which significant underwriting or servicing defects might permit the mortgage insurer to rescind coverage or deny a claim. Where a claim has not been properly paid as a result of lender non-compliance with their obligation to maintain coverage, the lender is required to make us whole for losses not covered by the insurer. The risk of coverage rescission is mitigated by the rescission relief principles we require in mortgage insurer master policies, and may also be mitigated by the quality control standards required by our private mortgage insurer eligibility requirements

("PMIERs"). Generally, the rescission relief principles align with our representation and warranty framework and require our primary mortgage insurers to waive their rescission rights after a mortgage has performed for at least 36 months or if they have completed a full review of the loan and found no significant defects. See below for a discussion of the PMIERs.

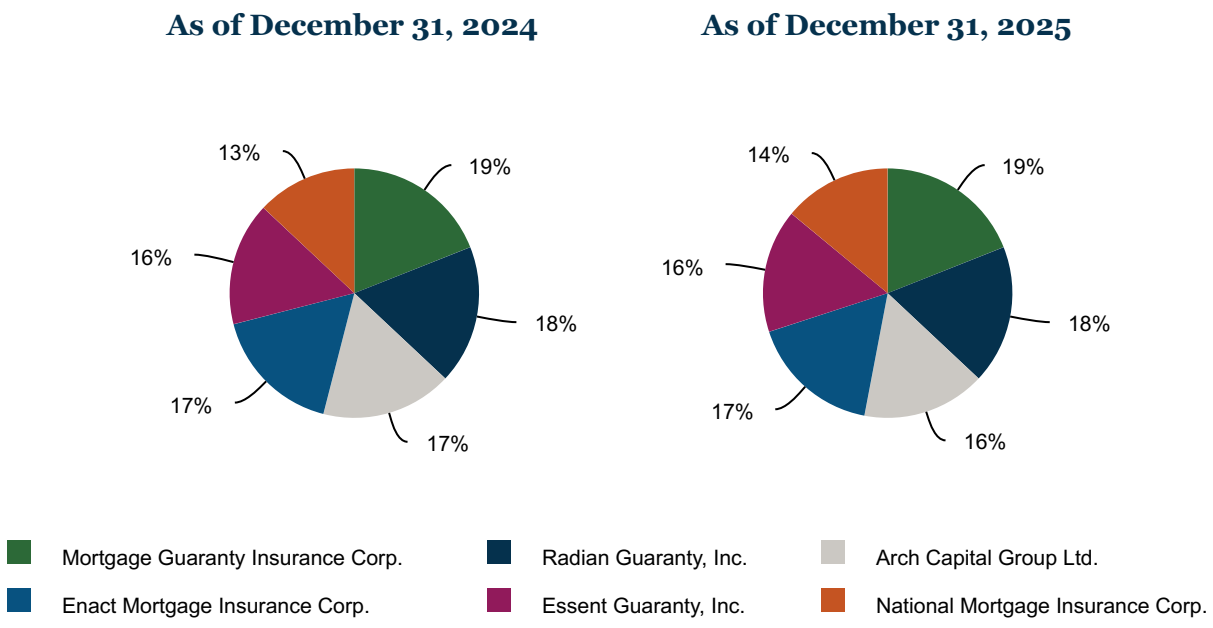
In describing our mortgage insurance coverage, "insurance in force" refers to the UPB of single-family loans in our conventional guaranty book of business covered under the applicable mortgage insurance policies. Our total mortgage insurance in force was $745.9 billion, or 21% of our single-family conventional guaranty book of business, as of December 31, 2025, compared with $753.5 billion, or 21% of our single-family conventional guaranty book of business, as of December 31, 2024.

"Risk in force" refers to the maximum potential loss recovery under the applicable mortgage insurance policies in force and is generally based on the loan-level insurance coverage percentage and, if applicable, any aggregate pool loss limit, as specified in the policy. As of December 31, 2025, our total mortgage insurance risk in force was $201.4 billion, or 6% of our single-family conventional guaranty book of business, compared with $202.3 billion, or 6% of our single-family conventional guaranty book of business, as of December 31, 2024.

Our total mortgage insurance in force and risk in force excludes insurance coverage provided by federal government entities and credit insurance obtained through CIRT deals.

The charts below display our mortgage insurer counterparties that provided 10% or more of the risk-in-force mortgage insurance coverage on the loans in our single-family conventional guaranty book of business.

Mortgage Insurer Concentration[1]



(1) Insurance coverage amounts provided for each counterparty may include coverage provided by affiliates and subsidiaries of the counterparty.

Mortgage insurers must meet and maintain compliance with PMIERs to be eligible to write mortgage insurance on loans acquired by Fannie Mae. The PMIERs are designed to ensure that mortgage insurers have sufficient liquid assets to pay all claims under a hypothetical future stress scenario. In August 2024, FHFA announced that Fannie Mae and Freddie Mac are issuing updates to the PMIERs, which are the financial and operational standards that private mortgage insurance companies must meet to provide insurance on the mortgage loans that we and Freddie Mac acquire. The updated standards primarily are designed to address the risk associated with the quality of a mortgage insurer's investment portfolio and the potential for that portfolio to lose value. FHFA stated that the updated standards will improve Fannie Mae and Freddie Mac's counterparty risk management and better prepare them to withstand a future stress situation while fulfilling their mission to serve as a reliable source of liquidity for equitable and sustainable housing finance throughout the economic cycle. The updated standards are expected to be implemented through a 24-month phased-in approach, with a fully effective date of September 30, 2026.

Mortgage insurance only covers losses that are realized after the borrower defaults and title to the property is subsequently transferred, such as after a foreclosure, short-sale, or a deed-in-lieu of foreclosure. Also, mortgage insurance does not protect us from all losses on covered loans. For example, mortgage insurance is not intended to cover property damage from hazards, including natural disasters; and the mortgage insurance policy permits the exclusion of any material loss directly related to property damage.

We require single-family and multifamily borrowers to obtain and maintain property insurance to cover the risk of damage to their homes or properties resulting from hazards such as fire, hail, wind and, for properties in areas identified by FEMA as Special Flood Hazard Areas, flooding. Since we generally permit borrowers to select and obtain required hazard insurance policies, our requirements for hazard insurance coverage are verified by the lender or servicer, as applicable. For single-family loans, we require a minimum financial strength rating for non-governmental hazard insurers that must be provided by S&P Global, Demotech, AM Best or KBRA. For multifamily loans, we require a minimum financial strength rating for non-governmental hazard insurers that must be provided by AM Best. We do not independently verify the financial condition of these hazard insurers and rely on these rating agencies for their assessment of the financial condition of these insurers.

See “Risk Factors—Credit Risk” for a discussion of the risks to our business of claims under our mortgage insurance policies not being paid in full or at all, as well as a discussion of risks if borrowers suffer property damage as a result of hazards for which the borrowers have no or insufficient insurance.

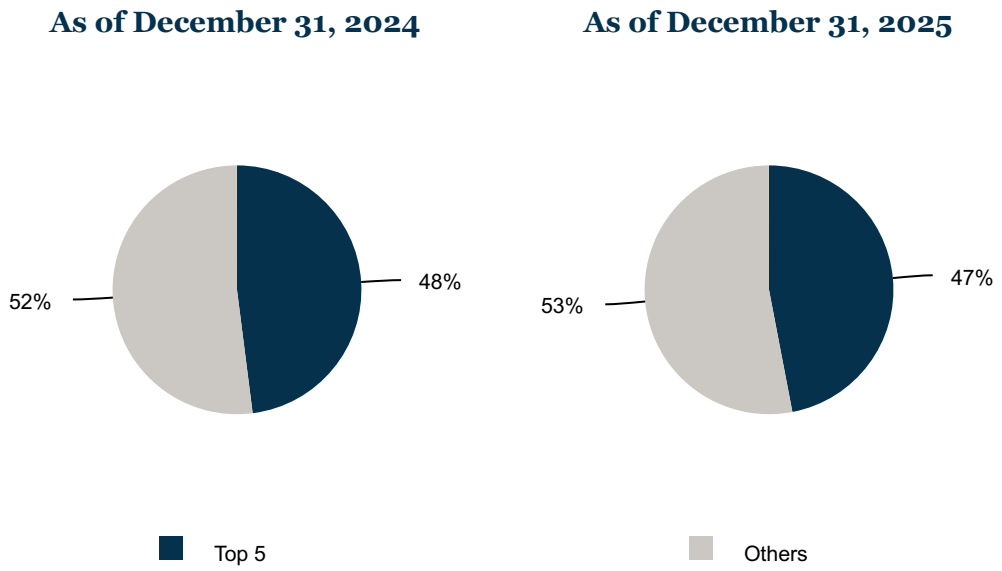
Reinsurers

We use CIRT deals to transfer credit risk on a pool of loans to an insurance provider that retains the risk, or to an insurance provider that simultaneously cedes all of its risk to one or more reinsurers. In CIRT transactions, we select the insurance providers and approve the allocation of coverage that may be simultaneously transferred to reinsurers by a direct provider of our CIRT insurance coverage. We take certain steps to increase the likelihood that we will recover on the claims we file with the insurers, including the following:

- In our approval and selection of CIRT insurers and reinsurers, we take into account the financial strength of those companies and the concentration risk that we have with those counterparties.
- We monitor the financial strength of CIRT insurers and reinsurers to confirm compliance with our requirements and to minimize potential exposure. Changes in the financial strength of an insurer or reinsurer may impact our future allocation of new CIRT insurance coverage to those providers. In addition, a material deterioration of the financial strength of a CIRT insurer or reinsurer may permit us to terminate existing CIRT coverage pursuant to terms of the CIRT insurance policy.
- We require a portion of the insurers’ or reinsurers’ obligations in a CIRT transaction to be collateralized with highly-rated liquid assets held in a trust account. The required amount of collateral is initially determined according to the ratings of the insurer or reinsurer. Contractual provisions require additional collateral to be posted in the event of adverse developments with the counterparty, such as a ratings downgrade to specified levels.

The charts below display the concentration of our credit risk exposure to our top five CIRT counterparties, measured by maximum liability to us, excluding the benefit of collateral we hold to secure the counterparties' obligations. For purposes of determining our top five CIRT counterparties, we separately consider affiliated entities and do not combine their concentrations.

CIRT Counterparty Concentration



- Our CIRT counterparties had a maximum liability to us of $17.9 billion as of December 31, 2025, and $17.5 billion as of December 31, 2024.
- There were $4.9 billion as of December 31, 2025, and $4.8 billion as of December 31, 2024, in liquid assets securing CIRT counterparties' obligations held in trust accounts.
- Our top five CIRT counterparties had a maximum liability to us of $8.5 billion as of December 31, 2025 and December 31, 2024.

For information on our credit risk transfer transactions, see "Single-Family Business—Single-Family Mortgage Credit Risk Management—Single-Family Credit Enhancement and Transfer of Mortgage Credit Risk—Credit Risk Transfer Transactions" and "Multifamily Business—Multifamily Mortgage Credit Risk Management—Multifamily Transfer of Mortgage Credit Risk."

Multifamily Lenders with Risk Sharing

We enter into risk sharing agreements with multifamily lenders, primarily through the DUS program, pursuant to which the lenders agree to bear a portion of the credit losses on the covered loans. Our maximum potential loss recovery from lenders under risk sharing agreements on multifamily loans was $129.6 billion as of December 31, 2025, compared with $119.8 billion as of December 31, 2024. As of December 31, 2025, 53% of our maximum potential loss recovery on multifamily loans was from five DUS lenders compared with 52% as of December 31, 2024.

As noted above in "Multifamily Business," our primary multifamily delivery channel is our DUS program, which is composed of lenders that range from large depositories to independent non-bank financial institutions. As of December 31, 2025, approximately 28% of the UPB of loans in our multifamily guaranty book of business serviced by our DUS lenders was from institutions with an external investment grade credit rating or a guaranty from an affiliate with an external investment grade credit rating, compared with approximately 30% as of December 31, 2024. Given the recourse nature of the DUS program, DUS lenders are bound by eligibility standards that dictate, among other items, minimum capital and liquidity levels, and the posting of collateral at a highly rated custodian to secure a portion of the lenders' future obligations. We actively monitor the financial condition of these lenders to help ensure the level of risk remains within our standards and to ensure required capital levels are maintained and are in alignment with actual and modeled loss projections.

Mortgage Servicers and Sellers

The primary risk associated with mortgage servicers that service the loans in our guaranty book of business is that they will fail to fulfill their servicing obligations. See “Single-Family Business—Single-Family Primary Business Activities—Single-Family Mortgage Servicing” and “Multifamily Business—Multifamily Primary Business Activities—Multifamily Mortgage Servicing” for more discussion on the services performed by our mortgage servicers.

A servicing contract breach could result in credit losses for us or could cause us to incur the cost of finding a replacement servicer. Replacing a mortgage servicer can result in potentially significant increases in our costs, as well as increased operational risks. If a mortgage servicer fails, it could result in a temporary disruption in servicing and loss mitigation activities relating to the loans serviced by that mortgage servicer, particularly if there is a loss of experienced servicing personnel. See “Risk Factors—Credit Risk” for a discussion of additional risks to our business and financial results associated with mortgage servicers.

We mitigate these risks in several ways, including by:

- establishing minimum standards and financial requirements for our servicers;
- monitoring financial and portfolio performance as compared with peers and internal benchmarks;
- for our largest mortgage servicers, conducting periodic financial reviews to confirm compliance with servicing guidelines and servicing performance expectations; and
- identifying a group of servicers as potential contingency sub-servicers to which we could transfer the servicing of some of the loans in our guaranty book in the event one or more of our mortgage servicers is not able or permitted to continue servicing our loans on our behalf.

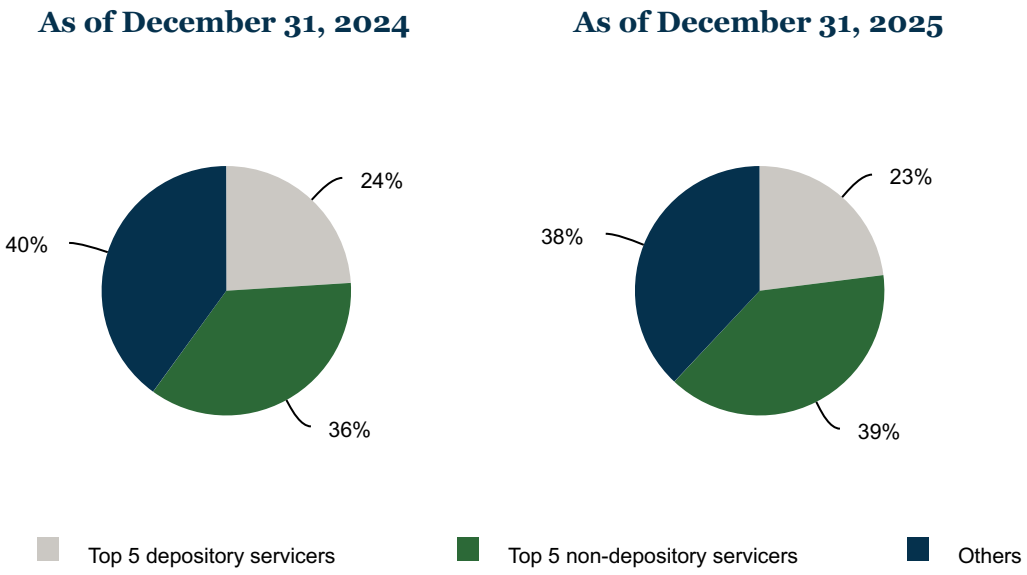
We may take one or more of the following actions to mitigate our credit exposure to mortgage servicers that present a higher risk:

- require a guaranty of obligations by higher-rated entities;
- transfer exposure to third parties;
- require collateral;
- establish more stringent financial requirements;
- work with underperforming major servicers to improve operational processes; and
- suspend or terminate the selling and servicing relationship if deemed appropriate.

As of December 31, 2025, over half of our single-family guaranty book and over half of our multifamily guaranty book were serviced by non-depository servicers. Compared with depository financial institutions, these institutions pose additional risks to us because they generally have lower financial strength and liquidity as compared with our mortgage servicer counterparties that are depository institutions. Unlike for depository servicers, much of the capital of non-depository servicers is represented by the value of mortgage servicing rights, which is subject to variability based on market conditions and therefore is an important factor in determining capital adequacy. Non-depository servicers also are generally not subject to the same level of regulatory oversight as our mortgage servicer counterparties that are depository institutions. We require non-depository servicers to meet minimum liquidity requirements to maintain eligibility with Fannie Mae. We actively monitor the financial condition and capital adequacy of non-depository servicers, including their compliance with our requirements.

The charts below display the percentage of our single-family conventional guaranty book of business serviced by our top five depository single-family mortgage servicers and top five non-depository single-family mortgage servicers. In the fourth quarter of 2025, we updated our disclosure of servicer concentrations to be based on the counterparty performing the servicing, including loans serviced by that counterparty on behalf of other servicers. Previously servicer concentrations were disclosed based on loans for which the servicer was directly contractually responsible to us and excluded loans serviced on behalf of another servicer. Prior period information in this report has been recast to reflect this updated approach.

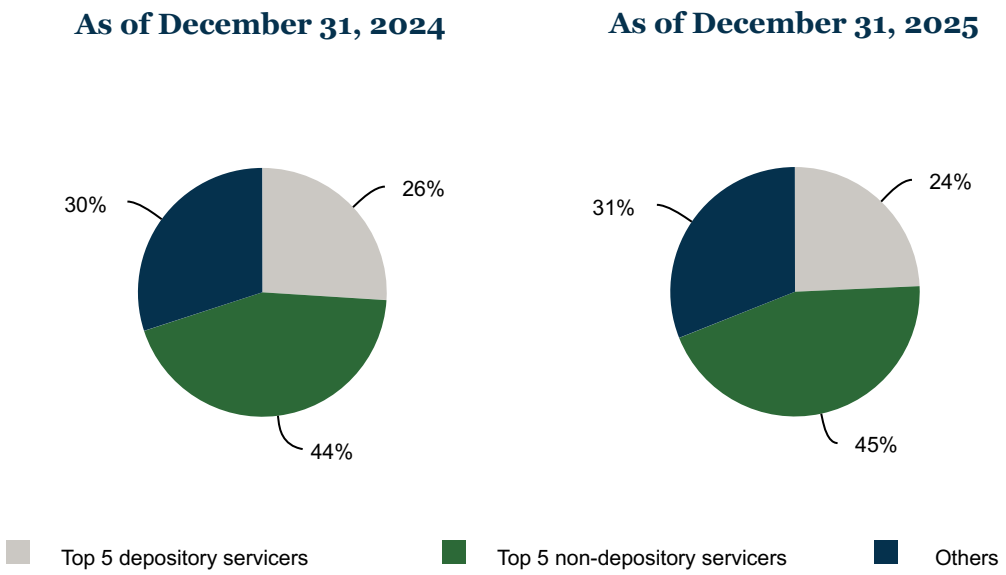
Single-Family Mortgage Servicer Concentration



Following Rocket Companies, Inc.'s acquisition of Mr. Cooper Group in October 2025, Nationstar Mortgage LLC, doing business as Mr. Cooper ("Mr. Cooper") and Rocket Mortgage, LLC are affiliates. These companies serviced approximately 23% of our single-family guaranty book of business based on UPB as of December 31, 2025. As of December 31, 2024, these companies on a combined basis serviced approximately 23% of our single-family guaranty book of business, based on UPB. No other single-family mortgage servicer serviced 10% or more of our single-family conventional guaranty book of business as of December 31, 2025 or 2024. Rocket Mortgage, LLC and Mr. Cooper are non-depository servicers.

The charts below display the percentage of our multifamily guaranty book of business serviced by our top five depository multifamily mortgage servicers and top five non-depository multifamily mortgage servicers.

Multifamily Mortgage Servicer Concentration



As of December 31, 2025, Walker & Dunlop, Inc. serviced 13% of our multifamily guaranty book of business based on UPB, compared with 14% as of December 31, 2024. No other multifamily mortgage servicer serviced 10% or more of our multifamily guaranty book of business as of December 31, 2025 or 2024. Walker & Dunlop, Inc. is a non-depository servicer.

Counterparty Credit Exposure Relating to our Corporate Liquidity Portfolio

The primary credit exposure associated with assets held in our corporate liquidity portfolio is that issuers will not repay principal and interest in accordance with the contractual terms. If one of these counterparties fails to meet its obligations to us under the terms of the investments, it could result in financial losses to us and have a material adverse effect on our earnings, liquidity, financial condition and net worth. We believe the risk of default is low because our corporate liquidity portfolio primarily consists of cash, reverse repurchase agreements with a central counterparty clearing institution or The Federal Reserve Bank of New York, and U.S. Treasury securities.

As of December 31, 2025, our corporate liquidity portfolio totaled $93.8 billion and included $55.2 billion of U.S. Treasury securities. As of December 31, 2024, our corporate liquidity portfolio totaled $132.4 billion and included $77.6 billion of U.S. Treasury securities. We mitigate our risk by monitoring the credit risk position of our corporate liquidity portfolio. As of December 31, 2025, we held $11.1 billion in overnight unsecured deposits with six financial institutions, compared with $11.7 billion held with six financial institutions as of December 31, 2024. The short-term credit ratings for each of these financial institutions by S&P, Moody's and Fitch were at least A-1 or the Moody's or Fitch equivalent of A-1.

See "Liquidity and Capital Management—Liquidity Management—Corporate Liquidity Portfolio" for more information on our corporate liquidity portfolio.

Other Counterparties

Derivative Counterparty Credit Exposure

The primary credit exposure that we have on a derivative transaction is that a counterparty will default on payments due, which could result in us having to acquire a replacement derivative from a different counterparty at a higher cost or we may be unable to find a suitable replacement. Our derivative counterparty credit exposure relates principally to interest-rate derivative contracts.

Derivative instruments may be privately negotiated contracts, which are often referred to as over-the-counter ("OTC") derivatives, or they may be listed and traded on an exchange where they are accepted for clearing by a derivatives clearing organization as our cleared derivative transactions.

Actions we take to manage our derivative counterparty credit exposure relating to our OTC derivative transactions include:

- entering into enforceable master netting arrangements with these counterparties, which allow us to net derivative assets and liabilities with the same counterparty; and
- requiring counterparties to post collateral, which includes cash, U.S. Treasury securities, agency debt and agency mortgage-related securities.

We manage our credit exposure relating to our cleared derivative transactions through enforceable master netting arrangements. These arrangements allow us to net our exposure to cleared derivatives by clearing organization and by clearing member.

Our cleared derivative transactions are submitted to a derivatives clearing organization on our behalf through a clearing member of the organization. A contract accepted by a derivatives clearing organization is governed by the terms of the clearing organization's rules and arrangements between us and the clearing member of the clearing organization. As a result, we are exposed to the institutional credit risk of both the derivatives clearing organization and the member who is acting on our behalf. As of December 31, 2025, approximately 88% of our derivatives transactions were cleared through a clearing organization, compared with 82% as of December 31, 2024.

See "Note 9, Derivative Instruments" and "Note 15, Netting Arrangements" for additional information on our derivative contracts as of December 31, 2025 and 2024.

Counterparty Credit Risk Exposure Arising from the Resecuritization of Freddie Mac-Issued Securities

We have been resecuritizing Freddie Mac-issued securities since June 2019 when we began issuing UMBS, which has increased our credit risk exposure and operational risk exposure to Freddie Mac. Although we have an indemnification agreement with Freddie Mac, in the event Freddie Mac were to fail (for credit or operational reasons) to make a payment on Freddie Mac securities that we had resecuritized in a Fannie Mae-issued structured security, we would be responsible for making the entire payment on the Freddie Mac securities included in that structured security in order to make payments on any of our outstanding single-family Fannie Mae MBS to be paid on that payment date. Accordingly, if Freddie Mac were to fail to meet its obligations under the terms of these securities, it could have a material adverse effect on our earnings and financial condition. We believe the risk of default by Freddie Mac is negligible because of the funding commitment available to Freddie Mac through its senior preferred stock purchase agreement with Treasury.

As of December 31, 2025, $184.3 billion in Freddie Mac securities were backing Fannie Mae-issued structured securities, compared with $200.1 billion as of December 31, 2024. See "Risk Factors—GSE and Conservatorship Risk" for more information on risks associated with our issuance of UMBS.

Central Counterparty Clearing Institutions

Fannie Mae is a clearing member of two divisions of Fixed Income Clearing Corporation ("FICC"), a central counterparty ("CCP"). One FICC division clears our trades involving securities purchased under agreements to resell, securities sold under agreements to repurchase, and other non-mortgage related securities. The other division clears our forward purchase and sale commitments of mortgage-related securities, including dollar roll transactions. As a result of these trades, we are required to post initial and variation margin payments as well as settle certain positions each business day in cash. As a clearing member of FICC, we are exposed to the risk that the FICC or one or more of the CCP's clearing members fails to perform its obligations as described below.

- A default by or the financial or operational failure of FICC would require us to replace transactions cleared through FICC, thereby increasing operational costs and potentially resulting in losses.
- We may also be exposed to losses if a clearing member of FICC defaults on its obligations as each clearing member is required to absorb a portion of those fellow-clearing member losses. As a result, we could lose the margin that we have posted to FICC. Moreover, our exposure could exceed the amount of margin that we previously posted to FICC, since FICC's rules require non-defaulting clearing members to cover, on a pro rata basis, losses caused by a clearing member's default.

We are unable to develop an estimate of the maximum potential amount of future payments that we could be required to make to FICC under these arrangements as our exposure is dependent on the volume of trades FICC clearing members execute now and in the future, which varies daily. Although we are unable to develop an estimate of our maximum exposure, we expect that losses caused by any clearing member would be partially offset by the fair value of margin posted by the defaulting clearing member and any other available assets of the CCP for those purposes. We believe that the risk of a material loss is remote due to the FICC's margin and settlement requirements, guarantee funds and other resources that are available in the event of a default.

We actively monitor the risks associated with the FICC in order to effectively manage this counterparty risk and our associated liquidity exposure.

Custodial Depository Institutions

Our mortgage servicer counterparties are required by our Servicing Guide to use custodial depository institutions to hold remittances of borrower payments of principal and interest on our behalf. If a custodial depository institution were to fail while holding such remittances, we would be exposed to risk for balances in excess of the deposit insurance protection and might not be able to recover all of the principal and interest payments being held by the depository on our behalf, or there might be a substantial delay in receiving these amounts. If this were to occur, we would be required to replace these amounts with our own funds to make payments that are due to Fannie Mae MBS certificateholders. Accordingly, the insolvency of one of our principal custodial depository institutions could result in significant financial losses to us. To mitigate these risks, our Servicing Guide requires our mortgage servicer counterparties to use custodial depository institutions that are insured, that are rated as “well capitalized” by their regulator and that meet certain minimum financial ratings from third-party agencies.

Mortgage Originators, Investors and Dealers

We are routinely exposed to pre-settlement risk through the purchase or sale of mortgage loans and mortgage-related securities with mortgage originators, mortgage investors and mortgage dealers. The risk is the possibility that the counterparty will be unable or unwilling to either deliver mortgage assets or compensate us for the cost to cancel or replace the transaction. We manage this risk by determining position limits with these counterparties, based upon our assessment of their creditworthiness, and by monitoring and managing these exposures.

Debt Security Dealers

The credit risk associated with dealers that commit to place our debt securities is that they will fail to honor their contracts to take delivery of the debt, which could result in delayed issuance of the debt through another dealer. We manage these risks by establishing approval standards, monitoring our exposure positions and monitoring changes in the credit quality of dealers.

Document Custodians

We use third-party document custodians to provide loan document certification and custody services for some of the loans that we purchase and securitize. In many cases, our lenders or their affiliates also serve as document custodians for us. Our ownership rights to the mortgage loans that we own or that back our Fannie Mae MBS could be challenged if a lender intentionally or negligently pledges or sells the loans that we purchased or fails to obtain a release of prior liens on the loans that we purchased, which could result in financial losses to us. When a lender or one of its affiliates acts as a document custodian for us, the risk that our ownership interest in the loans may be adversely affected is increased, particularly in the event the lender were to become insolvent. We mitigate these risks through legal and contractual arrangements with these custodians that identify our ownership interest, as well as by establishing qualifying standards for document custodians and requiring removal of the documents to our possession or to an independent third-party document custodian if we have concerns about the solvency or competency of the document custodian.

The MERS System

The MERS® System is an electronic registry owned by Intercontinental Exchange that is widely used by participants in the mortgage finance industry to track servicing rights and ownership of loans in the United States. A majority of the loans we own or guarantee are registered and tracked in the MERS System. Though we believe it is unlikely, if we are unable to use the MERS System, or if our use of the MERS System adversely affects our ability to enforce our rights with respect to our loans registered and tracked in the MERS System, it could create operational and legal risks for us and increase the costs and time it takes to record loans or foreclose on loans.

Natural Disaster Risk Management

Natural Disaster-Related Risk Exposure and Mitigation

Major weather events or other natural disasters expose us to credit risk in a variety of ways, including by damaging properties that secure mortgage loans in our book of business and by negatively impacting the ability of borrowers to make payments on their mortgage loans. The amount of losses we incur as a result of a major weather event or natural disaster depends significantly on the extent to which the resulting property damage is covered by hazard or flood insurance and whether borrowers can continue making payments on their mortgages. The amount of losses we incur can also be affected by the extent that a disaster impacts the region, especially if it depresses the local economy, and by the availability of federal, state, or local assistance to borrowers affected by a disaster. To date, our losses from natural disasters have been limited by geographic diversity in our book of business, the availability of insurance

coverage for damages sustained, the availability of federal, state, or local disaster assistance, and borrowers with equity in their homes continuing to pay their mortgages. Fannie Mae is obligated by our charter to support residential mortgage liquidity nationwide. We generally do not disqualify any single-family or multifamily property on the basis of its geographic location in the U.S., nor do we charge higher guaranty fees in geographic areas that may pose potentially higher natural disaster-related risk.

We require borrowers to obtain and maintain property insurance to cover the risk of damage to their property resulting from hazards such as fire, hail, wind and, for properties in areas identified by FEMA as Special Flood Hazard Areas, flooding. At the time of origination, a borrower is required to provide proof of such insurance, and our servicers have the right and the obligation to obtain such insurance, at the borrower's cost, if the borrower allows the required coverage to lapse. Our servicers monitor flood maps, and will require a flood insurance policy if a mortgaged property is remapped into a Special Flood Hazard Area during the life of the loan. We do not require property insurance to cover earthquake damage to single-family properties. We only require property insurance to cover earthquake damage to multifamily properties if required by a seismic-risk assessment. We estimate that, as of December 31, 2025, 3.2% of loans in our single-family guaranty book of business and 7.3% of loans in our multifamily guaranty book of business were located in a Special Flood Hazard Area.

We also mitigate natural disaster-related risk exposure, in part, through credit risk transfer and risk-sharing transactions. To the extent weather and disaster-related losses on loans covered by these transactions exceed the amount of losses we retain, a portion of those losses would be covered by these credit risk transfer transactions. In addition, we enter into risk-sharing agreements with multifamily lenders, primarily through the DUS program. For more information on our single-family credit risk transfer transactions, see "Single-Family Business—Single-Family Mortgage Credit Risk Management—Single-Family Credit Enhancement and Transfer of Mortgage Credit Risk—Credit Risk Transfer Transactions" and for more information on our multifamily credit risk transfer transactions and our DUS program, see "Multifamily Business—Multifamily Mortgage Credit Risk Management—Multifamily Transfer of Mortgage Credit Risk."

In the event of a natural or other disaster, our servicers work with affected borrowers to develop a plan that addresses the borrower's specific situation. Depending on the circumstances, the plan may include one or more of the following: a payment forbearance plan; a repayment or reinstatement plan; a payment deferral; loan modification; coordination with insurance companies and administration of insurance proceeds; and, if appropriate, foreclosure alternatives such as short sales and deeds-in-lieu of foreclosure, or foreclosure. See "Risk Factors—Credit Risk" for additional information on the risks we face from the occurrence of major natural or other disasters, including additional ways that such events could negatively impact our business, financial results and financial condition.

Market Risk Management, including Interest-Rate Risk Management

We are subject to market risk, which includes interest-rate risk and spread risk. Interest-rate risk is the risk that movements in interest rates will adversely affect the value of our assets or liabilities or our future earnings or capital. Spread risk is the risk from changes in an instrument's value that relate to factors other than changes in interest rates.

Interest-Rate Risk Management

Our exposure to interest-rate risk primarily arises from two sources: our net portfolio and our consolidated MBS trusts. We collectively define our net portfolio as: our retained mortgage portfolio assets; our corporate liquidity portfolio; outstanding debt of Fannie Mae; mortgage commitments; and risk management derivatives.

We actively manage the market value sensitivity to interest rate movements of our net portfolio, targeting a low level of interest rate exposure. We also manage our earnings sensitivity to interest rate movements. We employ an integrated interest-rate risk management strategy that allows for informed risk taking within pre-defined corporate risk limits. Decisions regarding our strategy in managing interest-rate risk are based upon our corporate market risk policy and limits that are approved by our Board of Directors and FHFA.

We monitor current market conditions, including the interest-rate environment, to assess the impact of these conditions on individual positions and our interest-rate risk profile. In addition to qualitative factors, we use various quantitative risk metrics to remain within pre-defined risk tolerance levels that we consider acceptable. We regularly disclose two interest-rate risk metrics that estimate the market value sensitivity of our net portfolio: (1) market value sensitivity to changes in interest-rate levels and the slope of the yield curve and (2) duration gap.

Sources of Interest-Rate Risk Exposure

We have multiple sources of interest-rate risk exposure. We discuss the primary sources of our interest rate risk exposure below.

- *Duration of Net Portfolio.* Interest rates affect the value of our net portfolio, which includes fixed- and floating-rate securities, debt, derivatives, and loans and other non-mortgage assets. As interest rates decline, the value

of our fixed-rate securities tends to increase, and as interest rates increase, the value of our fixed-rate securities tends to decrease. For example, in a declining interest-rate environment, existing mortgage assets held in our net portfolio tend to increase in value or price because these mortgages are likely to have higher interest rates than new mortgages, which are being originated at the then-current lower interest rates.

- *Convexity of Net Portfolio.* Our mortgage assets consist mainly of single-family and multifamily mortgage loans. For single-family loans, borrowers have the option to prepay at any time before the scheduled maturity date. This prepayment uncertainty results in a potential mismatch between the timing of receipt of cash flows related to our assets and the timing of payment of cash flows related to our liabilities. Changes in interest rates, as well as other factors, influence mortgage prepayment rates and duration. When interest rates decrease, prepayment rates on fixed-rate mortgages generally accelerate because some borrowers can pay off their existing mortgages and refinance at lower rates. Accelerated prepayment rates have the effect of shortening the duration and average life of the fixed-rate mortgage assets we hold in our net portfolio. Conversely, when interest rates increase, prepayment rates generally slow, which extends the duration and average life of our mortgage assets.
- *Duration and Convexity of Consolidated MBS Trusts*. We are also exposed to interest-rate risk in connection with cost basis adjustments related to mortgage assets, mainly single-family and multifamily mortgage loans, held by our consolidated MBS trusts. These cost basis adjustments often result from upfront cash fees exchanged at the time of loan acquisition, which include buy-ups, buy-downs, and risk-based loan-level price adjustments. The timing of when we recognize amortization income related to cost basis adjustments may be affected by prepayments, thereby impacting our earnings. See “Consolidated Results of Operations—Net Interest Income—Analysis of Unamortized Deferred Guaranty Fee Income” for more information on our outstanding net cost basis adjustments related to consolidated MBS trusts.

  We are also exposed to interest-rate risk in connection with the float income earned by MBS trusts on the short-term reinvestment of loan payments received from borrowers in highly liquid investments with short maturities, such as reverse repurchase agreements. This float income is paid to us as trust management income and recorded within “Net interest income” in our consolidated financial statements. Changes in interest rates impact the amount of float income generated by MBS trusts and our float reinvestment yields. Typically, interest-rate driven changes in the timing of income recognition related to cost basis amortization are partially offset by interest-rate driven changes in the amount of float income earned.
- *Earnings Sensitivity.* Changes in interest rates also affect the earnings on our investments in our corporate liquidity portfolio, our retained mortgage portfolio, and our other assets. When interest rates decline, we typically earn less on these investments, which can result in volatility in our earnings. In addition, our earnings can experience volatility due to interest-rate changes and differing accounting treatments that apply to certain financial instruments on our balance sheet, such as fair-value changes on derivatives and certain securities, as well as earnings impacts related to assets carried at amortized cost.

For additional discussion of how interest rates can affect our financial results, see “Key Market Economic Indicators—How Interest Rates Can Affect Our Financial Results.”

Interest-Rate Risk Management Strategy

Historically, our interest-rate risk management strategy focused primarily on maintaining an asset duration closely matched to our liability duration, net of derivatives, to minimize exposure to interest-rate movements. Beginning in the fourth quarter of 2025, we adjusted our interest-rate risk management strategy to balance this objective with the goal of managing the volatility of our earnings associated with short-term interest rate changes. As a result, pursuant to this new strategy, we are accepting additional interest rate risk associated with duration by increasing our exposure to longer-term rate positions, which reduces the sensitivity of our earnings to short-term interest rate movements and helps manage interest-rate related volatility associated with our retained mortgage portfolio and corporate liquidity portfolio investments.

Market Value Sensitivity

Our goal for managing the interest-rate risk of our net portfolio is to manage to a low level of exposure to movements in interest rates and volatility. This involves asset selection and structuring of our liabilities to match and offset the interest-rate characteristics of our retained mortgage portfolio and our investments in non-mortgage securities. We actively manage the interest-rate risk of our net portfolio through a strategy incorporating the following principal elements:

- *Debt Instruments.* We issue a broad range of short- and long-term, callable and non-callable debt instruments to manage the duration and prepayment risk of expected cash flows of the mortgage assets we own.
- *Derivative Instruments.* We supplement our issuance of debt with derivative instruments to further reduce duration and prepayment risks.

- *Monitoring and Active Portfolio Rebalancing.* We continually monitor our risk positions and actively rebalance our portfolio of interest rate-sensitive financial instruments to remain within Board approved risk limits.

See “Liquidity and Capital Management—Liquidity Management—Debt Funding” for additional information on our debt activity. Also see “Note 9, Derivative Instruments” for a description of the derivatives we use for interest-rate risk management purposes and the factors we consider in deciding whether to use derivatives.

Earnings Sensitivity

We also manage the earnings sensitivity of our consolidated balance sheet arising from interest rate movements. The risk management approach utilizes financial instruments, such as U.S. Treasuries, agency mortgage-backed securities and interest rate derivatives, to mitigate earnings volatility driven by interest rate movements. While this strategy reduces downside risk to our earnings when interest rates drop, it may limit potential upside benefits of our earnings when interest rates rise.

We utilize fair value hedge accounting to align the timing of when we recognize the interest-rate driven fair value changes in hedged mortgage loans and funding debt with derivative hedging instruments to mitigate GAAP earnings exposure to interest-rate changes, including any short-term earnings volatility that might result from economic hedging. Our hedge accounting program is specifically designed to address the volatility of our financial results associated with changes in fair value related to changes in benchmark interest rates. As such, earnings variability driven by other factors, such as spreads or changes in cost basis amortization recognized in net interest income, remains. In addition, our ability to effectively reduce earnings volatility is dependent upon the volume and type of interest-rate swaps available for hedging, which is driven by our interest-rate risk management strategy discussed above. As our range of available interest-rate swaps varies over time, our ability to reduce earnings volatility through hedge accounting may vary as well. When the shape of the yield curve shifts significantly from period to period, hedge accounting may be less effective. In our current program, we typically establish new hedging relationships each business day to provide flexibility in our overall risk management strategy.

Other Market Risk

Spread risk is the risk from changes in an instrument’s value that relate to factors other than changes in interest rates. Our spread risk includes the impact of changes in the spread between our mortgage assets and financial liabilities after we purchase mortgage assets. For mortgage assets in our portfolio that we intend to hold to maturity to realize the contractual cash flows, we accept period-to-period volatility in our financial results attributable to changes in mortgage-to-debt spreads that occur after our purchase of mortgage assets. Changes in mortgage spreads could cause significant fair value losses, and could adversely affect our near-term financial results and net worth. If our agency MBS holdings increase as we expect, it will increase our exposure to spread risk. Spread risk is intrinsic to our business model. While we monitor our spread risk exposure and manage the risk where feasible and appropriate, we do not seek to fully mitigate this risk and accept some level of spread risk.

See “Risk Factors—Market and Industry Risk” for a discussion of the risks to our business posed by changes in interest rates and changes in spreads.

Measurement of Market Value Sensitivity of our Net Portfolio

Below we present two quantitative metrics that provide estimates of the market value sensitivity of our net portfolio: (1) market value sensitivity of our net portfolio to changes in interest-rate levels and slope of yield curve; and (2) duration gap. The metrics used to measure the market value sensitivity of our net portfolio are generated using internal models. Our internal models, consistent with standard practice for models used in our industry, require numerous assumptions, including assumptions regarding interest rates and future prepayments of principal over the remaining life of our securities. These assumptions are derived based on the characteristics of the underlying structure of the securities and historical prepayment rates experienced at specified interest-rate levels, taking into account current market conditions, the current mortgage rates of our existing outstanding loans, loan age and other factors. On a regular basis, management makes judgments about the appropriateness of the risk assessments and will make adjustments as necessary to properly assess our interest-rate exposure and manage our interest-rate risk. The methodologies used to calculate risk estimates are periodically changed on a prospective basis to reflect improvements in the underlying estimation process. There are inherent limitations in any methodology used to estimate the exposure to changes in market interest rates. The reliability of our prepayment estimates and interest-rate risk metrics depends on the availability and quality of historical data. When market conditions change rapidly and dramatically, the assumptions of our models may no longer accurately capture or reflect the changing conditions. See “Risk Factors—Operational and Model Risk” for a discussion of the risks associated with our reliance on models to manage risk.

Market Value Sensitivity to Changes in Interest-Rate Level and Slope of Yield Curve

Pursuant to a disclosure commitment with FHFA, we disclose on a monthly basis in our Monthly Summary report the estimated adverse impact on the fair value of our net portfolio that would result from the following hypothetical situations:

- a 50 basis point shift in interest rates; and
- a 25 basis point change in the slope of the yield curve.

In measuring the estimated impact of changes in the level of interest rates, we assume a parallel shift in all maturities of the SOFR interest-rate swap curve.

In measuring the estimated impact of changes in the slope of the yield curve, we assume a constant 7-year rate and a shift of 16.7 basis points for the 1-year rate and shorter tenors and an opposite shift of 8.3 basis points for the 30-year rate. Rate shocks for remaining maturity points are interpolated. Our practice is to allow interest rates to go below zero in the downward shock models unless otherwise prevented through contractual floors. We believe the aforementioned interest-rate shocks for our monthly disclosures represent moderate movements in interest rates over a one-month period.

Duration Gap

Duration gap measures the price sensitivity of our assets and liabilities in our net portfolio to changes in interest rates by quantifying the difference between the estimated durations of our assets and liabilities. Our duration gap analysis reflects the extent to which the estimated maturity and cash flows for our assets are matched, on average, over time and across interest-rate scenarios to those of our liabilities. A positive duration gap indicates that the duration of our assets exceeds the duration of our liabilities. We disclose duration gap on a monthly basis under the caption “Interest Rate Risk Disclosures” in our Monthly Summary report, which is available on our website.

While our goal is to reduce the price sensitivity of our net portfolio to movements in interest rates, various factors can contribute to a duration gap that is either positive or negative. The primary factor for the recent changes in our duration gap is the change in our strategy described above in “Interest-Rate Risk Management—Interest-Rate Risk Management Strategy.” Other factors that can result in changes to our duration gap include the market environment and composition of the assets, debt, and derivatives in our net portfolio.

Results of Market Value Sensitivity Measures

The interest-rate risk measures discussed below exclude the impact of changes in the fair value of our guaranty assets and liabilities resulting from changes in interest rates. We exclude our guaranty business from these sensitivity measures based on our current assumption that the guaranty fee income generated from future business activity will largely replace guaranty fee income lost due to mortgage prepayments.

The table below displays the pre-tax market value sensitivity of our net portfolio to changes in the level of interest rates and the slope of the applicable yield curve as measured on the last day of each period presented. The table below also provides the daily average, minimum, maximum and standard deviation values for duration gap and for the most adverse market value impact on the net portfolio to changes in the level of interest rates and the slope of the applicable yield curve for the three months ended December 31, 2025 and 2024.

The sensitivity measures displayed in the table below, which we disclose on a quarterly basis pursuant to a disclosure commitment with FHFA, are an extension of our monthly sensitivity measures discussed above. There are three primary differences between our monthly sensitivity disclosure and the quarterly sensitivity disclosure presented below:

- the quarterly disclosure is expanded to include the sensitivity results for larger rate level shocks of positive or negative 100 basis points;
- the monthly disclosure reflects the estimated pre-tax impact on the market value of our net portfolio calculated based on a daily average, while the quarterly disclosure reflects the estimated pre-tax impact calculated based on the estimated financial position of our net portfolio and the market environment as of the last business day of the quarter; and
- the monthly disclosure shows the most adverse pre-tax impact on the market value of our net portfolio from the hypothetical interest-rate shocks, while the quarterly disclosure includes the estimated pre-tax impact of both up and down interest-rate shocks.

Interest-Rate Sensitivity of Net Portfolio to Changes in Interest-Rate Level and Slope of Yield Curve

	As of December 31,[1][2]	
	2025	2024
	(Dollars in millions)	
Rate level shock:		
-100 basis points	**$ 429**	$ 83
-50 basis points	**219**	33
+50 basis points	**(223)**	(18)
+100 basis points	**(443)**	(29)
Rate slope shock:		
-25 basis points (flattening)	**(3)**	(4)
+25 basis points (steepening)	**(5)**	4

	For the Three Months Ended December 31,[1][3]					
	2025			2024		
	Duration Gap	Rate Slope Shock 25 bps	Rate Level Shock 50 bps	Duration Gap	Rate Slope Shock 25 bps	Rate Level Shock 50 bps
		Market Value Sensitivity			Market Value Sensitivity	
	(In years)	(Dollars in millions)		(In years)	(Dollars in millions)	
Average	**0.23**	**$ (10)**	**$(196)**	—	$ (2)	$ (11)
Minimum	**0.15**	**(29)**	**(245)**	(0.05)	(6)	(37)
Maximum	**0.28**	**(3)**	**(127)**	0.03	1	4
Standard deviation	**0.04**	**6**	**37**	0.02	2	8

(1) Computed based on changes in SOFR interest-rates swap curve.

(2) Measured on the last business day of each period presented.

(3) Computed based on daily values during the period presented.

The market value sensitivity of our net portfolio varies across a range of interest-rate shocks depending upon the duration and convexity profile of our net portfolio. The market value sensitivity of the net portfolio is measured by quantifying the change in the present value of the cash flows of our financial assets and liabilities that would result from an instantaneous shock to interest rates, assuming spreads are held constant.

We use derivatives to help manage the residual interest-rate risk exposure between the assets and liabilities in our net portfolio. Derivatives have enabled us to keep our economic interest-rate risk exposure well managed in a wide range of interest-rate environments. The table below displays an example of how derivatives impacted the net market value

exposure for a 50 basis point parallel interest-rate shock. For additional information on our derivative positions, see "Note 9, Derivative Instruments."

Derivative Impact on Interest-Rate Risk (50 Basis Points)

	As of December 31,[1]	
	2025	2024
	(Dollars in millions)	
Before derivatives	**$(1,101)**	$ (654)
After derivatives	**(223)**	(18)
Effect of derivatives	**879**	636

[1] Measured on the last business day of each period presented.

Liquidity Risk Management

See "Liquidity and Capital Management" for a discussion of how we manage liquidity risk.

Operational Risk Management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems, and third parties, or disruptions from external events. Our corporate operational risk framework aligns with our Enterprise Risk policy and has evolved based on the changing needs of our business and FHFA regulatory guidance. The Non-Financial Risk Management group is responsible for overseeing and monitoring compliance with our operational risk program's requirements. The Non-Financial Risk Management group reports to the Chief Risk Officer and works in conjunction with other second line teams to oversee and aggregate the full range of operational risks, including fraud, resiliency, business interruptions, processing errors, damage to physical assets, workplace safety and employment practices. To quantify our operational risk exposure, we rely on the Basel Standardized Approach, which is based on a percentage of gross income. In addition, where we deem it appropriate, we purchase insurance policies to mitigate the impact of operational losses.

We have made investments in existing and emerging technology designed to support our new initiatives and business transformation efforts, including efforts to improve the quality and accuracy of the mortgage origination process for lenders, improve our risk management, and drive efficiency improvements. We currently use artificial intelligence ("AI"), including generative AI, to support a number of business needs. Generative AI is an evolution of artificial intelligence that is rapidly developing and is expected to transform the way many businesses operate and make decisions, creating both opportunities for and risks to our business. Our initial uses of generative AI have been focused on areas that we believe pose lower risk, such as applications focused on improving operational efficiency and employee productivity. We have also begun to use AI systems capable of orchestrating multi-step workflows and are expanding our use of these systems. We are expanding our use of AI, in particular generative AI, to assist with our business transformation efforts. We believe the use of AI tools has significant potential to enhance employee productivity, improve our business processes, and change the way we engage with our stakeholders. We also believe that if we do not effectively use and appropriately adopt AI in our business processes, it will result in a competitive disadvantage to us.

We continue to enhance our governance and controls to support the development and implementation of AI in our business processes, including implementing guiding ethical principles on the appropriate use of AI and enhancing our risk management framework. To help mitigate AI risks such as hallucination, cybersecurity, data privacy and third-party risks, we employ a federated approach that assigns first and second line risk reviewers.

See "Risk Factors—Operational and Model Risk" for more information regarding our operational risk, including risks associated with AI, and "Risk Management—Overview—Risk Management Governance" for more information regarding our governance of operational risk management. See "Cybersecurity" for a discussion of cybersecurity risk management.

Model Risk Management

Model risk is the risk of potential adverse consequences (such as financial loss or reputational damage) due to: inappropriate model design; errors in model coding, implementation, inputs or assumptions; inadequate model performance; or incorrect use or application of model outputs or reports. The use of models requires numerous assumptions and there are inherent limitations in any methodology used to estimate macroeconomic factors such as home prices, multifamily property values, unemployment and interest rates, and their impact on borrower behavior. When market conditions change rapidly and dramatically, the assumptions used by models may no longer accurately capture or reflect the changing conditions. Given the challenges of predicting future behavior, management judgment is

used throughout the modeling process, from model design decisions regarding core underlying assumptions, to interpreting and applying final model output.

We manage model risk through a model risk management framework that establishes the roles and responsibilities for managing model risk through the model management lifecycle, as well as related governance requirements. Under our model risk management framework, model owners and users have responsibility for monitoring whether models are performing accurately and complying with the framework's control requirements. We have an independent model risk management team within our Corporate Risk & Compliance division that is responsible for establishing and maintaining the model risk management framework, as well as providing independent review and approval of models prior to use. We also have a management-level Model Risk Committee that oversees risk management activities related to model risk. In addition to internally-developed models, we also use third-party models.

While we employ strategies to manage and govern the risks associated with our use of models, they have not always been fully effective. Errors were previously discovered in some of the models we use, and we continue to have deficiencies in our current processes for managing model risk. We have completed remediation of our model governance and standards, and are in the process of implementing the updated governance and standards across our modeling inventory.

See "Risk Factors—Operational and Model Risk" for a discussion of the risks associated with the use of models, including our use of third-party models and third-party data providers.

Critical Accounting Estimates

The preparation of financial statements in accordance with GAAP requires management to make a number of judgments, estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses in our consolidated financial statements. Understanding our accounting policies and the extent to which we use management judgment and estimates in applying these policies is integral to understanding our financial statements. We describe our most significant accounting policies in "Note 1, Summary of Significant Accounting Policies."

We evaluate our critical accounting estimates and judgments required by our policies on an ongoing basis and update them as necessary based on changing conditions. Management has discussed any significant changes in judgments and assumptions in applying our critical accounting estimates with the Audit Committee of our Board of Directors. See "Risk Factors—General Risk" for a discussion of the risks associated with the need for management to make judgments and estimates in applying our accounting policies and methods. We have identified one of our accounting estimates, allowance for loan losses, as critical because it involves significant judgments and assumptions about highly complex and inherently uncertain matters, and the use of reasonably different judgments and assumptions could have a material impact on our reported results of operations or financial condition.

Allowance for Loan Losses

The allowance for loan losses is an estimate of single-family and multifamily HFI loan receivables that we expect will not be collected related to loans held by Fannie Mae or by consolidated Fannie Mae MBS trusts. The expected credit losses are deducted from the amortized cost basis of HFI loans to present the net amount expected to be received.

The allowance for loan losses involves substantial judgment on a number of matters including the development and weighting of macroeconomic forecasts, the reversion period applied, the assessment of similar risk characteristics, which determines the historic loss experience used to derive probability of loan default, the valuation of collateral, which includes judgments about the property condition at the time of foreclosure, and the determination of a loan's remaining expected life. Our most significant judgments involved in estimating our allowance for loan losses relate to the modeled macroeconomic data used to develop reasonable and supportable forecasts for key economic drivers, which are subject to significant inherent uncertainty. Most notably, for single-family, the model uses forecasted single-family home prices as well as a range of possible future interest rate environments. For multifamily, the model uses forecasted net operating income and property valuations. In developing a reasonable and supportable forecast, the model simulates multiple paths of interest rates, net operating income and property values based on current market conditions.

Quantitative Component

We use a discounted cash flow method to measure expected credit losses on our single-family mortgage loans and an undiscounted loss method to measure expected credit losses on our multifamily mortgage loans.

Our modeled loan performance is based on our historical experience of loans with similar risk characteristics adjusted to reflect current conditions and reasonable and supportable forecasts. Our historical loss experience and our loan loss estimates capture the possibility of a multitude of events, including remote events that could result in credit losses on

loans that are considered low risk. Our credit loss models, including the macroeconomic forecast data used as key inputs, are subject to our model oversight and review processes as well as other established governance and controls.

Qualitative Component

Our process for measuring expected credit losses is complex and involves significant management judgment, including a reliance on historical loss information and current economic forecasts that may not be representative of credit losses we ultimately realize. Management adjustments may be necessary to take into consideration external factors and current macroeconomic events that have occurred but are not yet reflected in the data used to derive the model outputs. Qualitative factors and events not previously observed by the models through historical loss experience may also be considered, as well as the uncertainty of their impact on credit loss estimates.

Macroeconomic Variables and Sensitivities

Our (provision) benefit for credit losses can vary substantially from period to period based on forecasted macroeconomic inputs. For single-family, we have determined that our most significant macroeconomic inputs used in determining our allowance for loan losses consist of forecasted home price growth rates and interest rates. For multifamily, we have determined that our most significant macroeconomic inputs used in determining our allowance for loan losses consist of net operating income and property value growth rates.

In evaluating the sensitivities of our allowance to these macroeconomic inputs, it is difficult to estimate how potential changes in any one factor or input might affect the overall credit loss estimates, because management considers a wide variety of factors and inputs in estimating the allowance for loan losses. Changes in the factors and inputs considered may not occur at the same rate and may not be consistent across all geographies or loan types, and changes in factors and inputs may be directionally inconsistent, such that improvement in one factor or input may offset deterioration in others. Changes in our assumptions and forecasts of economic conditions could significantly affect our estimate of expected credit losses and lead to significant changes in the estimate from one reporting period to the next.

We provide more detailed information on our accounting for the allowance for loan losses in “Note 1, Summary of Significant Accounting Policies.” See “Note 5, Allowance for Credit Losses” for additional information about our current period (provision) benefit for loan losses.

Single-Family Sensitivities and Inputs

The table below provides information about our most significant macroeconomic inputs used in determining our single-family allowance for loan losses: forecasted home price growth rates and interest rates. Although the model consumes a wide range of possible regional home price forecasts and interest rate scenarios that take into account inherent uncertainty, the forecasts below represent the mean path of those simulations used in determining the single-family allowance for each quarter during the years ended December 31, 2025 and 2024, and how those forecasts have changed between periods of estimate. Below we present our home price growth and interest rate estimates used in our estimate of expected credit losses. Our forecasts include estimates for periods beyond those presented below.

Select Single-Family Macroeconomic Model Inputs[1]

Forecasted home price growth (decline) rate by period of estimate:[2]

	For the Full Year ending December 31,		
	2025	**2026**	**2027**
Fourth Quarter 2025	2.7 %	2.4 %	2.2 %
Third Quarter 2025	2.6	1.3	1.2
Second Quarter 2025	3.4	1.1	1.1
First Quarter 2025	4.2	2.0	1.3

	For the Full Year ending December 31,		
	2024	**2025**	**2026**
Fourth Quarter 2024	5.9 %	3.5 %	1.7 %
Third Quarter 2024	5.9	3.6	1.7
Second Quarter 2024	6.6	3.0	0.8
First Quarter 2024	4.8	1.5	*

Forecasted 30-year mortgage interest rates by period of estimate:[3]

	Through the end of December 31,	For the Full Year ending December 31,	
	2025	**2026**	**2027**
Fourth Quarter 2025	6.3 %	6.2 %	6.2 %
Third Quarter 2025	6.4	6.2	6.1
Second Quarter 2025	6.7	6.3	6.3
First Quarter 2025	6.6	6.3	6.3

	Through the end of December 31,	For the Full Year ending December 31,	
	2024	**2025**	**2026**
Fourth Quarter 2024	6.8 %	6.8 %	6.7 %
Third Quarter 2024	6.2	5.9	5.9
Second Quarter 2024	7.0	6.6	6.4
First Quarter 2024	6.8	6.4	6.2

* Represents less than 0.05% of home price growth (decline).

(1) These forecasts are provided solely for the purpose of providing insight into our credit loss model. Forecasts for future periods are subject to significant uncertainty, which increases for periods that are further in the future. We provide our most recent forecasts for certain macroeconomic and housing market conditions in "Key Market Economic Indicators." In addition, each month our Economic and Strategic Research Group provides its economic and housing forecasts, which are available in the "Data and Insights" section of our website, www.fanniemae.com. Information on our website is not incorporated into this report.

(2) These estimates are based on our national home price index, which is calculated differently from the S&P Cotality Case-Shiller U.S. National Home Price Index and therefore results in different percentages for comparable growth. We periodically update our home price growth estimates and forecasts as new data become available. The forecast data in this table may also differ from the forecasted home price growth rate presented in "Key Market Economic Indicators," because that section reflects our most recent forecast as of the filing date of this report, while this table reflects the quantitative forecast data we used in our model to estimate credit losses for the periods shown. Management continues to monitor macroeconomic updates to our inputs in our credit loss model from the time they are approved

as part of our established governance process, to assess the reasonableness of the inputs used to calculate estimated credit losses. The forecast data excludes the impact of any qualitative adjustments.

(3) Forecasted 30-year interest rates represent the mean of possible future interest rate environments that are simulated by our interest rate model and used in the estimation of credit losses. Forecasts through the end of December 31, 2025 and 2024, represent the average forecasted rate from the quarter-end through the calendar year end of December 31st. The fourth quarter of 2025 and 2024 interest rates represent the 30-year interest rate as of December 31, 2025 and December 31, 2024, respectively. This table reflects the forecasted interest rate data we used in estimating credit losses for the periods shown and does not reflect changes in interest rates that occurred after the forecast date.

As noted above, our single-family allowance for loan losses is sensitive to changes in home prices and interest rate changes. We present in the table below the impact of hypothetical changes in home prices and 30-year interest rates, with all other factors held constant.

Single-Family Sensitivities - Hypothetical Changes to Model Inputs

Forecasted change to the first 12 months of the forecast: (In percentage points)	Allowance Impact	Approximate Change in Allowance as of December 31, 2025[1]
Change in home prices growth rate:[2]		
+1%	↓	4%
-1%	↑	4%
Change in 30-year interest rates:		
+0.5%	↑	4%
-0.5%	↓	6%

(1) Calculated as a percentage of our single-family allowance for loan losses.

(2) Change in home price shown on a normalized basis.

The above sensitivity analyses are hypothetical and are provided solely for the purpose of providing insight into our credit loss model inputs. In addition, sensitivities for home price and interest rate changes are non-linear. As a result, changes in these estimates are not always incrementally proportional. The purpose of this analysis is to provide an indication of the impact of changes in home prices and 30-year interest rates on the estimate of the single-family allowance for credit losses. This analysis is not intended to imply management's expectation of future changes in our forecasts or any other variables that may change as a result.

See "Key Market Economic Indicators" for additional information about how home prices and interest rates can affect our credit loss estimates, including a discussion of home price growth rates and our home price forecast. Also see "Consolidated Results of Operations—(Provision) Benefit for Credit Losses" for information on how our home price and interest rate forecasts impacted our single-family (provision) benefit for credit losses.

Multifamily Sensitivities and Inputs

The table below provides information about our most significant macroeconomic inputs used in determining our multifamily allowance for loan losses: multifamily property net operating income and property value growth rates. Although the model consumes a wide range of possible future economic scenarios, the forecasts below represent the mean path of those simulations used in determining the multifamily allowance for the years ended December 31, 2025 and 2024, and how those forecasts have changed between periods of estimate. Our forecasts include estimates for periods beyond those presented below.

Select Multifamily Macroeconomic Model Inputs[1]

Forecasted net operating income growth (decline) rate by period of estimate:

	For the Full Year ending December 31,			
	2024	**2025**	**2026**	**2027**
Fourth Quarter 2025	N/A	1.1 %	1.9 %	3.2 %
Fourth Quarter 2024	3.1 %	1.7 %	0.3 %	N/A

Forecasted property value growth (decline) rate by period of estimate:

	For the Full Year ending December 31,			
	2024	**2025**	**2026**	**2027**
Fourth Quarter 2025	N/A	(4.3)%	3.1 %	3.1 %
Fourth Quarter 2024	(8.7)%	(1.1)%	3.7 %	N/A

N/A Not applicable. For purposes of this disclosure, we provide the forecasted net operating income growth rate and property value growth rate for the period of estimate and the two years following the period of estimate.

(1) These forecasts are provided solely for the purpose of providing insight into our credit loss model. Forecasts for future periods are subject to significant uncertainty, which increases for periods that are further in the future, and may not align to other market forecasts.

As noted above, our multifamily allowance for loan losses is sensitive to changes in net operating income and property value growth changes. We present in the table below the impact of hypothetical changes in net operating income and property value growth, with all other factors held constant.

Multifamily Sensitivities - Hypothetical Changes to Model Inputs

Forecasted change to the first 12 months of the forecast:	**Allowance Impact**	**Approximate Change in Allowance as of December 31, 2025[1]**
(In percentage points)		
Change in net operating income growth rate:		
+1%	↓	2%
-1%	↑	2%
Change in property value growth rate:		
+1%	↓	3%
-1%	↑	3%

(1) Calculated as a percentage of our multifamily allowance for loan losses.

The above sensitivity analyses are hypothetical and are provided solely for the purpose of providing insight into our credit loss model inputs. In addition, sensitivities for net operating income and property value growth changes are non-linear. As a result, changes in these estimates are not always incrementally proportional. The purpose of this analysis is to provide an indication of the impact of net operating income and property value growth changes on the estimate of the multifamily allowance for credit losses. This analysis is not intended to imply management's expectation of future changes in our forecasts or any other variables that may change as a result.

See "Consolidated Results of Operations—(Provision) Benefit for Credit Losses" for information on how our net operating income and property valuations impacted our multifamily (provision) benefit for credit losses.

Impact of Future Adoption of New Accounting Guidance

We evaluate the impact on our consolidated financial statements of recently issued accounting guidance in "Note 1, Summary of Significant Accounting Policies."

Glossary of Terms Used in This Report

Terms used in this report have the following meanings, unless the context indicates otherwise.

"Agency mortgage-related securities" refers to mortgage-related securities issued by Fannie Mae, Freddie Mac and Ginnie Mae.

"Back-end credit risk transfer transactions" refers to credit enhancements that we obtain after acquiring a loan.

"Business volume" refers to the sum in any given period of the UPB of: (1) the mortgage loans and non-Fannie Mae mortgage-related securities we purchase for our retained mortgage portfolio; (2) the mortgage loans we securitize into Fannie Mae MBS that are acquired by third parties; and (3) credit enhancements that we provide on our mortgage assets. It excludes mortgage loans we securitize from our retained mortgage portfolio and the purchase of Fannie Mae MBS for our retained mortgage portfolio.

"Capital reserve end date" refers to the date that is the last day of the second consecutive fiscal quarter during which we have had and maintained capital equal to, or in excess of, all of the capital requirements and buffers under the enterprise regulatory capital framework.

"CEO" refers to Chief Executive Officer.

"CFO" refers to Chief Financial Officer.

"Connecticut Avenue Securities" or *"CAS"* refers to a type of security that allows Fannie Mae to transfer a portion of the credit risk from loan reference pools, consisting of certain mortgage loans in our guaranty book of business, to third-party investors.

"Connecticut Avenue Securities REMICs" or *"CAS REMICs"* refers to Connecticut Avenue Securities that are structured as notes issued by trusts that qualify as REMICs.

"Conventional mortgage" refers to a mortgage loan that is not guaranteed or insured by the U.S. government or its agencies, such as the VA, the FHA or the Rural Development Housing and Community Facilities Program of the Department of Agriculture.

"COO" refers to Chief Operating Officer.

"Credit enhancement" refers to an agreement used to reduce credit risk by requiring collateral, letters of credit, mortgage insurance, corporate guarantees, inclusion in a credit risk transfer transaction reference pool, or other agreements to provide an entity with some assurance that it will be compensated to some degree in the event of a financial loss.

"*Credit Insurance Risk Transfer*" or "*CIRT*" refers to insurance transactions whereby we obtain actual loss coverage on pools of loans either directly from an insurance provider that retains the risk, or from an insurance provider that simultaneously cedes all of its risk to one or more reinsurers.

"Debt service coverage ratio" or "*DSCR"* refers to a ratio of annualized net cash flow to the annualized debt service, which may include both principal and interest payments, of a multifamily property.

"Deferred guaranty fee income" refers to income primarily from the upfront fees that we receive at the time of loan acquisition related to single-family loan-level price adjustments or other fees we receive from lenders, which are amortized over the contractual life of the loan. Deferred guaranty fee income also includes the amortization of cost basis adjustments on our mortgage loans and debt of consolidated trusts that are not associated with upfront fees.

"Desktop Underwriter" or "*DU"* refers to our proprietary automated underwriting system used by mortgage lenders to evaluate the substantial majority of our single-family loan acquisitions.

"Delegated Underwriting and Servicing program" or *"DUS program"* refers to our multifamily business program whereby DUS lenders, who must be pre-approved by us, are delegated the authority to underwrite and service loans for delivery to us in accordance with our standards and requirements.

"Enterprise regulatory capital framework" refers to the regulatory capital framework established by FHFA applicable to us that was initially published in December 2020 and subsequently amended in 2022 and 2023, as described in "Business—Legislation and Regulation—Capital Requirements."

"FHFA" refers to the Federal Housing Finance Agency. FHFA is an independent agency of the federal government with general supervisory and regulatory authority over Fannie Mae, Freddie Mac and the Federal Home Loan Banks. FHFA is our safety and soundness regulator and our mission regulator. FHFA also has been acting as our conservator since September 2008. For more information on FHFA's authority as our conservator and as our regulator, see "Business—Conservatorship and Treasury Agreements" and "Business—Legislation and Regulation."

"Front-end credit enhancements" refers to credit enhancements that we obtain at the time we acquire a loan.

"GSE" refers to the government-sponsored enterprises Fannie Mae or Freddie Mac.

"GSE Act" refers to the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended.

"Guaranty book of business" refers to the sum of the UPB of: (1) Fannie Mae MBS outstanding (excluding the portions of any structured securities Fannie Mae issues that are backed by Freddie Mac securities); (2) mortgage loans of Fannie Mae held in our retained mortgage portfolio; and (3) other credit enhancements that we provide on mortgage assets. It also excludes non-Fannie Mae mortgage-related securities held in our retained mortgage portfolio for which we do not provide a guaranty.

"Guaranty fee income" or *"guaranty fees"* refers to compensation we receive for assuming the credit risk on our single-family and multifamily guaranty books of business that we recognize in net interest income. There are two components of our single-family guaranty fee: (1) base fees, which are ongoing fees that factor into a mortgage loan's interest rate and are collected each month over the life of the mortgage loan; and (2) upfront fees, which are one-time payments made by lenders upon loan delivery and are amortized into net interest income over the life of the loan. For multifamily loans, base fees are the primary component of our guaranty fee. Multifamily guaranty fee income does not include upfront fees.

"HFI loans" or *"held-for-investment loans"* refer to mortgage loans we acquire for which we have the ability and intent to hold for the foreseeable future or until maturity.

"HFS loans" or *"held-for-sale loans"* refer to mortgage loans we acquire that we intend to sell or securitize via trusts that will not be consolidated.

"*Low Income Housing Tax Credit*" or "*LIHTC*" refers to a federal program that encourages private equity investment in creating and preserving affordable units throughout the country by awarding federal tax credits to affordable housing developers, who then exchange those tax credits with corporate investors in return for capital contributions.

"Loans," "mortgage loans" and *"mortgages"* refer to both whole loans and loan participations, secured by residential real estate, cooperative shares or by manufactured housing units.

"Loss reserves" consists of our allowance for loan losses and our reserve for guaranty losses.

"Mortgage assets," when referring to our assets, refers to both mortgage loans and mortgage-related securities we hold in our retained mortgage portfolio. For purposes of the senior preferred stock purchase agreement, the definition of mortgage assets is based on the UPB of such assets and does not reflect market valuation adjustments, allowance for loan losses, impairments, unamortized premiums and discounts and the impact of our consolidation of variable interest entities. Our mortgage asset calculation also includes 10% of the notional value of interest-only securities we hold. We disclose the amount of our mortgage assets for purposes of the senior preferred stock purchase agreement on a monthly basis in the "Endnotes" to our Monthly Summary reports, which are available on our website.

"Mortgage-backed securities" or "MBS" refers generally to securities that represent beneficial interests in pools of mortgage loans or other mortgage-related securities. These securities may be issued by Fannie Mae or by others.

"Multifamily Connecticut Avenue Securities" or *"MCAS"* refers to Connecticut Avenue Securities that are structured as notes issued by trusts to transfer credit risk on our multifamily guaranty book of business to third-party investors.

"Multifamily mortgage loan" refers to a mortgage loan secured by a property containing five or more residential dwelling units.

"New business purchases" refers to single-family and multifamily whole mortgage loans purchased during the period and single-family and multifamily mortgage loans underlying Fannie Mae MBS issued during the period pursuant to lender swaps.

"Notional amount" refers to the hypothetical dollar amount in an interest rate swap transaction on which exchanged payments are based. The notional amount in an interest rate swap transaction generally is not paid or received by either party to the transaction, or generally perceived as being at risk. The notional amount is typically significantly greater than the potential market or credit loss that could result from such transaction.

"Outstanding Fannie Mae MBS" refers to the total UPB of any type of mortgage-backed security that we issue, including UMBS, Supers, REMICs and other types of single-family or multifamily mortgage-backed securities that are held by third-party investors or in our retained mortgage portfolio. For securities held by third-party investors, it excludes the portions of any structured securities Fannie Mae issues that are backed by Freddie Mac-issued securities.

"Private-label securities" refers to mortgage-related securities issued by entities other than agency issuers Fannie Mae, Freddie Mac or Ginnie Mae.

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

"REMIC" or *"Real Estate Mortgage Investment Conduit"* refers to a type of mortgage-related security in which interest and principal payments from mortgages or mortgage-related securities are structured into separately traded securities.

"REO" refers to real-estate owned by Fannie Mae because we have foreclosed on the property or obtained the property through a deed-in-lieu of foreclosure.

"Representations and warranties" refers to a lender's assurance that a mortgage loan sold to us complies with the standards outlined in our Mortgage Selling and Servicing Contract, which incorporates the Selling and Servicing Guides, including underwriting and documentation. Violation of any representation or warranty is a breach of the lender contract, including the warranty that the loan complies with all applicable requirements of the contract, which provides us with certain rights and remedies.

"Retained mortgage portfolio" refers to the mortgage-related assets we own (excluding the portion of assets that back mortgage-related securities owned by third parties).

"Single-family mortgage loan" refers to a mortgage loan secured by a property containing four or fewer residential dwelling units.

"Structured Fannie Mae MBS" refers to Fannie Mae securitizations that are resecuritizations of UMBS, MBS, or previously-issued structured securities. Our structured securities can be commingled—that is, they can include Freddie Mac securities as part or all of the underlying collateral for the security.

"TCCA fees" refers to the expense recognized as a result of the 10 basis point increase in guaranty fees on all single-family mortgages delivered to us on or after April 1, 2012 pursuant to the Temporary Payroll Tax Cut Continuation Act of 2011 and as extended by the Infrastructure Investment and Jobs Act, which we pay to Treasury on a quarterly basis.

"*Uniform Mortgage-Backed Securities*" or "*UMBS*" refers to uniform single-family mortgage-backed securities issued by Fannie Mae or Freddie Mac that are directly backed by fixed-rate mortgage loans and generally eligible for trading in the to-be-announced ("TBA") market.

"*UPB*" or "*unpaid principal balance*" refers to the remaining principal balance due on a loan or mortgage-backed security.

"Write-off" refers to loan amounts written off as uncollectible bad debts. These loan amounts are removed from our consolidated balance sheet and charged against our loss reserves when the balance is deemed uncollectible, which is generally at foreclosure or other liquidation events (such as a deed-in-lieu of foreclosure or a short-sale). Also includes write-offs related to the redesignation of loans from held for investment to held for sale.

"Yield maintenance fees" refers to multifamily prepayment premiums, which are fees that a multifamily borrower typically pays when they prepay their loan.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Information about market risk is set forth in "MD&A—Risk Management—Market Risk Management, including Interest-Rate Risk Management."

Item 8. Financial Statements and Supplementary Data

Our consolidated financial statements and notes thereto are included elsewhere in this annual report on Form 10-K as described below in "Exhibits, Financial Statement Schedules."

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Overview

We are required under applicable laws and regulations to maintain controls and procedures, which include disclosure controls and procedures as well as internal control over financial reporting, as further described below.

Evaluation of Disclosure Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures refer to controls and other procedures designed to provide reasonable assurance that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding our required disclosure. In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management was required to apply its judgment in evaluating and implementing possible controls and procedures.

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15 under the Exchange Act, management has evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures in effect as of December 31, 2025, the end of the period covered by this report. As a result of management's evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective at a reasonable assurance level as of December 31, 2025, or as of the date of filing this report.

Our disclosure controls and procedures were not effective as of December 31, 2025, or as of the date of filing this report because they did not adequately ensure the accumulation and communication to management of information known to FHFA that is needed to meet our disclosure obligations under the federal securities laws. As a result, we were not able to rely upon the disclosure controls and procedures that were in place as of December 31, 2025, or as of the date of this filing, and we continue to have a material weakness in our internal control over financial reporting. This material weakness is described in more detail below under "Management's Report on Internal Control Over Financial Reporting —Description of Material Weakness." Based on discussions with FHFA and the structural nature of this material weakness, we do not expect to remediate this material weakness while we are under conservatorship.

Management's Report on Internal Control Over Financial Reporting

Overview

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting, as defined in rules promulgated under the Exchange Act, is a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer and effected by our Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and our Board of Directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process, and it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2025. In making its assessment, management used the criteria established in the Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in May 2013. Management's assessment of our internal control over financial reporting as of December 31, 2025 identified a material weakness,

which is described below. Because of this material weakness, management has concluded that our internal control over financial reporting was not effective as of December 31, 2025 or as of the date of filing this report.

Our independent registered public accounting firm, Deloitte & Touche LLP, has issued an audit report on our internal control over financial reporting, expressing an adverse opinion on the effectiveness of our internal control over financial reporting as of December 31, 2025. This report is included below under the heading "Report of Independent Registered Public Accounting Firm."

Description of Material Weakness

The Public Company Accounting Oversight Board's Auditing Standard 2201 defines a material weakness as a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Management has determined that we continued to have the following material weakness as of December 31, 2025, and as of the date of filing this report:

- Disclosure Controls and Procedures. We have been under the conservatorship of FHFA since September 2008. Under the GSE Act, FHFA is an independent agency that currently functions as both our conservator and our regulator with respect to our safety, soundness, and mission. Because of the nature of the conservatorship under the GSE Act, which places us under the "control" of FHFA (as that term is defined by securities laws), some of the information that we may need to meet our disclosure obligations may be solely within the knowledge of FHFA. As our conservator, FHFA has the power to take actions without our knowledge that could be material to our stockholders and other stakeholders, and could significantly affect our financial performance or our continued existence as an ongoing business. Although we and FHFA attempted to design and implement disclosure policies and procedures that would account for the conservatorship and accomplish the same objectives as a disclosure controls and procedures policy of a typical reporting company, there are inherent structural limitations on our ability to design, implement, operate, and test effective disclosure controls and procedures. As both our regulator and our conservator under the GSE Act, FHFA is limited in its ability to design and implement a complete set of disclosure controls and procedures relating to Fannie Mae, particularly with respect to current reporting pursuant to Form 8-K. Similarly, as a regulated entity, we are limited in our ability to design, implement, operate, and test the controls and procedures for which FHFA is responsible.

  Due to these circumstances, we have not been able to update our disclosure controls and procedures in a manner that adequately ensures the accumulation and communication to management of information known to FHFA that is needed to meet our disclosure obligations under the federal securities laws, including disclosures affecting our consolidated financial statements. As a result, we did not maintain effective controls and procedures designed to ensure complete and accurate disclosure as required by GAAP as of December 31, 2025, or as of the date of filing this report. Based on discussions with FHFA and the structural nature of this weakness, we do not expect to remediate this material weakness while we are under conservatorship.

Mitigating Actions Related to Material Weakness

We and FHFA have engaged in the following practices intended to permit accumulation and communication to management of information needed to meet our disclosure obligations under the federal securities laws:

- FHFA has established a process to facilitate operation of the company under the oversight of the conservator.
- FHFA personnel, including senior officials, have reviewed our quarterly and annual SEC filings prior to filing, including this annual report on Form 10-K for the year ended December 31, 2025 ("2025 Form 10-K"), and engaged in discussions regarding issues associated with the information contained in those filings. Prior to filing our 2025 Form 10-K, FHFA provided Fannie Mae management with written acknowledgment that it had reviewed the 2025 Form 10-K, and it was not aware of any material misstatements or omissions in the 2025 Form 10-K and had no objection to our filing the 2025 Form 10-K.
- We have also provided FHFA personnel drafts of our Form 8-K filings, press releases, media statements, and certain executive speeches for review prior to filing or release.
- Our senior management meets regularly with senior leadership at FHFA. In addition, the FHFA Director serves as Chair of our Board of Directors.
- FHFA representatives attend meetings frequently with various groups within the company to enhance the flow of information and to provide oversight on a variety of matters, including accounting, credit and market risk management, external communications, and legal matters.

- Senior officials within FHFA's Office of the Chief Accountant have met frequently with our senior finance executives regarding our accounting policies, practices, and procedures.

In view of these activities, we believe that our consolidated financial statements for the year ended December 31, 2025 have been prepared in conformity with GAAP.

Changes in Internal Control Over Financial Reporting

Management has evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, whether any changes in our internal control over financial reporting that occurred during our last fiscal quarter have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. There were no changes in our internal control over financial reporting from October 1, 2025 through December 31, 2025 that management believes have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

In the ordinary course of business, we review our system of internal control over financial reporting and make changes that we believe will improve these controls and increase efficiency, while continuing to ensure that we maintain effective internal controls. Changes may include implementing new, more efficient systems, automating manual processes, changes in personnel performing controls, and updating existing systems.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To Fannie Mae:

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Fannie Mae and consolidated entities (in conservatorship) (the "Company") as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, because of the effect of the material weakness identified below on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2025, based on the criteria established in *Internal Control – Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2025, of the Company and our report dated February 11, 2026, expressed an unqualified opinion on those financial statements and included an explanatory paragraph regarding the Company's dependence upon the continued support from the United States Government through the United States Department of Treasury and the U.S. Federal Housing FHFA (Federal Housing Finance Agency) ("FHFA"). Our report also included an explanatory paragraph noting the Company has elected to change its accounting principle regarding which financial instruments are presented as cash equivalents and restricted cash equivalents, which has been retrospectively applied in the consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Material Weakness

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management's assessment:

- Disclosure Controls and Procedures – The Company's disclosure controls and procedures did not adequately ensure the accumulation and communication to management of information known to FHFA (as conservator) that is needed to meet their disclosure obligations under the federal securities laws as they relate to financial reporting.

This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements as of and for the year ended December 31, 2025, of the Company and this report does not affect our report on such financial statements.

/s/ Deloitte & Touche LLP

McLean, Virginia

February 11, 2026

Item 9B. Other Information

Trading Arrangements

During the quarter ended December 31, 2025, no Fannie Mae director or officer (as that term is defined by the SEC in Rule 16a-1(f) under the Exchange Act) adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement for transactions in Fannie Mae securities.

Disclosure Pursuant to Section 13(r) of the Securities Exchange Act of 1934

Pursuant to Section 13(r) of the Exchange Act, an issuer is required to disclose in its annual or quarterly reports, as applicable, whether it or any of its affiliates knowingly engaged in certain activities, transactions or dealings relating to Iran or with individuals or entities designated pursuant to certain Executive Orders. Disclosure may be required even where the activities, transactions or dealings were conducted in compliance with applicable law.

During the second quarter of 2025, the company became aware that a co-borrower of a single-family loan we acquired from a lender in 2017 was designated by Treasury's Office of Foreign Assets Control ("OFAC") as a Specially Designated National on April 15, 2025 pursuant to Executive Order 13224, as amended. Subsequent to this designation, a payment in the amount of $881.88 relating to the loan was received by us from the loan servicer on May 6, 2025. After learning of the co-borrower's designation, we transferred the payment into a designated account for blocked funds and instructed the loan servicer to no longer remit any funds to us relating to the loan. We notified OFAC of the blocked loan payment funds in May 2025. There was no measurable gross revenue or net profit relating to the payment received on the loan in May 2025. In October 2025, the servicer notified us that the unsanctioned co-borrower on this loan had received OFAC permission to provide payments on the loan, and we informed the servicer that they may resume remitting payments associated with the unsanctioned co-borrower on the loan.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Directors

Our current directors are listed below. They have provided the following information about their principal occupation, business experience and other matters.

Barry Habib

Age: 66

Independent director since July 2025

Board committee:
- Compensation and Human Capital

Mr. Habib is an entrepreneur and founder of multiple businesses. He has decades of experience in the mortgage industry, including in mortgage originations and forecasting industry trends.

Experience and Qualifications
- Chief Executive Officer at Highway (2022–present), which encompasses MBS Highway of which he was the Founder and Chief Executive Officer (2012–present), which interprets and forecasts activity in the mortgage and bond markets, as well as ListReports, an automated workflow tool for loan originators, and Certified Mortgage Advisor, an industry certification program
- Member of the advisory board of Engineered Tax Services (2025–present), a tax advisory firm

Brandon S. Hamara

Age: 39

Director since October 2025

Mr. Hamara has served as Co-President since October 2025 (after initially joining the company as Head of Operations for Single-Family and Multifamily—Senior Vice President) and serves on our Board of Directors. As Co-President, he oversees Single-Family business strategy, development, and execution, focusing on driving innovation and organizational performance in support of our mission to provide liquidity and access to the U.S. housing system.

Mr. Hamara has expertise in real estate, homebuilding, land development, and housing finance. He has nearly two decades of experience in the homebuilding industry.

Experience and Qualifications
- Various positions at Tri Pointe Homes (2017–2025), including as Vice President, after serving in various positions at two other national publicly traded homebuilders
- Lead Adjunct Professor of Real Estate at Santa Barbara City College (2016–present)
- Former member of the Board of Directors of Freddie Mac (2025); Chair of the Risk Committee and member of the Audit and Executive Committee

Clinton C. Jones, III

Age: 63

Director since March 2025

Board committees:
- Compensation and Human Capital
- Risk Policy and Capital

Mr. Jones has an extensive background in financial regulatory policy and oversight.

Experience and Qualifications
- General Counsel (2021–present) and Senior Advisor for Legal Affairs & Policy (2019–2021) at FHFA
- Member of the Board of Directors of Freddie Mac (2025–present)
- Lecturer in the Department of English at Howard University (1990–present)
- Various roles at the U.S. House of Representatives Committee on Financial Services from 1993–2007 and 2008–2019, including as general counsel, parliamentarian, and chief counsel to the Housing and Insurance Subcommittee
- Vice President at Fannie Mae (2007–2008)
- Attorney at U.S. Department of Housing and Urban Development (1988-1993)

Omeed Malik

Age: 46

Independent director since April 2025

Board committee:
- Nominating and Corporate Governance

Mr. Malik is an experienced financial services professional and attorney. He brings extensive experience in financial services and capital markets as well as a blend of legal, entrepreneurial, and strategic leadership expertise.

Experience and Qualifications
- Founder and Chief Executive Officer of Farvahar Partners (2019–present), a boutique investment bank and broker/dealer which acts as an advisor and liquidity provider to venture-backed businesses and institutional investors
- President of 1789 Capital (2023–present), an investment firm focused on entrepreneurship, innovation and growth
- Former Chairman and Chief Executive Officer of Colombier Acquisition Corp. II (2021–2025), a publicly-traded special purpose acquisition company listed on the New York Stock Exchange
- Former Chairman and Chief Executive Officer of Colombier Acquisition Corp. (2021–2023), which merged with Public Square Holdings, Inc., a publicly traded online marketplace, in 2023; non-executive director of Public Square Holdings, Inc. (2023–2024)
- Managing Director and Global Head of the Hedge Fund Advisory Business at Bank of America Merrill Lynch (2012–2018)

William J. Pulte

Age: 37

Director and Board Chair since March 2025

Board committee:
- Nominating and Corporate Governance (Chair)

Delegated authority:
- Mr. Pulte has been delegated authority to approve or take any action on behalf of any Board committee or Board committee chair, other than the Audit Committee or Audit Committee Chair.

Mr. Pulte became the fifth Director of the U.S. Federal Housing in March 2025, following his nomination by President Donald J. Trump and bipartisan confirmation by the U.S. Senate. In this role, Mr. Pulte oversees Fannie Mae, Freddie Mac, and the Federal Home Loan Banks. He has also served as chair of the board of directors of Freddie Mac since 2025.

Experience and Qualifications
- Founder and CEO of Pulte Capital Partners LLC, an investment firm focused on building products and construction companies (2011–2025)
- Former member of the Board of Directors of PulteGroup, Inc. (formerly Pulte Homes, Inc.), one of the largest homebuilders in the country (2016–2020)
- Co-founder in 2013 of Detroit's Blight Authority
- Supporter of various charitable causes through Twitter philanthropy

Manuel "Manolo" Sánchez Rodríguez

Age: 60

Independent director since September 2018

Board committees:
- Audit (Chair)
- Risk Policy and Capital

Mr. Sánchez has extensive experience in the banking industry, including real estate, community, corporate, and investment banking. He brings global insight, as well as his in-depth knowledge of banking and finance.

Experience and Qualifications
- President and CEO of Compass Bank, Inc. ("Compass Bank"), a U.S. subsidiary of Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA") (2008–2017); Member of BBVA's worldwide Executive Committee; Country Manager for U.S. operations (2010–2017); Chairman of the Board of Directors of Compass Bank and its holding company, BBVA Compass Bancshares, Inc. (2010–2017)
- Founder of Adelante Ventures LLC (2018–present), a fintech consulting firm
- Adjunct Professor at Rice University's Jones Graduate School of Business (2018–present), where he teaches disruption in financial services with a focus on crypto currencies and blockchain
- Member of the Board of Directors of Stewart Information Services Corporation (2019–present); member of the Audit Committee and the Nominating and Corporate Governance Committee
- Member of the Board of Directors of Affirm Holdings, Inc. (2023–present); member of the Audit Committee and the Nominating and Corporate Governance Committee
- Member of the Board of Directors of Elevate Credit, Inc. (2021–2023)
- Member of the Board of Directors of BanCoppel S.A. Institución de Banca Múltiple in Mexico City (2019–2021)
- Member of the Board of Directors of On Deck Capital, Inc. (2018–2020); member of the Audit Committee and the Compensation Committee

Scott D. Stowell

Age: 68

Independent director since November 2024

Board committees:
- Audit
- Compensation and Human Capital
- Risk Policy and Capital (Chair)

Mr. Stowell has nearly 40 years of experience in the U.S. homebuilding industry, including single-family homes, mixed-use communities, and projects meeting local governments' affordability requirements.

Experience and Qualifications
- Founder, CEO, and President of Capital Thirteen LLC, an advisory, real estate, and angel investing company (2019–present)
- Executive chairman of CalAtlantic Group, Inc., a publicly-traded company that specialized in homebuilding (2015–2018); after CalAtlantic Group's merger with Lennar Corporation, retired as executive chairman and served on the board of directors of Lennar Corporation (2018–2021)
- Various positions at Standard Pacific Homes (CalAtlantic Group's predecessor) beginning in 1986, including as CEO (2012–2015), President (2011–2015), and Chief Operating Officer ("COO") (2007–2011)
- HomeAid America Inc., a non-profit organization whose mission is to help people experiencing or at risk of homelessness build new lives through construction, community engagement, and education: member of the Board of Directors (2013–present), former Executive Committee member (2013–2023), past Chair (2017–2018)
- Member of the Board of Directors at Toll Brothers, Inc., a home-building company (2021–present); lead independent director and member of the Nominating and Corporate Governance Committee
- Board member of Pacific Mutual Holding Company (2013–present); member of the Governance and Nominating Committee and Chair of the Talent Development and Compensation Committee

Michael Stucky

Age: 67

Independent director since March 2025
Board Vice Chair since April 2025

Board committees:
- Audit
- Compensation and Human Capital (Chair)

Mr. Stucky has over 30 years of senior executive experience in the homebuilding, building supplies, and heating, ventilation, and air conditioning (HVAC) industries.

Experience and Qualifications
- Executive Chairman of the Board of Semper Fi Heating and Cooling LLC (2024)
- CEO of Southern HVAC, and its predecessor, Southern Air & Heat Holdings, LLC (2013-2019)
- CEO of Total Building Services Group (2012-2013)
- Division President (Pulte Buildings Systems) at PulteGroup, Inc. (2009-2011)
- Vice President of Manufacturing at Foxworth-Galbraith Lumber Company (2005-2009), a lumber and building materials supplier; Vice President of Operations at Centex Homes, LLC (1998-2005), an affordable home builder; and various positions at Payless Cashways Inc., a building materials and home improvement retailer, beginning in 1980, including Regional Vice President (1994-1998)

Corporate Governance

Conservatorship and Board Authorities

Overview

In September 2008, the FHFA Director appointed FHFA as our conservator in accordance with the GSE Act. As conservator, FHFA succeeded to all rights, titles, powers and privileges of Fannie Mae, and of any stockholder, officer or director of Fannie Mae with respect to Fannie Mae and its assets. As a result, our Board of Directors no longer had the power or duty to manage, direct or oversee our business and affairs.

As conservator, FHFA reconstituted our Board of Directors and provided the Board with specified functions and authorities. Our directors serve on behalf of the conservator and exercise their authority as directed by and with the approval, where required, of the conservator. Our directors owe their fiduciary duties of care and loyalty solely to the conservator. Thus, while we are in conservatorship, the Board has no fiduciary duties to the company or its stockholders.

Our Board of Directors exercises specified functions and authorities provided to it pursuant to an order from FHFA, as our conservator. In addition, since March 2025, Mr. Pulte, who is the Director of FHFA, has served as Chair of our Board, and Mr. Jones, FHFA's General Counsel, has also served as a member of our Board. The Board of Directors has delegated to the Chair of the Board the authority to approve or take any action on behalf of the Board or any Board Committee or Board Committee Chair, other than the Audit Committee or Audit Committee Chair.

FHFA Instructions

The conservator also provided instructions regarding matters for which conservator decision or notification is required. The conservator retains the authority to amend or withdraw its order and instructions at any time.

FHFA's instructions require that we obtain the conservator's decision before taking action on matters that require the consent of or consultation with Treasury under the senior preferred stock purchase agreement. See "Business—Conservatorship and Treasury Agreements—Treasury Agreements—Covenants" for matters that require the approval of Treasury under the senior preferred stock purchase agreement.

FHFA's instructions also require us to obtain the conservator's decision before taking action in the areas identified below. FHFA's instructions specify that our Board (or in some cases a Board committee) must review and approve the matters listed below before we request FHFA decision:

- redemptions or repurchases of our subordinated debt, except as may be necessary to comply with the senior preferred stock purchase agreement;
- creation of any subsidiary or affiliate, or entering into a substantial transaction with a subsidiary or affiliate, except for routine ongoing transactions with U.S. FinTech or the creation of, or a transaction with, a subsidiary or affiliate undertaken in the ordinary course of business;
- changes to or removal of Board risk limits that would result in an increase in the amount of risk that we may take;
- retention and termination of the external auditor;
- terminations of law firms serving as consultants to the Board;
- proposed amendments to our bylaws or to charters of our Board committees;
- setting or increasing the compensation or benefits payable to members of the Board; and
- establishing the annual operating budget.

For the following matters, FHFA's instructions require us to obtain the conservator's decision, and the Board is expected to determine the appropriate level of its engagement:

- material changes in accounting policy;
- proposed changes in our business operations, activities, and transactions that in the reasonable business judgment of management are more likely than not to result in a significant increase in credit, market, reputational, operational or other key risks;
- matters that impact or question the conservator's powers, our conservatorship status, the legal effect of the conservatorship, interpretations of the senior preferred stock purchase agreement or the Financial Agency Agreement with Treasury or our performance under the Financial Agency Agreement;

- agreements relating to litigation, lawsuits, claims, demands, prosecutions, regulatory proceedings or tax matters where the amount in dispute exceeds a specified threshold, including related matters that aggregate to more than the threshold;
- mergers, acquisitions and changes in control of key counterparties where we have a direct contractual right to cease doing business with the entity or object to the merger or acquisition;
- changes to requirements, policies, frameworks, standards or products that are aligned with Freddie Mac's, pursuant to FHFA's direction;
- credit risk transfer transactions that are a new transaction type, involve a material change in terms, or involve a new type of collateral;
- transfers of mortgage servicing rights that meet minimum size thresholds and would increase the transferee's servicing of Fannie Mae seriously delinquent loans by more than a specified threshold; and
- changes in employee compensation that could significantly impact our employees, including special incentive plans, merit increase pool funding, and retention awards for executives.

FHFA's instructions also require us to provide timely notice to FHFA of: activities that represent a significant change in current business practices, operations, policies or strategies not otherwise addressed in the instructions; exceptions and waivers to aligned requirements, policies, frameworks, standards or products if not otherwise submitted to FHFA for decision as required above; and accounting error corrections to previously-issued financial statements that are not de minimis. FHFA will then determine whether any such items require its decision as conservator. For more information on the conservatorship, refer to "Business—Conservatorship and Treasury Agreements."

Composition of Board of Directors

FHFA has directed that our Board of Directors should have a minimum of five and not more than thirteen directors. In March 2025, FHFA waived the FHFA corporate governance regulation requirement that a majority of Fannie Mae's directors must be independent. The waiver is in effect until such time as it is rescinded or our conservatorship is terminated. The Board currently has eight members, five of whom are independent. The three Board members who are not independent are Mr. Pulte (the FHFA Director), Mr. Jones (FHFA's General Counsel) and Mr. Hamara (Fannie Mae's Co-President).

Pursuant to its authority as conservator, FHFA reconstituted our Board in March 2025, removing eight directors and appointing four new directors, three of whom continue to serve. Since then, the Chair of the Board, acting on behalf of the Board, appointed three additional members to the Board of Directors. See "Certain Relationships and Related Transactions, and Director Independence—Director Independence" for more information about our independence requirements and our directors' independence.

Under the Charter Act, each director is elected for a term ending on the date of our next annual stockholders' meeting. Fannie Mae's bylaws provide that each director holds office for the term for which they were elected or appointed, and will hold office until their successor is chosen and qualified, or until the Board member's earlier resignation, retirement, removal, or death. Under a conservator order, each director serves on the Board until the earlier of (1) resignation or removal by the conservator or (2) the election of a successor director at an annual meeting of stockholders. Vacancies on the Board may be filled by the conservator, or by the Board with approval from the conservator. FHFA as our conservator has all powers of our stockholders and suspended stockholder meetings after we entered into conservatorship. As a result, we have not held stockholders' meetings since that time.

In February 2026, FHFA, exercising the voting power of holders of our common stock, elected each of our current Board members. Each Board member will serve for a term that ends on the date of our next annual stockholders' meeting, or when the conservator next elects our Board members by written consent. Pursuant to an FHFA order, the CEO is the only executive officer or other employee of Fannie Mae who may serve as a Board member. FHFA has waived this provision to allow Mr. Hamara to serve as a Board member. Mr. Akwaboah is not expected to serve on the Board while he serves as Acting CEO. Absent a waiver from FHFA, FHFA corporate governance regulations limit service on our Board to ten years or age 72, whichever comes first.

In determining whether to recommend a director for reelection, the Nominating and Corporate Governance Committee will consider, among other factors, (1) the director's independence, (2) the director's willingness to continue to serve on the Board and devote the necessary time, including their attendance at Board and Board committee meetings and whether their service on outside boards and other activities permits them sufficient time to continue to serve on the Board, (3) the contributions they have made to Board and Committee discussions and decision-making, (4) their continued involvement in business and professional activities relevant to Fannie Mae, (5) the skills and experience that should be represented on the Board, and (6) such other criteria as are required by law or regulation.

Under the Charter Act, our Board shall at all times have as members at least one person from each of the homebuilding, mortgage lending and real estate industries, and at least one person from an organization that has represented consumer or community interests for not less than two years or one person who has demonstrated a career commitment to the provision of housing for low-income households. We additionally require that the Board as a group must be knowledgeable in business, finance, capital markets, accounting, risk management, public policy, mortgage lending, real estate, low-income housing, homebuilding, regulation of financial institutions, technology, corporate responsibility, and any other areas as may be relevant to the safe and sound operation of Fannie Mae. The Nominating and Corporate Governance Committee considers a variety of criteria and experiences in the areas mentioned above in identifying director nominees.

In addition to expertise in the areas noted above, the Nominating and Corporate Governance Committee also seeks prospective Board candidates who possess the highest personal values, judgment and integrity, and who understand the regulatory and policy environment in which Fannie Mae does business. The Nominating and Corporate Governance Committee also considers whether a prospective Board candidate has the ability to attend meetings and fully participate in the activities of the Board.

The Nominating and Corporate Governance Committee considers each year whether our directors should continue to serve as directors. While this process typically includes an evaluation of each Board member's performance that considers factors related to their contribution to the Board's effective functioning, individual Board member performance was not evaluated in 2025 due to the significant turnover in Board members. In its assessment of whether our directors should continue to serve as directors, the Nominating and Corporate Governance Committee also considers each individual's particular experience, qualifications, and skills in areas listed in the table below. In concluding our directors should continue to serve as directors, the Nominating and Corporate Governance Committee took into account their expertise in these areas, which our directors gained from their experience described in "Directors."

Director Experience, Qualifications, and Skills

	Habib	Hamara	Jones	Malik	Pulte	Sánchez	Stowell	Stucky
Business	•	•		•	•	•	•	•
Finance	•	•		•	•	•	•	
Capital Markets		•		•		•	•	
Accounting		•		•		•		
Risk Management		•		•		•	•	
Public Policy		•	•	•	•			
Mortgage Lending	•	•		•		•	•	
Real Estate	•	•		•	•		•	
Low-Income Housing		•			•		•	
Home Building		•			•		•	•
Regulation of Financial Institutions		•	•	•	•	•	•	
Technology	•			•		•		
Corporate Responsibility		•		•			•	

Board Leadership Structure

FHFA corporate governance regulations require separate Chair of the Board and CEO positions. They also require that the Chair of the Board be an independent director, but FHFA waived this requirement in March 2025.

Our Board has four standing committees: the Audit Committee, the Compensation and Human Capital Committee, the Nominating and Corporate Governance Committee, and the Risk Policy and Capital Committee. Pursuant to FHFA direction, with such exceptions as the conservator has and may direct, the Board and the standing Board committees function in accordance with:

- their designated duties and authorities as set forth in the Charter Act, other applicable federal law, FHFA's corporate governance rules, FHFA's prudential management and operations standards, FHFA written supervisory guidance and direction, and, to the extent not inconsistent with the foregoing, Delaware law (insofar as Fannie Mae has adopted its provisions for corporate governance purposes);
- Fannie Mae's bylaws and the applicable charters of Fannie Mae's Board committees; and
- such other duties or authorities as the conservator may provide.

Such duties or authorities may be modified by the conservator at any time.

Committee Charters and Corporate Governance

Charters for each of the Board's standing committees are posted on our website, www.fanniemae.com, in the "About Us—Corporate Governance" section. Although our equity securities have not been listed on the New York Stock Exchange ("NYSE") since 2010, we were previously required by FHFA corporate governance regulations to follow specified NYSE corporate governance requirements relating to, among other things, the independence of our directors and the charter, independence, composition, expertise, duties, responsibilities and other requirements of our Board committees. FHFA waived these requirements in March 2025 until such time as the waiver is rescinded or our conservatorship is terminated.

Risk Management Oversight

Our Board of Directors oversees risk management primarily through the Risk Policy and Capital Committee of the Board. FHFA corporate governance regulations set forth risk management requirements for our Board and our Risk Policy and Capital Committee, as described below. These regulations require that our Board approve, have in effect at all times, and periodically review an enterprise-wide risk management program that establishes our risk appetite, aligns the risk appetite with our strategies and objectives, and addresses our exposure to credit risk, market risk, liquidity risk, business risk and operational risk. Our risk management program must align with our risk appetite and include risk limitations appropriate to each line of business, appropriate policies and procedures relating to risk management governance, risk oversight infrastructure, and processes and systems for identifying and reporting risks, including emerging risks. Our program must also include provisions for monitoring compliance with our risk limit structure and policies relating to risk management governance, risk oversight, and effective and timely implementation of corrective actions. Additional provisions must specify management's authority and independence to carry out risk management responsibilities and the integration of risk management with management's goals and compensation structure. FHFA corporate governance regulations require our Risk Policy and Capital Committee to assist the Board in carrying out its oversight of our risk management program. These regulations also require that our Risk Policy and Capital Committee must:

- be chaired by a director not serving Fannie Mae in a management capacity;
- have at least one member with risk management experience that is commensurate with our capital structure, risk appetite, complexity, activities, size and other appropriate risk-related factors;
- have committee members with a practical understanding of risk management principles and practices relevant to Fannie Mae;
- fully document and maintain records of its meetings; and
- report directly to the Board and not as part of, or combined with, another committee.

FHFA corporate governance regulations set forth specific responsibilities for our Risk Policy and Capital Committee, including that it must:

- periodically review and recommend for Board approval an appropriate enterprise-wide risk management program that is commensurate with our capital structure, risk appetite, complexity, activities, size and other appropriate risk-related factors;
- receive and review regular reports from our Chief Risk Officer; and
- periodically review the capabilities for, and adequacy of resources allocated to, enterprise-wide risk management.

Our Risk Policy and Capital Committee Charter also sets forth the Risk Policy and Capital Committee's duties and responsibilities in overseeing risk management for all of our major categories of risk and any other emerging risks. For more information on the role of our Board and management in risk oversight, see "MD&A—Risk Management—Overview—Risk Management Governance" and "Cybersecurity—Cybersecurity Governance—Board Oversight."

Human Capital Management Oversight

The Compensation and Human Capital Committee of the Board has oversight of Fannie Mae's human capital management. As part of its oversight role, the Committee reviews our primary compensation programs and benefits, succession planning for executives, as well as employee engagement.

Audit Committee Membership

Our Board of Directors has a standing Audit Committee consisting of Mr. Sánchez, who is the Chair, Mr. Stowell, and Mr. Stucky. All of the Audit Committee members are financially literate and independent under the requirements of

independence for audit committee members adopted by the NYSE, the Audit Committee charter, and other SEC rules and regulations applicable to audit committees. The Board has determined that Mr. Sánchez has the requisite experience, as discussed in "Directors," to qualify as an "audit committee financial expert" under the rules and regulations of the SEC and has designated him as such.

Communications with Directors or Audit Committee

Interested parties wishing to communicate any concerns or questions about Fannie Mae to the non-executive Chair of the Board or to our non-management directors individually or as a group may do so by electronic mail addressed to "board@fanniemae.com," or by U.S. mail addressed to Board of Directors, c/o Office of the Corporate Secretary, Fannie Mae, 1100 15th Street, NW, Washington, DC 20005. Communications may be addressed to a specific director or directors, including Mr. Pulte, the Board Chair, or to groups of directors, such as the independent or non-management directors.

Interested parties wishing to communicate with the Audit Committee regarding accounting, internal accounting controls or auditing matters may do so by electronic mail addressed to "auditcommittee@fanniemae.com," or by U.S. mail addressed to Audit Committee, c/o Office of the Corporate Secretary, Fannie Mae, 1100 15th Street, NW, Washington, DC 20005.

The Office of the Corporate Secretary is responsible for processing all communications to a director or directors. Communications that are deemed by the Office of the Corporate Secretary to be commercial solicitations, ordinary course customer inquiries or complaints, incoherent or obscene are not forwarded to directors.

Director Nominations; Stockholder Proposals

Under the GSE Act, FHFA, as conservator, has all rights, titles, powers and privileges of the stockholders and Board of Directors of Fannie Mae. As a result, Fannie Mae's common stockholders no longer have the ability to recommend director nominees or elect the directors of Fannie Mae or bring business before any meeting of stockholders pursuant to the procedures in our bylaws. We currently do not plan to hold an annual meeting of stockholders in 2026.

Code of Conduct

We have a Code of Conduct (our "Code of Conduct") that is applicable to all officers and employees and that also serves as the code of ethics for our CEO and senior financial officers required by the Sarbanes-Oxley Act of 2002 and implementing regulations of the SEC. We have posted the Code of Conduct on our website, at www.fanniemae.com, in "About Us—Corporate Governance—Code of Conduct," which is also where we intend to provide any required disclosure about waivers of or amendments to the code.

Insider Trading Policy, including Prohibitions against Hedging and Pledging

We have policies and procedures that govern the purchase, sale, and other disposition of Fannie Mae securities by our directors, officers, or employees. These policies and procedures also provide that we take steps to manage the flow of information to employees authorized to engage in certain trades on behalf of Fannie Mae. We believe these policies and procedures are reasonably designed to promote compliance with insider trading laws, rules, regulations and applicable listing standards. A copy of our Insider Trading Policy is filed with this report as Exhibit 19.1.

Among other provisions, our Insider Trading Policy prohibits all Fannie Mae employees, officers and directors from:

- buying or selling Fannie Mae securities while in possession of material, nonpublic information or outside of applicable trading windows;
- engaging in short-term or speculative transactions relating to Fannie Mae securities:
  - options, puts, calls or other derivative securities;
  - short sales;
  - hedging transactions such as prepaid variable forwards, equity swaps, collars and exchange funds, and other derivatives; and
- holding Fannie Mae securities in an account with a margin loan balance or otherwise pledging Fannie Mae securities as collateral for a loan.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires our directors, executive officers and persons who beneficially own more than 10% of our common stock to file reports with the SEC indicating their holdings of and transactions in Fannie Mae equity securities. Based on a review of these reports, and upon written representations from the reporting persons, we believe that each of our directors and executive officers complied with these filing requirements during 2025, except that

Mr. Habib, Mr. McCarthy, Mr. Pulte, and Mr. Williamson each filed a Form 3 late. In addition, Christopher Stanley, who served as a director for a single day, has not filed a Form 3 or a Form 5.

Report of the Audit Committee of the Board of Directors

The Audit Committee's charter sets forth the Audit Committee's duties and responsibilities, and provides that the Audit Committee's purpose is to:

- oversee (a) our accounting, reporting, and financial practices and those of our subsidiaries, including the integrity of our financial statements and internal control over financial reporting, (b) our compliance with legal and regulatory requirements, (c) the external auditor's qualifications, independence, and performance, and (d) the qualifications, independence, and performance of our internal audit function and chief audit executive;
- approve, or recommend for Board approval, as appropriate, certain of our policies relating to the Audit Committee's oversight of the external auditor relationship, internal audit function, and the compliance department; and
- prepare the report required by the rules of the SEC to be included in our annual proxy statement in years in which Fannie Mae holds an Annual Meeting of Stockholders and files a proxy statement.

In accordance with this purpose, the Audit Committee has the authority to appoint, compensate, retain, oversee, evaluate and terminate our independent external auditor (referred to as the "independent auditor"); however, the Audit Committee is required to consult and obtain the decision of the conservator before exercising some of these authorities. The independent auditor reports directly to the Audit Committee. The Audit Committee is responsible for fee negotiations with the independent auditor and pre-approves the fees for and the terms of all audit and permissible non-audit services to be provided by the independent auditor. The Audit Committee has delegated to its Chair the authority to pre-approve such services up to $1 million per engagement, which pre-approval must be ratified by the Audit Committee at its next scheduled meeting. The Audit Committee has the authority to retain counsel, accountants, experts and other advisors to assist the Audit Committee members in carrying out their duties; however, the Audit Committee's authority to terminate law firms serving as consultants to the Committee is subject to the conservator's decision.

As described in "Corporate Governance—Audit Committee Membership," the Board has determined that all members of Fannie Mae's Audit Committee are financially literate and all are independent under the independence standards adopted by the NYSE and that Mr. Sánchez is an "audit committee financial expert" under the rules and regulations of the SEC.

The Audit Committee serves in an oversight capacity. Management is responsible for the financial reporting process, including the system of internal controls, for the preparation of consolidated financial statements in accordance with GAAP and for the report on the company's internal control over financial reporting. The company's independent auditor, Deloitte & Touche LLP ("Deloitte"), is responsible for planning and conducting an independent audit of those financial statements and expressing an opinion as to their conformity with GAAP and expressing an opinion on the effectiveness of the company's internal control over financial reporting. The Audit Committee's responsibility is to oversee the financial reporting process and to review and discuss management's report on the company's internal control over financial reporting. The Audit Committee relies, without independent verification, on the information provided to it and on the representations made by management, the internal audit function and the independent auditor, representatives of whom generally attend each Audit Committee meeting.

For the year ended December 31, 2025, the Audit Committee, among other things:

- reviewed and discussed the company's quarterly earnings releases, quarterly reports on Form 10-Q and this Annual Report on Form 10-K, including the consolidated financial statements;
- together with the Board and the other Board Committees, reviewed the company's major legal and compliance risk exposures and the guidelines and policies that govern the process for risk assessment and risk management;
- reviewed and discussed reports from management on the company's policies regarding applicable legal and regulatory requirements;
- reviewed and discussed the plan and scope of the 2025 audit work for the independent auditor;
- reviewed, discussed and approved the 2025 internal audit plan and budget, and reviewed and discussed summaries of the significant reports by the internal audit function;
- reviewed the performance and compensation of the Chief Audit Executive and Chief Compliance Officer;
- reviewed the engagement, independence and quality control procedures of the independent auditor, as described in further detail below;

- met with and/or received reports from senior representatives of the following divisions or departments of the company: Finance, Legal, Corporate Risk & Compliance, and Internal Audit; and
- met regularly in executive sessions with each of Deloitte, the internal audit function and company management, including the CFO, the Chief Compliance Officer, and the Chief Audit Executive, which provided an additional opportunity for Deloitte and the others noted to provide candid feedback to the Committee.

The Audit Committee also reviewed and discussed with management, the Chief Audit Executive and Deloitte:

- the audited consolidated financial statements for 2025;
- the critical accounting estimates that are set forth in this Annual Report on Form 10-K;
- management's annual report on the company's internal control over financial reporting; and
- Deloitte's opinion on the consolidated financial statements, including the critical audit matters addressed during the audit, and the effectiveness of the company's internal control over financial reporting.

The Audit Committee has discussed with Deloitte the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board ("PCAOB") and the SEC. The Audit Committee has received from Deloitte the written communications required by applicable requirements of the PCAOB regarding Deloitte's communications with the Audit Committee concerning independence, and also has discussed with Deloitte its independence from the company.

In evaluating Deloitte's independence, the Audit Committee considered whether services it provided to the company beyond those rendered in connection with its audit of the company's consolidated financial statements, reviews of the company's interim condensed consolidated financial statements included in its quarterly reports on Form 10-Q and its opinion on the effectiveness of the company's internal control over financial reporting would impair its independence. The Committee also reviewed and pre-approved, among other things, the audit, audit-related and non-audit-related services performed by Deloitte. The Committee received regular updates on the amount of fees and scope of audit, audit-related and non-audit-related services provided. The Committee concluded that the provision of services by Deloitte did not impair its independence.

Deloitte has served as the company's independent auditor since 2005. The Audit Committee selects Deloitte's lead audit partner who, along with the engagement quality review partner, rotates every five years. Pursuant to this schedule, in 2022 the Audit Committee selected a new lead audit partner, who began in the role with the fiscal year 2023 audit. The Audit Committee evaluates the independent auditor's qualifications, performance and independence on at least an annual basis. The factors the Audit Committee considered in evaluating and approving Deloitte's appointment as the company's independent auditor included:

- Deloitte's technical expertise and industry experience;
- its institutional knowledge of the company's business, significant accounting practices and system of internal control over financial reporting;
- audit effectiveness, including the quality of Deloitte's audit work, its quality control procedures, the expertise and performance of the lead audit partner, and the professionalism and demonstrated objectivity and skepticism of Deloitte's team;
- the frequency and quality of Deloitte's communication with the Committee, and the level of support provided to the Committee;
- external data on audit quality and performance and legal and regulatory matters involving Deloitte, including the results of PCAOB inspection reports and Deloitte's peer review reports, and actions by Deloitte to continue to enhance the quality of its audit practice; and
- Deloitte's independence and its policies and procedures regarding independence.

Based on the reviews, reports, meetings and discussions referred to above, and subject to the limitations on the Audit Committee's role and responsibilities described above and in the Audit Committee Charter, the Audit Committee recommended to the Board of Directors that the company's audited consolidated financial statements for 2025 be included in this Annual Report on Form 10-K for filing with the SEC. In addition, the Audit Committee approved the appointment of Fannie Mae's independent auditor, Deloitte & Touche LLP, for 2026. FHFA, as the company's conservator, approved Deloitte's appointment as Fannie Mae's independent auditor for 2026.

Audit Committee:

Manolo Sánchez, Chair
Scott Stowell
Michael Stucky

Executive Officers

Under our bylaws, each executive officer holds office until their successor is chosen and qualified or until they die, resign, retire or are removed from office, whichever occurs first.

Mr. Hamara, one of our Co-Presidents, has served as a member of our Board of Directors since October 2025. Information about his business experience and other matters is provided in “Directors.” As of February 11, 2026, we have eight other executive officers:

Peter Akwaboah

Age: 56

Acting CEO, and Executive Vice President and COO

Joined Fannie Mae in 2024

Mr. Akwaboah has served as Acting CEO since October 2025 and as Executive Vice President and COO since May 2024. With more than 30 years of leadership experience in finance, real estate, technology, and banking, Mr. Akwaboah leads a company that plays an essential role in the U.S. As COO, he oversees a portfolio of enterprise shared services, including the Chief Information Office, Enterprise Security and Resilience, Operations, and Workplace functions. These functions are core to fostering operational excellence, advancing innovation, and ensuring alignment with our long-term strategic objectives. Before joining Fannie Mae, he served as Managing Director at Morgan Stanley from 2015 to May 2024, where he ultimately served as COO of Technology and Head of Innovation and helped shape the firm’s technology strategy. Additionally, from 2017 to 2020, he led Morgan Stanley’s Global Shared Services and Banking Operations. Mr. Akwaboah also contributed to industry advancements as a member of the Federal Reserve Bank’s Payments Risk Committee and as a director on the Board of the Morgan Stanley Foundation. Prior to his tenure at Morgan Stanley, Mr. Akwaboah spent more than a decade at the Royal Bank of Scotland, where he served as Asia Pacific COO. Earlier in his career, he held leadership roles in operations, technology, and strategic consulting at Deutsche Bank, KPMG and IBM, where he led cross-functional initiatives and enterprise-level transformation. Mr. Akwaboah serves on the Boards of the Foundation of Orthopedics and Complex Spine and the Museum of American Finance.

Erik Bisso

Age: 47

Executive Vice President, Chief Investment Officer and Head of Treasury and Capital Markets

Joined Fannie Mae in 2025

Mr. Bisso has served as Executive Vice President—Chief Investment Officer and Head of Treasury and Capital Markets since April 2025. He is responsible for leading the company’s investment strategy, treasury operations, and single-family and multifamily capital markets activities. He provides strategic direction for the balance sheet, overseeing liquidity, financing, credit risk transfer, and derivative activities as well as Fannie Mae’s portfolio of mortgage securities and loan investments. Before joining Fannie Mae, Mr. Bisso served as Global Head of J.P. Morgan’s Investment Portfolio, from 2015 to July 2023, where he managed the firm’s structural interest rate risk and deployed excess liquidity across global fixed income markets, and led management of the firm’s retirement plan and the hedging of its Mortgage Servicing Rights.

Kelly Follain

Age: 50

Executive Vice President—Multifamily

Joined Fannie Mae in 2025

Ms. Follain has served as Executive Vice President—Multifamily since March 2025. In this role, she is responsible for all Multifamily business functions, including leading the teams responsible for maintaining our multifamily mortgage acquisition and servicing standards, providing liquidity to the multifamily mortgage market, and facilitating access to quality affordable rental housing across America. Ms. Follain is a strategic leader with more than 25 years of experience in commercial real estate lending and expertise in agency financing, multifamily real estate, and CMBS lending, including underwriting, credit, loan structuring, and securitization. Prior to joining Fannie Mae, she was at PGIM Real Estate, serving as Head of Agency Lending, from 2024 to March 2025, where she was responsible for establishing and executing vision and long-term strategy for Agency Business and expanding PGIM's leadership in Multifamily lending, and setting objectives and key measures of success to meet financial goals. She also served as PGIM's Chief Operating Officer of Agency Lending, from 2019 to 2024, with responsibility for executing business strategy and oversight of operations for Fannie Mae, Freddie Mac, Affordable Housing, and FHA multifamily and healthcare loans, and as PGIM's Chief Underwriting Officer of Agency Lending. Ms. Follain previously served as a Vice President for Underwriting and Credit at Freddie Mac and held management and underwriting positions within Wells Fargo's Commercial Mortgage Origination division.

Chryssa C. Halley

Age: 59

Executive Vice President and CFO

Joined Fannie Mae in 2006

Ms. Halley has served as Executive Vice President and CFO since November 2021. In this role, she is responsible for our financial management as well as modeling and corporate strategy. Previously, Ms. Halley served as Fannie Mae's Senior Vice President and Controller, from 2017 to 2021. Since joining Fannie Mae in 2006, she has held a variety of positions, including Senior Vice President and Deputy Controller; Vice President and Assistant Controller for Capital Markets and Operations; Vice President for Tax, Debt and Derivatives, and Securities Accounting; and Vice President for Corporate Tax.

Michael McCarthy

Age: 45

Senior Vice President and General Counsel

Joined Fannie Mae in 2025

Mr. McCarthy has served as Fannie Mae's General Counsel since December 2025. He has served as an Officer in the U.S. Navy on active and reserve duty for more than 22 years. Before joining Fannie Mae, Mr. McCarthy served at the Department of Justice, from 2015 to 2025, in the Fraud Section and at the U.S. Attorney's Office for the District of Columbia, where he led dozens of high-profile, domestic, and international criminal investigations into individual and corporate fraud, government procurement fraud, corruption, and other complex financial crimes. Prior to joining the

Justice Department, Mr. McCarthy began his career in private practice at an international law firm and also worked at a major defense contractor.

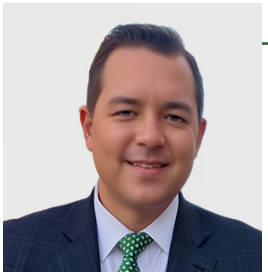
Anthony Moon

Age: 61

Executive Vice President, Chief Risk Officer and Head of Safety and Soundness

Joined Fannie Mae in 2022

Mr. Moon has served as Fannie Mae's Executive Vice President, Chief Risk Officer since December 2022 and Head of Safety and Soundness since November 2025. He is responsible for our Corporate Risk & Compliance division, which oversees the company's governance and strategy for global risk management, including establishing our overarching risk governance framework as well as risk appetite. Mr. Moon has over 30 years of experience in financial services and over 25 years of experience in risk management. Mr. Moon previously served as chief risk officer for Wealth Management and the Morgan Stanley Private Bank at Morgan Stanley, from 2015 to December 2022. In that role, he was responsible for risk management oversight for market, credit, operational, liquidity, model, and strategic risks. He previously held risk leadership positions at GE Capital, Bank of Tokyo-Mitsubishi, and Bankers Trust. Mr. Moon also serves as a Board Member for the Cortland College Foundation.



John Roscoe

Age: 41

Co-President

Joined Fannie Mae in 2025

Mr. Roscoe has served as Fannie Mae's Co-President since October 2025. As Co-President, he oversees operational strategy, development and execution; oversees Communications, Marketing, and Community and Partner Engagement; and serves as the lead liaison with FHFA. Mr. Roscoe served as Executive Vice President and Head of Operations and Public Relations from April 2025 to October 2025, overseeing our communications and regulatory affairs, and leading key initiatives focused on core business growth. Mr. Roscoe is a strategic leader who has extensive experience advising and running organizations in the private sector and federal government, with deep expertise in the housing finance arena. Prior to joining Fannie Mae, Mr. Roscoe was Principal and CEO of North Star Navigators, from 2021 to March 2025, where he advised senior executives on commercial strategy and regulatory policy. He served as Chief of Staff at FHFA from 2019 to 2021, where he oversaw operations and managed high-level initiatives and engagement with mortgage market companies, industry stakeholders, and federal agencies. Mr. Roscoe served at The White House as Special Assistant to the President from 2017 to 2019, leading the federal executive search and selection process for top financial, housing, and regulatory appointments.

Jacob ("Jake") Williamson

Age: 46

Executive Vice President—Single-Family

Joined Fannie Mae in 2006

Mr. Williamson has served as Executive Vice President—Single-Family since December 2025, after serving as Acting Head of Single-Family from October to December 2025. He is responsible for our single-family business functions,

including leading the teams responsible for maintaining our single-family mortgage acquisition and servicing standards, providing liquidity to the single-family mortgage market, and facilitating access to homeownership across America. Mr. Williamson joined Fannie Mae in 2006 and has served in various other leadership roles at Fannie Mae, most recently as Senior Vice President for Single-Family Collateral Risk, Loan Quality and Operational Risk Management, from 2021 to October 2025. In this role, Mr. Williamson oversaw all end-to-end collateral, loan quality, and servicing capabilities, including front-end collateral policies, property valuation risk management, servicing, insurance and title policies, and loan quality control for credit and collateral. He also managed condominium standards, servicer oversight and REO disposition. Earlier, Mr. Williamson was Vice President—Single-Family Collateral Risk Management, overseeing foreclosure and REO functions. He also held roles in REO Fulfillment and Operational Analysis, and REO Sales. Before joining Fannie Mae, Mr. Williamson was a Quantitative Analyst at the mortgage lending subsidiary of GMAC.

Item 11. Executive Compensation

Compensation Discussion and Analysis

Named Executives for 2025

This Compensation Discussion and Analysis focuses on our compensation decisions and arrangements for 2025 relating to the following executive officers, whom we refer to as our "named executives":

- **Peter Akwaboah** Acting CEO, and Executive Vice President and COO
- **Priscilla Almodovar** Former President and CEO
- **Chryssa Halley** Executive Vice President and CFO
- **Erik Bisso** Executive Vice President, Chief Investment Officer, and Head of Treasury and Capital Markets
- **Kelly Follain** Executive Vice President—Multifamily
- **Anthony Moon** Executive Vice President, Chief Risk Officer and Head of Safety and Soundness
- **Malloy Evans** Former Executive Vice President—Single-Family

Executive Summary

Due to our conservatorship status and other legal requirements, FHFA, our conservator and regulator, has substantial oversight and approval rights over our executive compensation arrangements and determinations. While conserving taxpayer resources is an important objective of FHFA's design of our executive compensation program, we and FHFA understand that this objective must be balanced with our need to attract and retain qualified and experienced executives. In addition to FHFA's oversight, Congress has also enacted legislation that significantly impacts the compensation we pay our named executives, as we describe in "Restrictions on Executive Compensation."

Compensation for our CEO role is limited by statute while we are in conservatorship or receivership. This limit applied to Ms. Almodovar, our former CEO, during 2025. Mr. Akwaboah, who became our Acting CEO in October 2025 upon Ms. Almodovar's departure, has served as our COO since 2024 and continues to be compensated for his COO role. Our 2025 compensation arrangements with our named executives other than Ms. Almodovar, which we refer to as the "2025 executive compensation program," were developed by FHFA in consultation with Treasury. These named executives receive two principal elements of compensation: base salary, which is paid throughout the year, and deferred salary, which is paid after a deferral period. There are two components to deferred salary: (1) a fixed portion that is generally subject to reduction if an executive leaves the company within one year following the end of the performance year, unless they have met specified age and years of service requirements; and (2) an at-risk portion that is subject to reduction based on corporate and individual performance. Named executives do not receive bonuses or any form of equity compensation.

Under the leadership of our executives, including our named executives, in 2025 we provided $409.3 billion in liquidity to the market, earned $14.4 billion in net income, increased our net worth as of December 31, 2025 to $109.0 billion, and managed our $4.1 trillion guaranty book of business. Our 2025 goals included a set of corporate performance goals for 2025 set by FHFA as our conservator, which we refer to as the 2025 scorecard, and a set of goals established by our Board of Directors, which we refer to as the 2025 Board of Directors' goals. We discuss our performance against these goals in "Assessment of Corporate Performance against 2025 Scorecard" and "Assessment of Corporate Performance against 2025 Board of Directors' Goals."

Overview of 2025 Executive Compensation Program

FHFA has advised us that the design of our executive compensation program is intended to fulfill and balance three primary objectives:

- *Maintain Lower Pay Levels to Conserve Taxpayer Resources.* Given our conservatorship status, our executive compensation program is designed generally to provide for lower pay levels relative to large financial services companies that are not in conservatorship.
- *Attract and Retain Executive Talent.* Our executive compensation program is intended to attract and retain executive talent with the specialized skills and knowledge necessary to effectively manage a large financial services company. Executives with these qualifications are needed for us to continue to fulfill our important role in providing liquidity to the mortgage market and supporting the housing market, as well as to prudently manage our guaranty book of business. We face competition for qualified executives from other companies. The Compensation and Human Capital Committee regularly considers the level of our executives' compensation and whether changes are needed to attract and retain executives.
- *Reduce Pay if Goals Are Not Achieved.* To support FHFA's goals for our conservatorship and encourage performance in furtherance of these goals, 30% of an executive's total target direct compensation consists of at-risk deferred salary subject to reduction based on corporate and individual performance.

FHFA's objectives for our executive compensation program and the restrictions on our executive compensation described below limit our ability to make changes to the program and limit the amount and type of compensation we may pay our executives.

Restrictions on Executive Compensation

Our executive compensation program and policies are significantly affected by requirements that apply to us as a result of applicable legislation, our senior preferred stock purchase agreement with Treasury, and conservatorship.

Requirements Applicable During Conservatorship

While we are in conservatorship, we are subject to additional legal, regulatory and conservator requirements relating to our executive compensation, including the following:

- *Equity in Government Compensation Act.* The Equity in Government Compensation Act of 2015 limits the compensation and benefits for our CEO role to the same level in effect as of January 1, 2015 while we are in conservatorship or receivership. This law also provides that compensation and benefits for our CEO role may not be increased while we are in conservatorship or receivership. Accordingly, annual direct compensation for our CEO role is limited to base salary at an annual rate of $600,000.
- *The Stop Trading on Congressional Knowledge Act of 2012, known as the STOCK Act.* Pursuant to the STOCK Act and related FHFA regulations, our senior executives, including the named executives, are prohibited from receiving bonuses during conservatorship. FHFA defines a bonus as a payment that rewards an employee for work performed, where details of the award (such as the decision to grant it or its amounts) are determined after the performance period using discretion or inherently subjective measures.
- *FHFA authority to set executive compensation.* The powers of FHFA as our conservator include the authority to set executive compensation. As our conservator, FHFA has retained the authority to approve the terms and amounts of our executive compensation. In its instructions to us, FHFA has directed management to obtain FHFA's decision before entering into new compensation arrangements or increasing amounts or benefits payable under existing compensation arrangements of named executives or other executive officers as defined in SEC rules.
- *FHFA requirements for employee compensation*. Pursuant to FHFA instructions, FHFA's decision as conservator is required with regard to any changes in employee compensation that could significantly impact our employees, including but not limited to special incentive plans, merit increase pool funding, and retention awards for executives.
- *Key FHFA compensation directives*. As our conservator, from time to time, FHFA issues or updates directives that relate to compensation of our executives and other employees. Currently applicable FHFA directives provide as follows:
    - Base salaries for all executives are limited to no more than $600,000.
    - Our policies and procedures must include penalties for executive officers and certain other covered employees who are found to have engaged in specified restricted activity, including the clawback of compensation in appropriate circumstances to the extent permitted by law.

- We may target any percentile of appropriate market data for executive compensation, provided there is a reasoned basis and FHFA determines the compensation is reasonable and comparable with compensation for employment in other similar businesses. See “Peer Group and Role of Benchmark Data.”
- As directed by FHFA, we are required to apply a 20% discount to benchmarking data for the roles of CFO, COO and President.

- *Stockholder Powers.* As our conservator, FHFA has all powers of our stockholders. Accordingly, we have not held stockholders’ meetings since entering into conservatorship, nor have we held any stockholder advisory votes on executive compensation.
- *Golden Parachute Regulation.* A golden parachute payment generally refers to a compensatory payment that is contingent on or provided in connection with termination of employment. FHFA regulation pursuant to the GSE Act generally prohibits us from making golden parachute payments to any current or former director, officer, or employee during any period in which we are in conservatorship, receivership or other troubled condition, unless either a specific exemption applies or the Director of FHFA approves the payments. Specific exemptions include qualified pension or retirement plans, nondiscriminatory employee plans or programs that meet specified requirements, and bona fide deferred compensation plans or arrangements that meet specified requirements.

Other Applicable Requirements

We are also subject to legal and regulatory requirements relating to our executive compensation that apply whether or not we are in conservatorship, including the following:

- *Senior Preferred Stock Purchase Agreement.* Under the terms of our senior preferred stock purchase agreement with Treasury, until the senior preferred stock is repaid or redeemed in full:
  - We may not enter into any new compensation arrangements with, or increase amounts or benefits payable under existing compensation arrangements of, any named executives or other executive officers as defined in SEC rules without the consent of the Director of FHFA, in consultation with the Secretary of the Treasury.
  - We may not sell or issue any equity securities without the prior written consent of Treasury except under limited circumstances, which effectively eliminates our ability to offer stock-based compensation.
- *Charter Act.* Under the Charter Act and related FHFA regulations, FHFA as our regulator must approve any termination benefits we offer to our named executives and certain other officers identified by FHFA.
- *GSE Act.* Pursuant to the GSE Act and related FHFA regulations, FHFA as our regulator has specified oversight authority over our executive compensation. The GSE Act directs FHFA to prohibit us from providing compensation to our named executives and certain other officers identified by FHFA that is not reasonable or comparable with compensation for employment in other similar businesses (including other publicly held financial institutions or major financial services companies) involving similar duties and responsibilities. FHFA may at any time review the reasonableness and comparability of an executive officer’s compensation and may require us to withhold any payment to the officer during such review. The GSE Act also provides that, if we are classified as significantly undercapitalized, FHFA’s prior written approval is required to pay any bonus to an executive officer or to provide certain increases in compensation to an executive officer.

Compensation for our CEO Role

Mr. Akwaboah, who has served as our Acting CEO since October 2025 in addition to his ongoing role as COO, received the compensation elements of the 2025 executive compensation program discussed below. Mr. Akwaboah is compensated for his role as our COO and does not receive additional compensation for serving as our Acting CEO.

Our 2025 executive compensation program did not apply to our former President and CEO, Ms. Almodovar, because compensation for our CEO role is limited by statute. Direct compensation for our CEO role consists solely of a base salary at an annual rate of $600,000 and has been limited to this amount for our CEO role since the enactment of the Equity in Government Compensation Act of 2015. For purposes of this disclosure, “direct compensation” includes salary and other cash compensation, but excludes health and welfare, retirement, relocation, secure transportation, and other benefits. Ms. Almodovar did not receive any additional compensation for serving as President.

Total direct compensation for our CEO role is significantly below the market median for 2024 CEO compensation at comparable businesses. See “Risk Factors—GSE and Conservatorship Risk” for a discussion of the risks associated with executive retention and succession planning.

Elements of 2025 Executive Compensation Program

Direct Compensation

The table below summarizes the principal elements, objectives and key features of our 2025 executive compensation program. All elements of our named executives' direct compensation are paid in cash.

Compensation Element	Form	Primary Compensation Objectives	Key Features
Base Salary	Fixed cash payments, which are paid during the year on a biweekly basis.	Attract and retain named executives by providing a fixed level of current cash compensation.	Base salary reflects each named executive's level of responsibility and experience, as well as individual performance over time. Base salary rate may not exceed $600,000 for any executive while we are in conservatorship.
Deferred Salary	Deferred salary is earned over the course of the performance year and is subject to reduction in certain circumstances. There are two elements of deferred salary: • a fixed portion; and • an at-risk portion. Deferred salary is paid, with interest, in quarterly installments in the year after it is earned for fixed deferred salary and in the second year after it is earned for at-risk deferred salary.	***Fixed Deferred Salary***	
		Retain named executives.	Earned but unpaid fixed deferred salary is generally subject to reduction if a named executive leaves Fannie Mae within one year following the end of the performance year, unless they have met specified age and years of service requirements or in the case of death or long-term disability, as described in "Compensation Tables and Other Information—Potential Payments Upon Termination or Change-in-Control." The amount of earned but unpaid fixed deferred salary received by the named executive will be reduced by 2% for each full or partial month by which the executive's separation date precedes January 31 of the second year following the performance year (or, if later, the end of the twenty-fourth month following the month in which the named executive first earned deferred salary).
		At-Risk Deferred Salary	
		Retain named executives and encourage them to achieve corporate and individual performance objectives.	Equal to 30% of each named executive's total target direct compensation. Half of at-risk deferred salary was subject to reduction based on corporate performance against the 2025 scorecard. The remaining half of at-risk deferred salary was subject to reduction based on individual performance, taking into account corporate performance against the 2025 Board of Directors' goals. There is no potential for at-risk deferred salary to be paid out at greater than 100% of target.

Employee Benefits

Our employee benefits serve as an important tool in attracting and retaining senior executives. We describe the employee benefits available in 2025 to our named executives, including our President and CEO, in the table below. We provide more detail on our retirement plans in "Compensation Tables and Other Information."

Benefit	Form	Primary Objective
401(k) Plan ("Retirement Savings Plan")	The Retirement Savings Plan is a tax-qualified defined contribution plan ("401(k) plan") available to our employee population as a whole.	Attract and retain named executives by providing retirement savings in a tax-efficient manner.
Non-qualified Deferred Compensation ("Supplemental Retirement Savings Plan")	The Supplemental Retirement Savings Plan is an unfunded, non-tax-qualified defined contribution plan. The plan supplements our Retirement Savings Plan by providing benefits to participants whose annual eligible earnings exceed the Internal Revenue Service's ("IRS") limit on eligible compensation for 401(k) plans.	Attract and retain named executives by providing additional retirement savings.
Health, Welfare and Other Benefits	In general, the named executives are eligible for the same benefits available to our employee population as a whole, including our medical insurance plans and life insurance program. The named executives are also eligible to participate in our voluntary supplemental long-term disability plan, which is available to many of our employees.	Provide for the well-being of the named executives and their families.

Sign-on Awards and Relocation Benefits

In addition to the direct compensation and employee benefits described above, we sometimes offer sign-on awards and relocation benefits to attract new executives to Fannie Mae. Our sign-on awards are designed to compensate new executives for compensation forfeited upon leaving their prior employer. We offer relocation benefits to attract new executives who do not already live in the Washington, DC area.

Mr. Akwaboah, who joined Fannie Mae in May 2024, received a sign-on award payable in two installments. Mr. Akwaboah received the first installment of $1,250,000 in 2024, and a second and final installment of $1,177,000 in May 2025. Ms. Follain, who joined Fannie Mae in March 2025, received a sign-on award of $1,600,000 that was paid in two installments during 2025. The first installment of $1,000,000 was paid shortly after Ms. Follain joined the company, and a second and final installment of $600,000 was paid in December 2025. Each installment paid to Mr. Akwaboah and the first installment paid to Ms. Follain are subject to repayment if, within one year after payment, the recipient resigns or their employment with Fannie Mae is terminated involuntarily due to their misconduct. Ms. Follain's second installment remains subject to repayment for the same reasons through April 2027.

Secure Transportation Services

For their safety, we provided Mr. Akwaboah and Ms. Almodovar with the services of a car and executive protection driver for local commuting and related travel pursuant to the recommendation of a third-party security study.

Severance Agreements and Agreements in Connection with Executive Departures

We have not entered into agreements with any of our current employees who are named executives that entitle them to severance benefits. For Ms. Almodovar and Mr. Evans, whose employment terminated in 2025, we entered into agreements for certain payments and benefits in exchange for a release of claims. These agreements, as well as information on earned but unpaid deferred salary (and related interest) that we may pay to our named executives in certain circumstances following termination of employment, are described in "Compensation Tables and Other Information—Potential Payments Upon Termination or Change-in-Control."

2025 Compensation Actions

The table below displays the 2025 direct compensation targets for each of our named executives who were our employees as of December 31, 2025, compared to the actual amounts that will be paid to them based on the assessments and determinations made by FHFA, the Compensation and Human Capital Committee, and the Board of Directors. This table is presented on a different basis from, and is not intended to replace, the Summary Compensation Table required under applicable SEC rules, which is included in "Compensation Tables and Other Information—Summary Compensation Table" and includes additional forms of compensation not included in the table below.

Summary of 2025 Compensation Actions

Name and Principal Position	2025 Base Salary	2025 Fixed Deferred Salary	2025 Corporate Performance-Based At-Risk Deferred Salary		2025 Individual Performance-Based At-Risk Deferred Salary		Total	
			Target	Actual % of Target	Target	Actual % of Target	Target	Actual
Peter Akwaboah[1][2] Acting CEO, and EVP and COO	$600,000	$2,082,534	$574,829	82 %	$574,829	97 %	$3,832,192	$3,711,478
Chryssa Halley[1] EVP and CFO	600,000	2,069,110	571,952	82	571,952	97	3,813,014	3,692,904
Erik Bisso[2] EVP, Chief Investment Officer, and Head of Treasury and Capital Markets	415,385	1,414,726	392,979	82	392,980	97	2,616,070	2,533,545
Kelly Follain[2] EVP—Multifamily	461,539	810,233	273,308	82	273,308	97	1,818,388	1,760,994
Anthony Moon[1] EVP, Chief Risk Officer and Head of Safety and Soundness	573,462	1,473,863	438,781	82	438,781	97	2,924,887	2,832,743

(1) Amounts shown reflect compensation levels in effect during 2025 for Mr. Akwaboah, Ms. Halley, and Mr. Moon, prorated as appropriate; these levels include increases approved during 2025 by the Board of Directors and by FHFA to better align their compensation with the relevant market. For Mr. Akwaboah, the benchmark considers his responsibilities as COO but not his role as Acting CEO. Mr. Akwaboah's total annual direct compensation target increased to $4,250,000, consisting of base salary of $600,000, fixed deferred salary of $2,375,000 and at-risk deferred salary of $1,275,000. Ms. Halley's total annual direct compensation target increased to $4,250,000, consisting of base salary of $600,000, fixed deferred salary of $2,375,000 and at-risk deferred salary of $1,275,000. Mr. Moon's total annual direct compensation target increased to $3,100,000, consisting of base salary of $600,000, fixed deferred salary of $1,570,000 and at-risk deferred salary of $930,000.

(2) This table excludes the sign-on award amounts Mr. Akwaboah and Ms. Follain received in 2025, which are discussed in "Elements of 2025 Executive Compensation—Sign-on Awards and Relocation Benefits." It also excludes amounts Mr. Bisso received for services he provided as a consultant prior to becoming an employee, which are reflected in "All Other Compensation" in the "Summary Compensation Table."

Assessment of Corporate Performance against 2025 Scorecard

Overview

FHFA's 2025 scorecard is a set of corporate performance objectives for 2025 designed to support two overarching goals: promoting access to affordable housing and operating the business in a safe and sound manner. Half of 2025 at-risk deferred salary, or 15% of overall 2025 total target direct compensation, for each named executive other than Ms. Almodovar was subject to reduction based on FHFA's assessment in its discretion of our performance against the 2025 scorecard and related objectives.

Over the course of the year, FHFA communicated shifts in its expectations and priorities for our objectives and targets, with input from management.

FHFA further established that our performance would be assessed based on the following criteria:

- Our products and programs foster liquid, competitive, efficient, and resilient housing finance markets that support affordable access to homeownership and rental housing.
- We conduct business in a safe and sound manner.

- We meet expectations under all FHFA requirements, including those pertaining to capital, liquidity, and credit risk transfer.
- We continue to manage operations while in conservatorship in a manner that preserves and conserves assets through the prudent stewardship of resources.
- We cooperate and collaborate with FHFA in developing plans, policies, and activities that align with the conservator's priorities and guidance.
- We deliver work products that are high quality, thorough, creative, effective, and timely, while considering their effects on homeowners, multifamily property owners, renters, Fannie Mae and Freddie Mac, the industry, the secondary mortgage market, and other stakeholders.
- We maintain compliance with applicable laws and regulations.

FHFA Assessment

We provided updates to and maintained a dialogue with FHFA throughout 2025 on our performance against the 2025 scorecard. In February 2026, FHFA reviewed and assessed our performance against the 2025 scorecard. In its assessment of our performance, the factors FHFA considered included our performance against the qualitative assessment criteria identified above as well as the 2025 scorecard and related objectives. FHFA determined that we completed or substantially completed our efforts to advance the projects supporting the objectives, while noting concerns with our performance in completing some of them. FHFA determined that the portion of 2025 at-risk deferred salary for senior executives that is based on corporate performance would be paid at 82% of target.

Assessment of Corporate Performance against 2025 Board of Directors' Goals

In July 2025, our reconstituted Board of Directors replaced previously established goals with the 2025 Board of Directors' goals set out in the table below to reflect changes in priorities. Performance against these goals was a factor the Board of Directors took into account in determining the individual performance-based component of 2025 at-risk deferred salary.

The Compensation and Human Capital Committee and the full Board of Directors reviewed our performance in both December 2025 and January 2026. In connection with these reviews, the Committee considered reporting from management that assessed the company's performance against the Board of Directors' goals. Information in this reporting was reviewed for reasonableness by our Internal Audit group. The Compensation and Human Capital Committee discussed Fannie Mae's 2025 performance with the full Board, including the Chairs of the Audit Committee and the Risk Policy and Capital Committee. The Board of Directors and the Compensation and Human Capital Committee did not assign any relative weight to the Board of Directors' goals and used their judgment in determining the overall level of company performance.

The Compensation and Human Capital Committee was of the view that, despite headwinds generated by macroeconomic and market-driven conditions, management navigated these challenges well and delivered overall strong results in 2025. Management delivered significant and durable cost reductions that exceeded targets and effectively managed headcount by both accelerating reductions in force intended to modernize and upgrade its workforce while simultaneously limiting voluntary attrition. Management also outperformed against metrics relating to the safety and soundness Board of Directors' goal and advanced critical technology and data capability initiatives. The Compensation and Human Capital Committee noted that Fannie Mae's performance against the returns measure of its financial results Board goal fell below target and gave this shortfall due consideration in its performance assessment. On balance, the Compensation and Human Capital Committee recommended, and the Board approved, a 2025 corporate performance percentage of 97% in recognition of management's overall execution against the Board of Directors' goals, viewed holistically. In January 2026, the Compensation and Human Capital Committee provided FHFA its comprehensive and final assessment of corporate performance against the 2025 Board of Directors' goals.

The table below sets forth our 2025 Board of Directors' goals and a summary of the Compensation and Human Capital Committee's assessment of our achievement against these goals.

Board of Directors' Goals	
Goals	**Assessment**
Financial Results: • **Returns** • **Guaranty fee revenue**	**The goal was assessed as partially achieved.** Performance against a pro forma measure of return on equity that assumes the company was fully capitalized fell below target, partly as a result of macroeconomic and market-driven factors. Fannie Mae's guaranty fee revenue exceeded target.
Managing Costs • **Cost savings** • **Expense ratio** • **Workforce reductions**	**The goal was assessed as achieved.** Fannie Mae achieved cost savings, improved against a direct expense ratio measure, and met workforce reduction targets.
Talent • **Voluntary attrition** • **Attracting talent**	**The goal was assessed as achieved.** Fannie Mae maintained a voluntary attrition rate below and offer acceptance rate above targeted levels.
Safety & Soundness • **Risk limits** • **Cybersecurity**	**The goal was assessed as achieved.** Fannie Mae adhered to Board-approved risk limits and kept cyber and data losses below target risk levels.
Statutory Mission • **Housing Goals** • **Duty to Serve**	**The goal was assessed as substantially achieved.** At the time of the assessment, we believed Fannie Mae met or exceeded benchmark levels for all of its 2025 single-family and multifamily housing goals except one, which was impacted by delays relating to the government shutdown.[1] We believe Fannie Mae also met its 2025 Duty-to-Serve obligations. FHFA will make the final determinations later this year on whether the company has met its 2025 housing goals and Duty-to-Serve obligations.
High Priority Initiatives	**The goal was assessed as achieved.** Fannie Mae delivered value through accomplishments relating to its highest priority initiatives.

(1) Based on information available after the Compensation and Human Capital Committee completed its assessment, Fannie Mae believes the company met or exceeded benchmark levels for all of its 2025 housing goals.

Assessment of 2025 Individual Performance

For each named executive eligible to receive at-risk deferred salary, half of 2025 at-risk deferred salary was subject to reduction based on individual performance, taking into account corporate performance against the 2025 Board of Directors' goals, as determined by the Board of Directors with FHFA's approval.

The Board's determinations regarding individual performance were based on the recommendation of the Compensation and Human Capital Committee. For Mr. Moon, our Executive Vice President, Chief Risk Officer, and Head of Safety and Soundness, the Compensation and Human Capital Committee's recommendation was made in consultation with the Risk Policy and Capital Committee. These committees met to assess the 2025 performance of our named executives. The committees also discussed the individual performance of our other named executives with Mr. Akwaboah. Upon recommendation from the committees, the Board of Directors determined performance and approved individual performance-based at-risk deferred salary for 2025 as shown above in "2025 Compensation Actions." FHFA approved the performance-based at-risk deferred salary payments for the eligible named executives in February 2026.

In addition to the company's performance against the 2025 Board of Directors' goals, the Compensation and Human Capital Committee reviewed the following individual contributions of our named executives.

Peter Akwaboah *Acting CEO, and Executive Vice President and COO*	• Led the company through significant change while supporting efforts to make Fannie Mae a more investable and efficient organization without compromising operational safety and soundness • Oversaw the transition of key leadership roles and resulting team reorganizations to help ensure continuity • In partnership with the CFO, led company initiatives to drive cost savings across headcount, contracts, and other efficiency savings opportunities • Reduced staff and administrative expenses in the Chief Operating Office division, which is expected to result in meaningful savings in the future
Chryssa Halley *Executive Vice President and CFO*	• Co-led company initiatives to drive cost savings across headcount, contracts, and other efficiency savings opportunities • Fostered understanding across the company of the importance of returns on equity to promote business discipline and focus • Revamped quarterly earnings presentation reporting and messaging • Co-led with the Chief Risk Officer remediation of model governance and standards
Erik Bisso *Executive Vice President, Chief Investment Officer, and Head of Treasury and Capital Markets*	• Led the transformation of Fannie Mae's Treasury and Capital Markets division, integrating treasury, capital markets, and asset portfolio management functions into a unified organization with aligned governance, shared services, and coordinated execution • Directed the development and implementation of comprehensive interest-rate risk management, balance-sheet, and investment portfolio strategies designed to improve earnings stability, capital efficiency, and resilience across market cycles • Expanded capital-markets execution capabilities, increasing Fannie Mae's active participation across liquidity provision, execution, and institutional investor engagement • Scaled programs to improve lender liquidity and market access • Established stronger governance, risk oversight, and financial transparency by expanding the scope and granularity of division-wide risk limits and implementing enhanced portfolio and performance reporting to support company-wide decision making and accountability
Kelly Follain *Executive Vice President—Multifamily*	• Developed a multi-year multifamily strategy focused on actions to increase revenue and drive returns • Prioritized product innovation and enhancements, launching a new affordable housing product tailored to evolving borrower and lender needs • Developed and executed plan to increase LIHTC investments, which will enable the company to direct additional equity capital to underserved and rural communities, enhancing affordable housing development in areas with limited access to traditional financing • Reorganized Multifamily division's structure and leadership to improve alignment on strategy and mission, including successfully attracting senior talent for key multifamily roles

Anthony Moon *Executive Vice President, Chief Risk Officer and Head of Safety and Soundness*	• Co-led with the CFO remediation of model governance and standards • Co-led with the head of Multifamily remediation for managing multifamily loan origination fraud risk and for overseeing multifamily seller/servicer counterparties • Made significant enhancements to the company's risk management capabilities across multiple risk types • Adapted our risk frameworks to provide enhanced control and transparency for areas where our risk profile changed during the year

The Compensation and Human Capital Committee additionally considered the 2025 performance of Mr. Evans and determined and approved payment to him of individual performance-based at-risk deferred salary at 100% of the 97% corporate performance percentage against the 2025 Board of Directors' goals**.**

Other Executive Compensation Considerations

Role of Compensation Consultants

The Compensation and Human Capital Committee's independent compensation consultant is Frederic W. Cook & Co., Inc. ("FW Cook"). Management's outside compensation consultant is McLagan, a business unit of Aon plc ("McLagan").

For 2025, consultants from FW Cook attended meetings and advised the Compensation and Human Capital Committee and the Board of Directors on various executive compensation matters, including:

- preparing analyses of compensation for our CFO and for our Former CEO and President positions in comparison to comparable positions at companies in our peer group, based on information in proxy statements and other reports filed by those companies with the SEC;
- reviewing McLagan's analysis of market compensation data for select senior management positions;
- reviewing various management proposals relating to compensation levels;
- reviewing our risk assessment of our 2025 compensation program;
- assisting the Compensation and Human Capital Committee in its evaluation of our performance against the 2025 Board of Directors' goals;
- informing the Compensation and Human Capital Committee of regulatory updates and market trends in compensation and benefits; and
- assisting with the preparation of executive compensation disclosure in our Annual Report on Form 10-K.

For 2025, consultants from McLagan attended meetings as needed and advised management and the Compensation and Human Capital Committee on various compensation and human resources matters, including:

- providing guidance and feedback on our 2025 executive compensation program;
- providing market compensation data for senior management positions leveraging the peer group;
- providing supplemental benchmark information to support Fannie Mae in meeting FHFA directions for compensation actions;
- advising on the protocol regarding benchmarking for executives;
- advising on market trends, competitive pay levels and various compensation proposals for new hires and promotions; and
- reviewing market data and trends, and providing Compensation and Human Capital Committee members with an opportunity to ask questions and discuss implications of trends on Fannie Mae.

Compensation Consultant Independence Assessment

Pursuant to SEC and NYSE rules, the Compensation and Human Capital Committee assessed the independence of FW Cook and McLagan, most recently in November 2025. Based on its assessments, the Compensation and Human Capital Committee determined that FW Cook is independent from Fannie Mae management and has no conflicts of interest.

Because McLagan was retained by and provides services to management, it is not an independent advisor. McLagan's work raises no material conflicts of interest, and we believe any conflict of interest raised by McLagan's retention and provision of services to management as well as to the Compensation and Human Capital Committee is addressed by

the Compensation and Human Capital Committee's receipt of advice from and access to FW Cook as its independent compensation consultant.

Peer Group and Role of Benchmark Data

Our Compensation and Human Capital Committee considers benchmark data to assess the comparability of our senior executives' compensation. This data is one of a number of factors that informs the Committee's compensation decisions.

Finding comparable companies for benchmarking executive compensation is challenging due to our unique business, structure and mission, and the large size of our book of business compared to other financial services companies. We believe the only directly comparable company to us is Freddie Mac. At FHFA's request, we and Freddie Mac use the same peer group to provide consistency in the market data used for compensation decisions, and the same benchmarking approach. We benchmark against compensation for roles involving similar duties and responsibilities at companies in a primary peer group. We use all the relevant data points that result from this benchmarking. If the primary peer group does not yield at least nine data points for a particular role, we include data for the companies in a secondary peer group and, if needed, market data from other similar companies. For roles other than the CFO and COO, FHFA may pre-approve the use of market data from companies in our secondary peer group on a case-by-case basis even when nine data points have been obtained from the primary peer group. For the roles of CFO, COO and President, we are required to apply a 20% discount to the benchmarking data.

Factors relevant to the selection of our peer group companies included their status as U.S. public companies, the industry in which they operate and the size of their assets and employee population relative to ours. Our primary peer group consists of the following companies in the regional banking, diversified banking, consumer finance, insurance, and asset management industries, as well as Freddie Mac:

- Ally Financial Inc.
- American Express Company
- American International Group, Inc.
- The Bank of New York Mellon Corporation
- Capital One Financial Corporation
- Chubb Limited
- Citizens Financial Group, Inc.
- Discover Financial Services
- Fifth Third Bancorp
- Freddie Mac
- The Hartford Financial Services Group, Inc.
- KeyCorp
- MetLife, Inc.
- Northern Trust Corporation
- The PNC Financial Services Group, Inc.
- Principal Financial Group, Inc.
- Prudential Financial, Inc.
- State Street Corporation
- Synchrony Financial
- Truist Financial Corporation
- U.S. Bancorp

In May 2025, Capital One Financial Corporation completed its acquisition of Discover Financial Services. This did not impact 2025 compensation benchmarking.

Our secondary peer group consists of four large money center banks:

- Bank of America Corporation
- Citigroup Inc.
- JPMorgan Chase & Co.
- Wells Fargo & Company

The Compensation and Human Capital Committee or the Chair of the Board of Directors reviewed compensation benchmarking data for Mr. Bisso and Ms. Follain in connection with their appointments in early 2025 and for our other named executives in late 2024. Benchmarking for Mr. Akwaboah, Ms. Halley and Mr. Moon was reviewed again during 2025 in connection with increases in their compensation. The named executives' total target direct compensation was compared with compensation for comparable positions, when available, at companies in our primary or secondary peer group, as applicable. To best reflect their roles, for Mr. Evans we included compensation information from companies in our secondary peer group even though we obtained data from nine companies in the primary peer group, and for Mr. Bisso we included companies from our primary and secondary peer groups, as well as large investment management companies.

Compensation Recoupment Policies

Compensation Recoupment Policy

A portion of our executive officers' compensation is subject to forfeiture or repayment upon the occurrence of specified events. We provide a summary of these repayment provisions, also known as "clawback" provisions, in the table below. Because Ms. Almodovar did not receive deferred salary or incentive payments, the provisions in the table below do not apply to her compensation. The full text of our repayment provisions is provided in Exhibit 10.1 to this report.

Forfeiture Event	Compensation Subject to Forfeiture/Repayment
Materially Inaccurate Information	
The executive officer has been granted deferred salary or incentive payments based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria.	Amounts of deferred salary and incentive payments granted in excess of the amounts the Board of Directors determines would likely have been granted using accurate metrics.
Termination for Cause	
The executive officer's employment is terminated for cause. For a description of what constitutes termination for cause, see "Compensation Tables and Other Information—Potential Payments Upon Termination or Change-in-Control."	All deferred salary and incentive payments that have not yet become payable.
Subsequent Determination of Cause	
The Board of Directors later determines (within a specified period of time) that the executive officer could have been terminated for cause and that the officer's actions materially harmed the business or reputation of the company.	Deferred salary and incentive payments to the extent the Board of Directors deems appropriate.
Willful Misconduct	
The executive officer's employment: • is terminated for cause (or the Board of Directors later determines that cause for termination existed within a specified period of time) due to willful misconduct in connection with the performance of their duties for the company; and • the Board of Directors determines this has materially harmed the business or reputation of the company.	All deferred salary and incentive payments that have not yet become payable, and, to the extent the Board of Directors deems appropriate, deferred salary and annual incentives or long-term awards paid in the two-year period prior to the officer's employment termination date.

In addition to these provisions, under Section 304 of the Sarbanes-Oxley Act of 2002, certain of the incentive-based compensation for individuals serving as our CEO or CFO, including compensation received for prior years, could become subject to reimbursement.

Because Fannie Mae is in conservatorship and not listed on a national securities exchange, we are not required to and have not adopted a recoupment policy designed to comply with SEC and listing exchange rules requiring specific provisions in such policies for listed companies.

Clawback Provision under Confidentiality and Proprietary Rights Agreement

In addition to the compensation recoupment policy described above, the named executives' at-risk deferred salary is subject to a compensation clawback provision pursuant to a Confidentiality and Proprietary Rights Agreement (the "Agreement") and related Covered Employee External Employment Activities Standard (the "Standard"). All specified covered employees, including the named executives, are required to enter into the Agreement and are subject to the Standard. Ms. Almodovar did not receive the at-risk deferred salary that is subject to the clawback provision.

Covered employees' obligations under the Agreement include, among other things, compliance with the Standard. The Agreement provides that, unless otherwise required by law, covered employees' at-risk compensation is subject to reduction, forfeiture, recoupment, and repayment for violations of the Standard. Covered employees are required to sign a statement acknowledging their at-risk compensation is subject to these requirements.

The Standard defines the following as restricted activity: directly or indirectly seeking, negotiating, creating, developing or accepting employment or other commercial and business opportunities in which the covered employee has a personal interest outside of Fannie Mae with firms that have, or seek to have, a business relationship with Fannie Mae

either during, or within the six-month period following, the covered employee's employment at Fannie Mae. To address the risks associated with a covered employee engaging in restricted activities, the Standard requires covered employees to:

- disclose timely prospective employment discussions in alignment with applicable Fannie Mae policies;
- abide by specified mitigation activities to address the conflicts of interest posed by such disclosures;
- for a six-month period after the termination of their Fannie Mae employment, refrain from representing any person (including themselves) or any commercial entity to Fannie Mae or its employees in any way with respect to any matter on which the covered employee had direct and substantial involvement or participation while employed by Fannie Mae;
- maintain the confidentiality of Fannie Mae confidential information to which they had access in connection with their Fannie Mae employment after termination of their Fannie Mae employment;
- inform Fannie Mae at the time of their departure whether they have accepted an offer of employment and/or taken steps to form a new business and provide the name of the subsequent employer/company;
- abide by the one-year non-solicitation/non-inducement of key employees to leave provisions of the Agreement; and
- inform any subsequent employer that engages in business with Fannie Mae of these requirements of the Standard to the extent that they remain applicable.

A covered employee's failure to comply with the above-listed requirements of the Standard would be a violation of the Standard.

At-risk compensation for the named executives consists of the at-risk portion of deferred salary and excludes base salary and the fixed portion of deferred salary. The current named executives may be subject to:

- forfeiture of up to 100% of at-risk deferred salary that has not yet been paid; and
- recoupment of up to 100% of at-risk deferred salary that was paid during the period one year before or ending one year after the violation.

In determining whether to take these actions, the decisionmaker may consider the seriousness of the violation, the level and responsibilities of the covered employee, the intentional nature of the conduct of the covered employee, whether the covered employee was unjustly enriched, whether seeking the recovery would prejudice the company's interests in any way, including in a proceeding or investigation, and any other factors they deem relevant to the determination.

The full text of the company's Confidentiality and Proprietary Rights Agreement is provided in Exhibit 10.21 to this report and the form of the statement that covered employees are required to sign is provided in Exhibit 10.22 to this report.

Policies Related to Stock Ownership and the Timing of Option Awards

We ceased paying new stock-based compensation to our executives after entering into conservatorship in September 2008, and our Board of Directors eliminated our stock ownership requirements in 2009. Because we do not issue stock-based compensation, we do not have a specific policy regarding the timing of option awards.

Compensation Committee Report

The Compensation and Human Capital Committee of the Board of Directors of Fannie Mae has reviewed and discussed with management the Compensation Discussion and Analysis included in this Annual Report on Form 10-K. Based on such review and discussions, the Compensation and Human Capital Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Annual Report on Form 10-K.

Compensation and Human Capital Committee:

Michael Stucky, Chair
Barry Habib
Clinton Jones
Scott Stowell

Compensation Risk Assessment

Our Corporate Risk & Compliance division conducted a risk assessment of our 2025 employee compensation policies and practices. In conducting this risk assessment, the division reviewed the following, among other things:

- our compensation policy;
- our performance goals and performance appraisal process;
- our compensation structure (including incentives and pay mix);
- our severance arrangements and compensation clawback provisions;
- the restrictions on compensation applicable during conservatorship, including the limit on annual direct compensation for our CEO role; and
- the oversight of aspects of our compensation by the Compensation and Human Capital Committee, the Board of Directors and FHFA.

The division also assessed whether mitigating factors existed that would reduce the opportunity for inappropriate risk-taking driven by our compensation policies and practices. The risk assessment of the company's 2025 compensation policies and practices was shared with the Compensation and Human Capital Committee.

Based on the risk assessment, management concluded that our 2025 employee compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the company. The following factors contributed to this conclusion:

- the overall design of our compensation structure does not incentivize material risk taking;
- deferred salary for our executive officers is subject to clawback provisions;
- our control environment for compensation, including a defined and consistently applied annual performance appraisal process; a comprehensive total rewards program, inclusive of adequate people, process and system coverage to support that program; incentives for vice presidents, fellows and below; compensation adjustment guidelines and criteria; succession planning; and retention planning and monitoring;
- our 2025 performance goals are neither designed nor intended to incentivize employees to engage in activities contrary to our Code of Conduct and risk appetite;
- our Board risk limits, which inhibit excessive risk taking, allow for transparency and action when the limits are exceeded; the Board risk limits define the maximum amount of risk the company is willing to take in pursuit of its objectives, and the company regularly monitors, reports and escalates limit levels and the actions that may be taken to manage to risk limits; and
- informed decisions on compensation that include performance assessments, taking into account company performance. Our performance evaluation process for primary business units does not vary, and performance goals are not solely based on profitability. We also do not prescribe incentives that are based solely on an employee's accomplishment of a single task or performance goal; nor do we have a performance horizon longer than one year, and we do not include incentives with long- or short-term growth potential such as stock.

Management stated in its risk assessment that the cap on our CEO compensation under the Equity in Government Compensation Act of 2015 continues to be a risk factor for the company. See "Risk Factors—GSE and Conservatorship Risk" for a discussion of the challenges and risks posed by limitations on our executive and employee compensation.

Compensation Tables and Other Information

Summary Compensation Table

The following table shows summary compensation information for the named executives for 2025, 2024, and 2023.

Summary Compensation Table

Name and Principal Position	Year	Salary		Bonus[3]	Non-Equity Incentive Plan Compensation[4]	All Other Compensation[5]	Total
		Base Salary[1]	Fixed Deferred Salary (Service-Based)[2]				
Peter Akwaboah	**2025**	**$600,000**	**$ 2,082,534**	**$1,177,000**	**$ 1,071,748**	**$ 120,856**	**$5,052,138**
Acting CEO, and EVP and COO	2024	369,231	1,246,154	1,250,000	667,432	116,515	3,649,332
Priscilla Almodovar	**2025**	**533,077**	**—**	**—**	**—**	**1,395,996**	**1,929,073**
Former President and CEO	2024	600,000	—	—	—	115,307	715,307
	2023	600,000	—	—	—	94,467	694,467
Chryssa Halley	**2025**	**600,000**	**2,069,110**	**—**	**1,066,384**	**139,037**	**3,874,531**
EVP and CFO	2024	600,000	1,722,115	—	959,432	136,630	3,418,177
	2023	592,308	1,486,154	—	890,922	112,533	3,081,917
Erik Bisso	**2025**	**415,385**	**1,414,726**	**—**	**732,697**	**1,148,729**	**3,711,537**
EVP, Chief Investment Officer and Head of Treasury and Capital Markets							
Kelly Follain	**2025**	**461,539**	**810,233**	**1,600,000**	**509,574**	**53,776**	**3,435,122**
EVP—Multifamily							
Anthony Moon	**2025**	**573,462**	**1,473,863**	**—**	**818,091**	**121,702**	**2,987,118**
EVP, Chief Risk Officer and Head of Safety and	2024	564,615	1,460,000	525,000	836,514	111,045	3,497,174
Soundness	2023	500,000	1,460,000	1,575,000	840,144	65,551	4,440,695
Malloy Evans	**2025**	**525,385**	**1,500,274**	**—**	**793,801**	**1,327,078**	**4,146,538**
Former EVP—Single-Family	2024	600,000	1,648,077	—	928,843	129,594	3,306,514
	2023	592,308	1,486,154	—	890,922	108,394	3,077,778

(1) Consists of base salary paid during the year on a biweekly basis.

(2) Consists of the fixed, service-based portion of deferred salary. Unlike at-risk deferred salary, which is shown in the "Non-Equity Incentive Plan Compensation" column, the fixed deferred salary shown in this column for 2025 generally will be paid in installments in March, June, September and December of 2026. Deferred salary accrues interest at one-half of the one-year Treasury Bill rate in effect on the last business day preceding the year in which the deferred salary is earned. For deferred salary earned in 2025, this rate is 2.080% per year. For deferred salary earned in 2024 and 2023, this rate was 2.395% and 2.365% per year, respectively. Interest payable on the named executives' fixed deferred salary earned in a given year is shown in the "All Other Compensation" column for that year. Fixed deferred salary shown for 2024 was paid to our named executives during 2025, and fixed deferred salary shown for 2023 was paid to our named executives during 2024.

(3) Consists of payments pursuant to sign-on awards Mr. Akwaboah and Ms. Follain received when they joined Fannie Mae. These awards do not constitute bonuses under the STOCK Act as defined by FHFA. See “Compensation Discussion and Analysis—Elements of 2025 Executive Compensation—Sign-on Awards and Relocation Benefits ” for more information on the terms of these awards.

(4) Consists of the performance-based at-risk portion of deferred salary earned during the year and interest payable on that deferred salary. At-risk deferred salary is generally paid in installments in March, June, September and December of the second year after the performance year (so in 2027 for deferred salary earned during 2025). The table below provides more detail on the 2025 at-risk deferred salary awarded to our named executives.

Performance-Based At-Risk Deferred Salary

Name	2025 Corporate Performance-Based At-Risk Deferred Salary	2025 Individual Performance-Based At-Risk Deferred Salary	Interest Payable on 2025 At-Risk Deferred Salary	Total
Peter Akwaboah	$ 471,360	$ 557,584	$ 42,804	$ 1,071,748
Priscilla Almodovar	—	—	—	—
Chryssa Halley	469,001	554,793	42,590	1,066,384
Erik Bisso	322,243	381,191	29,263	732,697
Kelly Follain	224,113	265,109	20,352	509,574
Anthony Moon	359,800	425,618	32,673	818,091
Malloy Evans	349,117	412,981	31,703	793,801

(5) The table below provides more detail on the amounts reported for 2025 in the “All Other Compensation” column.

All Other Compensation for 2025

Name	Company Contributions to Retirement Savings (401(k)) Plan	Company Credits to Supplemental Retirement Savings Plan	Interest Payable on 2025 Fixed Deferred Salary	Secure Transportation Services	Other	Total
Peter Akwaboah	$ 28,000	$ 49,539	$ 43,317	$ —	$ —	$ 120,856
Priscilla Almodovar	28,000	11,323	—	153,645	1,203,028	1,395,996
Chryssa Halley	28,000	68,000	43,037	—	—	139,037
Erik Bisso	28,000	5,231	29,426	—	1,086,072	1,148,729
Kelly Follain	28,000	8,923	16,853	—	—	53,776
Anthony Moon	28,000	63,046	30,656	—	—	121,702
Malloy Evans	28,000	59,508	31,206	—	1,208,364	1,327,078

See “Pension Benefits” for the vesting provisions for company contributions to the Retirement Savings Plan and “Nonqualified Deferred Compensation” for the vesting provisions for company credits to the Supplemental Retirement Savings Plan.

Amounts shown for secure transportation services represent our aggregate incremental costs in providing the services of a car and executive protection driver to enhance Ms. Almodovar’s safety and security, pursuant to the recommendation of a third-party security study. Some of these trips were provided by Fannie Mae security employees in a Fannie Mae vehicle maintained for business-related transportation. Accordingly, we calculated our incremental costs of providing secure transportation services based on (1) fuel costs incurred for trips in our vehicle and (2) the costs incurred to retain the services of an executive security travel vendor for services not provided by Fannie Mae personnel. The costs of these services are being reported as “All Other Compensation” as required by SEC disclosure rules. We also made internet security services available to individuals designated by Ms. Almodovar, for which we incurred no incremental cost.

Amounts shown in “Other” for Ms. Almodovar and Mr. Evans include cash payments of $1,200,000 that each of them received in connection with their departure from Fannie Mae. The amount shown for Mr. Bisso reflects compensation for services he provided as a consultant prior to becoming an employee.

Plan-Based Awards

The following table shows the annual at-risk deferred salary targets for each of the named executives for 2025. The terms of 2025 at-risk deferred salary are described in "Compensation Discussion and Analysis—Elements of 2025 Executive Compensation—Direct Compensation." Deferred salary amounts shown represent only the target performance-based at-risk portion of the named executives' 2025 deferred salary.

Grants of Plan-Based Awards in 2025

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards[1]		
Name	**Award Type**	**Threshold**	**Target**	**Maximum**
Peter Akwaboah	At-risk deferred salary—Corporate	$ —	$ 574,829	$ 574,829
	At-risk deferred salary—Individual	—	574,829	574,829
	Total at-risk deferred salary	**—**	**1,149,658**	**1,149,658**
Priscilla Almodovar	At-risk deferred salary—Corporate	—	—	—
	At-risk deferred salary—Individual	—	—	—
	Total at-risk deferred salary	**—**	**—**	**—**
Chryssa Halley	At-risk deferred salary—Corporate	—	571,952	571,952
	At-risk deferred salary—Individual	—	571,952	571,952
	Total at-risk deferred salary	**—**	**1,143,904**	**1,143,904**
Erik Bisso	At-risk deferred salary—Corporate	—	392,979	392,979
	At-risk deferred salary—Individual	—	392,980	392,980
	Total at-risk deferred salary	**—**	**785,959**	**785,959**
Kelly Follain	At-risk deferred salary—Corporate	—	273,308	273,308
	At-risk deferred salary—Individual	—	273,308	273,308
	Total at-risk deferred salary	**—**	**546,616**	**546,616**
Anthony Moon	At-risk deferred salary—Corporate	—	438,781	438,781
	At-risk deferred salary—Individual	—	438,781	438,781
	Total at-risk deferred salary	**—**	**877,562**	**877,562**
Malloy Evans	At-risk deferred salary—Corporate	—	425,753	425,753
	At-risk deferred salary—Individual	—	425,754	425,754
	Total at-risk deferred salary	**—**	**851,507**	**851,507**

(1) Amounts shown are the target amounts of the performance-based at-risk portion of the named executives' 2025 deferred salary. Half of 2025 at-risk deferred salary was subject to reduction based on corporate performance against the 2025 scorecard and half was subject to reduction based on individual performance in 2025, taking into account corporate performance against the 2025 Board of Directors' goals. No amounts are shown in the "Threshold" column because deferred salary does not specify a minimum amount payable. The amounts shown in the "Maximum" column are the same as the amounts shown in the "Target" column because amounts higher than the target amount of at-risk deferred salary could not be awarded. The actual amounts of the at-risk portion of deferred salary that will be paid to the named executives for 2025 performance are included in the "Non-Equity Incentive Plan Compensation" column of the "Summary Compensation Table."

Pension Benefits

Retirement Savings Plan

The Retirement Savings Plan is a tax-qualified defined contribution plan for which all of our employees are generally eligible that includes a 401(k) before-tax feature, a regular after-tax feature and a Roth after-tax feature. Under the plan, eligible employees may allocate investment balances to a variety of investment options.

We match in cash employee contributions to the plan up to 6% of base salary and eligible incentive compensation, subject to applicable IRS limits. This matching contribution is immediately vested. We also make a cash contribution to the plan equal to 2% of base salary and eligible incentive compensation, subject to applicable IRS limits. Participants are fully vested in this 2% contribution after three years of service.

Nonqualified Deferred Compensation

Supplemental Retirement Savings Plan

We provide nonqualified deferred compensation to the named executives pursuant to our Supplemental Retirement Savings Plan. Our Supplemental Retirement Savings Plan is an unfunded, non-tax-qualified defined contribution plan. The Supplemental Retirement Savings Plan is intended to supplement our Retirement Savings Plan, or 401(k) plan, by providing benefits to participants whose eligible earnings exceed the IRS annual limit on eligible compensation for 401(k) plans (for 2025, the annual eligible earnings limit was $350,000).

For the 2025 plan year, we credited 8% of the eligible compensation for our named executives that exceeded the applicable IRS annual limit. Eligible compensation in any year consists of base salary plus any eligible incentive compensation (which includes deferred salary) earned for that year, up to a combined maximum of two times base salary. The 8% credit consists of two parts: (1) a 2% credit that vests after the participant has completed three years of service with us; and (2) a 6% credit that is immediately vested.

While the Supplemental Retirement Savings Plan is not funded, amounts credited on behalf of a participant under the Supplemental Retirement Savings Plan are deemed to be invested in mutual fund investments selected by the participant that are similar to the investments offered under our Retirement Savings Plan.

Amounts deferred under the Supplemental Retirement Savings Plan are payable to participants in the January or July following separation from service with us, subject to a six-month delay in payment for our 50 most highly compensated officers. Participants generally may not withdraw amounts from the Supplemental Retirement Savings Plan while they are employees.

The table below provides information on the nonqualified deferred compensation of the named executives in 2025, all of which was provided pursuant to our Supplemental Retirement Savings Plan.

Non-Qualified Deferred Compensation for 2025

Name	Company Contributions in 2025[1]	Aggregate Earnings in 2025[2]	Aggregate Balance at December 31, 2025[3]
Peter Akwaboah	$ 49,539	$ 2,763	$ 54,225
Priscilla Almodovar	11,323	7,852	64,947
Chryssa Halley	68,000	160,516	1,171,498
Erik Bisso	5,231	14	5,245
Kelly Follain	8,923	67	8,990
Anthony Moon	63,046	19,500	158,373
Malloy Evans	59,508	152,438	1,149,894

(1) All amounts reported in this column are also reported as 2025 compensation in the “All Other Compensation” column of the “Summary Compensation Table.”

(2) None of the earnings reported in this column are reported as 2025 compensation in the “Summary Compensation Table” because the earnings are neither above-market nor preferential.

(3) Amounts reported in this column reflect company contributions to the Supplemental Retirement Savings Plan that are also reported in the "All Other Compensation" column of the "Summary Compensation Table" as follows:

Balance Amounts Reported in "All Other Compensation" in the Summary Compensation Table

Name	Amounts in Aggregate Balance Column that Represent Company Contributions Reported as Compensation for 2024 in the Summary Compensation Table	Amounts in Aggregate Balance Column that Represent Company Contributions Reported as Compensation for 2023 in the Summary Compensation Table
Peter Akwaboah	$ 1,938	$ —
Priscilla Almodovar	20,400	21,600
Chryssa Halley	67,785	50,985
Erik Bisso	—	—
Kelly Follain	—	—
Anthony Moon	57,569	13,600
Malloy Evans	67,785	50,985

Potential Payments Upon Termination or Change-in-Control

The information below describes and quantifies certain compensation and benefits that would have become payable to each of our current named executives under our existing plans and arrangements if the named executive's employment had terminated on December 31, 2025 under each of the circumstances described below, taking into account the named executive's compensation and service levels as of that date. The discussion below does not reflect retirement or deferred compensation plan benefits to which our named executives may be entitled, as these benefits are described above under "Pension Benefits" and "Nonqualified Deferred Compensation." The information below also does not generally reflect compensation and benefits available to all salaried employees upon termination of employment with us under similar circumstances. We are not obligated to provide any additional compensation to our named executives in connection with a change-in-control.

Potential Payments to Named Executives

We have not entered into agreements with any of our current employees who are named executives that entitle the executive to severance benefits. For our named executives whose employment terminated in 2025, we entered into agreements for certain payments and benefits, which are described below in "Agreements with Ms. Almodovar and Mr. Evans." If a named executive's employment terminated for any reason other than for cause, the named executive would be entitled to receive a specified portion of their unpaid deferred salary that was earned in 2024 and 2025.

Below we discuss various elements of the current named executives' compensation that would become payable in the event a named executive dies, resigns, retires, terminates employment due to long-term disability, or the company terminates their employment. We then quantify the amounts that would be paid to our current named executives in these circumstances, in each case assuming the triggering event occurred on December 31, 2025. For our named executives who departed Fannie Mae in 2025, we quantify the amounts in the case of a termination that occurred on the date of, and for the circumstances resulting in, their departure. Named executives' deferred salary may also be subject to reduction, forfeiture, recoupment or repayment in the event of a forfeiture event under our Compensation Recoupment Policy or a violation of our Covered Employee External Employment Activities Standard, as described in "Compensation Discussion and Analysis—Compensation Recoupment Policies."

- *Deferred salary*
  - *Termination other than for cause.* If a named executive is separated from employment with the company for any reason other than termination for cause, they would receive the following:
    - *Fixed deferred salary.* The earned but unpaid portion of their fixed deferred salary, reduced by 2% for each full or partial month by which the named executive's termination precedes January 31 of the second year following the performance year (or, if later, the end of the twenty-fourth month following the month in which the named executive first earned deferred salary), except that the reduction will not apply if: (1) at the time of separation the named executive has reached age 62, or age 55 with ten years of service with Fannie Mae, or (2) the named executive's employment terminates as a result of death or long-term disability. This reduction did not apply to Mr. Evans under the terms of his agreement with us, which are described below.
    - *At-risk deferred salary.* The earned but unpaid portion of their at-risk deferred salary, subject to reduction from the target level for corporate and individual performance for the applicable

performance year, except that the reduction will not apply if an officer's employment terminates as a result of death or long-term disability prior to the Board of Directors' and FHFA's determinations of performance for at-risk deferred salary.

- *Interest on deferred salary.* Interest on deferred salary payments. Deferred salary accrues interest at one-half of the one-year Treasury Bill rate in effect on the last business day preceding the year in which the deferred salary is earned.
- *Payment dates.* Installment payments of deferred salary and related interest would be made on the original payment schedule, except that payments will be made within 90 days in case of the named executive's death.

- *Termination for cause.* If we terminate a named executive's employment for cause, the named executive would not receive any of the earned but unpaid portion of their deferred salary. The named executive's employment will be considered to have been terminated for cause if we determine that the executive has: (a) materially harmed the company by, in connection with the performance of their duties for Fannie Mae, engaging in gross misconduct or performing their duties in a grossly negligent manner; or (b) been convicted of, or pleaded *nolo contendere* with respect to, a felony.

- *Retiree medical benefits.* We currently make certain retiree medical benefits available to our full-time employees who meet certain age and service requirements at the time of retirement.

The table below shows the amounts related to deferred salary that would have become payable to each of our current named executives if their employment had terminated on December 31, 2025 for the reasons specified. No amounts are shown for Ms. Almodovar, who departed from Fannie Mae on October 22, 2025, as she did not receive deferred salary. For Mr. Evans, the table shows amounts he will receive in the future based on his departure date of October 23, 2025, rather than the amounts he would have received if he had left the company on December 31, 2025. Additional amounts payable to Ms. Almodovar and Mr. Evans are shown in "Agreements with Ms. Almodovar and Mr. Evans."

Potential Deferred Salary Payments Upon Termination as of December 31, 2025

Name	2025 Fixed Deferred Salary[1]	2025 At-Risk Deferred Salary[2]	Interest on 2025 Deferred Salary[3]	Remaining Unpaid 2024 At-Risk Deferred Salary[4]	Interest on Remaining Unpaid 2024 At-Risk Deferred Salary[5]
Peter Akwaboah					
Resignation, retirement, or termination without cause	$ 1,541,075	$ 1,028,944	$ 74,858	$ 636,923	$ 30,509
Long-term disability	2,082,534	1,149,658	91,143	636,923	30,509
Death	2,082,534	1,149,658	41,220	636,923	22,048
Termination for cause	—	—	—	—	—
Priscilla Almodovar					
Resignation, retirement, or termination without cause	—	—	—	—	—
Chryssa Halley					
Resignation, retirement, or termination without cause	2,069,110	1,023,794	85,627	915,576	43,856
Long-term disability	2,069,110	1,143,904	90,623	915,576	43,856
Death	2,069,110	1,143,904	41,121	915,576	35,061
Termination for cause	—	—	—	—	—
Erik Bisso					
Resignation, retirement, or termination without cause	962,014	703,434	49,273	—	—
Long-term disability	1,414,726	785,959	62,122	—	—
Death	1,414,726	785,959	21,945	—	—
Termination for cause	—	—	—	—	—
Kelly Follain					
Resignation, retirement, or termination without cause	567,163	489,222	32,149	—	—
Long-term disability	810,233	546,616	39,592	—	—
Death	810,233	546,616	14,485	—	—
Termination for cause	—	—	—	—	—
Anthony Moon					
Resignation, retirement, or termination without cause	1,090,659	785,418	55,359	798,277	38,237
Long-term disability	1,473,863	877,562	67,163	798,277	38,237
Death	1,473,863	877,562	30,285	798,277	31,049
Termination for cause	—	—	—	—	—
Malloy Evans					
Resignation, retirement, or termination without cause	1,500,274	762,098	62,909	886,385	42,458

(1) In the case of resignation, retirement or termination without cause, Mr. Akwaboah and Mr. Moon each would have received 74% of their 2025 fixed deferred salary, Mr. Bisso 68% of his 2025 fixed deferred salary, and Ms. Follain 70% of her 2025 fixed deferred salary. These amounts reflect the earned but unpaid portion of their 2025 fixed deferred salary as of December 31, 2025, reduced by 2% for each full or partial month by which their separation from employment preceded January 31, 2027 or, if later, the end of the 24th month after they first earned deferred salary. Ms. Halley would have received 100% of her 2025 fixed deferred salary, with no reduction, because she had reached age 55 with ten years of service with Fannie Mae. Mr. Evans's 2025 fixed deferred salary shown in the table above has not been reduced as a result of his separation from Fannie Mae, in accordance with our agreement with him. In the absence of this agreement, it would have been reduced by $480,088.

(2) The amounts in this column in the event of resignation, retirement, or termination without cause reflect the corporate and individual performance determinations affecting 2025 at-risk deferred salary. The amounts in this column in the event of a termination due to death or long-term disability do not reflect any performance-based reduction, because the hypothetical December 31, 2025 termination date occurred prior to the performance determinations for at-risk deferred salary in early 2026.

(3) Interest payable on the payments of 2025 deferred salary, which reflects that: (a) in the event of resignation, retirement, termination without cause, or long-term disability, installment payments of 2025 deferred salary would be paid on the original payment schedule, as described in "Compensation Discussion and Analysis—Elements of 2025 Executive Compensation; and (b) in the event of death, payments of deferred salary would be made within 90 days of the executive's death. Interest on 2025 deferred salary payments accrues at an annual rate of 2.080%. Interest payable on Mr. Evans's 2025 fixed deferred salary shown in the table above has not been reduced as a result of his separation from Fannie Mae, in accordance with our agreement with him. In the absence of this agreement, it would have been reduced by $9,453.

(4) At-risk deferred salary earned in 2024 is paid in quarterly installments during 2026. The amounts in this column reflect the portion of 2024 at-risk deferred salary that was earned but remained unpaid as of December 31, 2025 and, accordingly, reflects the performance determinations for 2024.

(5) Interest payable on the payments of 2024 deferred salary, which reflects that: (a) in the event of resignation, retirement, termination without cause, or long-term disability, installment payments of deferred salary would be paid on the original payment schedule; and (b) in the event of death, payments of deferred salary would be made within 90 days of the executive's death. Interest on 2024 deferred salary payments accrues at an annual rate of 2.395%.

Agreements with Ms. Almodovar and Mr. Evans

In connection with their departures from Fannie Mae, Ms. Almodovar and Mr. Evans each entered into an agreement and general release with Fannie Mae that was approved by FHFA. Each agreement provides that the executive releases certain claims against Fannie Mae, its subsidiaries, the conservator, and other specified parties as set forth in the agreement. In exchange for this release, each agreement provides for the former executive to receive: (1) $1,200,000; (2) up to 52 weeks of subsidized medical and dental coverage; and (3) up to six months of outplacement services, in the amounts shown in the table below. The agreement with Mr. Evans also waived the provision of Fannie Mae's executive compensation program that would have reduced his earned but unpaid fixed deferred salary because his separation preceded January 31, 2027. Amounts relating to this waiver are shown in the footnotes to the table above. The table below shows the cash payments and other amounts potentially payable under the agreements, other than the deferred salary shown in the table above.

Amounts Payable under Agreements

Name	Payments in Connection with Termination	Subsidized Medical and Dental	Outplacement Services
Priscilla Almodovar	$ 1,200,000	$ 16,628	$ 1,250
Malloy Evans	1,200,000	23,997	1,250

CEO to Median Employee Pay Ratio

The following table shows our 2025 CEO compensation, the total 2025 compensation of our median employee (which was calculated based on the methodology described below the table), and the estimated ratio of the CEO's pay to the median employee's pay for 2025.

Our 2025 CEO compensation was calculated based on the compensation paid to Ms. Almodovar, who served as our President and Chief Executive Officer until October 22, 2025, plus a prorated portion of Mr. Akwaboah's 2025 compensation representing the period from October 22, 2025, when he began serving as our Acting CEO, through December 31, 2025.

2025 CEO to Median Employee Pay Ratio

Individual	Compensation	Ratio
CEO	2,911,818	
Median Employee	200,145	14.5 to 1

We took the following steps to identify our median employee and determine this employee's compensation:

- We identified our employee population as of the last day of our final pay period in 2025, December 27, 2025. On that date, we had approximately 7,000 full-time and part-time employees.
- In order to identify the median employee, we considered for each employee (other than our Acting CEO, and Executive Vice President and COO) the sum of their salary for 2025 (including any overtime pay), performance awards paid in 2025 and the value of company contributions made in 2025 on their behalf to retirement plans. We did not annualize the compensation of employees who were employed for less than the full year, nor did we make any full-time equivalent adjustments to part-time employees. For employees whose sum fell at or close to

the midpoint, we considered their 2025 benefits and awards and other relevant factors and identified an employee whose compensation best reflected Fannie Mae employees' median 2025 compensation.

- We then determined that median employee's total 2025 compensation using the approach required by the SEC when calculating our named executives' compensation, as reported in the Summary Compensation Table.

In general, we offer employees salary, the opportunity to receive awards for performance, company retirement plan contributions and other benefits. In accordance with SEC rules, the median employee compensation amount for 2025 provided in the table above consists of salary, an award for 2025 performance and company retirement plan contributions, but does not reflect benefits relating to group life or health plans generally available to all salaried employees, parking or transit benefits that are generally available to all salaried employees, or personal benefits with an aggregate value of less than $10,000.

Given the different methodologies that companies may use to determine their CEO pay ratios, the estimated ratio we report above may not be comparable to that reported by other companies.

Indemnification Arrangements

Our bylaws provide that we shall indemnify our officers and directors to the fullest extent permitted by Delaware law. We have also entered into indemnification agreements with some of our executive officers, including each named executive who joined Fannie Mae prior to 2025, and may enter into such agreements with other executive officers. Consistent with our bylaws, these agreements provide that, to the extent permitted by Delaware law, if the officer is a party or is threatened to be made a party to any proceeding by reason of the fact that they are or were an officer, the officer is entitled to indemnification against all costs, judgments, penalties, fines, liabilities, amounts paid in settlement, and expenses actually and reasonably incurred in connection with such proceeding, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of Fannie Mae, and with respect to any criminal proceeding, had no reasonable cause to believe their conduct was unlawful. The agreements also provide for advancement of expenses and costs incurred prior to the final disposition of any proceeding, subject to an undertaking to repay any amounts advanced if it is later determined that the officer is not entitled to indemnification. Forms of the indemnification agreements we have entered into with our executives are provided in Exhibits 10.2, 10.3, and 10.4 to this report.

Director Compensation

Overview

FHFA's Corporate Governance regulations provide that we may pay Board members reasonable and appropriate compensation for the time required of them, and their necessary and reasonable expenses, in the performance of their duties. Our directors who are neither Fannie Mae nor FHFA employees receive cash compensation pursuant to a program authorized by FHFA in 2008. The compensation we provide to directors has not increased since this program was implemented in 2008.

Ms. Almodovar served on our Board of Directors in 2025 in connection with her service as CEO, and Mr. Hamara, a Co-President of Fannie Mae, began serving on our Board of Directors in October 2025. We did not provide any additional compensation to either Ms. Almodovar or Mr. Hamara for service on the Board of Directors. We also do not provide any compensation for service on the Board of Directors to Mr. Pulte, who is the Director of FHFA, or Mr. Jones, FHFA's General Counsel.

Board Compensation Levels

Board compensation levels under the program authorized by FHFA are shown in the table below. Our directors receive no equity compensation and no meeting fees.

Compensation Levels for Non-Management and Non-FHFA Employee Directors

Board Service	Cash Compensation
Annual retainer for Chair	$ 290,000
Annual retainer for directors other than the Chair	160,000
Committee Service	**Cash Compensation**
Annual retainer for Audit Committee Chair	$ 25,000
Annual retainer for Risk Policy and Capital Committee Chair	15,000
Annual retainer for all other Committee Chairs	10,000
Annual retainer for Audit Committee members (other than the Audit Committee Chair)	10,000

Additional Arrangements with our Directors

Expenses. We pay for or reimburse directors other than Mr. Pulte, Mr. Jones and Mr. Hamara for out-of-pocket expenses incurred in connection with their service on the Board of Directors, including travel to and from our meetings, accommodations, meals and education.

Indemnification arrangements. Our bylaws provide that we indemnify our directors to the fullest extent permitted by Delaware law. In addition, we have entered or expect to enter into indemnification agreements with each of our directors. These agreements are in the same form as the agreements with our executive officers discussed in "Compensation Tables—Indemnification Arrangements."

Stock Ownership Guidelines for Directors. In 2009, our Board of Directors eliminated our stock ownership requirements for directors.

2025 Non-Management Director Compensation

The total 2025 compensation for our non-management directors is shown in the table below.

2025 Non-Management Director Compensation Table[1]

Name	Fees Earned or Paid in Cash	Total
Barry Habib	$ 71,398	$ 71,398
Clinton Jones	—	—
Omeed Malik	114,222	114,222
William J. Pulte	—	—
Manolo Sánchez	178,194	178,194
Scott Stowell	163,333	163,333
Michael Stucky	141,007	141,007
Former directors		
Amy Alving	37,164	37,164
Christopher Brummer	33,978	33,978
Renée Glover	147,333	147,333
Michael Heid	61,586	61,586
Simon Johnson	36,102	36,102
Karin Kimbrough	129,889	129,889
Diane Lye	36,102	36,102
Diane Nordin	38,226	38,226
Chet Ragavan	33,978	33,978
Michael Seelig	39,288	39,288

(1) Compensation for our directors other than Mr. Sánchez and Mr. Stowell was pro-rated based on their period of service in 2025. The amounts shown in the table above reflect this pro-ration. Mr. Hamara, who is an executive officer but not a named executive, and Ms. Almodovar, our former CEO and President, are not included in the table above because neither received any compensation for services as a Fannie Mae director.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Beneficial Ownership

Stock Ownership of Directors and Executive Officers

The following table shows the beneficial ownership of our stock by each of our directors, each of our named executives, and all directors and executive officers as a group, as of January 29, 2026. As of that date, no director or named executive, nor all directors and executive officers as a group, owned as much as 1% of our outstanding common stock or owned any series of our preferred stock.

Beneficial Ownership of Stock by Directors and Executive Officers

Directors and Named Executives	Position	Number of Shares of Common Stock Beneficially Owned[1]
Barry Habib	Director	0
Brandon Hamara	Director and Co-President	0
Clinton Jones	Director	0
Omeed Malik	Director	0
William Pulte	Director (Board Chair)	0
Manolo Sánchez	Director	0
Scott Stowell	Director	0
Michael Stucky	Director	0
Peter Akwaboah	Acting CEO, and EVP and COO	23
Chryssa Halley	EVP and CFO	0
Erik Bisso	EVP, Chief Investment Officer and Head of Treasury and Capital Markets	0
Kelly Follain	EVP—Multifamily	0
Anthony Moon	EVP, Chief Risk Officer and Head of Safety and Soundness	0
Priscilla Almodovar	Former President, CEO and Director	0
Malloy Evans	Former EVP—Single-Family	0
All directors and executive officers as a group (16 persons)[2]		**670**

(1) Beneficial ownership is determined in accordance with the rules of the SEC for computing the number of shares of common stock beneficially owned by each person and the percentage owned. Each holder has sole investment and voting power over the shares referenced in this table, except that Mr. Akwaboah shares investment and voting power over his shares with his spouse. None of our directors, named executives or other executive officers held any series of our preferred stock as of the date of this table.

(2) Group consists of all current directors and all current executive officers (some of whom are not listed in the table above).

Stock Ownership of Greater-Than 5% Holders

The following table shows the beneficial ownership of our common stock by the only person or entity we know of that held more than 5% of our common stock as of January 29, 2026.

Beneficial Ownership of Stock by 5%+ Holders[1]

5%+ Holders	Common Stock Beneficially Owned	Percent of Class
U.S. Department of the Treasury		
1500 Pennsylvania Avenue, NW, Washington, DC 20220	Variable[2]	79.9 %

(1) Pershing Square Capital Management, L.P., PS Management GP, LLC, and William A. Ackman ("Pershing") filed a Schedule 13D with the SEC on November 15, 2013, and an amendment to the Schedule 13D on March 31, 2014. In that amendment, Pershing reported a beneficial ownership of 115,569,796 shares of common stock, or 9.98% of our 1,158,080,657 shares of common stock outstanding as of January 31, 2014, as reported in our Annual Report on Form 10-K filed on February 21, 2014. In the amendment, Pershing reported additional economic exposure to approximately 15,434,715 notional shares of common stock under certain cash-settled total return swaps, bringing their total aggregate economic exposure to 131,004,511 shares of common stock (approximately 11.31% of the outstanding common stock on January 31, 2014). Information regarding these shares and the ownership interests of their holders is based solely on

information contained in the Schedule 13D and the amendment to the Schedule 13D. In the amendment, Pershing indicated that they would forgo future reporting on Schedule 13D based on their determination that shares of the common stock are not voting securities as such term is used in Rule 13d-1(i) under the Exchange Act. As a result, this information does not reflect any acquisitions or dispositions that occurred after March 31, 2014, and we do not know Pershing's current beneficial ownership of our common stock.

(2) In September 2008, we issued to Treasury a warrant to purchase, for one one-thousandth of a cent ($0.00001) per share, shares of our common stock equal to 79.9% of the total number of shares of our common stock outstanding on a fully diluted basis at the time the warrant is exercised. The warrant may be exercised in whole or in part at any time until September 7, 2028. As of February 11, 2026, Treasury has not exercised the warrant. The information above assumes Treasury beneficially owns no other shares of our common stock.

Equity Compensation Plan Information

As of December 31, 2025, we had no outstanding options, warrants or rights under any equity compensation plan. Although we have a legacy equity compensation plan that was previously approved by stockholders, our 1985 Employee Stock Purchase Plan, we do not anticipate issuing additional shares under that plan. Moreover, we are prohibited from issuing any stock or other equity securities as compensation without the approval of FHFA and the prior written consent of Treasury under the senior preferred stock purchase agreement, except under limited circumstances.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Policies and Procedures Relating to Transactions with Related Persons

Overview. Our written policies and procedures for the review, approval or ratification of transactions with related persons we must report under Item 404(a) of Regulation S-K are set forth in our:

- Nominating and Corporate Governance Committee Charter;
- Board of Directors' delegation of authorities and reservation of powers; and
- Oversight of Designated Executive Officers' Conflicts of Interest and Business Courtesies Matters Policy.

In addition, depending on the circumstances, relationships and transactions with related persons may require conservator decision pursuant to the instructions issued to the Board of Directors by the conservator or may require the consent of Treasury pursuant to the senior preferred stock purchase agreement.

Nominating and Corporate Governance Committee Charter. The Nominating and Corporate Governance Committee Charter requires the Committee to conduct a reasonable prior review and oversight of transactions with any directors, nominees for director or executive officer, or any immediate family member of any of them, that we must report under Item 404 of Regulation S-K. The Committee must prohibit such a transaction if it determines the transaction is inconsistent with our interests and those of our shareholders.

Board Delegation of Authorities and Reservation of Powers. Our Board's delegation of authorities and reservation of powers requires the same Committee review and oversight as the Nominating and Corporate Governance Committee Charter described immediately above.

Designated Executive Officer Conflicts Policy. Our Oversight of Designated Executive Officers' Conflicts of Interest and Business Courtesies Matters Policy requires our executive officers report to our ethics personnel any financial transaction, arrangement or relationship with us (including any series of transactions, arrangements, or relationships) in which the executive officer or any immediate family member has a direct or indirect interest; this includes any transaction we must disclose under Item 404(a) of Regulation S-K. Our Ethics and Investigations group presents documentation of relevant facts on each reported transaction to the Nominating and Corporate Governance Committee. If our Ethics and Investigations group has determined the reported transaction poses a conflict or if the reported transaction involves the CEO, it submits an initial determination and any recommended mitigation activities to the Nominating and Corporate Governance Committee to approve, deny or further condition the transaction.

Conservator Instructions. We are required by the conservator to obtain its decision for various matters, some of which may involve relationships or transactions with related persons. These matters include: actions requiring the consent of or consultation with Treasury under the senior preferred stock purchase agreement (including any declaration of dividends and transactions with affiliates on terms less favorable to us than comparable arms' length transactions); the creation of any subsidiary or affiliate, or entering into a substantial transaction with a subsidiary or affiliate, except for routine ongoing transactions with U.S. FinTech or the creation of, or a transaction with, a subsidiary or affiliate undertaken in the ordinary course of business; changes in employee compensation that could significantly impact our

employees; new compensation arrangements with or increases in compensation or benefits for our executive officers; setting or increasing the compensation or benefits payable to members of the Board; and changes in our business operations, activities, and transactions that in the reasonable business judgment of management are more likely than not to result in a significant increase in credit, market, reputational, operational or other key risks.

Senior Preferred Stock Purchase Agreement. The senior preferred stock purchase agreement requires us to obtain written Treasury approval of transactions with affiliates unless, among other things, the transaction is upon terms no less favorable to us than would be obtained in a comparable arm's-length transaction with a non-affiliate or the transaction is undertaken in the ordinary course or pursuant to a contractual obligation or customary employment arrangement in existence at the time the senior preferred stock purchase agreement was entered into.

Director and Officer Disclosures. We require our directors and executive officers, not less than annually, to describe transactions with us in which they may have an interest that would require disclosure under Item 404 of Regulation S-K.

Transactions with Related Persons

Transactions with Treasury

Treasury beneficially owns more than 5% of the outstanding shares of our common stock by virtue of the warrant we issued to Treasury on September 7, 2008. The warrant entitles Treasury to purchase shares of our common stock equal to 79.9% of our outstanding common stock on a fully diluted basis on the date of exercise, for an exercise price of $0.00001 per share, and is exercisable in whole or in part at any time on or before September 7, 2028. We describe below our current agreements with Treasury, as well as payments we are making to Treasury pursuant to the Temporary Payroll Tax Cut Continuation Act of 2011, the Infrastructure Investment and Jobs Act and the GSE Act.

FHFA, as conservator, approved the senior preferred stock purchase agreement, the amendments to the agreement and the letter agreements relating to the agreement, the senior preferred stock, and the warrant.

Treasury Senior Preferred Stock Purchase Agreement, Senior Preferred Stock, and Warrant

We issued the warrant to Treasury pursuant to the terms of the senior preferred stock purchase agreement we entered into with Treasury in September 2008. Under the senior preferred stock purchase agreement, we also issued to Treasury one million shares of senior preferred stock. We issued the warrant and the senior preferred stock as an initial commitment fee in consideration of Treasury's commitment to provide funds to us under the terms and conditions set forth in the senior preferred stock purchase agreement. The senior preferred stock purchase agreement was subsequently amended in September 2008, May 2009, December 2009 and August 2012. We, through FHFA, in its capacity as conservator, and Treasury entered into letter agreements modifying the senior preferred stock purchase agreement, the senior preferred stock and/or the warrant in December 2017, September 2019, January 2021, September 2021 and January 2025. See "Business—Conservatorship and Treasury Agreements—Treasury Agreements" for a description of the terms, as amended, of the senior preferred stock purchase agreement, the senior preferred stock and the warrant.

As of December 31, 2025, we had received an aggregate of $119.8 billion from Treasury under the senior preferred stock purchase agreement, none of which was received in 2025, and the remaining amount of funding available to us under the agreement was $113.9 billion. Through December 31, 2025, we had paid an aggregate of $181.4 billion to Treasury in dividends on the senior preferred stock, none of which was paid in 2025.

Obligation to Pay TCCA Fees to Treasury

In December 2011, Congress enacted the Temporary Payroll Tax Cut Continuation Act of 2011 which, among other provisions, required that we increase our single-family guaranty fees by at least 10 basis points and pay this increase to Treasury. To meet our obligations under the TCCA and at the direction of FHFA, we increased the guaranty fee on all single-family mortgages delivered to us by 10 basis points in April 2012. In November 2021, the Infrastructure Investment and Jobs Act was enacted, which extended to October 1, 2032 our obligation under the TCCA to collect 10 basis points in guaranty fees on single-family mortgages delivered to us and pay the associated revenue to Treasury. In January 2022, FHFA advised us to continue to collect and pay these TCCA fees on and after October 1, 2032 with respect to loans we acquired before this date until those loans are paid off or otherwise liquidated. In 2025, we recognized $3.4 billion for our obligations to Treasury under the TCCA.

Treasury Interest in Affordable Housing Allocations

The GSE Act requires us to set aside in each fiscal year an amount equal to 4.2 basis points for each dollar of the UPB of our total new business purchases and to pay this amount to specified HUD and Treasury funds. New business

purchases consist of single-family and multifamily whole mortgage loans purchased during the period and single-family and multifamily mortgage loans underlying Fannie Mae MBS issued during the period pursuant to lender swaps. In December 2014, FHFA directed us to set aside amounts for these contributions during each fiscal year, except for any fiscal year for which a draw from Treasury was made under the terms of the senior preferred stock purchase agreement, or in which such allocation or transfer would cause such a draw. We paid $160 million to the funds in 2025 based on our new business purchases in 2024. Pursuant to the GSE Act and directions from FHFA, we paid $56 million of this amount to Treasury's Capital Magnet Fund and $104 million of this amount to HUD's Housing Trust Fund.

Our new business purchases were $408.2 billion for the year ended December 31, 2025. Accordingly, we recognized an expense of $171 million related to this obligation for the year ended December 31, 2025. Of this amount, $60 million is payable to Treasury's Capital Magnet Fund and $111 million is payable to HUD's Housing Trust Fund. We expect to pay these amounts to the funds in 2026.

Director Independence

Independence Requirements

In March 2025, FHFA waived requirements under FHFA corporate governance regulations that required, among other things, a majority of Fannie Mae's directors to be independent as defined under rules set forth by the NYSE. FHFA also waived the requirement under FHFA corporate governance regulations that Board committee members must meet the independence requirements set forth under NYSE rules. FHFA's waiver states that it is in effect until such time as the waiver is rescinded or our conservatorship is terminated.

While these requirements no longer apply, our Board continues to consider the independence of our directors. Our Board applies NYSE rules to determine whether a relationship is material to a Board member's independence and whether a Board member is independent, based upon the recommendation of the Nominating and Corporate Governance Committee. The Board must determine an independent director has no material relationship with us, either directly or through an organization that has a material relationship with us; for this purpose, a relationship is "material" if, in the judgment of the Board, it would interfere with the Board member's independent judgment. Our Board also determines whether each Audit Committee member and each Compensation and Human Capital Committee member is independent using the NYSE rules' additional independence criteria for each committee. The Board does not consider the Board's duties to the conservator or the federal government's controlling beneficial ownership of Fannie Mae in determining the independence of Board members.

Current Board Members

Our Board of Directors has determined that all of our current directors are independent other than Chair Pulte and Mr. Jones (because of their relationships with FHFA) and Mr. Hamara (because he is one of our Co-Presidents).

The Board of Directors considered the following relationships, transactions or arrangements in late 2025 and determined they were not material to current Board members' independence:

- *Board Membership with Business Partners.* Mr. Sánchez and Mr. Stowell serve as director or advisory Board member of companies that engage in business with us or that have an interest in one or more entities that engage in business with Fannie Mae. The Board considered that each of these directors serves solely a director or advisory board member of such company and does not serve in a management role or have ownership interests other than as incidental to board service. The Board also considered other relevant information including, to the extent available, information regarding payments between these companies and Fannie Mae during the previous three years.
- *Board Membership with Investors in Our Fixed Income Securities.* Mr. Stowell serves as a director or advisory Board member of one or more companies that invest or may invest in our fixed-income securities. It is generally not possible for us to determine the extent of the holdings of these companies in our fixed-income securities as payments to holders are made through the Federal Reserve and most of these securities are held in turn by financial intermediaries. We understand that the investments by these companies in our fixed-income securities are entered into at arm's length in the ordinary course of business, upon market terms and conditions, and are not entered into at the direction of, or upon approval by, the director in his or her capacity as a director or advisory Board member of these companies.
- *Minority Share Ownership in Business Partner.* Mr. Stucky is a minority non-controlling shareholder in Palantir Technologies, Inc., which performed services for us in 2025. He holds no Board, management, or employment roles with Palantir. Our 2025 payments were less than one-tenth of 1% of Palantir Technologies' 2024 revenue.

Former Board Members

Our Board of Directors also determined that all of our former directors who served during 2025 (Amy Alving, Christopher Brummer, Renée Glover, Michael J. Heid, Simon Johnson, Karin Kimbrough, Diane Lye, Diane Nordin, Chet Ragavan, and Michael Seelig) were independent other than Christopher Stanley (who served for only one day) and Ms. Almodovar (because she was our President and CEO).

In the fourth quarter of 2024, the Board of Directors considered the following relationships, transactions or arrangements and determined they were not material to the Board members' independence:

- Board Memberships with Business Partners. Dr. Brummer, Ms. Glover, Mr. Heid, Ms. Kimbrough, and Ms. Nordin were or were expected to serve as directors or advisory Board members of companies that engage in business with us or that had an interest in one or more entities that engaged in business with us. The Board considered substantially the same factors as it did for similarly-situated current directors.
- Board Memberships with Investors in Our Fixed Income Securities. Ms. Kimbrough, Ms. Nordin, and Mr. Stowell served as directors or advisory Board members of companies that invested or may have invested in Fannie Mae fixed-income securities. The Board considered substantially the same factors as it did for similarly-situated current directors.
- *Employment with Business Partners.* Dr. Brummer, Dr. Johnson, and Ms. Kimbrough were employed at entities that engaged in business with us:
  - Dr. Brummer was a columnist at CQ Roll Call, a provider of congressional news, legislative tracking, and advocacy services. He was also the co-founder of a podcast that was affiliated with CQ Roll Call. We paid subscription fees providing access to CQ Roll Call. The payments we made to CQ Roll Call during the previous three years fell below the NYSE independence standards' thresholds of materiality for a director who is a current employee of a company to which we made, or from which we received, such payments.
  - Dr. Brummer was a professor at Georgetown University Law Center and founder of the DC Fintech Week conference. In 2024, Fannie Mae co-hosted a portion of the event at its offices and paid vendors for event registration, food and beverage, and other services. We did not make these payments to Georgetown University or to Dr. Brummer; had we paid the university, they would have fallen below the NYSE independence standards' thresholds of materiality for a director who is a current employee of a company to which we made, or from which we received, such payments.
  - Dr. Johnson was a professor at MIT, which we engaged for certain data analysis and training. He was also a research associate at the National Bureau of Economic Research, a nonprofit organization that facilitates issue analysis, to which we paid subscription fees. The payments we made to each during the previous three years fell below the NYSE independence standards' thresholds of materiality for a director who is a current employee of a company to which we made, or from which we received, such payments.
  - Ms. Kimbrough was employed by LinkedIn Corporation, a subsidiary of Microsoft Corporation. We engaged in transactions directly and indirectly with LinkedIn for advertising, recruiting, and educational programs. We engaged Microsoft in connection with Office 365 applications and for other technology services. The payments we made to Microsoft during the previous three years fell below the NYSE independence standards' thresholds of materiality for a director who is a current employee of a company to which we made, or from which we received, such payments.

Board Committee Members

Although FHFA has waived the requirement, our Board continues to consider whether members of the Audit Committee, the Compensation and Human Capital Committee, and the Nominating and Corporate Governance Committee meet NYSE independence requirements for members of those committees. The Board determined that each Board member who served on the Audit Committee during any part of 2025 met the independence criteria under Rule 10A-3 under the Exchange Act and NYSE rules for members of that committee. The Board also determined that each member of the Compensation and Human Capital Committee during any part of 2025 except Mr. Jones met the NYSE compensation committee independence standards. The Board did not determine Chair Pulte, to whom the Compensation and Human Capital Committee delegated responsibilities, met such standards. The Board further determined that each member of the Nominating and Corporate Governance Committee during any part of 2025, except Chair Pulte, met the NYSE independence criteria.

Item 14. Principal Accounting Fees and Services

The Audit Committee of our Board of Directors is directly responsible for the appointment, oversight and evaluation of our independent registered public accounting firm, subject to conservator approval of matters relating to retention and termination. Deloitte & Touche LLP (Public Company Accounting Oversight Board ID No. 34) was our independent registered public accounting firm for the years ended 2025 and 2024. Deloitte & Touche LLP has advised the Audit Committee that they are independent accountants with respect to the company, within the meaning of standards established by the Public Company Accounting Oversight Board and federal securities laws administered by the SEC.

The following table displays the aggregate estimated or actual fees for professional services provided by Deloitte & Touche LLP, including audit fees.

	For the Year Ended December 31,	
	2025	**2024**
Description of fees:		
Audit fees	**$ 23,444,465**	$ 37,325,580
Audit-related fees[1]	**330,199**	348,435
Tax fees[2]	**99,749**	101,079
All other fees[3]	**125,000**	543,000
Total fees	**$ 23,999,413**	$ 38,318,094

(1) Consists of fees billed for attest-related services on debt offerings and compliance with the covenants in the senior preferred stock purchase agreement with Treasury.

(2) Consists of tax fees related to non-audit tax consulting and compliance services.

(3) Consists of fees billed for non-audit engagements and other compliance assessments. These services were permissible under the Audit Committee's pre-approval policy discussed below.

Pre-Approval Policy

In accordance with its charter, the Audit Committee must approve, in advance of the service, all audit and permissible non-audit services to be provided by our independent registered public accounting firm and establish policies and procedures for the engagement of the external auditor to provide audit and permissible non-audit services. The independent registered public accounting firm and management are required to present reports on the nature of the services provided by the independent registered public accounting firm for the past year and the fees for such services, categorized into audit services, audit-related services, tax services and other services. The firm may not be retained to perform the non-audit services specified in Section 10A(g) of the Exchange Act.

The Audit Committee has delegated to its Chair the authority to pre-approve any additional audit and permissible non-audit services up to $1 million per engagement. The Audit Committee must ratify such pre-approvals at the next scheduled meeting of the Audit Committee.

In 2025, we paid no fees to the independent registered public accounting firm pursuant to the *de minimis* exception established by the SEC, and all services were pre-approved.

PART IV

Item 15. Exhibits, Financial Statement Schedules

Documents filed as part of this report

Consolidated Financial Statements

An index to our consolidated financial statements has been filed as part of this report beginning on page F-1 and is incorporated herein by reference.

Financial Statement Schedules

None.

Exhibits

The table below lists exhibits that are filed with or incorporated by reference into this report.

Item	Description
3.1	Fannie Mae Charter Act (12 U.S.C. § 1716 et seq.) as amended through July 25, 2019 (Incorporated by reference to Exhibit 3.1 to Fannie Mae's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019, filed October 31, 2019)
3.2	Fannie Mae Bylaws, as amended through January 29, 2019 (Incorporated by reference to Exhibit 3.2 to Fannie Mae's Annual Report on Form 10-K for the year ended December 31, 2018, filed February 14, 2019)
4.1	Description of Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934
4.2	Certificate of Designation of Terms of Fannie Mae Preferred Stock, Series D (Incorporated by reference to Exhibit 4.1 to Fannie Mae's registration statement on Form 10, filed March 31, 2003)
4.3	Certificate of Designation of Terms of Fannie Mae Preferred Stock, Series E (Incorporated by reference to Exhibit 4.2 to Fannie Mae's registration statement on Form 10, filed March 31, 2003)
4.4	Certificate of Designation of Terms of Fannie Mae Preferred Stock, Series F (Incorporated by reference to Exhibit 4.3 to Fannie Mae's registration statement on Form 10, filed March 31, 2003)
4.5	Certificate of Designation of Terms of Fannie Mae Preferred Stock, Series G (Incorporated by reference to Exhibit 4.4 to Fannie Mae's registration statement on Form 10, filed March 31, 2003)
4.6	Certificate of Designation of Terms of Fannie Mae Preferred Stock, Series H (Incorporated by reference to Exhibit 4.5 to Fannie Mae's registration statement on Form 10, filed March 31, 2003)
4.7	Certificate of Designation of Terms of Fannie Mae Preferred Stock, Series I (Incorporated by reference to Exhibit 4.6 to Fannie Mae's registration statement on Form 10, filed March 31, 2003)
4.8	Certificate of Designation of Terms of Fannie Mae Preferred Stock, Series L (Incorporated by reference to Exhibit 4.7 to Fannie Mae's Quarterly Report on Form 10-Q, filed August 8, 2008)
4.9	Certificate of Designation of Terms of Fannie Mae Preferred Stock, Series M (Incorporated by reference to Exhibit 4.8 to Fannie Mae's Quarterly Report on Form 10-Q, filed August 8, 2008)
4.10	Certificate of Designation of Terms of Fannie Mae Preferred Stock, Series N (Incorporated by reference to Exhibit 4.9 to Fannie Mae's Quarterly Report on Form 10-Q, filed August 8, 2008)
4.11	Certificate of Designation of Terms of Fannie Mae Non-Cumulative Convertible Preferred Stock, Series 2004-1 (Incorporated by reference to Exhibit 4.10 to Fannie Mae's Annual Report on Form 10-K for the year ended December 31, 2009, filed February 26, 2010)
4.12	Certificate of Designation of Terms of Fannie Mae Preferred Stock, Series O (Incorporated by reference to Exhibit 4.11 to Fannie Mae's Annual Report on Form 10-K for the year ended December 31, 2009, filed February 26, 2010)
4.13	Certificate of Designation of Terms of Fannie Mae Preferred Stock, Series P (Incorporated by reference to Exhibit 4.12 to Fannie Mae's Annual Report on Form 10-K for the year ended December 31, 2012, filed April 2, 2013)
4.14	Certificate of Designation of Terms of Fannie Mae Preferred Stock, Series Q (Incorporated by reference to Exhibit 4.13 to Fannie Mae's Annual Report on Form 10-K for the year ended December 31, 2012, filed April 2, 2013)
4.15	Certificate of Designation of Terms of Fannie Mae Preferred Stock, Series R (Incorporated by reference to Exhibit 4.14 to Fannie Mae's Annual Report on Form 10-K for the year ended December 31, 2012, filed April 2, 2013)
4.16	Certificate of Designation of Terms of Fannie Mae Preferred Stock, Series S (Incorporated by reference to Exhibit 4.15 to Fannie Mae's Annual Report on Form 10-K for the year ended December 31, 2012, filed April 2, 2013)
4.17	Certificate of Designation of Terms of Fannie Mae Preferred Stock, Series T (Incorporated by reference to Exhibit 4.1 to Fannie Mae's Current Report on Form 8-K, filed May 19, 2008)
4.18	Fannie Mae Fifth Amended and Restated Certificate of Designation of Terms of Variable Liquidation Preference Senior Preferred Stock, Series 2008-2, effective as of January 2, 2025 (Incorporated by reference to Exhibit 4.18 to Fannie Mae's Annual Report on Form 10-K for the year ended December 31, 2024, filed February 14, 2025)

4.19	Federal National Mortgage Association Amended and Restated Warrant to Purchase Common Stock, effective as of January 2, 2025 (Incorporated by reference to Exhibit 4.19 to Fannie Mae's Annual Report on Form 10-K for the year ended December 31, 2024, filed February 14, 2025)
4.20	Amended and Restated Senior Preferred Stock Purchase Agreement, dated as of September 26, 2008, between the United States Department of the Treasury and Federal National Mortgage Association, acting through the Federal Housing Finance Agency as its duly appointed conservator (Incorporated by reference to Exhibit 4.1 to Fannie Mae's Current Report on Form 8-K, filed October 2, 2008)
4.21	Amendment to Amended and Restated Senior Preferred Stock Purchase Agreement, dated as of May 6, 2009, between the United States Department of the Treasury and Federal National Mortgage Association, acting through the Federal Housing Finance Agency as its duly appointed conservator (Incorporated by reference to Exhibit 4.21 to Fannie Mae's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009, filed May 8, 2009)
4.22	Second Amendment to Amended and Restated Senior Preferred Stock Purchase Agreement, dated as of December 24, 2009, between the United States Department of the Treasury and Federal National Mortgage Association, acting through the Federal Housing Finance Agency as its duly appointed conservator (Incorporated by reference to Exhibit 4.1 to Fannie Mae's Current Report on Form 8-K, filed December 30, 2009)
4.23	Third Amendment to Amended and Restated Senior Preferred Stock Purchase Agreement, dated as of August 17, 2012, between the United States Department of the Treasury and Federal National Mortgage Association, acting through the Federal Housing Finance Agency as its duly appointed conservator (Incorporated by reference to Exhibit 4.1 to Fannie Mae's Current Report on Form 8-K, filed August 17, 2012)
4.24	Letter Agreement between the United States Department of the Treasury and the Federal National Mortgage Association, acting through the Federal Housing Finance Agency as its duly appointed conservator, dated December 21, 2017 (Incorporated by reference to Exhibit 10.1 to Fannie Mae's Current Report on Form 8-K, filed December 22, 2017)
4.25	Letter Agreement between the United States Department of the Treasury and the Federal National Mortgage Association, acting through the Federal Housing Finance Agency as its duly appointed conservator, dated September 27, 2019 (Incorporated by reference to Exhibit 10.1 to Fannie Mae's Current Report on Form 8-K, filed October 1, 2019)
4.26	Letter Agreement between the United States Department of the Treasury and the Federal National Mortgage Association, acting through the Federal Housing Finance Agency as its duly appointed conservator, dated January 14, 2021 (Incorporated by reference to Exhibit 10.1 to Fannie Mae's Current Report on Form 8-K, filed January 20, 2021)
4.27	Letter Agreement between the United States Department of the Treasury and the Federal National Mortgage Association, acting through the Federal Housing Finance Agency as its duly appointed conservator, dated September 14, 2021 (Incorporated by reference to Exhibit 10.1 to Fannie Mae's Current Report on Form 8-K, filed September 20, 2021)
4.28	Letter Agreement between the United States Department of the Treasury and the Federal National Mortgage Association, acting through the Federal Housing Finance Agency as its conservator, dated January 2, 2025 (Incorporated by reference to Exhibit 10.1 to Fannie Mae's Current Report on Form 8-K, filed January 7, 2025)
10.1	Repayment Provisions for SEC Executive Officers, amended and restated as of March 8, 2012† (Incorporated by reference to Exhibit 10.44 to Fannie Mae's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, filed May 9, 2012)
10.2	Fannie Mae Form of Indemnification Agreement for directors and officers of Fannie Mae (Incorporated by reference to Exhibit 10.15 to Fannie Mae's Annual Report on Form 10-K for the year ended December 31, 2008, filed February 26, 2009.)
10.3	Fannie Mae Form of Indemnification Agreement for directors and officers of Fannie Mae (Incorporated by reference to Exhibit 10.2 to Fannie Mae's Annual Report on Form 10-K for the year ended December 31, 2016, filed February 17, 2017)
10.4	Fannie Mae Form of Indemnification Agreement for directors and officers of Fannie Mae (Incorporated by reference to Exhibit 10.3 to Fannie Mae's Annual Report on Form 10-K for the year ended December 31, 2018, filed February 14, 2019)
10.5	Fannie Mae Supplemental Retirement Savings Plan, as amended through April 29, 2008† (Incorporated by reference to Exhibit 10.2 to Fannie Mae's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008, filed August 8, 2008)
10.6	Amendment to Fannie Mae Supplemental Retirement Savings Plan, effective October 8, 2008† (Incorporated by reference to Exhibit 10.32 to Fannie Mae's Annual Report on Form 10-K for the year ended December 31, 2008, filed February 26, 2009)
10.7	Amendment to Fannie Mae Supplemental Retirement Savings Plan, effective May 14, 2010† (Incorporated by reference to Exhibit 10.2 to Fannie Mae's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010, filed August 5, 2010)
10.8	Amendment to Fannie Mae Supplemental Retirement Savings plan for 2012 Executive Compensation Program, adopted May 18, 2012† (Incorporated by reference to Exhibit 10.3 to Fannie Mae's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, filed August 8, 2012)
10.9	Amendment to Fannie Mae Supplemental Retirement Savings Plan, effective July 1, 2013† (Incorporated by reference to Exhibit 10.4 to Fannie Mae's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013, filed November 7, 2013)
10.10	Amendment to Fannie Mae Supplemental Retirement Savings Plan, effective December 31, 2020† (Incorporated by reference to Exhibit 10.11 to Fannie Mae's Annual Report on Form 10-K for the year ended December 31, 2020, filed February 12, 2021)
10.11	Amendment to Fannie Mae Supplemental Retirement Savings Plan, effective January 1, 2023† (Incorporated by reference to Exhibit 10.11 to Fannie Mae's Annual Report on Form 10-K for the year ended December 31, 2022, filed February 14, 2023)
10.12	Amended and Restated Senior Preferred Stock Purchase Agreement, dated as of September 26, 2008, between the United States Department of the Treasury and Federal National Mortgage Association, acting through the Federal Housing Finance Agency as its duly appointed conservator (Incorporated by reference Exhibit 4.1 to Fannie Mae's Current Report on Form 8-K, filed October 2, 2008)

10.13	Amendment to Amended and Restated Senior Preferred Stock Purchase Agreement, dated as of May 6, 2009, between the United States Department of the Treasury and Federal National Mortgage Association, acting through the Federal Housing Finance Agency as its duly appointed conservator (Incorporated by reference to Exhibit 4.21 to Fannie Mae's Quarterly Report on Form 10-Q, filed May 8, 2009)
10.14	Second Amendment to Amended and Restated Senior Preferred Stock Purchase Agreement, dated as of December 24, 2009, between the United States Department of the Treasury and Federal National Mortgage Association, acting through the Federal Housing Finance Agency as its duly appointed conservator (Incorporated by reference to Exhibit 4.1 to Fannie Mae's Current Report on Form 8-K, filed December 30, 2009)
10.15	Third Amendment to Amended and Restated Senior Preferred Stock Purchase Agreement, dated as of August 17, 2012, between the United States Department of the Treasury and Federal National Mortgage Association, acting through the Federal Housing Finance Agency as its duly appointed conservator (Incorporated by reference to Exhibit 4.1 to Fannie Mae's Current Report on Form 8-K, filed August 17, 2012)
10.16	Letter Agreement between the United States Department of the Treasury and the Federal National Mortgage Association, acting through the Federal Housing Finance Agency as its duly appointed conservator, dated December 21, 2017 (Incorporated by reference to Exhibit 10.1 to Fannie Mae's Current Report on Form 8-K, filed December 21, 2017)
10.17	Letter Agreement between the United States Department of the Treasury and the Federal National Mortgage Association, acting through the Federal Housing Finance Agency as its duly appointed conservator, dated September 27, 2019 (Incorporated by reference to Exhibit 10.1 to Fannie Mae's Current Report on Form 8-K, filed October 1, 2019)
10.18	Letter Agreement between the United States Department of the Treasury and the Federal National Mortgage Association, acting through the Federal Housing Finance Agency as its duly appointed conservator, dated January 14, 2021 (Incorporated by reference to Exhibit 10.1 to Fannie Mae's Current Report on Form 8-K, filed January 20, 2021)
10.19	Letter Agreement between the United States Department of the Treasury and the Federal National Mortgage Association, acting through the Federal Housing Finance Agency as its duly appointed conservator, dated September 14, 2021 (Incorporated by reference to Exhibit 10.1 to Fannie Mae's Current Report on Form 8-K, filed September 20, 2021)
10.20	Letter Agreement between the United States Department of the Treasury and the Federal National Mortgage Association, acting through the Federal Housing Finance Agency as its conservator, dated January 2, 2025 (Incorporated by reference to Exhibit 10.1 to Fannie Mae's Current Report on Form 8-K, filed January 7, 2025)
10.21	Confidentiality and Proprietary Rights Agreement† (Incorporated by reference to Exhibit 10.1 to Fannie Mae's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, filed August 3, 2021)
10.22	Form of Covered Employee Statement Under Confidentiality and Proprietary Rights Agreement (first used with 2023 executive compensation)† (Incorporated by reference to Exhibit 10.22 to Fannie Mae's Annual Report on Form 10-K for the year ended December 31, 2022, filed February 14, 2023)
10.23	Form of Relocation Repayment Agreement for Officers of Fannie Mae† (Incorporated by reference to Exhibit 10.1 to Fannie Mae's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, filed July 30, 2024)
10.24	Confidential Agreement and General Release, effective as of October 22, 2025, by and between Priscilla Almodovar and Fannie Mae†^
10.25	Confidential Agreement and General Release, effective as of October 24, 2025, by and between Malloy Evans and Fannie Mae†^
19.1	Insider Trading Policy (Incorporated by reference to Exhibit 19.1 to Fannie Mae's Annual Report on Form 10-K for the year ended December 31, 2024, filed February 14, 2025)^
31.1	Certification of Chief Executive Officer pursuant to Securities Exchange Act Rule 13a-14(a)
31.2	Certification of Chief Financial Officer pursuant to Securities Exchange Act Rule 13a-14(a)
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350
99.1	Fourth Amended and Restated Limited Liability Company Agreement of U.S. Financial Technology, LLC (formerly known as Common Securitization Solutions, LLC), dated as of January 21, 2021 (Incorporated by reference to Exhibit 99.1 to Fannie Mae's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, filed May 3, 2022)
99.2	First Amendment of the Fourth Amended and Restated Limited Liability Company Agreement of U.S. Financial Technology, LLC (formerly known as Common Securitization Solutions, LLC), effective date February 2, 2024 (Incorporated by reference to Exhibit 99.1 to Fannie Mae's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, filed April 30, 2024)
99.3	Second Amendment of the Fourth Amended and Restated Limited Liability Company Agreement of U.S. Financial Technology, LLC (formerly known as Common Securitization Solutions, LLC) effective date June 25, 2025
101. INS	Inline XBRL Instance Document* - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101. SCH	Inline XBRL Taxonomy Extension Schema*
101. CAL	Inline XBRL Taxonomy Extension Calculation*
101. DEF	Inline XBRL Taxonomy Extension Definition*
101. LAB	Inline XBRL Taxonomy Extension Label*
101. PRE	Inline XBRL Taxonomy Extension Presentation*

104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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† This Exhibit is a management contract or compensatory plan or arrangement.

* The financial information contained in these XBRL documents is unaudited.

^ Portions of this exhibit have been redacted pursuant to Item 601(a)(6) of Regulation S-K.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Federal National Mortgage Association

/s/ Peter Akwaboah

Peter Akwaboah
Acting Chief Executive Officer, and
Executive Vice President and Chief Operating Officer

Date: February 11, 2026

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Peter Akwaboah and Chryssa C. Halley, and each of them severally, his or her true and lawful attorney-in-fact with power of substitution and resubstitution to sign in his or her name, place and stead, in any and all capacities, to do any and all things and execute any and all instruments that such attorney may deem necessary or advisable under the Securities Exchange Act of 1934 and any rules, regulations and requirements of the U.S. Securities and Exchange Commission in connection with the Annual Report on Form 10-K and any and all amendments hereto, as fully for all intents and purposes as he or she might or could do in person, and hereby ratifies and confirms all said attorneys-in-fact and agents, each acting alone, and his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ William J. Pulte William J. Pulte	Chair of the Board of Directors	February 11, 2026
/s/ Peter Akwaboah Peter Akwaboah	Acting Chief Executive Officer, and Executive Vice President and Chief Operating Officer	February 11, 2026
/s/ Chryssa C. Halley Chryssa C. Halley	Executive Vice President and Chief Financial Officer	February 11, 2026
/s/ James L. Holmberg James L. Holmberg	Senior Vice President and Controller	February 11, 2026
/s/ Barry Habib Barry Habib	Director	February 11, 2026

Signature	Title	Date
/s/ Brandon Hamara Brandon Hamara	Director	February 11, 2026
/s/ Clinton Jones Clinton Jones	Director	February 11, 2026
/s/ Omeed Malik Omeed Malik	Director	February 11, 2026
/s/ Manuel Sánchez Rodríguez Manuel Sánchez Rodríguez	Director	February 11, 2026
/s/ Scott D. Stowell Scott D. Stowell	Director	February 11, 2026
/s/ Michael Stucky Michael Stucky	Director	February 11, 2026

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To Fannie Mae:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Fannie Mae and consolidated entities (in conservatorship) (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of operations and comprehensive income, cash flows, and changes in equity for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 11, 2026, expressed an adverse opinion on the Company's internal control over financial reporting because of a material weakness.

Emphasis of a Matter

As discussed in Note 2 to the consolidated financial statements, the Company is currently under the control of the U.S. Federal Housing FHFA (Federal Housing Finance Agency) ("FHFA") as conservator. Further, the Company directly and indirectly received substantial support from the United States Government through the United States Department of the Treasury ("Treasury") and FHFA. The Company is dependent upon continued support of Treasury and FHFA.

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, the Company has elected to change its accounting principle regarding which financial instruments are presented as cash equivalents and restricted cash equivalents, which has been retrospectively applied in the consolidated financial statements as of December 31, 2025 and 2024 and for each of the three years ended December 31, 2025.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Allowance for Loan Losses — Refer to Notes 1 and 5 to the financial statements

Critical Audit Matter Description

The Company's allowance for loan losses is a valuation allowance that reflects an estimate of expected credit losses related to its recorded investment in single-family and multifamily held-for-investment loans. The allowance for loan losses requires consideration of a broad range of information about current conditions and reasonable and supportable

forecast information to develop loan loss estimates. The Company uses internal models to estimate credit losses that incorporate historical credit loss experience, adjusted for current economic forecasts and the current credit risk profile of the Company's single-family and multifamily loan books of business. Management adjusts the modeled estimate when it identifies relevant information not yet reflected in the allowance for loan losses.

For its single-family mortgage loan allowance for loan losses, the Company uses a discounted cash flow method to measure expected credit losses. The model uses the current credit risk profile and reasonable and supportable forecasts for significant economic drivers for single-family mortgage loans, including home prices and interest rates. For its multifamily mortgage loan allowance for loan losses, the Company uses an undiscounted cash flow method to measure expected credit losses. The model uses the current credit risk profile and reasonable and supportable forecasts for significant economic drivers for multifamily mortgage loans, including net operating income and property valuations.

We identified the allowance for loan losses for single-family and multifamily mortgage loans held-for-investment, excluding the portion related to single-family reverse mortgage loans, as a critical audit matter because of the complexity of the Company's internal models and the significant assumptions and judgments used by management. This required a high degree of auditor judgment and an increased extent of effort, including the need to involve credit specialists when performing audit procedures to evaluate the reasonableness of management's internal models and significant assumptions.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the internal models, data inputs, and management's significant assumptions used to estimate the allowance for loan losses described above, included the following, among others:

- We tested the effectiveness of controls, including those related to the internal models and methodologies, significant data inputs, and significant assumptions.
- With the assistance of our credit specialists, we evaluated:
  - The appropriateness of the internal models and methodologies.
  - The reasonableness of management's significant assumptions, including the development of forecasted home price growth (single-family), forecasted interest rates (single-family), forecasted net operating income (multifamily), and forecasted property valuations (multifamily).
  - The appropriateness of any qualitative adjustments (or lack thereof) to the modeled expected cash flow output, including additional risk characteristics identified by management that are not yet reflected in the model.
- We tested the accuracy of significant data inputs, including historical loan data and economic data consumed by the internal models used to calculate expected credit losses.

/s/ Deloitte & Touche LLP

McLean, Virginia

February 11, 2026

We have served as the Company's auditor since 2005.

FANNIE MAE
(In conservatorship)

Consolidated Statements of Operations and Comprehensive Income
(Dollars and shares in millions, except per share amounts)

	For the Year Ended December 31,		
	2025	**2024**	**2023**
Interest income:			
Mortgage loans	**$152,149**	$144,152	$133,234
Securities purchased under agreements to resell	**3,354**	4,170	4,427
Investments in securities and other	**3,115**	2,244	2,053
Total interest income	**158,618**	150,566	139,714
Interest expense:			
Short-term debt	**(585)**	(595)	(672)
Long-term debt	**(129,425)**	(121,223)	(110,269)
Total interest expense	**(130,010)**	(121,818)	(110,941)
Net interest income	**28,608**	28,748	28,773
Non-interest Income:			
Fair value gains (losses), net	**90**	1,821	1,304
Fee and other income	**356**	321	275
Investment gains (losses), net	**105**	(96)	(265)
Non-interest income	**551**	2,046	1,314
(Provision) benefit for credit losses	**(1,606)**	186	1,670
Non-interest expense:			
Salaries and employee benefits	**(2,094)**	(2,004)	(1,906)
Professional services, technology, and occupancy	**(1,485)**	(1,615)	(1,539)
Legislative assessments	**(3,749)**	(3,766)	(3,745)
Credit enhancement expense	**(1,656)**	(1,641)	(1,512)
Other income (expense), net	**(586)**	(685)	(1,099)
Total non-interest expense	**(9,570)**	(9,711)	(9,801)
Income before federal income taxes	**17,983**	21,269	21,956
Provision for federal income taxes	**(3,619)**	(4,291)	(4,548)
Net income	**14,364**	16,978	17,408
Other comprehensive income (loss)	**(9)**	(3)	(3)
Total comprehensive income	**$ 14,355**	$ 16,975	$ 17,405
Net income	**$ 14,364**	$ 16,978	$ 17,408
Dividends distributed or amounts attributable to senior preferred stock	**(14,355)**	(16,975)	(17,405)
Net income attributable to common stockholders	**$ 9**	$ 3	$ 3
Earnings per share:			
Basic	**$ 0.00**	$ 0.00	$ 0.00
Diluted	**0.00**	0.00	0.00
Weighted-average common shares outstanding:			
Basic	**5,867**	5,867	5,867
Diluted	**5,893**	5,893	5,893

See Notes to Consolidated Financial Statements

FANNIE MAE
(In conservatorship)

Consolidated Balance Sheets
(Dollars in millions)

	As of December 31, 2025	As of December 31, 2024
ASSETS		
Cash	**$ 11,452**	$ 13,477
Restricted cash (includes $22,848 and $16,994, respectively, related to consolidated trusts)	**31,131**	25,059
Securities purchased under agreements to resell (includes $18,425 and $14,899, respectively, related to consolidated trusts)	**45,650**	56,250
Investments in securities, at fair value	**69,889**	79,197
Mortgage loans:		
Loans held for sale, at lower of cost or fair value	**209**	373
Loans held for investment, at amortized cost:		
Of Fannie Mae	**57,970**	50,053
Of consolidated trusts	**4,069,498**	4,095,287
Total loans held for investment (includes $5,464 and $3,744, respectively, at fair value)	**4,127,468**	4,145,340
Allowance for loan losses	**(8,364)**	(7,707)
Total loans held for investment, net of allowance	**4,119,104**	4,137,633
Total mortgage loans	**4,119,313**	4,138,006
Advances to lenders	**3,595**	1,825
Deferred tax assets, net	**9,828**	10,545
Accrued interest receivable (includes $11,129 and $10,666, respectively, related to consolidated trusts)	**11,689**	11,364
Other assets	**14,991**	14,008
Total assets	**$ 4,317,538**	$ 4,349,731
LIABILITIES AND EQUITY		
Liabilities:		
Accrued interest payable (includes $11,320 and $10,858, respectively, related to consolidated trusts)	**$ 12,035**	$ 11,585
Debt:		
Of Fannie Mae (includes $256 and $385, respectively, at fair value)	**127,289**	139,422
Of consolidated trusts (includes $15,060 and $13,292, respectively, at fair value)	**4,053,140**	4,088,675
Other liabilities (includes $1,719 and $1,699, respectively, related to consolidated trusts)	**16,062**	15,392
Total liabilities	**4,208,526**	4,255,074
Commitments and contingencies (Note 17)	**—**	—
Fannie Mae stockholders' equity:		
Senior preferred stock (liquidation preference of $226,984 and $212,029, respectively)	**120,836**	120,836
Preferred stock, 700,000,000 shares are authorized—555,374,922 shares issued and outstanding	**19,130**	19,130
Common stock, no par value, no maximum authorization—1,308,762,703 shares issued and 1,158,087,567 shares outstanding	**687**	687
Accumulated deficit	**(24,261)**	(38,625)
Accumulated other comprehensive income	**20**	29
Treasury stock, at cost, 150,675,136 shares	**(7,400)**	(7,400)
Total stockholders' equity	**109,012**	94,657
Total liabilities and equity	**$ 4,317,538**	$ 4,349,731

See Notes to Consolidated Financial Statements

FANNIE MAE
(In conservatorship)

Consolidated Statements of Cash Flows
(Dollars in millions)

	For the Year Ended December 31,		
	2025	**2024**	**2023**
Cash flows provided by (used in) operating activities:			
Net income	**$ 14,364**	$ 16,978	$ 17,408
Reconciliation of net income to net cash provided by (used in) operating activities:			
Amortization of cost basis adjustments	**(1,391)**	(1,590)	(2,535)
Net impact of hedged mortgage assets and debt	**(194)**	11	210
Provision (benefit) for credit losses	**1,606**	(186)	(1,670)
Valuation (gains) losses	**(695)**	(1,116)	(760)
Deferred income tax expense (benefit)	**719**	1,137	1,231
Net gains related to the disposition of acquired property and preforeclosure sales, including credit enhancements	**(774)**	(769)	(1,182)
Net change in accrued interest receivable	**(374)**	(733)	(1,110)
Net change in servicer advances	**(27)**	30	31
Net change in accrued interest payable	**723**	891	1,014
Other, net	**(631)**	137	323
Net change in trading securities	**10,663**	(25,310)	(1,077)
Net cash provided by (used in) operating activities	**23,989**	(10,520)	11,883
Cash flows provided by (used in) investing activities:			
Mortgage loans acquired held for investment:			
Purchases	**(130,920)**	(135,865)	(124,372)
Proceeds from sales	**1,346**	3,833	2,182
Proceeds from repayments	**419,020**	366,164	335,240
Advances to lenders	**(114,890)**	(95,139)	(103,364)
Proceeds from disposition of acquired property, preforeclosure sales and insurance proceeds	**2,704**	3,636	5,718
Net change in securities purchased under agreements to resell	**10,600**	9,175	3,990
Other, net	**(956)**	441	(119)
Net cash provided by (used in) investing activities	**186,904**	152,245	119,275
Cash flows provided by (used in) financing activities:			
Borrowings that have an original maturity of three months or less, net	**11,795**	637	(682)
Proceeds from issuance of debt of Fannie Mae	**37,957**	56,957	22,592
Payments to redeem debt of Fannie Mae	**(63,070)**	(42,650)	(33,281)
Proceeds from issuance of debt of consolidated trusts	**255,527**	224,003	228,976
Payments to redeem debt of consolidated trusts	**(449,048)**	(376,114)	(347,773)
Other, net	**(7)**	(3)	—
Net cash provided by (used in) financing activities	**(206,846)**	(137,170)	(130,168)
Net increase (decrease) in cash and restricted cash	**4,047**	4,555	990
Cash and restricted cash at beginning of period	**38,536**	33,981	32,991
Cash and restricted cash at end of period	**$ 42,583**	$ 38,536	$ 33,981
Cash paid during the period for:			
Interest	**$ 136,769**	$ 128,770	$ 118,897
Federal income taxes, net of refunds	**2,425**	2,871	2,750

Supplemental information on non-cash activities related to mortgage loans (see Note 4)

See Notes to Consolidated Financial Statements

FANNIE MAE
(In conservatorship)

Consolidated Statements of Changes in Equity
(Dollars and shares in millions)

	Fannie Mae Stockholders' Equity									
	Shares Outstanding									
	Senior Preferred	Preferred	Common	Senior Preferred Stock	Preferred Stock	Common Stock	Accumulated Deficit	Accumulated Other Comprehensive Income	Treasury Stock	Total Equity
Balance as of December 31, 2022	**1**	**556**	**1,158**	**$120,836**	**$ 19,130**	**$ 687**	**$ (73,011)**	**$ 35**	**$ (7,400)**	**$ 60,277**
Comprehensive income:										
Net income:	—	—	—	—	—	—	17,408	—	—	17,408
Other comprehensive income, net of tax effect:										
Changes in net unrealized losses on available-for-sale securities (net of taxes of $1)	—	—	—	—	—	—	—	(4)	—	(4)
Reclassification adjustment for gains (losses) included in net income (net of taxes of $0)	—	—	—	—	—	—	—	2	—	2
Other (net of taxes of $0)	—	—	—	—	—	—	—	(1)	—	(1)
Total comprehensive income										17,405
Balance as of December 31, 2023	**1**	**556**	**1,158**	**120,836**	**19,130**	**687**	**(55,603)**	**32**	**(7,400)**	**77,682**
Comprehensive income:										
Net income	—	—	—	—	—	—	16,978	—	—	16,978
Other comprehensive income, net of tax effect:										
Changes in net unrealized losses on available-for-sale securities (net of taxes of $0)	—	—	—	—	—	—	—	(1)	—	(1)
Reclassification adjustment for gains (losses) included in net income (net of taxes of $1)	—	—	—	—	—	—	—	2	—	2
Other (net of taxes of $1)	—	—	—	—	—	—	—	(4)	—	(4)
Total comprehensive income										16,975
Balance as of December 31, 2024	**1**	**556**	**1,158**	**120,836**	**19,130**	**687**	**(38,625)**	**29**	**(7,400)**	**94,657**
Comprehensive income:										
Net income	**—**	**—**	**—**	**—**	**—**	**—**	**14,364**	**—**	**—**	**14,364**
Other comprehensive income, net of tax effect:										
Changes in net unrealized losses on available-for-sale securities (net of taxes of $2)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(6)**	**—**	**(6)**
Reclassification adjustment for gains (losses) included in net income (net of taxes of $0)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**1**	**—**	**1**
Other (net of taxes of $1)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(4)**	**—**	**(4)**
Total comprehensive income										**14,355**
Balance as of December 31, 2025	**1**	**556**	**1,158**	**$120,836**	**$ 19,130**	**$ 687**	**$ (24,261)**	**$ 20**	**$ (7,400)**	**$109,012**

See Notes to Consolidated Financial Statements

FANNIE MAE
(In conservatorship)

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

Organization

Fannie Mae is a leading source of financing for residential mortgages in the United States. We are a government-sponsored, stockholder-owned corporation, chartered by Congress to provide liquidity and stability to the U.S. housing market and to promote access to mortgage credit. We primarily do this by buying residential mortgage loans that are originated by lenders. We place these loans into trusts and issue guaranteed mortgage-backed securities ("MBS") that global investors buy from us. We do not originate mortgage loans or lend money directly to borrowers.

We have two reportable business segments: Single-Family and Multifamily. The Single-Family business operates in the secondary mortgage market relating to loans secured by properties containing four or fewer residential dwelling units. The Multifamily business operates in the secondary mortgage market relating primarily to loans secured by properties containing five or more residential units. We describe the management reporting and allocation process used to generate our segment results in "Note 11, Segment Reporting."

We have been under conservatorship with the Federal Housing Finance Agency ("FHFA") acting as conservator since September 2008. See "Note 2, Conservatorship, Senior Preferred Stock Purchase Agreement and Related Matters," for information on our conservatorship, the senior preferred stock purchase agreement, the impact of U.S. government support of our business, and related party relationships.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). To conform to our current-period presentation, we have reclassified certain amounts reported in our prior period consolidated financial statements, including those described below.

Changes in Presentation

Beginning in the first quarter of 2025, we changed our presentation on the consolidated statements of cash flows for certain borrowings with original contractual maturities of three months or less such that the proceeds from the issuance of these borrowings and the related payments to redeem them are presented on a net basis. Previously, proceeds from the issuance of these borrowings and the related repayments to redeem them were presented separately (i.e., gross) on the consolidated statements of cash flows. As a result of this change, we recast the prior periods presented to reflect the net presentation of cash flows on these borrowings. For borrowings with original contractual maturities greater than three months, we continue to present proceeds from issuance and payments to redeem the borrowings on a gross basis.

Beginning in the third quarter of 2025, we changed the presentation of interest income from reverse repurchase agreements to separately disclose interest income from securities purchased under agreements to resell on the consolidated statements of operations and other comprehensive income. We also combined the remaining interest income previously classified as other with interest income from investments in securities. We recast the prior periods presented on the consolidated statements of operations and comprehensive income for these changes.

Beginning in the fourth quarter of 2025, we changed the presentation of debt extinguishment gains and losses from "Other income (expense), net" to "Investment gains (losses), net" on the consolidated statements of operations and other comprehensive income. We recast the prior periods presented on the consolidated statements of operations and comprehensive income for this change.

Change in Accounting Principle

Beginning in the third quarter of 2025, we have changed which financial instruments are presented as cash equivalents and restricted cash equivalents. Previously, we presented U.S. Treasury securities that had a maturity of three months or less at acquisition and overnight reverse repurchase agreements as cash equivalents (both unrestricted and restricted, as appropriate). As a result of this change, all U.S. Treasury securities are presented as "Investments in securities" and all reverse repurchase agreements are presented as "Securities purchased under agreements to resell" on our consolidated balance sheets. Additionally, as a result of this change, there are no financial instruments presented as cash equivalents or restricted cash equivalents as of December 31, 2025 or December 31, 2024.

We have concluded that the change in presentation of short-term U.S. Treasury securities and overnight reverse repurchase agreements is a change in accounting principle. Further, we concluded that the change is preferable because it provides consistency in the presentation of our holdings of investment securities and reverse repurchase agreements. Additionally, it more accurately reflects how these investments are managed within our corporate liquidity portfolio. Finally, the change aligns the presentation of short-term U.S. Treasury securities and overnight reverse repurchase agreements with the presentation used by other large financial institutions, increasing the comparability of our financial statements with the financial statements of those entities.

The change in accounting principle made in the third quarter of 2025 is reflected in our financial statements on a retrospective basis. The following tables display our changes to the consolidated balance sheets and consolidated statements of cash flows for periods prior to 2025 included in our financial statements.

Consolidated Balance Sheets

	As of December 31, 2024		
	As Previously Reported	Adjustment for Change in Accounting Principle	As Adjusted
	(Dollars in millions)		
Cash	$ 38,853	$ (25,376)	$ 13,477
Restricted cash	39,958	(14,899)	25,059
Securities purchased under agreements to resell	15,975	40,275	56,250

Consolidated Statements of Cash Flows

	For the Year Ended December 31, 2024		
	As Previously Reported	Adjustment for Change in Accounting Principle	As Adjusted
	(Dollars in millions)		
Net change in securities purchased under agreements to resell	$ 14,725	$ (5,550)	$ 9,175
Net cash provided by (used in) investing activities	157,795	(5,550)	152,245
Net increase (decrease) in cash and restricted cash	10,105	(5,550)	4,555
Cash and restricted cash at beginning of period	68,706	(34,725)	33,981
Cash and restricted cash at end of period	78,811	(40,275)	38,536

	For the Year Ended December 31, 2023		
	As Previously Reported	Adjustment for Change in Accounting Principle	As Adjusted
	(Dollars in millions)		
Net change in securities purchased under agreements to resell	$ (16,135)	$ 20,125	$ 3,990
Net cash provided by (used in) investing activities	99,150	20,125	119,275
Net increase (decrease) in cash and restricted cash	(19,135)	20,125	990
Cash and restricted cash at beginning of period	87,841	(54,850)	32,991
Cash and restricted cash at end of period	68,706	(34,725)	33,981

Use of Estimates

Preparing consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect our reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the dates of our consolidated financial statements, as well as our reported amounts of revenues and expenses during the reporting periods. Management has made significant estimates in a variety of areas including, but not limited to, the allowance for loan losses. Actual results could be different from these estimates.

Principles of Consolidation

Our consolidated financial statements include our accounts as well as the accounts of the other entities in which we have a controlling financial interest. All intercompany balances and transactions have been eliminated. The typical condition for a controlling financial interest is ownership of a majority of the voting interests of an entity. A controlling financial interest may also exist in an entity such as a variable interest entity ("VIE") through arrangements that do not involve voting interests, such as control over the servicing of the collateral held by the VIE. Fannie Mae's controlling interest generally arises from arrangements with VIEs.

We consolidate VIEs when we have a controlling financial interest in the VIE and are therefore considered the primary beneficiary of the VIE. We are the primary beneficiary of a VIE when we have both the power to direct the activities of the VIE that most significantly impact its economic performance and exposure to losses or benefits of the VIE that could potentially be significant to the VIE. The primary beneficiary determination may change over time as our interest in the VIE changes. Therefore, we evaluate whether we are the primary beneficiary of VIEs in which we have variable interests at both inception and on an ongoing basis. Generally, the assets of our consolidated VIEs can be used only to settle obligations of the VIE, and the creditors of our consolidated VIEs do not have recourse to Fannie Mae, except when we provide a guarantee to the VIE.

The measurement of assets and liabilities of VIEs that we consolidate depends on whether we are the transferor of assets into a VIE. When we are the transferor of assets into a VIE that we consolidate at the time of the transfer, we continue to recognize the assets and liabilities of the VIE at the amounts that they would have been recognized if we had not transferred the assets and no gain or loss is recognized. We are the transferor to the VIEs created during our portfolio securitizations; this execution occurs when we purchase loans from third-party sellers for cash and later deposit these loans into an MBS trust. The securities issued through a portfolio securitization are then sold to investors for cash.

When we are not the transferor of assets into a VIE that we consolidate, we recognize the assets and liabilities of the VIE in our consolidated financial statements at fair value and a gain or loss for the difference between (1) the fair value of the consideration paid, fair value of noncontrolling interests and the reported amount of any previously held interests, and (2) the net amount of the fair value of the assets and liabilities recognized upon consolidation. However, for the VIEs established under our lender swap program, we do not recognize a gain or loss if the VIEs are consolidated at formation as there is no difference in the respective fair value of (1) and (2) above. We record gains or losses that are associated with the consolidation of VIEs as a component of "Investment gains (losses), net" in our consolidated statements of operations and comprehensive income. A lender swap transaction occurs when a mortgage lender delivers a pool of loans to us, which we immediately deposit into an MBS trust.

If we cease to be deemed the primary beneficiary of a VIE, we deconsolidate the VIE. We use fair value to measure the initial cost basis for any retained interests that are recorded upon the deconsolidation of a VIE. Any difference between the fair value and the previous carrying amount of our investment in the VIE is recorded in "Investment gains (losses), net" in our consolidated statements of operations and comprehensive income.

Transfers of Financial Assets

We evaluate each transfer of financial assets to determine whether we have surrendered control and the transfer qualifies as a sale. If a transfer does not meet the criteria for sale treatment, the transferred assets remain in our consolidated balance sheets and we record a liability to the extent of any proceeds received in connection with the transfer.

When a transfer that qualifies as a sale is completed, we derecognize all assets transferred and recognize all assets received and liabilities incurred at fair value. The difference between the carrying basis of the assets transferred and the fair value of the net proceeds from the sale is recorded as a component of "Investment gains (losses), net" in our consolidated statements of operations and comprehensive income. We retain interests from the transfer and sale of mortgage-related securities to unconsolidated single-class and multi-class portfolio securitization trusts. Retained interests are primarily derived from transfers associated with our portfolio securitizations in the form of Fannie Mae securities. We provide additional information on the accounting for retained investment securities in the "Investments in Securities" section of this note.

Cash and Restricted Cash

Cash and restricted cash in our consolidated balance sheets includes amounts held with depository institutions and the Federal Reserve. Restricted cash primarily represents cash held in accounts that are for the benefit of MBS certificateholders (inclusive of amounts that have been advanced by us under the terms of our guaranty) that will be distributed to the MBS certificateholders on a future date in accordance with the terms of the MBS trust agreements. Cash may also be recognized as restricted cash for certain collateral arrangements for which we do not have the right to use the cash.

Securities Purchased Under Agreements to Resell

We enter into repurchase agreements that involve contemporaneous trades to purchase and sell securities. As the transferor has not relinquished control over the securities, these transactions are accounted for as secured financings and reported as securities purchased under agreements to resell in our consolidated balance sheets. We present cash flows from securities purchased under agreements to resell as investing activities in our consolidated statements of cash flows.

Fannie Mae, in its role as trustee, invests funds held by consolidated trusts directly in eligible short-term third-party investments, which may include securities purchased under agreements to resell. The funds underlying these short-term investments are restricted per the MBS trust agreements.

Investments in Securities

We classify and account for our investments in securities as either trading or available-for-sale (“AFS”).

Both trading and AFS securities are measured at fair value in our consolidated balance sheets and the related purchase discounts or premiums are amortized into interest income over the contractual term of the security using the effective yield method. When securities are sold, we recognize realized gains (losses) on AFS securities using the specific identification method.

Gains (losses) are classified in the consolidated statements of operations and comprehensive income as follows.

	Classification	
	Trading	AFS
Unrealized gains (losses)	Fair value gains (losses), net	Other comprehensive income (loss)
Realized gains (losses)	Fair value gains (losses), net	Investment gains (losses), net

An AFS security is impaired if the fair value of the security is less than its amortized cost. The amount of impairment that represents credit loss is recorded in “(Provision) benefit for credit losses” in our consolidated statements of operations and comprehensive income.

When we own Fannie Mae MBS issued by unconsolidated trusts, the asset is recorded in “Investments in securities, at fair value” in our consolidated balance sheets. We determine the fair value of Fannie Mae MBS based on observable market prices because most Fannie Mae MBS are actively traded. For any subsequent purchase or sale of Fannie Mae MBS issued by unconsolidated trusts, we continue to account for any outstanding recorded amounts associated with the guaranty transaction on the same basis of accounting. We do not derecognize any components of the guaranty assets, guaranty obligations, or any other outstanding recorded amounts associated with the guaranty transaction for the Fannie Mae MBS because our contractual obligation to the MBS trust remains in force until the trust is liquidated.

Mortgage Loans

Loans Held for Sale

When we acquire mortgage loans that we intend to sell or securitize via trusts that will not be consolidated, we classify the loans as held for sale (“HFS”). We report the carrying value of HFS loans at the lower of cost or fair value. Any excess of an HFS loan’s cost over its fair value is recognized as a valuation allowance with the corresponding amount and subsequent changes in the valuation allowance recognized as “Investment gains (losses), net” in our consolidated statements of operations and comprehensive income. We recognize interest income on HFS loans on an accrual basis unless we determine that the ultimate collection of contractual principal or interest payments in full is not reasonably assured. Purchased premiums and discounts on HFS loans are deferred upon loan acquisition, included in the cost basis of the loan, and not amortized. We determine any lower of cost or fair value adjustment on HFS loans at an individual loan level.

In the presentation of our consolidated statements of cash flows, we present cash flows from loans classified as HFS at acquisition as operating activities. If a loan is initially classified as held for investment (“HFI”) and it is redesignated to

HFS, the principal cash flows and sales proceeds from such loans continue to be presented as investing activities in our consolidated statements of cash flows.

Our accounting for redesignations to HFS differs based upon the loan's classification as either nonperforming or performing. Nonperforming loans include both seriously delinquent and reperforming loans. For both single-family and multifamily loans, reperforming loans are loans that were previously delinquent but are performing again because payments on the loan have become current with or without the use of a loan modification plan. Single-family seriously delinquent loans are loans that are 90 days or more past due or in the foreclosure process. Multifamily seriously delinquent loans are loans that are 60 days or more past due. All other loans are considered performing.

For nonperforming loans redesignated from HFI to HFS, based upon a change in our intent, we record the loans at the lower of cost or fair value on the date of redesignation. When the fair value of the nonperforming loan is less than its amortized cost, we record a write-off against the allowance for loan losses in an amount equal to the excess of the amortized cost basis over the fair value of the loan. Any difference between the amount written off upon redesignation and the recorded valuation allowance related to the redesignated loan is recognized in "(Provision) benefit for credit losses" in our consolidated statements of operations and comprehensive income.

For performing loans redesignated from HFI to HFS, based upon a change in our intent, the allowance for loan losses previously recorded on the HFI mortgage loan is reversed through "(Provision) benefit for credit losses" at the time of redesignation. The loan is redesignated to HFS at its amortized cost basis and a valuation allowance is established to the extent that the amortized cost basis of the loan exceeds its fair value. The initial recognition of the valuation allowance and any subsequent changes are recorded as a gain or loss in "Investment gains (losses), net."

Upon redesignation from HFS to HFI, we reverse the valuation allowance on the loan, if any, and establish an allowance for loan losses as needed.

Loans Held for Investment

When we acquire loans that we have the ability and the intent to hold for the foreseeable future or until maturity, we classify the loans as HFI. When we consolidate a securitization trust, we recognize the loans underlying the trust in our consolidated balance sheets. The trusts do not have the ability to sell loans and the use of such loans is limited exclusively to the settlement of obligations of the trusts. Therefore, loans acquired when we have the intent to securitize via consolidated trusts are generally classified as HFI in our consolidated balance sheets both prior to and subsequent to their securitization.

In the presentation of our consolidated statements of cash flows, we present principal cash flows from loans classified as HFI as investing activities and interest cash flows as operating activities.

We report the carrying value of HFI loans at the unpaid principal balance ("UPB"), net of unamortized premiums and discounts, other cost basis adjustments, and allowance for loan losses. We define the amortized cost of HFI loans as UPB and accrued interest receivable, net, including any unamortized premiums, discounts, and other cost basis adjustments. We present accrued interest receivable separately from the amortized cost of our HFI loans in our consolidated balance sheets. We recognize interest income on HFI loans on an accrual basis using the effective yield method over the contractual life of the loan, including the amortization of any deferred cost basis adjustments, such as the premium or discount at acquisition, unless we determine that the ultimate collection of contractual principal or interest payments in full is not reasonably assured.

Nonaccrual Loans

We recognize interest income on an accrual basis except when we believe the collection of principal and interest in full is not reasonably assured. This generally occurs when a single-family loan is 90 days or more past due and a multifamily loan is 60 days or more past due according to its contractual terms. A loan is reported as past due if a full payment of principal and interest is not received within one month of its due date. When a loan is placed on nonaccrual status based on delinquency status, interest previously accrued but not collected on the loan is reversed through interest income.

Cost basis adjustments on HFI loans are amortized into interest income over the contractual life of the loan using the effective yield method. Cost basis adjustments on the loan are not amortized into income while a loan is on nonaccrual status. We have elected not to measure an allowance for credit losses on accrued interest receivable balances as we have a nonaccrual policy to ensure the timely reversal of unpaid accrued interest.

For single-family loans, we recognize any contractual interest payments received on the loan while on nonaccrual status as interest income on a cash basis. For multifamily loans, we account for interest income on a cost recovery basis and we apply any payment received while on nonaccrual status to reduce the amortized cost of the loan. Thus, we do not recognize any interest income on a multifamily loan placed on nonaccrual status until the amortized cost of the loan has been reduced to zero.

A nonaccrual loan is returned to accrual status when the full collection of principal and interest is reasonably assured. We generally determine that the full collection of principal and interest is reasonably assured when the loan returns to current payment status. If a loan is restructured for a borrower experiencing financial difficulty, we require a performance period of up to 6 months before we return the loan to accrual status. Upon a loan's return to accrual status, we resume the recognition of interest income on an accrual basis and the amortization of cost basis adjustments, if any, into interest income. If interest is capitalized pursuant to a restructuring, any capitalized interest that had not been previously recognized as interest income or that had been reversed through interest income when the loan was placed on nonaccrual status is recorded as a discount to the loan and amortized into interest income over the remaining contractual life of the loan.

Allowance for Loan Losses

Our allowance for loan losses is a valuation account that is deducted from the amortized cost basis of HFI loans to present the net amount expected to be collected on the loans. The allowance for loan losses reflects an estimate of expected credit losses on single-family and multifamily HFI loans held by Fannie Mae and by consolidated MBS trusts. Estimates of credit losses are based on expected cash flows derived from internal models that estimate loan performance under simulated ranges of economic environments. Our modeled loan performance is based on our historical experience of loans with similar risk characteristics, adjusted to reflect current conditions and reasonable and supportable forecasts. Our historical loss experience and our credit loss estimates capture the possibility of remote events that could result in credit losses on loans that are considered low risk.

Changes to our estimate of expected credit losses, including changes due to the passage of time, are recorded through the "(Provision) benefit for credit losses" in our consolidated statements of operations and comprehensive income. When calculating our allowance for loan losses, we consider only our amortized cost in the loans at the balance sheet date. We record write-offs as a reduction to the allowance for loan losses when amounts are deemed uncollectible. When losses are confirmed through the receipt of assets in satisfaction of a loan, such as the underlying collateral upon foreclosure or cash upon completion of a short sale, we record a write-off in an amount equal to the excess of a loan's amortized cost over fair value of assets received. We include expected recoveries of amounts previously written off and expected to be written off in determining our allowance for loan losses.

The allowance for loan losses does not consider benefits from freestanding credit enhancements, such as our Connecticut Avenue Securities® ("CAS") and Credit Insurance Risk Transfer™ ("CIRT™") programs and multifamily Delegated Underwriting and Servicing ("DUS®") lender risk-sharing arrangements, which are recorded in "Other assets" in our consolidated balance sheets. Changes in benefits recognized from freestanding credit enhancements are recorded in "Other income (expense), net" in our consolidated statements of operations and comprehensive income.

Single-Family Loans

We estimate the amount expected to be collected on our single-family loans using a discounted cash flow approach. Our allowance for loan losses is calculated as the difference between the amortized cost basis of the loan and the present value of expected cash flows on the loan. Expected cash flows include payments from the borrower, net of fees retained by a third-party for servicing, contractually attached credit enhancements and proceeds from the sale of the underlying collateral, net of selling costs.

When foreclosure of a single-family loan is probable, the allowance for loan losses is calculated as the difference between the amortized cost basis of the loan and the fair value of the collateral as of the reporting date, adjusted for the estimated costs to sell the property and the amount of expected recoveries from contractually attached credit enhancements or other proceeds we expect to receive.

Expected cash flows are developed using internal models that capture market and loan characteristic inputs. Market inputs include information such as actual and forecasted home prices, interest rates, volatility and spreads, while loan characteristic inputs include information such as mark-to-market loan-to-value ("LTV") ratios, delinquency status, geography and borrower credit scores. The model assigns a probability to borrower events including contractual payment, loan payoff and default under various economic environments based on historical data, current conditions and reasonable and supportable forecasts.

The two primary drivers of our forecasted economic environments are interest rates and home prices. Our model projects the range of possible interest rate scenarios over the life of the loan based on actual interest rates and observed option pricing volatility in the capital markets. For single-family home prices, we develop regional forecasts based on Metropolitan Statistical Area data using a multi-path simulation that captures home price projections over a five-year period, the period for which we can develop reasonable and supportable forecasts. After the five-year period, the home price forecast reverts to a historical long-term growth rate.

Expected cash flows on the loan are discounted at the effective interest rate on the loan, adjusted for expected prepayments. We update the discount rate of the loan each reporting period to reflect changes in expected prepayments.

Multifamily Loans

Our allowance for loan losses on multifamily loans is calculated based on estimated probabilities of default and loss severities to derive expected loss ratios, which are then applied to the amortized cost basis of the loans. Our probabilities of default and severity are estimated using internal models based on historical loss experience of loans with similar risk characteristics that affect credit performance, such as debt service coverage ratio ("DSCR"), mark-to-market LTV ratio, collateral type, age, loan size, geography, prepayment penalty term and note type. Our models simulate a range of possible future economic scenarios, which are used to estimate probabilities of default and loss severities. Key inputs to our models include net operating income and property values. These inputs are both projected based on Metropolitan Statistical Area data over the expected life of each loan.

When foreclosure of a multifamily loan is probable, the allowance for loan losses is calculated as the difference between the amortized cost basis of the loan and the fair value of the collateral as of the reporting date, adjusted for the estimated costs to sell the property.

Restructured Loans

We may modify loans to borrowers experiencing financial difficulty as part of our loss mitigation activities and consider the effects of both actual and estimated restructurings in our estimate of expected credit losses. Loan restructurings are evaluated to determine whether they result in a new loan or a continuation of an existing loan. Loan restructurings are generally accounted for as a continuation of the existing loan when borrowers are experiencing financial difficulty as the terms of the restructured loans are typically not at market rates. Further, the allowance for loan losses does not measure the economic concession that is provided to the borrower because, when a discount rate is used to measure impairment, it is based on the loan's restructured terms.

For most restructurings that occurred prior to January 1, 2022, we continue to apply the troubled debt restructuring ("TDR") accounting model. Under the TDR accounting model, we use the discount rate in effect prior to the restructuring to measure impairment on each loan, which results in the recognition of the economic concession granted to borrowers as part of the restructuring in the allowance for loan losses. As a result, the economic concession related to these loans will continue to be measured in our allowance for loan losses and may increase or decrease as we update our cash flow assumptions related to the loan's expected life. Further, the component of the allowance for loan losses representing economic concessions will decrease as the borrower makes payments in accordance with the restructured terms of the loan and as the loan is sold, liquidated, or subsequently restructured.

Foreclosed Property

We present foreclosed property in "Other assets" in our consolidated balance sheets. We held $1.9 billion and $1.7 billion of acquired property, net as of December 31, 2025 and December 31, 2024, respectively.

Advances to Lenders

Advances to lenders represent our payments of cash in exchange for the receipt of loans from lenders in a transfer that is accounted for as a secured lending arrangement. These transfers primarily occur when we provide early funding to lenders for loans that they will subsequently either sell to us or securitize into a Fannie Mae MBS that they will deliver to us. We individually negotiate early lender funding advances with our lenders. Early lender funding advances have terms up to 60 days and earn a short-term market rate of interest.

We report cash outflows from advances to lenders as an investing activity in our consolidated statements of cash flows. Settlements of the advances to lenders, other than through lender repurchases of loans, are not collected in cash, but rather in the receipt of either loans or Fannie Mae MBS. Accordingly, this activity is reflected as non-cash supplemental information, which is disclosed in the "Non-Cash Activities Related to Mortgage Loans" table of "Note 4, Mortgage Loans" in the line item entitled "Mortgage loans received by consolidated trusts to satisfy advances to lenders."

Income Taxes

We recognize deferred tax assets and liabilities based on the differences in the book and tax bases of assets and liabilities. We measure deferred tax assets and liabilities using enacted tax rates that are applicable to the periods that the differences are expected to reverse. We adjust deferred tax assets and liabilities for the effects of changes in tax laws and rates in the period of enactment. We recognize investment and other tax credits through our effective tax rate calculation assuming that we will be able to realize the full benefit of the credits.

We invest in Low-Income Housing Tax Credit ("LIHTC") projects pursuant to Section 42 of the Internal Revenue Code, which generate both tax credits and net operating losses. We elect the proportional amortization method and amortize the cost of a LIHTC investment each reporting period in proportion to the tax credits and other tax benefits received. We recognize the resulting amortization as a component of the "Provision for federal income taxes" in our consolidated statements of operations and comprehensive income.

We present deferred taxes net in our consolidated balance sheets. We reduce our deferred tax assets by an allowance if, based on the weight of available positive and negative evidence, it is more likely than not (a probability of greater than 50%) that we will not realize some portion, or all, of the deferred tax asset.

We account for uncertain tax positions using a two-step approach whereby we recognize an income tax benefit if, based on the technical merits of a tax position, it is more likely than not that the tax position would be sustained upon examination by the taxing authority, which includes all related appeals and litigation. We then measure the recognized tax benefit based on the largest amount of tax benefit that is greater than 50% likely to be realized upon settlement with the taxing authority, considering all information available at the reporting date. We recognize any associated interest as a component of income before federal income taxes in our consolidated statements of operations and comprehensive income. Our tax years 2022 through 2024 remain open to examination by the Internal Revenue Service ("IRS").

Derivative Instruments

We recognize derivatives in a gain position in "Other assets" and derivatives in a loss position in "Other liabilities" in our consolidated balance sheets at their fair value on a trade date basis. Changes in fair value and interest accruals on derivatives not in qualifying fair value hedging relationships are recorded as "Fair value gains (losses), net" in our consolidated statements of operations and comprehensive income. We offset the carrying amounts of certain derivatives that are in gain positions and loss positions as well as cash collateral receivables and payables associated with derivative positions pursuant to the terms of enforceable master netting arrangements. We offset these amounts only when we have the legal right to offset under the contract and we have met all the offsetting conditions. For our over-the-counter ("OTC") derivative positions, our master netting arrangements allow us to net derivative assets and liabilities with the same counterparty. For our cleared derivative contracts, our master netting arrangements allow us to net our exposure by clearing organization and by clearing member.

We present cash flows from derivatives that do not contain financing elements and their related gains and losses as operating activities in our consolidated statements of cash flows.

We evaluate financial instruments that we purchase or issue and other financial and non-financial contracts for embedded derivatives. To identify embedded derivatives that we must account for separately, we determine whether: (1) the economic characteristics of the embedded derivative are not clearly and closely related to the economic characteristics of the financial instrument or other contract (i.e., the host contract); (2) the financial instrument or other contract itself is not already measured at fair value with changes in fair value included in earnings; and (3) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative. If the embedded derivative meets all three of these conditions, we elect to carry the hybrid contract in its entirety at fair value with changes in fair value recorded in earnings.

Fair Value Hedge Accounting

To reduce earnings volatility related to changes in benchmark interest rates, we apply fair value hedge accounting to certain pools of single-family loans and certain issuances of our funding debt by designating such instruments as the hedged item in hedging relationships with interest-rate swaps. In these relationships, we have designated the change in the benchmark interest rate, the Secured Overnight Financing Rate ("SOFR"), as the risk being hedged. We have elected to use the portfolio layer method to hedge certain pools of single-family loans. This election involves establishing fair value hedging relationships on the portion of each loan pool that is not expected to be affected by prepayments, defaults and other events that affect the timing and amount of cash flows. The term of each hedging relationship is generally one business day and we typically establish hedging relationships each business day to align our hedge accounting with our risk management practices.

We apply hedge accounting to qualifying hedging relationships. A qualifying hedging relationship exists when changes in the fair value of a derivative hedging instrument are expected to be highly effective in offsetting changes in the fair value of the hedged item attributable to the risk being hedged during the term of the hedging relationship. We assess hedge effectiveness using statistical regression analysis. A hedging relationship is considered highly effective if the total change in fair value of the hedging instrument and the change in the fair value of the hedged item due to changes in the benchmark interest rate offset each other within a range of 80% to 125% and certain other statistical tests are met.

If a hedging relationship qualifies for hedge accounting, the change in the fair value of the interest-rate swap and the change in the fair value of the hedged item for the risk being hedged are recorded through net interest income. A

corresponding basis adjustment is recorded against the hedged item, either the pool of loans or the debt, for the changes in the fair value attributable to the risk being hedged. For hedging relationships that hedge pools of single-family loans, basis adjustments are allocated to individual single-family loans based on the relative UPB of each loan at the termination of the hedging relationship. The cumulative basis adjustments on the hedged item are amortized into earnings using the effective yield method over the contractual life of the hedged item, with amortization beginning upon termination of the hedging relationship.

All changes in fair value of the designated portion of the derivative hedging instrument (i.e., interest-rate swap), including interest accruals, are recorded in the same line item in the consolidated statements of operations and comprehensive income used to record the earnings effect of the hedged item. Therefore, changes in the fair value of the hedged loans and debt attributable to the risk being hedged are recognized in “Interest income” or “Interest expense,” respectively, along with the changes in the fair value of the respective derivative hedging instruments.

The recognition of basis adjustments on the hedged item and the subsequent amortization are noncash activities and are removed from net income to derive the “Net cash provided by (used in) operating activities” in our consolidated statements of cash flows. Cash paid or received on designated derivative instruments during a hedging relationship is reported as “Net cash provided by (used in) operating activities” in the consolidated statements of cash flows.

Commitments to Purchase and Sell Loans and Securities

We enter into commitments to purchase and sell mortgage-backed securities and to purchase single-family and multifamily loans. Certain of these commitments to purchase or sell mortgage-backed securities and to purchase single-family loans are accounted for as derivatives, while other commitments are not within the scope of the derivative accounting criteria or do not meet the definition of a derivative.

Our commitments for the purchase and sale of regular-way securities trades are exempt from derivative accounting and are recorded on their trade date.

When derivative purchase commitments settle, we include the fair value on the settlement date in the cost basis of the loan or unconsolidated security we purchase. When derivative commitments to sell securities settle, we include the fair value of the commitment on the settlement date in the cost basis of the security we sell. Purchases and sales of securities issued by our consolidated single-class securitization trusts and certain resecuritization trusts where the security that has been issued by the trust is substantially the same as the underlying collateral are treated as extinguishments or issuances of the underlying MBS debt, respectively. For commitments to purchase and sell securities issued by these trusts, we recognize the fair value of the commitment on the settlement date as a component of debt extinguishment gains and losses or in the cost basis of the debt issued, respectively.

Collateral

We enter into various transactions where we pledge and accept collateral, the most common of which are our derivative transactions. Required collateral levels vary depending on the credit rating and type of counterparty. We also pledge and receive collateral under our repurchase and reverse repurchase agreements. In order to reduce potential exposure to counterparties for securities purchased under agreements to resell, a third-party custodian typically maintains the collateral and any margin. We monitor the fair value of the collateral received from our counterparties, and we may require additional collateral from those counterparties in accordance with contractual terms.

Cash Collateral

We record cash collateral accepted from a counterparty that we have the right to use as “Cash” and cash collateral accepted from a counterparty that we do not have the right to use as “Restricted cash” in our consolidated balance sheets. We net our obligation to return cash collateral pledged to us against the fair value of derivatives in a gain position recorded in “Other assets” in our consolidated balance sheets when the offsetting requirements have been met as part of our counterparty netting calculation.

For derivative positions with the same counterparty under master netting arrangements where we pledge cash collateral, we remove it from “Cash” and net the right to receive it against the fair value of derivatives in a loss position recorded in “Other liabilities” in our consolidated balance sheets as a part of our counterparty netting calculation.

Non-Cash Collateral

We classify securities pledged to counterparties as “Investments in securities, at fair value” in our consolidated balance sheets. Securities that we own that are pledged to counterparties may include securities issued by consolidated VIEs. The pledged collateral is classified as “Mortgage loans” when the trust that issued the security has been consolidated to align with the classification of the underlying asset.

We posted U.S. Treasury securities of $8.2 billion and $8.9 billion as collateral as of December 31, 2025 and December 31, 2024, respectively. The fair value of non-cash collateral received was $45.6 billion and $56.3 billion, of which $43.4 billion and $49.0 billion could be sold or repledged, as of December 31, 2025 and December 31, 2024, respectively. None of the underlying collateral we received was sold or repledged as of December 31, 2025 or December 31, 2024.

Debt

Our consolidated balance sheets contain debt of Fannie Mae as well as debt of consolidated trusts. We report debt issued by us as "Debt of Fannie Mae" and by consolidated trusts as "Debt of consolidated trusts." Debt issued by us represents debt that we issue to third parties to fund our general business activities and certain credit risk-sharing securities. The debt of consolidated trusts represents the amount of Fannie Mae MBS issued from such trusts that is held by third-party certificateholders and prepayable without penalty at any time. We report deferred items, including premiums, discounts and other cost basis adjustments, as adjustments to the related debt balances in our consolidated balance sheets. Our liability to third-party holders of Fannie Mae MBS that arises as the result of a consolidation of a securitization trust is collateralized by the underlying loans and/or mortgage-related securities.

We classify interest expense as either short-term or long-term based on the contractual maturity of the related debt. We recognize the amortization of premiums, discounts and other cost basis adjustments through interest expense using the effective yield method over the contractual term of the debt. Amortization of premiums, discounts and other cost basis adjustments begins at the time of debt issuance.

We purchase and sell guaranteed MBS that have been issued through lender swap and portfolio securitization transactions. When we purchase or sell a Fannie Mae MBS issued from a consolidated single-class securitization trust and certain resecuritization trusts where the security that has been issued by the trust is substantially the same as the underlying collateral, we extinguish or issue, respectively, the related debt of the consolidated trust to reflect the debt that is owed to a third-party. For the extinguishment of debt, we record debt extinguishment gains or losses related to debt of consolidated trusts for any difference between the purchase price of the MBS and the carrying value of the related consolidated MBS debt reported in our consolidated balance sheets (including unamortized premiums, discounts and other cost basis adjustments) at the time of purchase as a component of "Investment gains (losses), net" in our consolidated statements of operations and comprehensive income. When we issue consolidated debt, the debt is recorded at its fair value with any premiums or discounts amortized over the securities' contractual life.

New Accounting Guidance

Income Taxes

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which enhances the required disclosures primarily related to the income tax rate reconciliation and income taxes paid. The ASU requires an entity's income tax rate reconciliation to provide additional information for reconciling items meeting a quantitative threshold, and to disclose certain selected categories within the income tax rate reconciliation. The ASU also requires entities to disclose the amount of income taxes paid, disaggregated by federal, state and foreign taxes. We adopted this ASU retrospectively for the annual period ended December 31, 2025. The adoption of this guidance did not have a material impact on our consolidated financial statements.

Purchased Financial Assets

In November 2025, the FASB issued ASU 2025-08, *Financial Instruments—Credit Losses (Topic 326): Purchased Loans* which amends the guidance to align the accounting for purchased seasoned loans with the accounting for purchases of financial assets that have experienced more-than-insignificant credit deterioration since origination. Specifically, the ASU requires a "gross-up approach" on purchased seasoned loans such that the initial measurement of the loan is equal to the purchase price plus the expected credit losses on the loan at the date of acquisition. Seasoned purchased loans include loans obtained in a business combination and loans acquired more than 90 days after their origination date by a transferee that was not involved in their origination.

The ASU is effective for reporting periods beginning after December 15, 2026 and the guidance is applied prospectively to loans acquired on or after January 1, 2027. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

2. Conservatorship, Senior Preferred Stock Purchase Agreement and Related Matters

Conservatorship

In September 2008, FHFA was appointed as our conservator pursuant to authority provided by the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended (the "GSE Act"). Conservatorship is a statutory process designed to preserve and conserve our assets and property and put the company in a sound and solvent condition. Our conservatorship has no specified termination date.

FHFA, as conservator, succeeded to:

- all rights, titles, powers and privileges of Fannie Mae, and of any stockholder, officer or director of Fannie Mae with respect to Fannie Mae and its assets; and
- title to the books, records and assets of any other legal custodian of Fannie Mae.

As conservator, FHFA has broad authority over our business and operations, including the authority to:

- direct us to enter into contracts or enter into contracts on our behalf; and
- transfer or sell our assets or liabilities.

The GSE Act provides special protections for mortgage loans and mortgage-related assets we hold in trust. Specifically, mortgage loans and mortgage-related assets that have been transferred to a Fannie Mae MBS trust must be held by the conservator for the beneficial owners of such MBS and cannot be used to satisfy the company's general creditors.

While we are operating in conservatorship, our directors:

- serve on behalf of the conservator;
- exercise their authority as directed by and with the approval (where required) of the conservator;
- owe their fiduciary duties of care and loyalty solely to the conservator, and not to either the company or the stockholders; and
- are elected by the conservator, not by our stockholders.

FHFA, as conservator, has issued an order authorizing our Board of Directors to exercise specified functions and authorities, and instructions regarding matters for which conservator decision or notification is required. The conservator retains the authority to amend or withdraw its order and instructions at any time.

The conservator has suspended stockholder meetings since conservatorship, and our common stockholders are not empowered to vote on directors or any other matters. The conservator also eliminated dividends on our common and preferred stock (other than dividends on the senior preferred stock described below) during the conservatorship.

Receivership

Under the GSE Act, the FHFA Director must place us into receivership if he determines that our assets are less than our obligations (that is, we have a net worth deficit) or if we have not been paying our debts as they become due, in either case, for a period of 60 days. FHFA has clarified that the 60-day measurement period will commence no earlier than the SEC filing deadline for our Form 10-K or Form 10-Q for the relevant period. In addition, the FHFA Director may, with the prior consent of Treasury, place us into receivership at the Director's discretion at any time for other reasons set forth in the GSE Act, including if we are critically undercapitalized or if we are undercapitalized and have no reasonable prospect of becoming adequately capitalized. Should we be placed into receivership, different assumptions would be required to determine the carrying value of our assets, which would likely lead to substantially different financial results.

Senior Preferred Stock Purchase Agreement

Overview

FHFA, as conservator, entered into a senior preferred stock purchase agreement with the U.S. Department of the Treasury ("Treasury") on our behalf in September 2008. In connection with that agreement, we issued Treasury one million shares of Variable Liquidation Preference Senior Preferred Stock, Series 2008-2, which we refer to as the "senior preferred stock," and a warrant to purchase shares equal to 79.9% of our common stock, on a fully diluted basis, for a nominal price of $0.00001 per share. As described in the table below, Treasury made a commitment under the senior preferred stock purchase agreement to provide funding to us under certain circumstances if we have a net worth deficit. We have assigned a value of $4.5 billion to Treasury's commitment, which was recorded as a reduction to additional

paid-in-capital at the time of the issuance and was partially offset by the aggregate fair value of the warrant of $3.5 billion. We received no cash consideration for issuing either the senior preferred stock or the warrant.

The senior preferred stock purchase agreement and the terms of the senior preferred stock have been amended multiple times since 2008 by FHFA (acting on our behalf) and Treasury. Such amendments to the senior preferred stock qualified as modifications rather than the extinguishment and issuance of a new equity instrument. As a result, the amendments did not trigger a change in the carrying value of the senior preferred stock when such amendments were executed.

The senior preferred stock purchase agreement and accompanying stock certificate as amended to date include key provisions that impact us, including those described in the table below. For a discussion of the current terms of the senior preferred stock related to dividends, liquidation preference, and limits on redemptions and paydowns, see "Note 12, Equity."

Treasury Funding Commitment	• On a quarterly basis, we may draw funds from Treasury to cover the amount that our total liabilities exceed our total assets for the applicable fiscal quarter (referred to as the "deficiency amount"), up to the amount of remaining funding commitment under the agreement. • As of the date of this filing: ◦ $119.8 billion has been paid to us by Treasury under this funding commitment; and ◦ $113.9 billion of funding commitment from Treasury remains; this amount would be reduced by any future payments by Treasury under the commitment.
Termination Provisions for Funding Commitment	• Treasury's funding commitment has no specified end date, but will terminate upon: ◦ our liquidation and the fulfillment of Treasury's obligations under its funding commitment; ◦ the payment in full of, or reasonable provision for, our liabilities (whether or not contingent, including guaranty obligations); or ◦ Treasury funding the maximum amount under the agreement. • Treasury also may terminate its funding commitment and void the agreement if a court vacates, modifies, amends, conditions, enjoins, stays or otherwise affects the appointment of the conservator or curtails the conservator's powers.
Rights of Debt and MBS Holders	• Holders of our debt securities or our guaranteed MBS may file a claim in the United States Court of Federal Claims for relief if we default on our payment obligations on those securities and: ◦ we and the conservator fail to exercise all rights under the agreement to draw on Treasury's funding commitment, or ◦ Treasury fails to perform its obligations under its funding commitment and we and/or the conservator are not diligently pursuing remedies for Treasury's failure. • Holders may seek to require Treasury to fund us up to: ◦ the amount necessary to cure the relevant payment defaults; ◦ the deficiency amount; or ◦ the amount of remaining funding under the agreement, whichever is the least. Any Treasury funding provided under these circumstances would increase the liquidation preference of the senior preferred stock. • The terms of the agreement generally may be amended or waived; however, no such amendment or waiver may decrease Treasury's aggregate funding commitment or add conditions to Treasury's funding commitment that would adversely affect in any material respect the holders of our debt or guaranteed MBS.

Commitment Fee	• The agreement provides for the payment of an unspecified quarterly commitment fee to Treasury to compensate it for its ongoing support under the agreement. • The agreement also provides that: ◦ Until the capital reserve end date, the periodic commitment fee will not be set, accrue, or be payable. The capital reserve end date is defined as the last day of the second consecutive fiscal quarter during which we have had and maintained capital equal to or exceeding the capital requirements and buffers set forth in the enterprise regulatory capital framework. ◦ No later than the capital reserve end date, we and Treasury, in consultation with the Chair of the Federal Reserve, will agree on the amount of the periodic commitment fee.

Covenants

The senior preferred stock purchase agreement contains covenants that prohibit us (and, in one instance, FHFA) from taking several actions without the prior written consent of Treasury or require us to take specified actions, including the following described in the table below:

Dividends and Share Repurchases	• We may not pay dividends or make other distributions on or repurchase our equity securities (other than the senior preferred stock).
Issuances of Equity Securities	• We may not issue equity securities, except for common stock issued: ◦ upon exercise of the warrant; ◦ as required by any pre-conservatorship agreements; and ◦ following the satisfaction of two conditions: (a) the exercise of the warrant in full, and (b) the resolution of all currently pending significant litigation relating to the conservatorship and the August 2012 amendment to the senior preferred stock purchase agreement.
Termination of Conservatorship	• Neither we nor FHFA may terminate or seek to terminate the conservatorship without the prior consent of Treasury, other than through a mandatory receivership.
Asset Dispositions	• We may not sell, transfer, lease or otherwise dispose of any assets, except for dispositions for fair market value in limited circumstances, including if: ◦ the transaction is in the ordinary course of business and consistent with past practice; or ◦ the assets have a fair market value individually or in the aggregate of less than $250 million.
Subordinated Debt	• We may not issue any subordinated debt securities.
Mortgage Assets Limit	• We may not hold mortgage assets in excess of $225 billion.
Indebtedness Limit	• We may not have indebtedness in excess of $270 billion.
Executive Compensation	• We may not enter into any new compensation arrangements or increase amounts or benefits payable under existing compensation arrangements with any of our executive officers (as defined by Securities and Exchange Commission (“SEC”) rules) without the consent of the FHFA Director, in consultation with the Secretary of the Treasury.
Equitable Access and Offers for Single-Family Mortgage Loans	• We may not vary our pricing or acquisition terms for single-family loans based on the business characteristics of the seller, including the seller’s size, charter type, or volume of business with us. • We must offer to purchase at all times, for equivalent cash consideration and on substantially the same terms, any single-family mortgage loan that: ◦ is of a class of loans that we then offer to acquire for inclusion in our MBS or for other non-cash consideration; ◦ is offered by a seller that has been approved to do business with us; and ◦ has been originated and sold in compliance with our underwriting standards.

Single-Family Loan Eligibility Program	• We must maintain a program reasonably designed to ensure that the single-family loans we acquire are limited to: ◦ qualified mortgages, as defined in the Consumer Financial Protection Bureau's (the "CFPB's") ability-to-repay and qualified mortgage rule; ◦ loans exempt from the CFPB's ability-to-repay and qualified mortgage rule; ◦ loans secured by an investment property; ◦ refinancing loans with streamlined underwriting originated in accordance with our eligibility criteria for high LTV ratio refinancings; ◦ loans originated with temporary underwriting flexibilities during times of exigent circumstances, as determined in consultation with FHFA; ◦ loans secured by manufactured housing; and ◦ such other loans that FHFA may designate that were eligible for purchase by us as of January 2021. In 2021, FHFA notified us that we are permitted to continue to acquire any government loan that would have been eligible for acquisition by us as of January 2021.
Enterprise Regulatory Capital Framework	• We are required to comply with the enterprise regulatory capital framework rule as amended from time to time.
Risk Management Plan	• While in conservatorship, we must provide an annual risk management plan to Treasury.

Senior Preferred Stock and Common Stock Warrant

For information about the senior preferred stock and the common stock warrant, see "Note 12, Equity."

Impact of U.S. Government Support

We have been operating under the control of FHFA as conservator since 2008, which is a form of government support. We continue to rely on financial support from Treasury pursuant to our senior preferred stock purchase agreement to eliminate any net worth deficits we may experience in the future, which would otherwise trigger our being placed into receivership by FHFA. Treasury also has authority under the Charter Act to purchase up to $2.25 billion of the debt obligations that we issue. We believe that continued support from Treasury and our status as a government-sponsored enterprise are essential to maintaining our access to debt funding and maintaining the liquidity necessary to conduct our normal business activities. Therefore, changes or perceived changes in (i) our status as a government-sponsored enterprise, (ii) our support from Treasury and/or (iii) the creditworthiness of the U.S. government could have a material adverse impact on our access to debt funding or the cost of debt funding. These events would have a negative impact on our liquidity, financial condition, and results of operations. Our reliance on support from the U.S. government is critical to keeping us operating as a going concern. Our conservator has not made us aware of any plans that would fundamentally change our business model or make any other significant changes that would affect our ability to continue as a going concern.

Related Parties

Because Treasury holds a warrant to purchase shares of Fannie Mae common stock equal to 79.9% of the total number of shares of Fannie Mae common stock, we and Treasury are deemed related parties. As of December 31, 2025, Treasury held an investment in our senior preferred stock with an aggregate liquidation preference of $227.0 billion.

FHFA's control of both Fannie Mae and Freddie Mac has caused Fannie Mae, FHFA and Freddie Mac to be deemed related parties. Additionally, Fannie Mae and Freddie Mac jointly own U.S. Financial Technology, LLC ("U.S. FinTech"), formerly named Common Securitization Solutions, LLC, a limited liability company created to operate a common securitization platform; as a result, U.S. FinTech is deemed a related party.

Recurring transactions with our related parties are described below:

Related Party	Transaction	Description
Treasury	Temporary Payroll Tax Cut Continuation Act of 2011 ("TCCA")	Under the TCCA, we have an obligation to collect 10 basis points in guaranty fees on single-family mortgages delivered to us and pay the associated revenue to Treasury. The Infrastructure Investment and Jobs Act was enacted in November 2021 and extended our obligation under the TCCA to October 1, 2032. In January 2022, FHFA advised us to continue to collect and pay these TCCA fees on and after October 1, 2032 with respect to loans we acquired before this date until those loans are paid off or otherwise liquidated.
	Capital Magnet Fund	The GSE Act requires us to set aside funding obligations for Treasury's Capital Magnet Fund. These funding obligations are measured as the product of 4.2 basis points and the UPB of our total new business purchases for the respective period, with 35% of this amount payable to Treasury's Capital Magnet Fund.
FHFA	Annual Assessments under the GSE Act	The GSE Act authorizes FHFA to establish an annual assessment for regulated entities, including Fannie Mae, for FHFA's costs and expenses, as well as to maintain FHFA's working capital.
Treasury & Freddie Mac	Making Home Affordable Program	We served as program administrator for Treasury's Home Affordable Modification Program ("HAMP") and other initiatives under Treasury's Making Home Affordable Program. Our role as program administrator concluded in the third quarter of 2023. We received reimbursements from Treasury and Freddie Mac for expenses incurred in this role and our final reimbursement was received in the fourth quarter of 2023.
U.S. FinTech & Freddie Mac	Equity Investment in U.S. FinTech	Our investment in U.S. FinTech is accounted for using the equity method. As a part of our joint ownership, Fannie Mae, Freddie Mac and U.S. FinTech are parties to several agreements which set forth the overall framework for the joint venture and the terms under which U.S. FinTech provides mortgage securitization services to us and Freddie Mac. U.S. FinTech operates as a separate company from us and Freddie Mac, with all funding and limited administrative support services and other resources provided to it by us and Freddie Mac.

The following table provides the income statement impact of our related party transactions for the periods presented in addition to the associated liability at period end. The associated liability represents amounts accrued with respect to the related party transactions that have not yet been paid to the applicable related parties. In addition to the impact described in the table below, our equity investment in U.S. FinTech is classified as "Other assets" in our consolidated balance sheets. We contributed $82 million and $68 million to U.S. FinTech for the years ended December 31, 2025 and 2024, respectively.

Related Party	Activity	Income Statement Classification	For the Year Ended December 31,			Other Liabilities as of December 31,	
			2025	2024	2023	2025	2024
			(Dollars in millions)				
Treasury	TCCA fees	Legislative assessments	$ 3,424	$ 3,442	$ 3,431	$ 854	$ 861
Treasury	Treasury's Capital Magnet Fund	Legislative assessments	60	56	54	60	56
FHFA	FHFA assessments	Legislative assessments	154	164	159	—	—
Treasury & Freddie Mac	Making Home Affordable Program reimbursements	Other income (expense), net	—	—	6	—	—
U.S. FinTech & Freddie Mac	Net operating losses associated with our investment in U.S. FinTech	Other income (expense), net	81	68	72	—	—

In the ordinary course of business, Fannie Mae may purchase and sell securities issued by Treasury and Freddie Mac in the capital markets. Some of the structured securities we issue are backed in whole or in part by Freddie Mac securities. Fannie Mae and Freddie Mac each have agreed to indemnify the other party for losses caused by: its failure to meet its payment or other specified obligations under the trust agreements pursuant to which the underlying resecuritized securities were issued; its failure to meet its obligations under the customer services agreement; its violations of laws; or with respect to material misstatements or omissions in offering documents, ongoing disclosures and materials relating to the underlying resecuritized securities. Additionally, we make regular income tax payments to and receive tax refunds from the IRS, a bureau of Treasury.

3. Consolidations and Transfers of Financial Assets

We have interests in various entities that are considered to be VIEs. The primary types of entities are:

- securitization trusts;
- resecuritization trusts;
- housing partnerships that are established to finance the acquisition, construction, development or rehabilitation of affordable multifamily housing; and
- certain credit risk transfer special purpose entities.

These interests may include guarantees to the VIE on behalf of the holders of the securities issued by the VIE and/or investments in the securities issued by VIEs, such as Fannie Mae MBS created pursuant to our securitization transactions. We consolidate the substantial majority of our single-class securitization trusts because our role as guarantor and master servicer provides us with the power to direct activities (primarily the servicing of mortgage loans) that impact the credit risk to which we are exposed. In contrast, we do not consolidate single-class securitization trusts when other organizations have the power to direct these activities unless we have the unilateral ability to dissolve the trust. We also do not consolidate our resecuritization trusts unless we have the unilateral ability to dissolve the trust. We may include securities issued by Freddie Mac in some of our resecuritization trusts. The mortgage loans that serve as collateral for Freddie Mac-issued securities are not held in trusts that are consolidated by Fannie Mae.

Types of VIEs

Securitization Trusts

We create single-class securitization trusts to issue single-class Fannie Mae MBS that evidence an undivided interest in the mortgage loans held in the trust. Investors in Fannie Mae MBS receive principal and interest payments in proportion to their percentage ownership of the Fannie Mae MBS issued. We guarantee to each single-class securitization trust that we will supplement amounts received by the securitization trust as required to permit timely payments of principal and interest on the related Fannie Mae MBS. This guaranty exposes us to credit losses on the loans underlying Fannie Mae MBS.

Single-class securitization trusts are used for lender swap and portfolio securitization transactions. We consolidate single-class securitization trusts that are created under these programs when our role as master servicer provides us with the power to direct activities, such as the servicing of the mortgage loans, that impact the credit risk to which we are exposed. In contrast, we do not consolidate single-class securitization trusts when other organizations have the power to direct these activities (for example, when the mortgage loan collateral is subject to a Federal Housing Administration guaranty and related Servicing Guide).

Resecuritization Trusts

Fannie Mae single-class resecuritization trusts, which include Fannie Megas® and Supers®, are created by depositing MBS into a new securitization trust for the purpose of aggregating multiple mortgage-related securities (generally Fannie Mae MBS, Freddie Mac MBS or combinations of both) into one combined security. Fannie Mae multi-class resecuritization trusts are trusts we create to issue multi-class Fannie Mae structured securities, including real-estate mortgage investment conduits (“REMIC”) and stripped mortgage-backed securities (“SMBS”), in which the cash flows of the underlying mortgage assets are divided, creating several classes of securities, each of which represents a beneficial ownership interest in a separate portion of the cash flows.

We guaranty to each Fannie Mae resecuritization trust that we will supplement amounts received by the trust as required to permit timely principal and interest payments on the related Fannie Mae security. As the underlying collateral may have been previously guaranteed by Fannie Mae, we are only exposed to incremental credit risk when we guaranty the timely payment of principal and interest on underlying securities that were issued by Freddie Mac and were not previously guaranteed by us. We may also be exposed to prepayment risk via our ownership of securities issued by

these trusts. Additionally, we earn a fee for assisting the lenders and dealers with the design and issuance of these securities.

We do not have any incremental rights or powers related to resecuritization trusts that would enable us to direct any activities of the underlying trust. As a result, we have concluded that we are not the primary beneficiary of, and therefore do not consolidate, our resecuritization trusts unless we have the unilateral right to dissolve the trust. We have this right when we hold 100% of the beneficial interests issued by the resecuritization trust.

Limited Partnerships

Our LIHTC investments primarily represent limited partnership interests in entities that have been organized by a fund manager who acts as the general partner. These LIHTC partnerships seek out equity investments in LIHTC operating partnerships that have been established to identify, develop and operate affordable multifamily housing that is leased to qualifying residential tenants. Fannie Mae does not consolidate these entities because our limited partnership interest does not provide us with a controlling financial interest.

Special Purpose Vehicles Associated with Our Credit Risk Transfer Programs

We transfer mortgage credit risk to investors through both Connecticut Avenue Securities ("CAS") special purpose vehicles ("SPVs") and Multifamily Connecticut Avenue Securities ("MCAS") SPVs. CAS and MCAS SPVs are separate legal entities that issue notes that are fully collateralized by cash deposited into a collateral account held by the respective CAS or MCAS SPV and is invested in short-term highly rated investments. To the extent that collateral held by the CAS or MCAS SPV and the earnings thereon are insufficient relative to the payments due to holders of the CAS or MCAS notes, we may be required to make payments to the CAS or MCAS SPVs. The CAS and MCAS SPV qualify as VIEs. We do not have the power to direct significant activities of the CAS or MCAS SPVs while the CAS and MCAS SPVs are outstanding, and, therefore, we do not consolidate CAS or MCAS SPVs.

Unconsolidated VIEs

The following table displays our maximum exposure to loss as a result of our involvement with unconsolidated VIEs and the total assets of the VIEs.

Our maximum exposure to loss generally represents the greater of our carrying amount related to our involvement with unconsolidated securitization and resecuritization trusts or the UPB of the assets covered by our guaranty. Our involvement in unconsolidated resecuritization trusts may give rise to additional exposure to loss depending on the type of resecuritization trust. Fannie Mae resecuritization trusts that are backed entirely by Fannie Mae MBS are not consolidated and do not give rise to any additional exposure to loss as we already consolidate the underlying collateral. In contrast, Fannie Mae resecuritization trusts that are backed in whole or in part by Freddie Mac securities may increase our exposure to loss to the extent that we are providing a guaranty for the timely payment and interest on the underlying Freddie Mac securities that we have not previously guaranteed. Our maximum exposure to loss for these unconsolidated trusts is measured by the amount of Freddie Mac securities that are held in these resecuritization trusts. While our total assets for unconsolidated trusts are measured based on the aggregate value of the trusts, our maximum exposure to loss is limited to our ownership interest.

	As of			
	December 31, 2025		**December 31, 2024**	
	Total Assets	**Maximum Exposure to Loss**	**Total Assets**	**Maximum Exposure to Loss**
	(Dollars in millions)			
Securitization and resecuritization trusts[1]	**$ 535,491**	**$ 199,010**	$ 203,841	$ 203,316
Credit risk transfer SPVs[2]	**22,835**	**22,847**	23,222	23,224
LIHTC investments[3]	**6,973**	**750**	6,428	669

(1) The net carrying amount of securitization and resecuritization trusts were $14.1 billion and $1.2 billion as of December 31, 2025 and December 31, 2024, respectively, which are primarily classified in “Investments in securities, at fair value” in our consolidated balance sheets.

(2) Maximum exposure to loss of credit risk transfer SPVs consists of the UPB and accrued interest payable of obligations issued by Connecticut Avenue Securities® ("CAS") and Multifamily Connecticut Avenue Securities® ("MCAS") SPVs.

(3) The net carrying value of LIHTC investments that represent VIEs was $750 million and $669 million as of December 31, 2025 and December 31, 2024, respectively. The net carrying value of all LIHTC investments was $2.5 billion and $2.0 billion as of December 31, 2025 and December 31, 2024, respectively. In our consolidated balance sheets, the LIHTC investment assets and liabilities are classified as “Other assets” and “Other liabilities,” respectively.

As of December 31, 2025, the UPB of our multifamily loan portfolio was $525.0 billion. As our lending relationship does not provide us with a controlling financial interest in the borrower entity for loans in our multifamily loan portfolio, we do not consolidate these borrowers regardless of their status as either a VIE or a voting interest entity. We have excluded these entities from our VIE disclosures; however, the disclosures we have provided in “Note 4, Mortgage Loans,” “Note 5, Allowance for Credit Losses” and “Note 7, Financial Guarantees” with respect to this population are consistent with the FASB’s stated objectives for the disclosures related to unconsolidated VIEs.

Transfers of Financial Assets and Portfolio Securitizations

We issue single-class Fannie Mae MBS through portfolio securitization transactions by transferring pools of mortgage loans or mortgage-related securities to one or more trusts or special purpose entities. For the years ended December 31, 2025, 2024 and 2023, the UPB of portfolio securitizations was $140.6 billion, $139.7 billion and $131.6 billion, respectively. We consolidate the substantial majority of our portfolio securitization trusts.

We retain interests from the transfer and sale of mortgage-related securities to unconsolidated single-class portfolio securitization trusts and unconsolidated single class and multi-class portfolio resecuritization trusts. As of December 31, 2025, the UPB of retained interests was $1.0 billion and its related fair value was $1.3 billion. As of December 31, 2024, the UPB of retained interests was $661 million and its related fair value was $1.0 billion. For the years ended December 31, 2025, 2024 and 2023, the principal, interest and other fees received on retained interests was $242 million, $253 million and $282 million, respectively.

4. Mortgage Loans

We record on our consolidated balance sheets single-family mortgage loans, which are secured by four or fewer residential dwelling units, and multifamily mortgage loans, which are secured by five or more residential dwelling units. We classify these loans as either HFI or HFS. Unless otherwise noted, within this note, we report the amortized cost of HFI loans for which we have not elected the fair value option at the UPB, adjusted for unamortized premiums and discounts, hedge-related basis adjustments, other cost basis adjustments, and accrued interest receivable. Within our consolidated balance sheets, we present accrued interest receivable, net separately from the amortized cost of our loans held for investment.

Within our single-family mortgage loan disclosures below, we display loans by class of financing receivable type. Financing receivable classes used for disclosure consist of: “20- and 30-year or more, amortizing fixed-rate,” “15-year or less, amortizing fixed-rate,” “Adjustable-rate,” and “Other.” The “Other” class primarily consists of reverse mortgage loans, interest-only loans, negative-amortizing loans and second liens.

The following table displays the carrying value of our mortgage loans and allowance for loan losses.

	As of December 31,	
	2025	**2024**
	(Dollars in millions)	
Single-family	**$ 3,570,904**	$ 3,619,838
Multifamily	**524,962**	490,358
Total UPB of mortgage loans	**4,095,866**	4,110,196
Cost basis and fair value adjustments, net	**31,811**	35,517
Allowance for loan losses for HFI loans	**(8,364)**	(7,707)
Total mortgage loans(1)	**$ 4,119,313**	$ 4,138,006

(1) Excludes $11.3 billion and $10.8 billion of accrued interest receivable as of December 31, 2025 and 2024, respectively.

The following table displays information about our purchase of HFI loans, redesignation of loans and sales of mortgage loans during the period.

	For the Year Ended December 31,		
	2025	2024	2023
	(Dollars in millions)		
Purchase of HFI loans:			
Single-family UPB	**$ 334,000**	$ 325,243	$ 315,990
Multifamily UPB	**72,040**	54,661	52,829
Single-family loans redesignated from HFI to HFS:			
Amortized cost	**$ 1,527**	$ 2,329	$ 3,334
Lower of cost or fair value adjustment at time of redesignation[1]	**(187)**	(270)	(658)
Allowance reversed at time of redesignation	**26**	21	42
Single-family loans redesignated from HFS to HFI:			
Amortized cost	**$ 160**	$ 77	$ 372
Single-family loans sold:			
UPB	**$ 1,513**	$ 4,488	$ 2,573
Realized gains, net	**3**	35	10

(1) Consists of the write-off against the allowance at the time of redesignation.

Aging Analysis

The following tables display an aging analysis of our mortgage loans by portfolio segment and class of financing receivable.

	As of December 31, 2025							
	30 - 59 Days Delinquent	60 - 89 Days Delinquent	Seriously Delinquent[1]	Total Delinquent	Current	Total	Loans 90 Days or More Delinquent and Accruing Interest	Nonaccrual Loans with No Allowance[2]
	(Dollars in millions)							
Single-family:								
20- and 30-year or more, amortizing fixed-rate	$ 33,764	$ 10,205	$ 20,857	$ 64,826	$ 3,175,684	$ 3,240,510	$ 171	$ 3,713
15-year or less, amortizing fixed-rate	1,313	310	547	2,170	320,414	322,584	7	193
Adjustable-rate	155	43	96	294	28,312	28,606	1	17
Other[3]	455	127	354	936	16,690	17,626	12	133
Total single-family	35,687	10,685	21,854	68,226	3,541,100	3,609,326	191	4,056
Multifamily[4]	519	N/A	3,240	3,759	520,194	523,953	18	1,985
Total	$ 36,206	$ 10,685	$ 25,094	$ 71,985	$ 4,061,294	$ 4,133,279	$ 209	$ 6,041

	As of December 31, 2024							
	30 - 59 Days Delinquent	60 - 89 Days Delinquent	Seriously Delinquent[1]	Total Delinquent	Current	Total	Loans 90 Days or More Delinquent and Accruing Interest	Nonaccrual Loans with No Allowance[2]
	(Dollars in millions)							
Single-family:								
20- and 30-year or more, amortizing fixed-rate	$ 34,339	$ 9,582	$ 20,004	$ 63,925	$ 3,183,403	$ 3,247,328	$ 329	$ 3,790
15-year or less, amortizing fixed-rate	1,545	352	616	2,513	367,214	369,727	16	208
Adjustable-rate	158	45	92	295	24,723	25,018	3	18
Other[3]	488	143	407	1,038	19,568	20,606	21	184
Total single-family	36,530	10,122	21,119	67,771	3,594,908	3,662,679	369	4,200
Multifamily[4]	491	N/A	2,060	2,551	487,176	489,727	76	1,070
Total	$ 37,021	$ 10,122	$ 23,179	$ 70,322	$ 4,082,084	$ 4,152,406	$ 445	$ 5,270

(1) Single-family seriously delinquent loans are loans that are 90 days or more past due or in the foreclosure process. Multifamily seriously delinquent loans are loans that are 60 days or more past due.

(2) Primarily consists of loans for which we have recorded write-offs upon determining that amounts are uncollectible, resulting in the removal of the associated allowance for loan losses.

(3) Reverse mortgage loans included in “Other” are not aged due to their nature and are included in the current column.

(4) Multifamily loans 60-89 days delinquent are included in the seriously delinquent column.

The amortized cost of single-family mortgage loans for which formal foreclosure proceedings were in process was $5.4 billion and $4.7 billion as of December 31, 2025 and 2024, respectively. As a result of our various loss mitigation and foreclosure prevention efforts, we expect that only a portion of the loans in the process of formal foreclosure proceedings will ultimately foreclose.

Credit Quality Indicators and Write-offs by Year of Origination

The estimated mark-to-market LTV ratio is a primary factor we consider when estimating our allowance for loan losses for single-family loans. As LTV ratios increase, the borrower’s equity in the home decreases, which may negatively affect the borrower’s ability to refinance or to sell the property for an amount at or above the outstanding balance of the loan.

The following tables display information about the credit quality of our single-family mortgage loans as well as write-offs by class of financing receivable and year of origination.

	Credit Quality Indicators as of December 31, 2025 and Write-offs for the Year Ended December 31, 2025, by Year of Origination[1]						
	2025	2024	2023	2022	2021	Prior	Total
	(Dollars in millions)						
Estimated mark-to-market LTV ratio:[2]							
20- and 30-year or more, amortizing fixed-rate:							
Less than or equal to 80%	$ 145,040	$ 152,418	$ 142,942	$ 306,573	$ 792,049	$ 1,301,401	$ 2,840,423
Greater than 80% and less than or equal to 90%	54,527	62,451	52,313	53,203	14,848	2,790	240,132
Greater than 90% and less than or equal to 100%	69,983	44,582	18,590	15,374	2,184	517	151,230
Greater than 100%	566	2,035	2,314	3,137	479	194	8,725
Total 20- and 30-year or more, amortizing fixed-rate	270,116	261,486	216,159	378,287	809,560	1,304,902	3,240,510
Current-year 20- and 30-year or more, amortizing fixed-rate write-offs	5	56	92	176	106	242	677
15-year or less, amortizing fixed-rate:							
Less than or equal to 80%	13,753	6,794	5,149	26,742	125,837	141,455	319,730
Greater than 80% and less than or equal to 90%	1,464	440	127	82	6	—	2,119
Greater than 90% and less than or equal to 100%	619	88	11	13	—	—	731
Greater than 100%	1	2	1	—	—	—	4
Total 15-year or less, amortizing fixed-rate	15,837	7,324	5,288	26,837	125,843	141,455	322,584
Current-year 15-year or less, amortizing fixed-rate write-offs	—	1	1	3	1	3	9
Adjustable-rate:							
Less than or equal to 80%	4,550	1,324	1,533	3,956	4,859	7,841	24,063
Greater than 80% and less than or equal to 90%	1,493	442	432	560	32	4	2,963
Greater than 90% and less than or equal to 100%	987	206	131	165	9	1	1,499
Greater than 100%	2	3	24	51	1	—	81
Total adjustable-rate	7,032	1,975	2,120	4,732	4,901	7,846	28,606
Current-year adjustable-rate write-offs	—	—	1	1	—	—	2
Other:							
Less than or equal to 80%	—	—	—	—	—	14,701	14,701
Greater than 80% and less than or equal to 90%	—	—	—	—	—	45	45
Greater than 90% and less than or equal to 100%	—	—	—	—	—	21	21
Greater than 100%	—	—	—	—	—	21	21
Total other	—	—	—	—	—	14,788	14,788
Current-year other write-offs	—	—	—	—	—	35	35
Total for all classes by LTV ratio:[2]							
Less than or equal to 80%	$ 163,343	$ 160,536	$ 149,624	$ 337,271	$ 922,745	$ 1,465,398	$ 3,198,917
Greater than 80% and less than or equal to 90%	57,484	63,333	52,872	53,845	14,886	2,839	245,259
Greater than 90% and less than or equal to 100%	71,589	44,876	18,732	15,552	2,193	539	153,481
Greater than 100%	569	2,040	2,339	3,188	480	215	8,831
Total	$ 292,985	$ 270,785	$ 223,567	$ 409,856	$ 940,304	$ 1,468,991	$ 3,606,488
Total current-year write-offs	$ 5	$ 57	$ 94	$ 180	$ 107	$ 280	$ 723

	Credit Quality Indicators of December 31, 2024, and Write-offs for the Year Ended December 31, 2024, by Year of Origination[1]						
	2024	2023	2022	2021	2020	Prior	Total
	(Dollars in millions)						
Estimated mark-to-market LTV ratio:[2]							
20- and 30-year or more, amortizing fixed-rate:							
Less than or equal to 80%	$ 156,136	$ 161,237	$ 324,160	$ 849,984	$ 714,620	$ 710,162	$ 2,916,299
Greater than 80% and less than or equal to 90%	53,904	67,163	71,059	18,333	2,078	1,338	213,875
Greater than 90% and less than or equal to 100%	67,749	27,468	16,801	1,757	233	205	114,213
Greater than 100%	266	670	1,616	208	48	133	2,941
Total 20- and 30-year or more, amortizing fixed-rate	278,055	256,538	413,636	870,282	716,979	711,838	3,247,328
Current-year 20- and 30-year or more, amortizing fixed-rate write-offs	2	43	130	114	71	261	621
15-year or less, amortizing fixed-rate:							
Less than or equal to 80%	7,508	6,455	31,140	145,254	102,032	75,904	368,293
Greater than 80% and less than or equal to 90%	576	314	168	11	—	—	1,069
Greater than 90% and less than or equal to 100%	323	24	16	1	—	—	364
Greater than 100%	—	—	1	—	—	—	1
Total 15-year or less, amortizing fixed-rate	8,407	6,793	31,325	145,266	102,032	75,904	369,727
Current-year 15-year or less, amortizing fixed-rate write-offs	—	1	2	2	1	4	10
Adjustable-rate:							
Less than or equal to 80%	1,471	1,790	4,369	5,400	1,478	8,159	22,667
Greater than 80% and less than or equal to 90%	434	502	729	44	5	2	1,716
Greater than 90% and less than or equal to 100%	272	154	165	4	1	1	597
Greater than 100%	—	8	29	1	—	—	38
Total adjustable-rate	2,177	2,454	5,292	5,449	1,484	8,162	25,018
Current-year adjustable-rate write-offs	—	—	1	—	—	1	2
Other:							
Less than or equal to 80%	—	—	—	—	—	16,945	16,945
Greater than 80% and less than or equal to 90%	—	—	—	—	—	58	58
Greater than 90% and less than or equal to 100%	—	—	—	—	—	27	27
Greater than 100%	—	—	—	—	—	24	24
Total other	—	—	—	—	—	17,054	17,054
Current-year other write-offs	—	—	—	—	—	37	37
Total for all classes by LTV ratio:[2]							
Less than or equal to 80%	$ 165,115	$ 169,482	$ 359,669	$ 1,000,638	$ 818,130	$ 811,170	$ 3,324,204
Greater than 80% and less than or equal to 90%	54,914	67,979	71,956	18,388	2,083	1,398	216,718
Greater than 90% and less than or equal to 100%	68,344	27,646	16,982	1,762	234	233	115,201
Greater than 100%	266	678	1,646	209	48	157	3,004
Total	$ 288,639	$ 265,785	$ 450,253	$ 1,020,997	$ 820,495	$ 812,958	$ 3,659,127
Total current-year write-offs	$ 2	$ 44	$ 133	$ 116	$ 72	$ 303	$ 670

(1) Excludes amortized cost of $2.8 billion and $3.6 billion as of December 31, 2025 and 2024, respectively, of mortgage loans guaranteed or insured, in whole or in part, by the U.S. government or one of its agencies, which represents primarily reverse mortgages for which we do not calculate an estimated mark-to-market LTV ratio. For the years ended December 31, 2025 and 2024, it also excludes write-offs of $6 million and $47 million, respectively, of mortgage loans guaranteed or insured, in whole or in part, by the U.S. government or one of its agencies. Year of loan origination may not be the same as the period in which we subsequently acquired the loan.

(2) The aggregate estimated mark-to-market LTV ratio is based on the UPB of the loan divided by the estimated current value of the property as of the end of each reported period, which we calculate using an internal valuation model that estimates periodic changes in home value.

The following tables display the total amortized cost of our multifamily mortgage loans by year of origination and credit-risk rating. Property rental income and property valuations are key inputs to our internally assigned credit risk ratings. The tables below also include current year write-offs of our multifamily mortgage loans by year of origination.

	Credit Quality Indicators as of December 31, 2025 and Write-offs for the Year Ended December 31, 2025, by Year of Origination[1]						
	2025	2024	2023	2022	2021	Prior	Total
	(Dollars in millions)						
Internally assigned credit risk rating:							
Pass[2]	$ 67,503	$ 52,368	$ 48,990	$ 49,486	$ 58,248	$218,704	$495,299
Special mention[3]	—	187	124	155	246	793	1,505
Substandard[4]	378	1,920	3,753	6,567	3,291	11,239	27,148
Doubtful[5]	—	—	—	—	—	1	1
Total	$ 67,881	$ 54,475	$ 52,867	$ 56,208	$ 61,785	$230,737	$523,953
Current-year write-offs	$ —	$ 17	$ 111	$ 108	$ 66	$ 168	$ 470

	Credit Quality Indicators as of December 31, 2024 and Write-offs for the Year Ended December 31, 2024, by Year of Origination[1]						
	2024	2023	2022	2021	2020	Prior	Total
	(Dollars in millions)						
Internally assigned credit risk rating:							
Pass[2]	$ 49,867	$ 51,194	$ 49,570	$ 59,687	$ 71,657	$175,887	$457,862
Special mention[3]	54	68	165	353	162	280	1,082
Substandard[4]	429	2,626	9,045	3,259	2,500	12,820	30,679
Doubtful[5]	—	42	—	62	—	—	104
Total	$ 50,350	$ 53,930	$ 58,780	$ 63,361	$ 74,319	$188,987	$489,727
Current-year write-offs	$ —	$ 81	$ 192	$ 16	$ 27	$ 189	$ 505

(1) Year of loan origination may not be the same as the period in which we subsequently acquired the loan.

(2) A loan categorized as “Pass” is current or adequately protected by the current financial strength and debt service capability of the borrower.

(3) “Special mention” refers to loans that are otherwise performing but have potential weaknesses that, if left uncorrected, may result in deterioration in the borrower’s ability to repay in full.

(4) “Substandard” refers to loans that have a well-defined weakness that jeopardizes the timely full repayment.

(5) “Doubtful” refers to a loan with a weakness that makes collection or liquidation in full highly questionable and improbable based on existing conditions and values.

Loss Mitigation Options for Borrowers Experiencing Financial Difficulty

As part of our loss mitigation activities, we may agree to modify the contractual terms of a loan to a borrower experiencing financial difficulty. In addition to loan modifications, we also provide other loss mitigation options to assist borrowers who experience financial difficulties.

Below we provide disclosures relating to loan restructurings where borrowers were experiencing financial difficulty, including restructurings that resulted in an insignificant payment delay. The disclosures exclude loans classified as held for sale and those for which we have elected the fair value option. See “Note 1, Summary of Significant Accounting Policies” for additional information on our accounting policies for single-family and multifamily loans that have been restructured.

Single-Family Loan Restructurings

We offer several types of restructurings to single-family borrowers that may result in a payment delay, interest rate reduction, term extension, or combination thereof. We do not typically offer principal forgiveness.

We offer the following types of restructurings to single-family borrowers that only result in a payment delay:

- a forbearance plan is a short-term loss mitigation option which grants a period of time (typically in 6-month increments and generally do not exceed a total of 12 months) during which the borrower’s monthly payment obligations are reduced or suspended. A forbearance plan does not impact our reporting of when a loan is

considered past due, which remains based on the contractual terms of the loan. Borrowers may exit a forbearance plan by repaying all past due amounts to fully reinstate the loan, paying off the loan in full, or entering into another loss mitigation option, such as a repayment plan, a payment deferral, or a loan modification.

- a repayment plan is a short-term loss mitigation option that allows borrowers a specific period of time to return the loan to current status by paying the regular monthly payment plus additional agreed-upon delinquent amounts (generally for a period up to 12 months and the monthly repayment plan amount must not exceed 150% of the contractual mortgage payment). A repayment plan does not impact our reporting of when a loan is considered past due, which remains based on the contractual terms of the loan. At the end of the repayment plan, the borrower resumes making the regular monthly payment; and
- a payment deferral is a loss mitigation option which defers the repayment of the delinquent principal and interest payments and other eligible default-related amounts that were advanced on behalf of the borrower by converting them into a non-interest-bearing balance due at the earlier of the payoff date, the maturity date, or sale or transfer of the property. The remaining mortgage terms, interest rate, payment schedule, and maturity date remain unchanged, and no trial period is required. The number of months of payments deferred varies based on the types of hardships the borrower is facing.

We also offer single-family borrowers loan modifications, which contractually change the terms of the loan. Our loan modification programs generally require completion of a trial period of three to four months where the borrower makes reduced monthly payments prior to receiving the modification. During the trial period, the mortgage loan is not contractually modified and continues to be reported as past due according to its contractual terms. The reduced payments that are made by the borrower during the trial period will result in a payment delay with respect to the original contractual terms of the loan. After successful completion of the trial period, and the borrower's execution of a modification agreement, the mortgage loan is contractually modified.

Loan modifications include the following concessions as necessary to achieve a targeted payment reduction as outlined by our Servicing Guide:

- capitalization of past due amounts, a form of payment delay, which capitalizes interest and other eligible default related amounts that were advanced on behalf of the borrower that are past due into the UPB; and
- a term extension, which may extend the contractual maturity date of the loan up to 40 years from the effective date of the modification.

In addition to these concessions, loan modifications may also include an interest rate reduction, which reduces the contractual interest rate of the loan, or a principal forbearance, which is another form of payment delay that includes forbearing repayment of a portion of the principal balance as a non-interest bearing amount that is due at the earlier of the payoff date, the maturity date, or sale or transfer of the property.

Multifamily Loan Restructurings

For multifamily borrowers, loan restructurings include short-term forbearance plans and loan modification programs, which primarily result in term extensions of up to one year with no change to the loan's interest rate. In certain cases, we may make more significant modifications of terms for borrowers experiencing financial difficulty, such as reducing the interest rate, converting to interest-only payments, extending the maturity for longer than one year, providing principal forbearance, or some combination of these terms. In some instances when a loan is restructured, we may require additional collateral, which may take the form of a guaranty from another entity, to further mitigate the risk of nonperformance.

Restructurings for Borrowers Experiencing Financial Difficulty

The following tables display the amortized cost of mortgage loans that were restructured, during the periods indicated, presented by portfolio segment and class of financing receivable.

	For the Year Ended December 31, 2025						
	Payment Delay (Only)						
	Forbearance Plan	Payment Deferral	Trial Modification and Repayment Plans	Payment Delay and Term Extension[1]	Payment Delay, Term Extension, Interest Rate Reduction, and Other[1]	Total	Percentage of Total by Financing Class[2]
	(Dollars in millions)						
Single-family:							
20- and 30-year or more, amortizing fixed-rate	$ 11,621	$ 10,333	$ 9,609	$ 10,982	$ 834	$ 43,379	1 %
15-year or less, amortizing fixed-rate	434	311	279	136	5	1,165	*
Adjustable-rate	68	31	35	—	7	141	*
Other	61	96	100	70	25	352	2
Total single-family	12,184	10,771	10,023	11,188	871	45,037	1
Multifamily	635	—	—	—	96	731	*
Total[3]	$ 12,819	$ 10,771	$ 10,023	$ 11,188	$ 967	$ 45,768	1 %

	For the Year Ended December 31, 2024						
	Payment Delay (Only)						
	Forbearance Plan	Payment Deferral	Trial Modification and Repayment Plans	Payment Delay and Term Extension[1]	Payment Delay, Term Extension, Interest Rate Reduction, and Other[1]	Total	Percentage of Total by Financing Class[2]
	(Dollars in millions)						
Single-family:							
20- and 30-year or more, amortizing fixed-rate	$ 11,545	$ 10,786	$ 8,473	$ 8,750	$ 165	$ 39,719	1 %
15-year or less, amortizing fixed-rate	476	342	276	4	1	1,099	*
Adjustable-rate	58	38	29	—	8	133	1
Other	67	122	102	76	37	404	2
Total single-family	12,146	11,288	8,880	8,830	211	41,355	1
Multifamily	151	—	—	—	1,119	1,270	*
Total[3]	$ 12,297	$ 11,288	$ 8,880	$ 8,830	$ 1,330	$ 42,625	1 %

	For the Year Ended December 31, 2023						
	Payment Delay (Only)						
	Forbearance Plan	Payment Deferral	Trial Modification and Repayment Plans	Payment Delay and Term Extension[1]	Payment Delay, Term Extension and Interest Rate Reduction[1]	Total	Percentage of Total by Financing Class[2]
	(Dollars in millions)						
Single-family:							
20- and 30-year or more, amortizing fixed-rate	$ 10,935	$ 10,653	$ 7,146	$ 6,728	$ 380	$ 35,842	1 %
15-year or less, amortizing fixed-rate	472	421	273	2	1	1,169	*
Adjustable-rate	65	36	27	—	9	137	1
Other	120	136	142	115	74	587	2
Total single-family	11,592	11,246	7,588	6,845	464	37,735	1
Multifamily	562	—	—	—	992	1,554	*
Total[3]	$ 12,154	$ 11,246	$ 7,588	$ 6,845	$ 1,456	$ 39,289	1 %

* Represents less than 0.5% of total by financing class.

(1) Represents loans that received a contractual modification.

(2) Based on the amortized cost basis as of period end, divided by the period end amortized cost basis of the corresponding class of financing receivable.

(3) Excludes $2.0 billion, $1.7 billion and $1.8 billion for the years ended December 31, 2025, 2024 and 2023, respectively, for loans that were the subject of loss mitigation activity during the period that paid off, were repurchased or were sold prior to period end. Also excludes loans that liquidated either through foreclosure, deed-in-lieu of foreclosure, or a short sale. Loans may move from one category to another, as a result of the restructuring(s) they received during the period.

Our estimate of future credit losses uses a lifetime methodology, derived from modeled loan performance based on extensive historical experience of loans with similar risk characteristics, adjusted to reflect current conditions and reasonable and supportable forecasts. The historical loss experience used in our single-family and multifamily credit loss models includes the impact of the loss mitigation options provided to borrowers experiencing financial difficulty, and also includes the impact of projected loss severities as a result of a loan default.

The following tables summarize the financial impacts of loan modifications and payment deferrals made to single-family mortgage loans presented by class of financing receivable. We discuss the qualitative impacts of forbearance plans, repayment plans, and trial modifications earlier in this note. As a result, those loss mitigation options are excluded from the table below.

	For the Year Ended December 31, 2025		
	Weighted-Average Interest Rate Reduction	Weighted-Average Term Extension (in Months)	Average Amount Capitalized as a Result of a Payment Delay[1]
Loan by class of financing receivable:[2]			
20- and 30-year or more, amortizing fixed-rate	0.57 %	147	$ 13,269
15-year or less, amortizing fixed-rate	0.86	51	9,762
Adjustable-rate	0.87	—	9,865
Other	1.11	148	13,787

	For the Year Ended December 31, 2024		
	Weighted-Average Interest Rate Reduction	Weighted-Average Term Extension (in Months)	Average Amount Capitalized as a Result of a Payment Delay[1]
Loan by class of financing receivable:[2]			
20- and 30-year or more, amortizing fixed-rate	0.68 %	161	$ 13,000
15-year or less, amortizing fixed-rate	1.77	80	10,534
Adjustable-rate	2.55	—	10,710
Other	0.82	168	18,511

	For the Year Ended December 31, 2023		
	Weighted-Average Interest Rate Reduction	Weighted-Average Term Extension (in Months)	Average Amount Capitalized as a Result of a Payment Delay[1]
Loan by class of financing receivable:[2]			
20- and 30-year or more, amortizing fixed-rate	1.06 %	171	$ 16,186
15-year or less, amortizing fixed-rate	1.62	72	14,236
Adjustable-rate	1.62	—	14,608
Other	1.36	189	20,910

(1) Represents the average amount of delinquency-related amounts that were capitalized as part of the loan balance. Amounts are in whole dollars.

(2) Excludes the financial effects of modifications for loans that were paid off or otherwise liquidated as of period end.

The following tables display the amortized cost of mortgage loans that defaulted during the period and had received a completed modification or payment deferral in the twelve months prior to the payment default. For purposes of this disclosure, we define loans that had a payment default as single-family loans with completed modifications that are two or more months delinquent during the period; or multifamily loans with completed modifications that are one or more months delinquent during the period. For loans that receive a forbearance plan, repayment plan or trial modification, these loss mitigation options generally remain in default until the loan is no longer delinquent as a result of the payment of all past-due amounts or as a result of a loan modification or payment deferral. Therefore, forbearance plans, repayment plans and trial modifications are not included in default tables below.

	For the Year Ended December 31, 2025			
	Payment Delay as a Result of a Payment Deferral (Only)	Payment Delay and Term Extension	Payment Delay, Term Extension, Interest Rate Reduction, and Other	Total
	(Dollars in millions)			
Single-family:				
20- and 30-year or more, amortizing fixed-rate	$ 2,997	$ 2,396	$ 141	$ 5,534
15-year or less, amortizing fixed-rate	69	10	1	80
Adjustable-rate	8	—	1	9
Other	28	15	7	50
Total single-family	3,102	2,421	150	5,673
Multifamily	—	—	11	11
Total loans that subsequently defaulted[1][2]	$ 3,102	$ 2,421	$ 161	$ 5,684

	For the Year Ended December 31, 2024			
	Payment Delay as a Result of a Payment Deferral (Only)	Payment Delay and Term Extension	Payment Delay, Term Extension, Interest Rate Reduction, and Other	Total
	(Dollars in millions)			
Single-family:				
20- and 30-year or more, amortizing fixed-rate	$ 3,209	$ 1,786	$ 35	$ 5,030
15-year or less, amortizing fixed-rate	79	—	—	79
Adjustable-rate	12	—	3	15
Other	37	13	14	64
Total single-family	3,337	1,799	52	5,188
Multifamily	—	—	—	—
Total loans that subsequently defaulted[1][2]	$ 3,337	$ 1,799	$ 52	$ 5,188

	For the Year Ended December 31, 2023			
	Payment Delay as a Result of a Payment Deferral (Only)	Payment Delay and Term Extension	Payment Delay, Term Extension and Interest Rate Reduction	Total
	(Dollars in millions)			
Single-family:				
20- and 30-year or more, amortizing fixed-rate	$ 1,933	$ 1,078	$ 233	$ 3,244
15-year or less, amortizing fixed-rate	57	—	1	58
Adjustable-rate	5	—	2	7
Other	23	22	19	64
Total single-family	2,018	1,100	255	3,373
Multifamily	—	—	—	—
Total loans that subsequently defaulted[1][2]	$ 2,018	$ 1,100	$ 255	$ 3,373

(1) Represents amortized cost as of period end. Excludes loans that liquidated either through foreclosure, deed-in-lieu of foreclosure, or a short sale.

(2) For each of the three months ended December 31, 2025, 2024, and 2023, the substantial majority of loans that received a completed modification or payment deferral did not default during the corresponding fourth quarter.

The following tables display an aging analysis of mortgage loans that were restructured during the twelve months prior to December 31, 2025, 2024 and 2023, respectively, presented by portfolio segment and class of financing receivable.

	As of December 31, 2025[1]					
	30-59 Days Delinquent	60-89 Days Delinquent[2]	Seriously Delinquent	Total Delinquent	Current	Total
	(Dollars in millions)					
Single-family:						
20- and 30-year or more, amortizing fixed-rate	$ 4,953	$ 3,546	$ 13,424	$ 21,923	$ 16,063	$ 37,986
15-year or less, amortizing fixed-rate	127	87	334	548	496	1,044
Adjustable-rate	12	12	55	79	55	134
Other	50	29	110	189	124	313
Total single-family loans modified	5,142	3,674	13,923	22,739	16,738	39,477
Multifamily	—	N/A	587	587	145	732
Total loans restructured[3]	$ 5,142	$ 3,674	$ 14,510	$ 23,326	$ 16,883	$ 40,209

	As of December 31, 2024[1]					
	30-59 Days Delinquent	60-89 Days Delinquent[2]	Seriously Delinquent	Total Delinquent	Current	Total
	(Dollars in millions)					
Single-family:						
20- and 30-year or more, amortizing fixed-rate	$ 4,560	$ 3,649	$ 13,343	$ 21,552	$ 12,986	$ 34,538
15-year or less, amortizing fixed-rate	123	113	398	634	372	1,006
Adjustable-rate	17	16	50	83	41	124
Other	48	34	129	211	132	343
Total single-family loans modified	4,748	3,812	13,920	22,480	13,531	36,011
Multifamily	35	N/A	61	96	1,174	1,270
Total loans restructured[3]	$ 4,783	$ 3,812	$ 13,981	$ 22,576	$ 14,705	$ 37,281

	As of December 31, 2023[1]					
	30-59 Days Delinquent	60-89 Days Delinquent[2]	Seriously Delinquent	Total Delinquent	Current	Total
	(Dollars in millions)					
Single-family:						
20- and 30-year or more, amortizing fixed-rate	$ 3,520	$ 2,323	$ 11,955	$ 17,798	$ 13,598	$ 31,396
15-year or less, amortizing fixed-rate	111	76	409	596	473	1,069
Adjustable-rate	11	9	56	76	50	126
Other	61	39	165	265	252	517
Total single-family loans modified	3,703	2,447	12,585	18,735	14,373	33,108
Multifamily	—	N/A	557	557	998	1,555
Total loans restructured[3]	$ 3,703	$ 2,447	$ 13,142	$ 19,292	$ 15,371	$ 34,663

(1) As of December 31, 2025, 2024, and 2023, the substantial majority of loans that received a completed modification or payment deferral during the respective fourth quarter were not delinquent as of the corresponding year-end.

(2) Multifamily loans 60-89 days delinquent are included in the seriously delinquent column.

(3) Represents the amortized cost basis as of period end.

Nonaccrual Loans

The table below displays the accrued interest receivable written off through the reversal of interest income for nonaccrual loans. See "Note 1, Summary of Significant Accounting Policies" for information about our accounting policy for nonaccrual loans.

	For the Year Ended December 31,		
	2025	2024	2023
	(Dollars in millions)		
Accrued interest receivable written off through the reversal of interest income:			
Single-family	**$ 412**	$ 391	$ 325
Multifamily	**35**	32	49

The table below displays the amortized cost of and interest income recognized on mortgage loans on nonaccrual status, presented by portfolio segment and class of financing receivable.

	As of December 31,				For the Year Ended December 31,		
	2025	2024	2023	2022	2025	2024	2023
	Amortized Cost[1]				Total Interest Income Recognized[2]		
	(Dollars in millions)						
Single-family:							
20- and 30-year or more, amortizing fixed-rate	**$ 26,221**	$ 25,218	$ 21,971	$ 9,447	**$ 513**	$ 481	$ 379
15-year or less, amortizing fixed-rate	**692**	770	727	200	**10**	11	9
Adjustable-rate	**114**	114	109	53	**3**	3	2
Other	**421**	482	508	617	**8**	10	10
Total single-family	**27,448**	26,584	23,315	10,317	**534**	505	400
Multifamily	**3,312**	2,517	1,890	2,200	**43**	55	41
Total nonaccrual loans	**$ 30,760**	$ 29,101	$ 25,205	$ 12,517	**$ 577**	$ 560	$ 441

(1) Amortized cost is presented net of any write-offs, which are recognized when a loan balance is deemed uncollectible.

(2) Interest income recognized includes amortization of any deferred cost basis adjustments while the loan is performing and that is not reversed when the loan is placed on nonaccrual status. For single-family, interest income recognized includes payments received on nonaccrual loans held as of period end.

Non-Cash Activities Related to Mortgage Loans

The table below displays non-cash activities related to mortgage loans.

	For the Year Ended December 31,		
	2025	2024	2023
	(Dollars in millions)		
Non-cash activities related to mortgage loans:			
Mortgage loans acquired by assuming debt	**$ 164,779**	$ 151,123	$ 140,162
Net transfers from mortgage loans of Fannie Mae to mortgage loans of consolidated trusts	**113,096**	123,333	117,885
Mortgage loans received by consolidated trusts to satisfy advances to lenders	**111,437**	94,294	103,141
Transfers from mortgage loans to other assets[1]	**2,824**	2,799	4,160

(1) Transfers from mortgage loans to other assets includes foreclosures, pre-foreclosure sales, third-party sales and conveyances.

5. Allowance for Credit Losses

We maintain an allowance for credit losses for HFI loans held by Fannie Mae and by consolidated Fannie Mae MBS trusts. In addition, we maintain allowances for credit losses on advances of pre-foreclosure costs, accrued interest receivable, guaranty loss reserves, and credit reserves on AFS debt securities.

The following table displays changes in single-family and multifamily allowance for credit losses as well as the components of the single-family and multifamily allowance for credit losses.

	For the Year Ended December 31,		
	2025	2024	2023
		(Dollars in millions)	
Single-family allowance for credit losses:			
Beginning balance	**$ (5,487)**	$ (6,868)	$ (9,703)
(Provision) benefit for credit losses	**(1,323)**	938	2,165
Write-offs	**740**	733	880
Recoveries	**(202)**	(290)	(210)
Ending balance	**$ (6,272)**	$ (5,487)	$ (6,868)
Multifamily allowance for credit losses:			
Beginning balance	**$ (2,399)**	$ (2,066)	$ (1,913)
(Provision) benefit for credit losses	**(283)**	(752)	(495)
Write-offs	**470**	505	401
Recoveries	**(108)**	(86)	(59)
Ending balance	**$ (2,320)**	$ (2,399)	$ (2,066)
Total allowance for credit losses:			
Beginning balance	**$ (7,886)**	$ (8,934)	$ (11,616)
(Provision) benefit for credit losses	**(1,606)**	186	1,670
Write-offs	**1,210**	1,238	1,281
Recoveries	**(310)**	(376)	(269)
Ending balance	**$ (8,592)**	$ (7,886)	$ (8,934)

Components of allowance for credit losses

	For the Year Ended December 31,		
	2025	2024	2023
Single-family allowance for credit losses:			
Allowance for loan losses	**$ (6,056)**	$ (5,319)	$ (6,671)
Other[1]	**(216)**	(168)	(197)
Total	**$ (6,272)**	$ (5,487)	$ (6,868)
Multifamily allowance for credit losses:			
Allowance for loan losses	**$ (2,308)**	$ (2,388)	$ (2,059)
Other[1]	**(12)**	(11)	(7)
Total	**$ (2,320)**	$ (2,399)	$ (2,066)
Total allowance for credit losses:			
Allowance for loan losses	**$ (8,364)**	$ (7,707)	$ (8,730)
Other[1]	**(228)**	(179)	(204)
Total	**$ (8,592)**	$ (7,886)	$ (8,934)

(1) Consists of allowance for credit losses on advances of pre-foreclosure costs, accrued interest receivable, our guaranty loss reserves, and credit reserves on our AFS debt securities. Pre-foreclosure costs represent advances for property taxes and insurance receivables.

Our estimate of credit losses can vary substantially from period to period due to factors such as changes in actual and forecasted home prices, property valuations, and fluctuations in actual and forecasted interest rates. Other drivers include the volume and credit risk profile of our new acquisitions, borrower payment behavior; events such as natural disasters or pandemics; the type, volume and effectiveness of our loss mitigation activities, including forbearances and loan modifications, the volume of completed foreclosures and the volume and pricing of loans redesignated from HFI to HFS. In addition, updates to the models, assumptions, and data used in determining our estimate for credit losses can impact our allowance. Changes in our estimate of credit losses are recognized as "(Provision) benefit for credit losses" in our consolidated statements of operations and comprehensive income.

Our single-family provision for credit losses in 2025 was primarily driven by current-year loan acquisitions and by loan delinquencies.

- Provision for newly acquired loans. The provision for newly acquired loans was largely attributable to our 2025 single-family acquisitions, which primarily consisted of purchase loans. At acquisition, we record expected lifetime credit losses for newly acquired loans, resulting in provision for credit losses. Purchase loans generally have higher original LTV ratios than refinance loans, and as a result, generally carry higher expected lifetime credit losses than refinance loans.
- Provision from loan delinquencies. As loans migrate into delinquency status, expected credit losses increase due to higher probabilities of default and greater potential loss severity assumptions. For 2025, provision related to loan delinquencies was primarily driven by loans that became newly delinquent during the year, as well as an increase in the population of loans that were 60 days or more past due, which resulted in higher expected credit losses.

Our single-family benefit for credit losses for 2024 was primarily driven by improvements to our longer-term single-family home price forecast, partially offset by provision from the risk profile of newly acquired loans, and provision related to higher mortgage interest rates.

- Home price forecast benefit. We recognized a benefit from improvements to our longer-term single-family home price forecast. Higher home prices decrease the likelihood that loans will default and reduce the amount of losses on loans that default, which impacts our estimate of losses and ultimately reduces our loss reserves and provision for credit losses.
- Provision for newly acquired loans. The provision for newly acquired loans was primarily driven by the credit risk profile of our 2024 single-family acquisitions, which primarily consisted of purchase loans.
- Provision for higher interest rates. We also recognized provision from higher mortgage interest rates. As mortgage rates increase, we expect a decrease in future prepayments on single-family loans. Lower expected prepayments extend the expected life of the loan, which increases our expectation of credit losses.

Our multifamily provision for credit losses in 2025 was primarily driven by an increase in delinquencies including provision from seriously delinquent loans that were written down to the net recoverable amount of the loans' collateral value during the period. These factors were partially offset by a slightly improved long-term forecast of multifamily property net operating income ("NOI") and property values.

Our multifamily provision for credit losses in 2024 was primarily driven by declining multifamily property values, an increase in multifamily loan delinquencies, and provision related to our estimate of losses on loans involving fraud or suspected fraud. These factors were partially offset by an improved long-term forecast of multifamily property NOI.

- Provision relating to declining multifamily property values. During 2024, multifamily property values declined, primarily due to elevated interest rates resulting in higher market yield requirements. This decrease in property values led to higher LTV ratios for loans in our multifamily guaranty book of business, which drove higher estimated risk of default and loss severity in the allowance and therefore a higher loan loss provision.
- Provision relating to increased delinquencies. Multifamily loan delinquencies increased in 2024, particularly for adjustable-rate conventional loans that became seriously delinquent and were written down to their net recoverable amount, which contributed to the multifamily provision for credit losses.
- Provision relating to fraud or suspected fraud. Expected losses relating to multifamily lending transactions involving fraud or suspected fraud further heightened the risk of default and added to our multifamily loan loss provision.
- Benefit relating to improved NOI forecast. Our forecast of NOI on multifamily properties improved compared to our prior forecast, which also positively impacted our projection of multifamily property values. This improvement in our NOI forecast was primarily due to a refinement of our forecast assumptions to use the average NOI historical growth rate for a longer period of the forecast.

6. Investments in Securities

The following table displays our investments in securities.

	As of December 31,	
	2025	2024
	(Dollars in millions)	
Trading securities:		
Mortgage-related securities (includes $522 million and $300 million, respectively, related to consolidated trusts)	**$ 14,291**	$ 1,098
Non-mortgage-related securities	**55,223**	77,630
Total trading securities	**69,514**	78,728
Available-for-sale securities (amortized cost of $400 million and $487 million, respectively)	**375**	469
Total investments in securities	**$ 69,889**	$ 79,197

The following table displays information about our net trading gains (losses).

	For the Year Ended December 31,		
	2025	2024	2023
	(Dollars in millions)		
Net trading gains (losses)	**$ 1,482**	$ 570	$ 1,006
Net trading gains (losses) recognized in the period related to securities still held at period end	**1,090**	367	1,041

There were no significant gross unrealized gains or losses on our AFS investment portfolio as of December 31, 2025 or 2024. Additionally, the allowance for credit losses on our AFS investment portfolio was not significant as of December 31, 2025 or 2024.

There were no sales of AFS securities during the years ended December 31, 2025, 2024, or 2023.

7. Financial Guarantees

We recognize a guaranty obligation for our obligation to stand ready to perform on our guarantees to unconsolidated trusts and other guaranty arrangements. These off-balance sheet guarantees expose us to credit losses primarily relating to the UPB of our unconsolidated Fannie Mae MBS and other financial guarantees. As of December 31, 2025, the maximum remaining contractual term of our guarantees was 30 years; however, the actual term of each guaranty may be significantly less than the contractual term based on the prepayment characteristics of the related mortgage loans. We measure our guaranty reserve for estimated credit losses for off-balance sheet exposures over the contractual period for which they are exposed to the credit risk, unless that obligation is unconditionally cancellable by the issuer.

As the guarantor of structured securities backed in whole or in part by Freddie Mac-issued securities, we extend our guaranty to the underlying Freddie Mac securities in our resecuritization trusts. However, Freddie Mac continues to guarantee the payment of principal and interest on the underlying Freddie Mac securities that we have resecuritized. When we began issuing UMBS, we entered into an indemnification agreement under which Freddie Mac agreed to indemnify us for losses caused by its failure to meet its payment or other specified obligations under the trust agreements pursuant to which the underlying resecuritized securities were issued. As a result, and due to the funding commitment available to Freddie Mac through its senior preferred stock purchase agreement with Treasury, we have concluded that the associated credit risk is negligible. Accordingly, we exclude from the following table Freddie Mac securities backing unconsolidated Fannie Mae-issued structured securities of $184.3 billion and $200.1 billion as of December 31, 2025 and 2024, respectively.

The following table displays our off-balance sheet maximum exposure, guaranty obligation recognized in our consolidated balance sheets and the potential maximum recovery from third parties through available credit enhancements and recourse related to our financial guarantees.

	As of December 31,					
	2025			2024		
	Maximum Exposure	Guaranty Obligation	Maximum Recovery[1]	Maximum Exposure	Guaranty Obligation	Maximum Recovery[1]
	(Dollars in millions)					
Unconsolidated Fannie Mae MBS	**$ 2,229**	**$ 13**	**$ 2,187**	$ 2,484	$ 13	$ 2,432
Other guaranty arrangements[2]	**9,151**	**83**	**2,132**	8,914	56	1,954
Total	**$ 11,380**	**$ 96**	**$ 4,319**	$ 11,398	$ 69	$ 4,386

(1) Recoverability of such credit enhancements and recourse is subject to, among other factors, the ability of our mortgage insurers and the U.S. government, as a financial guarantor, to meet their obligations to us. For information on our mortgage insurers, see "Note 14, Concentrations of Credit Risk."

(2) Primarily consists of credit enhancements and long-term standby commitments.

8. Short-Term and Long-Term Debt

Short-Term Debt

The following table displays our outstanding short-term debt (debt with an original contractual maturity of one year or less) and weighted-average interest rates of this debt.

	As of December 31,			
	2025		2024	
	Outstanding	Weighted-Average Interest Rate[1]	Outstanding	Weighted-Average Interest Rate[1]
	(Dollars in millions)			
Short-term debt of Fannie Mae	**$ 24,538**	**3.66 %**	$ 11,188	4.33 %

(1) Includes the effects of discounts, premiums and other cost basis adjustments.

Long-Term Debt

Long-term debt represents debt with an original contractual maturity of greater than one year. The following table displays our outstanding long-term debt.

	As of December 31,					
	2025			2024		
	Maturities	Outstanding[1]	Weighted-Average Interest Rate[2]	Maturities	Outstanding[1]	Weighted-Average Interest Rate[2]
		(Dollars in millions)				
Senior fixed:						
Benchmark notes and bonds	**2026 - 2030**	**$ 26,649**	**4.16 %**	2025 - 2030	$ 44,655	2.87 %
Medium-term notes[3]	**2026 - 2035**	**31,430**	**3.25**	2025 - 2034	42,208	2.21
Other[4]	**2026 - 2038**	**6,609**	**3.87**	2025 - 2038	6,632	3.98
Total senior fixed		**64,688**	**3.70**		93,495	2.66
Senior floating:						
Medium-term notes[3]	**2026 - 2027**	**36,437**	**3.93**	2026 - 2027	32,435	4.67
Other[5]	**2028 - 2037**	**1,626**	**10.99**	2025 - 2037	2,304	10.68
Total senior floating		**38,063**	**4.23**		34,739	5.07
Total long-term debt of Fannie Mae[6]		**102,751**	**3.89**		128,234	3.30
Debt of consolidated trusts	**2026 - 2064**	**4,053,140**	**3.14**	2025 - 2063	4,088,675	2.96
Total long-term debt		**$ 4,155,891**	**3.16 %**		$ 4,216,909	2.97 %

(1) Outstanding debt balance consists of the UPB, premiums and discounts, fair value adjustments, hedge-related basis adjustments, and other cost basis adjustments.

(2) Excludes the effects of fair value adjustments and hedge-related basis adjustments.

(3) Includes long-term debt with an original contractual maturity of greater than 1 year and up to 10 years, excluding zero-coupon debt.

(4) Includes other long-term debt with an original contractual maturity of greater than 10 years and foreign exchange bonds.

(5) Consists of structured debt instruments that are reported at fair value and CAS securities issued prior to November 2018.

(6) Includes unamortized discounts and premiums, fair value adjustments, hedge-related cost basis adjustments, and other cost basis adjustments in a net discount position of $2.6 billion and $3.6 billion as of December 31, 2025 and 2024, respectively.

Our long-term debt includes a variety of debt types. We issue fixed and floating-rate medium-term notes with maturities greater than one year that are issued through dealer banks. We also offer Benchmark Notes® that provide increased efficiency, liquidity and tradability to the market through regularly-scheduled issuance dates during the year that we have the option to use. Additionally, we have historically issued notes and bonds denominated in a foreign currency but have not issued any foreign currency debt in the periods presented. We effectively convert all outstanding foreign currency-denominated transactions into U.S. dollars through the use of foreign currency swaps for the purpose of funding our mortgage assets.

Our other long-term debt primarily includes callable and non-callable securities, which include all long-term non-Benchmark securities, such as zero-coupon bonds, fixed rate and other long-term securities, and are generally negotiated underwritings with one or more dealers or dealer banks.

Characteristics of Debt

As of December 31, 2025 and 2024, the face amount of our debt securities of Fannie Mae was $130.0 billion and $143.1 billion, respectively. As of December 31, 2025, we had zero-coupon debt with a face amount of $24.8 billion, which had an effective interest rate of 3.67%. As of December 31, 2024, we had zero-coupon debt with a face amount of $11.5 billion, which had an effective interest rate of 4.36%.

We issue callable debt instruments to manage the duration and prepayment risk of expected cash flows of the mortgage assets we own. Our outstanding debt as of December 31, 2025 and 2024 included $35.4 billion and $41.0 billion, respectively, of callable debt that could be redeemed, in whole or in part, at our option on or after a specified date.

The following table displays the amount of our long-term debt as of December 31, 2025 by year of maturity for each of the years 2026 through 2030 and thereafter. The first column assumes that we pay off this debt at maturity or on the call date if the call has been announced, while the second column assumes that we redeem our callable debt at the next available call date.

	Long-Term Debt by Year of Maturity	Assuming Callable Debt Redeemed at Next Available Call Date
	(Dollars in millions)	
2026	$ 41,035	$ 68,344
2027	13,053	14,390
2028	8,896	1,443
2029	6,840	2,829
2030	27,296	14,165
Thereafter	5,631	1,580
Total long-term debt of Fannie Mae(1)	102,751	102,751
Debt of consolidated trusts(2)	4,053,140	4,053,140
Total long-term debt	$ 4,155,891	$ 4,155,891

(1) Includes unamortized discounts and premiums, fair value adjustments, hedge-related cost basis adjustments, and other cost basis adjustments.

(2) Contractual maturity of debt of consolidated trusts is not a reliable indicator of expected maturity because borrowers of the underlying loans generally have the right to prepay their obligations at any time.

9. Derivative Instruments

Derivative instruments are an integral part of our strategy in managing interest-rate risk. Derivative instruments may be privately-negotiated, bilateral contracts, or they may be listed and traded on an exchange. We refer to our derivative transactions made pursuant to bilateral contracts as our OTC derivative transactions and our derivative transactions accepted for clearing by a derivatives clearing organization as our cleared derivative transactions. We typically do not settle the notional amount of our risk management derivatives; rather, notional amounts provide the basis for calculating actual payments or settlement amounts. The derivative contracts we use for interest-rate risk management purposes fall into these broad categories:

- *Interest-rate swap contracts.* An interest-rate swap is a transaction between two parties in which each party agrees to exchange payments tied to different interest rates or indices for a specified period of time, generally based on a notional amount of principal. The types of interest-rate swaps we use include pay-fixed swaps, receive-fixed swaps and basis swaps.
- *Interest-rate option contracts.* These contracts primarily include pay-fixed swaptions, receive-fixed swaptions, cancellable swaps and interest-rate caps. A swaption is an option contract that allows us or a counterparty to enter into a pay-fixed or receive-fixed swap at some point in the future.
- *Foreign currency swaps.* These swaps convert debt that we issue in foreign denominated currencies into U.S. dollars. We enter into foreign currency swaps only to the extent that we hold foreign currency debt.
- *Futures.* These are standardized exchange-traded contracts that either obligate a buyer to buy an asset at a predetermined date and price or a seller to sell an asset at a predetermined date and price. The types of futures contracts we enter into include SOFR and U.S. Treasury.

We account for certain forms of credit risk transfer transactions as derivatives. In our credit risk transfer transactions, a portion of the credit risk associated with losses on a reference pool of mortgage loans is transferred to a third party. We enter into derivative transactions that are associated with some of our credit risk transfer transactions, whereby we manage investment risk to guarantee that certain unconsolidated VIEs have sufficient cash flows to pay their contractual obligations.

We enter into forward purchase and sale commitments that lock in the future delivery of mortgage loans and mortgage-related securities at a fixed price or yield. Certain commitments to purchase mortgage loans and purchase or sell mortgage-related securities meet the criteria of a derivative. We typically settle the notional amount of our mortgage commitments that are accounted for as derivatives.

We recognize all derivatives as either assets or liabilities in our consolidated balance sheets at their fair value on a trade-date basis. See “Note 16, Fair Value” for additional information on derivatives recorded at fair value.

Fair Value Hedge Accounting

Pursuant to our fair value hedge accounting program, we may designate certain interest-rate swaps as hedging instruments in hedges of the change in fair value attributable to the designated benchmark interest rate for certain closed pools of fixed-rate, single-family mortgage loans or our funding debt. For hedged items in qualifying fair value hedging relationships, changes in fair value attributable to the designated risk are recognized as a basis adjustment to the hedged item. We also report changes in the fair value of the derivative hedging instrument in the same consolidated statements of operations and comprehensive income line item used to recognize the earnings effect of the hedged item’s basis adjustment. We record all gains and losses, including accrued interest, on derivatives while they are not in a qualifying designated hedging relationship in “Fair value gains (losses), net” in our consolidated statements of operations and comprehensive income. The objective of our fair value hedges is to reduce GAAP earnings volatility related to changes in benchmark interest rates.

Notional and Fair Value Position of our Derivatives

The following table displays the notional amount and estimated fair value of our asset and liability derivative instruments, including derivative instruments designated as hedges.

	As of December 31,					
	2025			2024		
		Estimated Fair Value			Estimated Fair Value	
	Notional Amount	Asset Derivatives	Liability Derivatives	Notional Amount	Asset Derivatives	Liability Derivatives
	(Dollars in millions)					
Risk management derivatives designated as hedging instruments:						
Swaps:[1]						
Pay-fixed	**$ 38,759**	**$ —**	**$ —**	$ 26,704	$ —	$ —
Receive-fixed	**8,439**	**—**	**—**	10,057	—	—
Total risk management derivatives designated as hedging instruments	**47,198**	**—**	**—**	36,761	—	—
Risk management derivatives not designated as hedging instruments:						
Swaps:[1]						
Pay-fixed	**199,744**	**—**	**—**	146,628	—	—
Receive-fixed	**194,394**	**145**	**(1,082)**	135,686	71	(2,164)
Basis	**250**	**28**	**—**	250	26	—
Foreign currency	**334**	**—**	**(56)**	310	—	(81)
Swaptions:[1]						
Pay-fixed	**11,956**	**91**	**(4)**	7,006	280	(31)
Receive-fixed	**11,661**	**13**	**(114)**	5,916	24	(92)
Futures[1]	**11,546**	**—**	**—**	86	—	—
Total risk management derivatives not designated as hedging instruments	**429,885**	**277**	**(1,256)**	295,882	401	(2,368)
Netting adjustment[2]	**—**	**(199)**	**1,242**	—	(362)	2,367
Total risk management derivatives portfolio	**477,083**	**78**	**(14)**	332,643	39	(1)
Mortgage commitment derivatives:						
Mortgage commitments to purchase whole loans	**4,005**	**7**	**(1)**	2,634	1	(9)
Forward contracts to purchase mortgage-related securities	**47,122**	**48**	**(13)**	31,883	3	(118)
Forward contracts to sell mortgage-related securities	**111,868**	**—**	**(117)**	78,934	108	(10)
Total mortgage commitment derivatives	**162,995**	**55**	**(131)**	113,451	112	(137)
Credit enhancement derivatives	**27,269**	**44**	**(3)**	28,775	28	(16)
Other derivatives	**732**	**—**	**(4)**	—	—	—
Derivatives at fair value	**$ 668,079**	**$ 177**	**$ (152)**	$ 474,869	$ 179	$ (154)

(1) Centrally cleared derivatives have no ascribable fair value because the positions are settled daily.

(2) The netting adjustment represents the effect of the legal right to offset under legally enforceable master netting arrangements to settle with the same counterparty on a net basis, including cash collateral posted and received. Cash collateral posted was $1.1 billion and $2.0 billion as of December 31, 2025 and 2024, respectively. Cash collateral received was $27 million and $3 million as of December 31, 2025 and 2024, respectively.

The following table displays, by type of derivative instrument, the fair value gains and losses, net on our derivatives.

	For the Year Ended December 31,		
	2025	2024	2023
	(Dollars in millions)		
Risk management derivatives:			
Swaps:			
Pay-fixed	$ (1,003)	$ 1,472	$ (1,441)
Receive-fixed	1,806	242	2,441
Basis	4	(22)	39
Foreign currency	25	(15)	32
Swaptions:			
Pay-fixed	(190)	66	(2)
Receive-fixed	(60)	(20)	(10)
Futures	21	1	—
Net contractual interest expense on interest-rate swaps	(532)	(964)	(711)
Total risk management derivatives fair value gains (losses), net	71	760	348
Mortgage commitment derivatives fair value gains (losses), net	(1,006)	533	120
Credit enhancement derivatives fair value gains (losses), net	(23)	(82)	46
Other derivatives fair value gains (losses), net	1	—	—
Total derivatives fair value gains (losses), net	$ (957)	$ 1,211	$ 514

Effect of Fair Value Hedge Accounting

The following table displays the effect of fair value hedge accounting on our consolidated statements of operations and comprehensive income, including gains and losses recognized on fair value hedging relationships.

	For the Year Ended December 31,			
	2025		2024	
	Interest Income: Mortgage Loans	Interest Expense: Long-Term Debt	Interest Income: Mortgage Loans	Interest Expense: Long-Term Debt
	(Dollars in millions)			
Total amounts presented in our consolidated statements of operations and comprehensive income	$ 152,149	$(129,425)	$ 144,152	$(121,223)
Gains (losses) from fair value hedging relationships:				
Mortgage loans HFI and related interest-rate contracts:				
Hedged items	$ 441	$ —	$ (675)	$ —
Discontinued hedge-related basis adjustment amortization	31	—	33	—
Derivatives designated as hedging instruments	(364)	—	636	—
Interest accruals on derivative hedging instruments	217	—	315	—
Debt of Fannie Mae and related interest-rate contracts:				
Hedged items	—	(233)	—	502
Discontinued hedge-related basis adjustment amortization	—	(802)	—	(863)
Derivatives designated as hedging instruments	—	224	—	(363)
Interest accruals on derivative hedging instruments	—	(91)	—	(425)
Gains (losses) recognized in net interest income on fair value hedging relationships	$ 325	$ (902)	$ 309	$ (1,149)

Hedged Items in Fair Value Hedging Relationships

The following table displays the carrying amounts of the hedged items that have been in qualifying fair value hedges recorded in our consolidated balance sheets, including the hedged item's cumulative basis adjustments and the closed portfolio balances under the portfolio layer method. The hedged item carrying amounts and total basis adjustments include both open and discontinued hedges. The amortized cost and designated UPB consists only of open hedges as of December 31, 2025 and 2024.

	As of December 31, 2025				
		Cumulative Amount of Fair Value Hedging Basis Adjustments Included in the Carrying Amount		Closed Portfolio of Mortgage Loans Under Portfolio Layer Method	
	Carrying Amount Assets (Liabilities)	Total Basis Adjustments[1]	Remaining Adjustments - Discontinued Hedge	Total Amortized Cost	Designated UPB
	(Dollars in millions)				
Mortgage loans HFI	$ 1,343,231	$ (344)	$ (344)	$ 251,659	$ 39,605
Debt of Fannie Mae	(28,764)	2,355	2,355	N/A	N/A

	As of December 31, 2024				
		Cumulative Amount of Fair Value Hedging Basis Adjustments Included in the Carrying Amount		Closed Portfolio of Mortgage Loans Under Portfolio Layer Method	
	Carrying Amount Assets (Liabilities)	Total Basis Adjustments[1]	Remaining Adjustments - Discontinued Hedge	Total Amortized Cost	Designated UPB
	(Dollars in millions)				
Mortgage loans HFI	$ 1,109,445	$ (816)	$ (816)	$ 813,536	$ 26,825
Debt of Fannie Mae	(47,849)	3,390	3,390	N/A	N/A

[1] No basis adjustment associated with open hedges, as all hedges are designated at the close of business, with a one-day term.

Derivative Counterparty Credit Exposure

Our derivative counterparty credit exposure relates principally to interest-rate derivative contracts. We are exposed to the risk that a counterparty in a derivative transaction will default on payments due to us, which may require us to seek a replacement derivative from a different counterparty. This replacement may be at a higher cost, or we may be unable to find a suitable replacement. We manage our derivative counterparty credit exposure relating to our risk management derivative transactions mainly through enforceable master netting arrangements, which allow us to net derivative assets and liabilities with the same counterparty or clearing organization and clearing member. For our OTC derivative transactions, we require counterparties to post collateral, which may include cash, U.S. Treasury securities, agency debt and agency mortgage-related securities. See "Note 15, Netting Arrangements" for information on our rights to offset assets and liabilities as of December 31, 2025 and 2024.

For certain OTC derivatives, the amount of collateral we pledge to counterparties related to our derivative instruments is determined after considering our credit ratings. Currently, our long-term senior debt is rated AA+ or above by the three major rating agencies. If our long-term senior debt credit ratings were downgraded to established thresholds in our OTC derivative contracts, which range from A3/A- to Baa2/BBB or below, we would be required to provide additional collateral to certain counterparties. The aggregate fair value of our OTC derivative instruments with credit-risk-related contingent features that were in a net liability position was $651 million and $1.3 billion, for which we posted collateral of $552 million and $948 million as of December 31, 2025 and 2024, respectively. If our credit ratings were downgraded to Baa2/BBB or below, the maximum additional collateral we would have been required to post to our counterparties as of December 31, 2025 and 2024 would have been $316 million and $725 million, respectively.

10. Income Taxes

Provision for Federal Income Taxes

We are subject to federal income tax, but we are exempt from state and local income taxes. We do not conduct business in foreign jurisdictions. The following table displays the components of our provision for U.S. federal income taxes.

	For the Year Ended December 31,		
	2025	2024	2023
	(Dollars in millions)		
Current income tax benefit (provision)	**$ (2,900)**	$ (3,154)	$ (3,317)
Deferred income tax benefit (provision)[1]	**(719)**	(1,137)	(1,231)
Provision for federal income taxes	**$ (3,619)**	$ (4,291)	$ (4,548)

(1) Amount excludes the current income tax effect of items recognized directly in "Total stockholders' equity."

The following table displays the difference between the statutory corporate tax rate and our effective tax rate.

	For the Year Ended December 31,					
	2025		2024		2023	
	(Dollars in millions)					
Income before U.S. federal income taxes	**$ 17,983**		$ 21,269		$ 21,956	
U.S. federal statutory corporate tax rate	**3,776**	**21.0 %**	4,467	21.0 %	4,611	21.0 %
Tax credits						
LIHTC investments	**(417)**	**(2.3)**	(311)	(1.4)	(213)	(1.0)
Research and development	**(47)**	**(0.3)**	(85)	(0.4)	(29)	(0.1)
Valuation allowance	**(9)**	**—**	(18)	(0.1)	30	0.1
Other adjustments						
Proportional amortization, net of other tax benefits, on LIHTC investments	**331**	**1.8**	255	1.2	166	0.8
Other	**(15)**	**(0.1)**	(17)	(0.1)	(17)	(0.1)
Provision for U.S. federal income taxes and effective tax rate	**$ 3,619**	**20.1 %**	$ 4,291	20.2 %	$ 4,548	20.7 %

Our effective tax rate is the provision for federal income taxes expressed as a percentage of income before federal income taxes. Our effective tax rates for the years 2025, 2024, and 2023 were impacted by benefits for research tax credits, investments in housing projects eligible for low-income housing tax credits, and changes in the valuation allowance against our capital loss carryforward tax asset.

Deferred Tax Assets and Liabilities

We evaluate our deferred tax assets for recoverability using a consistent approach which considers the relative impact of negative and positive evidence, including our historical profitability and projections of future taxable income. Our framework for assessing the recoverability of deferred tax assets requires us to weigh all available evidence, to the extent it exists, including:

- the sustainability of recent profitability required to realize the deferred tax assets;
- the cumulative net income or losses in our consolidated statements of operations and comprehensive income in recent years;
- unsettled circumstances that, if unfavorably resolved, would adversely affect future operations and profit levels on a continuing basis in future years;
- the carryforward period for capital losses; and
- tax planning strategies.

Based on all positive and negative evidence available as of December 31, 2025, we concluded that it is more likely than not that our deferred tax assets will be realized, except the deferred tax asset relating to capital loss carryforwards. For the deferred tax asset relating to capital loss carryforwards, we concluded that the negative evidence outweighed the positive evidence, and it is more likely than not that these capital loss carryforwards will not be utilized during the allowable five-year carryforward period, which will expire in 2027 and 2028 if unused. Therefore, a valuation allowance has been recorded against our capital loss carryforward deferred tax asset, which is included in "Other, net" in the table below.

The following table displays our deferred tax assets and deferred tax liabilities.

	As of December 31,	
	2025	2024
	(Dollars in millions)	
Deferred tax assets:		
Mortgage and mortgage-related assets	**$ 4,293**	$ 5,060
Allowance for loan losses and basis in acquired property, net	**1,621**	1,392
Derivative instruments	**160**	291
Partnership and other equity investments	**1**	9
Interest-only securities	**3,901**	3,982
Other, net	**531**	749
Total deferred tax assets	**10,507**	11,483
Deferred tax liabilities:		
Debt instruments	**561**	811
Valuation allowance	**(118)**	(127)
Deferred tax assets, net	**$ 9,828**	$ 10,545

11. Segment Reporting

We have two reportable business segments, which are based on the type of business activities each perform: Single-Family and Multifamily. Results of our two business segments are intended to reflect each segment as if it were a stand-alone business. Our Acting Chief Executive Officer is the chief operating decision maker ("CODM") for our two reportable business segments. The CODM uses both net revenues and income before federal income taxes, on a quarterly basis, to assess the financial performance of the segments and for purposes of allocating resources. The accounting policies of our two reportable business segments are the same as those described in "Note 1, Summary of Significant Accounting Policies."

The section below provides a discussion of our reportable business segments.

Single-Family Business Segment

- Works with lenders to acquire and securitize single-family mortgage loans delivered to us by lenders into Fannie Mae MBS.

- Issues structured Fannie Mae MBS backed by single-family mortgage assets and provides other services to single-family lenders.
- Prices and manages the credit risk on loans in our single-family guaranty book of business, which includes establishing underwriting and servicing standards. Also enters into transactions that transfer a portion of the credit risk on some of the loans in our single-family guaranty book of business to third parties.
- Works to reduce costs of defaulted single-family loans, including through forbearance plans, home retention solutions, foreclosure alternatives, management of foreclosures and our REO inventory, selling nonperforming loans and pursuing contractual remedies from lenders, servicers and providers of credit enhancements.

Multifamily Business Segment

- Works with lenders to acquire and securitize multifamily mortgage loans delivered to us by lenders into Fannie Mae MBS.
- Issues structured multifamily Fannie Mae MBS through our Fannie Mae Guaranteed Multifamily Structures ("Fannie Mae GeMS™") program and provides other services to our multifamily lenders.
- Prices and manages the credit risk on loans in our multifamily guaranty book of business, which includes establishing underwriting and servicing standards. Lenders retain a portion of the credit risk in most multifamily transactions.
- Enters into additional transactions that transfer a portion of the credit risk on some of the loans in our multifamily guaranty book of business to third parties.
- Works to reduce costs of defaulted multifamily loans, including through loss mitigation strategies such as forbearance and modification, management of foreclosures and our REO inventory, and pursuing contractual remedies from lenders, servicers, borrowers, sponsors, and providers of credit enhancements.

Segment Allocations and Results

The majority of our assets, revenues and expenses are directly associated with each respective business segment and are included in determining its asset balance and operating results. Those assets, revenues and expenses that are not directly attributable to a particular business segment are allocated based on the size of each segment's guaranty book of business. As a result, the sum of each income statement line item for the two reportable segments is equal to that same income statement line item for the consolidated entity. In addition, the sum of the total assets for the two reportable segments is equal to the total assets of the consolidated entity.

The substantial majority of the gains and losses associated with our risk management derivatives, including the impact of hedge accounting, are allocated to our Single-Family business segment. In the current period, there were no significant changes to our segment allocation methodology.

The following table displays total assets by segment.

	As of December 31,	
	2025	2024
	(Dollars in millions)	
Single-Family	**$ 3,757,261**	$ 3,823,840
Multifamily	**560,277**	525,891
Total assets	**$ 4,317,538**	$ 4,349,731

We operate our business solely in the United States and its territories, and accordingly, we generate no revenue from and have no long-lived assets, other than financial instruments, in geographic locations other than the United States and its territories.

The following tables display our segment results.

	For the Year Ended December 31, 2025		
	Single-Family	Multifamily	Total
	(Dollars in millions)		
Net interest income[1]	$ 23,893	$ 4,715	$ 28,608
Fee and other income	281	75	356
Net revenues	24,174	4,790	28,964
Fair value gains (losses), net[2]	(16)	106	90
Investment gains (losses), net[3]	94	11	105
Other gains (losses), net	78	117	195
(Provision) benefit for credit losses[4]	(1,323)	(283)	(1,606)
Non-interest expense:			
Administrative expenses[5]	(2,918)	(661)	(3,579)
Legislative assessments[6]	(3,688)	(61)	(3,749)
Credit enhancement expense[7]	(1,343)	(313)	(1,656)
Other income (expense), net[8]	(606)	20	(586)
Total non-interest expense	(8,555)	(1,015)	(9,570)
Income before federal income taxes	14,374	3,609	17,983
Provision for federal income taxes	(2,958)	(661)	(3,619)
Net income	$ 11,416	$ 2,948	$ 14,364

	For the Year Ended December 31, 2024		
	Single-Family	Multifamily	Total
	(Dollars in millions)		
Net interest income[1]	$ 24,130	$ 4,618	$ 28,748
Fee and other income	245	76	321
Net revenues	24,375	4,694	29,069
Fair value gains (losses), net[2]	1,745	76	1,821
Investment gains (losses), net[3]	(99)	3	(96)
Other gains (losses), net	1,646	79	1,725
(Provision) benefit for credit losses[4]	938	(752)	186
Non-interest expense:			
Administrative expenses[5]	(3,000)	(619)	(3,619)
Legislative assessments[6]	(3,719)	(47)	(3,766)
Credit enhancement expense[7]	(1,349)	(292)	(1,641)
Other income (expense), net[8]	(771)	86	(685)
Total non-interest expense	(8,839)	(872)	(9,711)
Income before federal income taxes	18,120	3,149	21,269
Provision for federal income taxes	(3,690)	(601)	(4,291)
Net income	$ 14,430	$ 2,548	$ 16,978

	For the Year Ended December 31, 2023		
	Single-Family	Multifamily	Total
	(Dollars in millions)		
Net interest income[1]	$ 24,229	$ 4,544	$ 28,773
Fee and other income	205	70	275
Net revenues	24,434	4,614	29,048
Fair value gains (losses), net[2]	1,231	73	1,304
Investment gains (losses), net[3]	(232)	(33)	(265)
Other gains (losses), net	999	40	1,039
(Provision) benefit for credit losses[4]	2,165	(495)	1,670
Non-interest expense:			
Administrative expenses[5]	(2,858)	(587)	(3,445)
Legislative assessments[6]	(3,699)	(46)	(3,745)
Credit enhancement expense[7]	(1,281)	(231)	(1,512)
Other income (expense), net[8]	(970)	(129)	(1,099)
Total non-interest expense	(8,808)	(993)	(9,801)
Income before federal income taxes	18,790	3,166	21,956
Provision for federal income taxes	(3,935)	(613)	(4,548)
Net income	$ 14,855	$ 2,553	$ 17,408

(1) Net interest income primarily consists of guaranty fees received as compensation for assuming the credit risk on loans underlying Fannie Mae MBS held by third parties for the respective business segment, and the difference between the interest income earned on the respective business segment's assets in our retained mortgage portfolio and our corporate liquidity portfolio and the interest expense associated with the debt funding those assets. Revenues from single-family guaranty fees include revenues generated by the 10 basis point increase in guaranty fees pursuant to the TCCA, the incremental revenue from which is paid to Treasury and not retained by us. Also includes yield maintenance revenue we recognized on the prepayment of multifamily loans.

(2) Single-family fair value gains (losses) primarily consist of fair value gains and losses on risk management and mortgage commitment derivatives, trading securities, fair value option debt, and other financial instruments associated with our single-family guaranty book of business. Multifamily fair value gains (losses) primarily consist of fair value gains and losses on MBS commitment derivatives, trading securities and other financial instruments associated with our multifamily guaranty book of business.

(3) Single-family investment gains (losses) primarily consist of gains and losses on the sale of mortgage assets. Multifamily investment gains (losses) primarily consist of gains and losses on resecuritization activity.

(4) (Provision) benefit for credit losses is based on loans underlying the segment's guaranty book of business.

(5) Consists of salaries and employee benefits and professional services, technology and occupancy expenses.

(6) For single-family, consists of the portion of our single-family guaranty fees that is paid to Treasury pursuant to the TCCA, affordable housing allocations and FHFA assessments. For multifamily, consists of affordable housing allocations and FHFA assessments.

(7) Single-family credit enhancement expense consists of costs associated with our freestanding credit enhancements, which include primarily costs associated with our CIRT™, CAS and enterprise-paid mortgage insurance ("EPMI") programs. Multifamily credit enhancement expense primarily consists of costs associated with our Multifamily CIRT™ ("MCIRT™") and Multifamily CAS ("MCAS™") programs as well as amortization expense for certain lender risk-sharing programs. Excludes CAS transactions accounted for as debt instruments and credit risk transfer programs accounted for as derivative instruments.

(8) Primarily consists of foreclosed property income (expense), change in the expected benefits from our freestanding credit enhancements and gains (losses) from partnership investments.

12. Equity

Senior Preferred Stock

Liquidation Preference

There were one million shares of the senior preferred stock authorized, issued and outstanding as of December 31, 2025 and 2024. Shares of the senior preferred stock have no par value and have a stated value and initial liquidation preference equal to $1,000 per share, for an aggregate initial liquidation preference of $1 billion. The senior preferred stock is non-participating and non-voting.

Under the terms that currently govern the senior preferred stock, the aggregate liquidation preference will be increased by the following:

- any amounts Treasury pays to us pursuant to its funding commitment under the agreement (as of the date of this filing, the cumulative amount Treasury has paid to us under its funding commitment is $119.8 billion);
- any quarterly commitment fees that are payable but not paid by us (no such fees have become payable, nor will such fees be set until the capital reserve end date, as defined in "Note 2, Conservatorship, Senior Preferred Stock Purchase Agreement and Related Matters");
- any senior preferred stock dividends that are payable but not paid, regardless of whether or not they are declared; and
- for each fiscal quarter through and including the capital reserve end date, an amount equal to the increase in our net worth, if any, during the immediately prior fiscal quarter.

The aggregate liquidation preference of the senior preferred stock was $227.0 billion as of December 31, 2025 and will further increase to $230.5 billion as of March 31, 2026, due to the $3.5 billion increase in our net worth during the fourth quarter of 2025.

The senior preferred stock ranks ahead of our common stock and our preferred stock as to both dividends and rights upon liquidation. As a result, if we are liquidated, the holder of the senior preferred stock is entitled to its then-current liquidation preference before any distributions are made to the holders of our other equity securities.

Dividend Provisions

Treasury, as the holder of the senior preferred stock, is entitled to receive, when, as and if declared, out of legally available funds, cumulative quarterly cash dividends. The dividends we have paid to Treasury on the senior preferred stock were declared by, and paid at the direction of, our conservator. Dividend payments we make on the senior preferred stock do not restore or increase the amount of Treasury's funding commitment under the agreement.

We are currently not required to pay or accumulate new dividends on the senior preferred stock until our net worth exceeds the amount of adjusted total capital necessary for us to meet the capital requirements and buffers set forth in the enterprise regulatory capital framework. Our net worth is the amount, if any, by which our total assets (excluding Treasury's funding commitment and any unfunded amounts related to the commitment) exceed our total liabilities (excluding any obligation with respect to equity securities). After the capital reserve end date, the quarterly dividends due on the senior preferred stock will be the lesser of (i) any quarterly increase in our net worth, and (ii) a 10% annual rate on the then-current liquidation preference of the senior preferred stock (or 12% if we fail to pay dividends due).

We had no dividends declared or paid on the senior preferred stock for the years ended December 31, 2025, 2024 or 2023.

Limitations on Redemption and Paydown of Liquidation Preference; Requirement to Pay Net Proceeds of Capital Stock Issuances to Reduce Liquidation Preference

We are not permitted to redeem or retire the senior preferred stock prior to the termination of Treasury's funding commitment under the agreement. Moreover, we are not permitted to reduce or pay down the liquidation preference of the senior preferred stock out of regular corporate funds except to the extent of (1) accumulated and unpaid dividends previously added to the liquidation preference; and (2) quarterly commitment fees previously added to the liquidation preference. While the senior preferred stock remains outstanding, we are required to use the net cash proceeds of issuances of equity securities to pay down the liquidation preference of the senior preferred stock; however, we are permitted to retain up to $70 billion in aggregate gross cash proceeds from issuances of common stock. The liquidation preference of the senior preferred stock may not be paid down below $1,000 per share prior to the termination of Treasury's funding commitment. After termination, we may fully pay down the liquidation preference of the senior preferred stock.

Common Stock Warrant

On September 7, 2008, we, through FHFA in its capacity as conservator, issued to Treasury a warrant to purchase, at a nominal price of $0.00001 per share, shares of our common stock equal to 79.9% of the total number of shares of our common stock outstanding on a fully diluted basis on the date the warrant is exercised. The warrant may be exercised in whole or in part at any time on or before September 7, 2028.

If the market price of one share of common stock is greater than the exercise price, in lieu of exercising the warrant by payment of the exercise price, Treasury may elect to receive shares equal to the value of the warrant (or portion thereof being canceled) pursuant to the formula specified in the warrant. Upon exercise of the warrant, Treasury may assign the right to receive the shares of common stock issuable upon exercise to any other person. If the warrant is exercised, the stated value of the common stock issued will be reclassified as "Common stock" in our consolidated balance sheets. As of February 11, 2026, Treasury has not exercised the warrant.

We recorded the warrant at fair value in our stockholders' equity as a component of additional paid-in-capital. The fair value of the warrant was calculated using the Black-Scholes Option Pricing Model. Since the warrant has an exercise price of $0.00001 per share, the model is insensitive to the risk-free rate and volatility assumptions used in the calculation and the share value of the warrant is equal to the price of the underlying common stock. We estimated that the fair value of the warrant at issuance was $3.5 billion based on the price of our common stock on September 8, 2008, which was after the dilutive effect of the warrant had been reflected in the market price. Subsequent changes in the fair value of the warrant are not recognized in our financial statements.

Preferred Stock

The following table displays our preferred stock outstanding.

		Authorized, Issued and Outstanding as of December 31,						
		2025		2024				
Title	Issue Date	Shares	Amount	Shares	Amount	Stated Value per Share	Annual Dividend Rate as of December 31, 2025	Redeemable on or After
		(Dollars and shares in millions, except per share amounts)						
Series D	September 30, 1998	**3**	**$ 150**	3	$ 150	$ 50	5.250 %	September 30, 1999
Series E	April 15, 1999	**3**	**150**	3	150	50	5.100	April 15, 2004
Series F	March 20, 2000	**14**	**690**	14	690	50	4.482 (1)	March 31, 2002 (2)
Series G	August 8, 2000	**6**	**288**	6	288	50	3.368 (3)	September 30, 2002 (2)
Series H	April 6, 2001	**8**	**400**	8	400	50	5.810	April 6, 2006
Series I	October 28, 2002	**6**	**300**	6	300	50	5.375	October 28, 2007
Series L	April 29, 2003	**7**	**345**	7	345	50	5.125	April 29, 2008
Series M	June 10, 2003	**9**	**460**	9	460	50	4.750	June 10, 2008
Series N	September 25, 2003	**5**	**225**	5	225	50	5.500	September 25, 2008
Series O	December 30, 2004	**50**	**2,500**	50	2,500	50	7.000 (4)	December 31, 2007
Convertible Series 2004-I(5)	December 30, 2004	**—**	**2,492**	—	2,492	100,000	5.375	January 5, 2008
Series P	September 28, 2007	**40**	**1,000**	40	1,000	25	4.684 (6)	September 30, 2012
Series Q	October 4, 2007	**15**	**375**	15	375	25	6.750	September 30, 2010
Series R(7)	November 21, 2007	**21**	**530**	21	530	25	7.625	November 21, 2012
Series S	December 11, 2007	**280**	**7,000**	280	7,000	25	8.164 (8)	December 31, 2010 (9)
Series T(10)	May 19, 2008	**89**	**2,225**	89	2,225	25	8.250	May 20, 2013
Total		**556**	**$ 19,130**	556	$ 19,130			

(1) Rate effective March 31, 2024. Variable dividend rate resets every two years at a per annum rate equal to the two-year Constant Maturity U.S. Treasury Rate ("CMT") minus 0.16% with a cap of 11% per year.

(2) Represents initial call date. Redeemable every two years thereafter.

(3) Rate effective September 30, 2024. Variable dividend rate resets every two years at a per annum rate equal to the two-year CMT rate minus 0.18% with a cap of 11% per year.

(4) Rate effective December 31, 2025. Variable dividend rate resets quarterly thereafter at a per annum rate equal to the greater of 7% or 10-year CMT rate plus 2.375%.

(5) Issued and outstanding shares were 24,922 as of December 31, 2025 and 2024.

(6) Rate effective December 31, 2025. In accordance with the Federal Reserve Board's Regulation ZZ implementing the Adjustable Interest Rate (LIBOR) Act ("Regulation ZZ"), for quarterly periods beginning after June 30, 2023, the quarterly dividend resets at a per annum rate equal to the greater of 4.50% or the sum of 3-month CME Term SOFR plus 0.26161% plus 0.75%.

(7) On November 21, 2007, we issued 20 million shares of preferred stock in the amount of $500 million. Subsequent to the initial issuance, we issued an additional 1.2 million shares in the amount of $30 million on December 14, 2007 under the same terms as the initial issuance.

(8) Rate effective December 31, 2025. In accordance with Regulation ZZ, for quarterly periods beginning after June 30, 2023, the quarterly dividend resets at a per annum rate equal to the greater of 7.75% or the sum of 3-month CME Term SOFR plus 0.26161% plus 4.23%.

(9) Represents initial call date. Redeemable every five years thereafter.

(10) On May 19, 2008, we issued 80 million shares of preferred stock in the amount of $2 billion. Subsequent to the initial issuance, we issued an additional 8 million shares in the amount of $200 million on May 22, 2008 and 1 million shares in the amount of $25 million on June 4, 2008 under the same terms as the initial issuance.

The preferred stock ranks junior to the senior preferred stock as to both dividends and distributions upon dissolution, liquidation or winding down of the company. Each series of our preferred stock has no par value, is non-participating, is non-voting and has a liquidation preference equal to the stated value per share.

Holders of preferred stock are entitled to receive non-cumulative, quarterly dividends when, and if, declared by our Board of Directors, but have no right to require redemption of any shares of preferred stock. Payment of dividends on preferred stock is not mandatory but has priority over payment of dividends on common stock, which are also declared by the Board of Directors. If dividends on the preferred stock are not paid or set aside for payment for a given dividend period, dividends may not be paid on our common stock for that period. The senior preferred stock purchase agreement prohibits the payment of dividends on preferred stock without the prior written consent of Treasury, and the conservator has separately confirmed the elimination of such dividends. In addition, FHFA's regulations relating to conservatorship and receivership operations prohibit us from paying any dividends while in conservatorship unless authorized by the FHFA Director. As such, we had no dividends declared or paid on the preferred stock for the years ended December 31, 2025, 2024 or 2023.

After a specified period, we have the option to redeem preferred stock at its redemption price plus the dividend (whether or not declared) for the then-current period accrued to, but excluding, the date of redemption. The redemption price is equal to the stated value for all issues of preferred stock except Series O, which has a redemption price of $50 to $52.50 depending on the year of redemption and Convertible Series 2004-1, which has a redemption price of $105,000 per share.

None of our preferred stock is convertible into or exchangeable for any of our other stock or obligations, with the exception of the Convertible Series 2004-1 which are convertible at any time, at the option of the holders, into shares of Fannie Mae common stock at a conversion price of $94.31 per share of common stock (equivalent to a conversion rate of 1,060.3329 shares of common stock for each share of Series 2004-1 Preferred Stock). The conversion price is adjustable, as necessary, to maintain the stated conversion rate into common stock. Events which may trigger an adjustment to the conversion price include certain changes in our common stock dividend rate, subdivisions of our outstanding common stock into a greater number of shares, combinations of our outstanding common stock into a smaller number of shares and issuances of any shares by reclassification of our common stock. No such events have occurred.

Our preferred stock is traded in the over-the-counter market.

Common Stock

The common stock ranks junior to the senior preferred stock and the preferred stock as to both dividends and distributions upon dissolution, liquidation or winding down of the company. Shares of common stock outstanding, net of shares held as treasury stock, totaled 1.2 billion as of December 31, 2025 and 2024.

During conservatorship, the rights and powers of stockholders are suspended. Accordingly, our common stockholders have no ability to elect directors or to vote on other matters during the conservatorship unless FHFA elects to delegate this authority to them. In addition, we issued a warrant to Treasury that provides Treasury with the right to purchase for a nominal price shares of our common stock equal to 79.9% of the total number of shares of common stock outstanding on a fully diluted basis on the date of exercise, which would substantially dilute the ownership in Fannie Mae of our common stockholders at the time of exercise. Refer to the "Senior Preferred Stock" and "Common Stock Warrant" sections of this note for more information.

The senior preferred stock purchase agreement prohibits the payment of dividends on common stock without the prior written consent of Treasury and the conservator has separately confirmed the elimination of such dividends. In addition, FHFA's regulations relating to conservatorship and receivership operations prohibit us from paying any dividends while in conservatorship unless authorized by the FHFA Director. As such, we had no dividends declared or paid on the common stock for the years ended December 31, 2025, 2024 or 2023.

Earnings per Share

Earnings per share ("EPS") is presented for basic and diluted EPS. However, as a result of our conservatorship status and the terms of the senior preferred stock, no amounts would be available to distribute as dividends to common or preferred stockholders (other than to Treasury as the holder of the senior preferred stock).

We compute basic EPS by dividing net income attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Net income attributable to common stockholders excludes amounts attributable to the senior preferred stock because such amounts increase the liquidation preference of the senior preferred stock and therefore are required to be excluded from basic EPS. See further information on the senior preferred stock above in "Senior Preferred Stock."

The calculation of diluted EPS includes all the components of basic earnings per share, plus the dilutive effect of common stock equivalents such as convertible securities and stock options. Weighted-average common shares outstanding is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued. Our diluted EPS weighted-average common shares outstanding includes 26 million shares of convertible preferred stock for the years ended December 31, 2025, 2024 and 2023. During periods in which a net loss attributable to common stockholders has been incurred, potential common equivalent shares outstanding are not included in the calculation because it would have an anti-dilutive effect.

We include the shares of common stock that would be issuable upon full exercise of the common stock warrant in the weighted average shares of outstanding for the computation of both basic and diluted earnings per share because the warrant's exercise price per share is considered non-substantive (compared to the market price of our common stock) and therefore was determined to have characteristics of non-voting common stock. For the years ended December 31, 2025, 2024 and 2023, the common stock warrant added 4.7 billion shares to weighted average common shares outstanding.

13. Regulatory Capital Requirements

The enterprise regulatory capital framework went into effect in February 2021; however, we are not required to hold capital according to the framework's requirements until the date of termination of our conservatorship, or such later date as may be ordered by FHFA.

The enterprise regulatory capital framework establishes requirements under the standardized approach related to the amount and form of capital we must hold, including supplemental leverage and risk-based minimum capital requirements based largely on definitions of capital used in U.S. banking regulators' regulatory capital framework. Additionally, the enterprise regulatory capital framework includes a requirement that we hold prescribed capital buffers that can be drawn down in periods of financial stress. In general, once we are required to be in compliance with the capital buffers, if our capital levels fall below the prescribed buffer amounts, we must restrict capital distributions, such as stock repurchases and dividends, as well as discretionary bonus payments to executives, until the buffer amounts are restored.

Risk-Based Capital Requirements

Under the risk-based capital requirements, we must maintain common equity tier 1 capital, tier 1 capital, and adjusted total capital equal to at least 4.5%, 6.0%, and 8.0%, respectively, of risk-weighted assets. We are required to hold common equity tier 1 capital that exceeds the risk-based capital requirements by at least the amount of the prescribed capital conservation buffer amount ("PCCBA") in order to avoid limitations on capital distributions and discretionary bonus payments tied to executive compensation. The PCCBA is comprised of the following three components:

- A stability capital buffer, which is based on our share of mortgage debt outstanding. The calculation to determine the buffer is made on annual basis. The stability capital buffer will be updated based on this calculation with an effective date that depends on whether it increases or decreases relative to the previously calculated value.
- A stress capital buffer, which is calculated by multiplying prescribed factors by adjusted total assets as of the last day of the previous calendar quarter.
- A countercyclical capital buffer, which is currently set at 0.0% of our adjusted total assets. FHFA indicated in the adopting release for the enterprise regulatory capital framework rule that it will adjust the countercyclical capital buffer taking into account the macro-financial environment in which we operate, such that the buffer would be deployed only when excess aggregate credit growth is judged to be associated with a build-up of system-wide risk.

Leverage Capital Requirements

Under the leverage capital requirement, we must maintain tier 1 capital equal to at least 2.5% of adjusted total assets. The prescribed leverage buffer amount ("PLBA") represents the amount of tier 1 capital we are required to hold above the minimum tier 1 leverage capital requirement in order to avoid limitations on capital distributions and discretionary bonus payments tied to executive compensation. Pursuant to the enterprise regulatory capital framework, the PLBA is 50% of the stability capital buffer.

The table below sets forth information about our capital requirements under the standardized approach of the enterprise regulatory capital framework.

Capital Metrics under the Enterprise Regulatory Capital Framework as of December 31, 2025

(Dollars in billions)	
Adjusted total assets	$ 4,423
Risk-weighted assets	1,411

	Amounts			Ratios[1]		
	Available Capital (Deficit)[2]	Minimum Capital Requirement	Total Capital Requirement (including Buffers)[3]	Available Capital (Deficit) Ratio	Minimum Capital Ratio Requirement	Total Capital Requirement Ratio (including Buffers)
Risk-based capital:						
Total capital (statutory)[4]	$ (3)	$ 113	$ 113	(0.2)%	8.0 %	8.0 %
Common equity tier 1 capital	(41)	63	143	(2.9)	4.5	10.2
Tier 1 capital	(22)	85	165	(1.6)	6.0	11.7
Adjusted total capital	(22)	113	193	(1.6)	8.0	13.7
Leverage capital:						
Core capital (statutory)[5]	(12)	111	111	(0.3)	2.5	2.5
Tier 1 capital	(22)	111	134	(0.5)	2.5	3.0

Capital Metrics under the Enterprise Regulatory Capital Framework as of December 31, 2024

(Dollars in billions)	
Adjusted total assets	$ 4,460
Risk-weighted assets	1,364

	Amounts			Ratios[1]		
	Available Capital (Deficit)[2]	Minimum Capital Requirement	Total Capital Requirement (including Buffers)[3]	Available Capital (Deficit) Ratio	Minimum Capital Ratio Requirement	Total Capital Requirement Ratio (including Buffers)
Risk-based capital:						
Total capital (statutory)[4]	$ (18)	$ 109	$ 109	(1.3)%	8.0 %	8.0 %
Common equity tier 1 capital	(56)	61	142	(4.1)	4.5	10.4
Tier 1 capital	(37)	82	163	(2.7)	6.0	11.9
Adjusted total capital	(37)	109	190	(2.7)	8.0	13.9
Leverage capital:						
Core capital (statutory)[5]	(26)	111	111	(0.6)	2.5	2.5
Tier 1 capital	(37)	111	135	(0.8)	2.5	3.0

(1) Ratios are calculated as a percentage of risk-weighted assets for risk-based capital metrics and as a percentage of adjusted total assets for leverage capital metrics.

(2) Available capital deficit for all line items excludes the stated value of the senior preferred stock ($120.8 billion).

(3) Prescribed capital conservation buffer amount, or PCCBA, for risk-based capital and prescribed leverage buffer amount, or PLBA, for leverage capital.

(4) The sum of (a) core capital (see definition in footnote 5 below); and (b) a general allowance for foreclosure losses.

(5) The sum of (a) the stated value of our outstanding common stock (common stock less treasury stock); (b) the stated value of our outstanding perpetual, noncumulative preferred stock; (c) our paid-in capital; and (d) our retained earnings (accumulated deficit).

Restrictions on Capital Distributions, including Dividends

Statutory Restrictions. Under the GSE Act, FHFA has authority to prohibit capital distributions, including payment of dividends, if we fail to meet our capital requirements. If FHFA classifies us as significantly undercapitalized, the approval of the FHFA Director is required for any dividend payment. Under the Charter Act and the GSE Act, we are not permitted to make a capital distribution if, after making the distribution, we would be undercapitalized. The FHFA Director,

however, may permit us to repurchase shares if the repurchase is made in connection with the issuance of additional shares or obligations in at least an equivalent amount and will reduce our financial obligations or otherwise improve our financial condition.

Restrictions Relating to Conservatorship and Under Senior Preferred Stock Purchase Agreement. Consistent with the prohibition on the payment of dividends in the senior preferred stock purchase agreement, the conservator eliminated dividends on our common and preferred stock (other than the senior preferred stock) during the conservatorship. For additional information on the dividend provisions for our equity instruments and the restrictions on our ability to pay dividends, see "Note 12, Equity."

Restrictions Under Enterprise Regulatory Capital Framework. The enterprise regulatory capital framework rule establishes prior notice and approval requirements for capital distributions. In addition, while not currently applicable, our payment of dividends and capital distributions will be subject to the following restrictions under the enterprise regulatory capital framework effective on the date of termination of our conservatorship:

During a calendar quarter, we will not be permitted to pay dividends or make any other capital distributions (or create an obligation to make such distributions) that, in the aggregate, exceed the amount equal to our eligible retained income for the quarter multiplied by our maximum payout ratio. The maximum payout ratio for a given quarter is the lowest of the payout ratios determined by our capital conservation buffer and our leverage buffer. We will not be subject to this limitation on distributions if we have a capital conservation buffer that is greater than our prescribed capital conservation buffer amount and a leverage buffer that is greater than our prescribed leverage buffer amount. Notwithstanding the above-described limitations, FHFA may permit us to make a distribution upon our request, if FHFA determines that the distribution would not be contrary to the purposes of this section of the enterprise regulatory capital framework or to our safety and soundness. We will not be permitted to make any distributions during a quarter if our eligible retained income is negative and either (a) our capital conservation buffer is less than our stress capital buffer or (b) our leverage buffer is less than our prescribed leverage buffer amount.

14. Concentrations of Credit Risk

Concentrations of credit risk arise when a number of lenders and counterparties engage in similar activities or have similar economic characteristics that make them susceptible to similar changes in industry conditions, which could affect their ability to meet their contractual obligations. Based on our assessment of business conditions that could impact our financial results, we have determined that concentrations of credit risk exist among:

- single-family and multifamily loan borrowers (including geographic concentrations and loans with certain higher-risk characteristics);
- mortgage insurers;
- mortgage lenders that sell loans to us and mortgage lenders and other counterparties that service our loans;
- multifamily lenders with risk sharing; and
- derivative counterparties.

More information about these groups is provided below.

Single-Family Loan Borrowers

Regional economic conditions may affect a borrower's ability to repay a mortgage loan and the property value underlying the loan. Geographic concentrations increase the exposure of our guaranty book of business to changes in credit risk. Our single-family allowance is primarily affected by home prices and interest rates.

To manage credit risk and comply with our charter requirements, we typically require primary mortgage insurance or other credit enhancements if the current LTV ratio (*i.e.*, the ratio of the UPB of a loan to the current value of the property that serves as collateral) of a single-family conventional mortgage loan is greater than 80% when the loan is delivered to us.

Multifamily Loan Borrowers

Numerous factors affect a multifamily borrower's ability to repay the loan and the value of the property underlying the loan. Multifamily loans are generally non-recourse to the borrower. The most significant factors affecting credit risk are rental income, property valuations, and general economic conditions. The average UPB for multifamily loans is significantly larger than for single-family loans and, therefore, individual defaults for multifamily borrowers can result in more significant losses. We continually monitor the performance and risk characteristics of our multifamily loans, underlying properties and borrowers on an ongoing basis.

As part of our multifamily risk management activities, we perform detailed loan reviews that evaluate property performance, borrower and geographic concentrations, lender qualifications, counterparty risk and contract compliance.

We generally require mortgage servicers to obtain and submit periodic property operating information and condition reviews, allowing us to monitor the performance of individual loans. We use this information to evaluate the credit quality of our multifamily guaranty book of business, identify potential problem loans and initiate appropriate loss mitigation activities.

Geographic Concentration

The following table displays the regional geographic concentration of single-family and multifamily loans in our guaranty book of business, measured by the UPB of the loans.

	Geographic Concentration[1]			
	Percentage of Single-Family Conventional Guaranty Book of Business		Percentage of Multifamily Guaranty Book of Business	
	As of December 31,		As of December 31,	
	2025	2024	2025	2024
Midwest	**14 %**	14 %	**12 %**	12 %
Northeast	**16**	16	**15**	15
Southeast	**23**	23	**28**	27
Southwest	**20**	19	**22**	22
West	**27**	28	**23**	24
Total	**100 %**	100 %	**100 %**	100 %

(1) Midwest consists of IL, IN, IA, MI, MN, NE, ND, OH, SD and WI. Northeast consists of CT, DE, ME, MA, NH, NJ, NY, PA, PR, RI, VT and VI. Southeast consists of AL, DC, FL, GA, KY, MD, MS, NC, SC, TN, VA and WV. Southwest consists of AZ, AR, CO, KS, LA, MO, NM, OK, TX and UT. West consists of AK, CA, GU, HI, ID, MT, NV, OR, WA and WY.

Risk Characteristics of our Guaranty Book of Business

One of the measures by which management gauges our credit risk is the delinquency status of the mortgage loans in our guaranty book of business.

For single-family and multifamily loans, management uses this information, in conjunction with housing market data, other economic data, our capital requirements and our mission objectives, to help inform changes to our eligibility and underwriting criteria. Management also uses this data together with other credit risk measures to identify key trends that guide the development of our loss mitigation strategies.

We report the delinquency status of our single-family and multifamily guaranty book of business below.

Single-Family Credit Risk Characteristics

For single-family loans, management monitors the serious delinquency rate, which is the percentage of single-family loans, based on number of loans, that are 90 days or more past due or in the foreclosure process, and loans that have higher risk characteristics, such as high mark-to-market LTV ratios.

The following tables display the delinquency status and serious delinquency rates for specified loan categories of our single-family conventional guaranty book of business.

	As of December 31,					
	2025			2024		
	30 Days Delinquent	60 Days Delinquent	Seriously Delinquent	30 Days Delinquent	60 Days Delinquent	Seriously Delinquent
Percentage of single-family conventional guaranty book of business based on UPB	**1.00 %**	**0.30 %**	**0.63 %**	1.00 %	0.28 %	0.60 %
Percentage of single-family conventional loans based on loan count	**1.05**	**0.30**	**0.58**	1.05	0.29	0.56

	As of December 31,			
	2025		2024	
	Percentage of Single-Family Conventional Guaranty Book of Business Based on UPB	Seriously Delinquent Rate[1]	Percentage of Single-Family Conventional Guaranty Book of Business Based on UPB	Seriously Delinquent Rate[1]
Estimated mark-to-market LTV ratio:				
80.01% to 90%	**7 %**	**1.03 %**	6 %	0.97 %
90.01% to 100%	**4**	**0.98**	3	0.77
Greater than 100%	*	**3.46**	*	2.82
Geographical distribution:				
California	**18**	**0.44**	19	0.41
Florida	**6**	**0.85**	6	0.96
Illinois	**3**	**0.73**	3	0.69
New York	**4**	**0.78**	4	0.79
Texas	**8**	**0.74**	8	0.73
All other states	**61**	**0.54**	60	0.51

* Represents less than 0.5% of single-family conventional guaranty book of business

(1) Based on loan count.

Multifamily Credit Risk Characteristics

For multifamily loans, management monitors the serious delinquency rate, which is the percentage of multifamily loans, based on UPB, that are 60 days or more past due, and loans with other higher risk characteristics to determine the overall credit quality of our multifamily book of business. Higher risk characteristics include, but are not limited to, current DSCR below 1.0 and original LTV ratio greater than 80%. We stratify multifamily loans into different internal risk categories based on the credit risk inherent in each individual loan.

The following tables display the delinquency status and serious delinquency rates for specified loan categories of our multifamily guaranty book of business.

	As of December 31,			
	2025[1]		2024[1]	
	30 Days Delinquent	Seriously Delinquent[2]	30 Days Delinquent	Seriously Delinquent[2]
Percentage of multifamily guaranty book of business	**0.10 %**	**0.74 %**	0.10 %	0.57 %

	As of December 31,			
	2025		2024	
	Percentage of Multifamily Guaranty Book of Business[1]	Serious Delinquency Rate[2][3]	Percentage of Multifamily Guaranty Book of Business[1]	Serious Delinquency Rate[2][3]
Original LTV ratio:				
Greater than 80%	**1 %**	**0.12 %**	1 %	0.12 %
Less than or equal to 80%	**99**	**0.75**	99	0.58
Current DSCR below 1.0[4]	**4**	**5.88**	6	4.94

(1) Calculated based on the aggregate UPB of multifamily loans for each category divided by the aggregate UPB of loans in our multifamily guaranty book of business.

(2) Consists of multifamily loans that were 60 days or more past due as of the dates indicated.

(3) Calculated based on the UPB of multifamily loans that were seriously delinquent divided by the aggregate UPB of multifamily loans for each category included in our multifamily guaranty book of business.

(4) Our estimates of current DSCRs are based on the latest available income information covering a 12 month period, from quarterly and annual statements for these properties, including the related debt service.

Other Concentrations

Mortgage Insurers. Mortgage insurance "risk in force" refers to our maximum potential loss recovery under the applicable mortgage insurance policies in force and is generally based on the loan-level insurance coverage percentage and, if applicable, any aggregate pool loss limit, as specified in the policy.

The following table displays our total mortgage insurance risk in force by primary and pool insurance, as well as the total risk-in-force mortgage insurance coverage as a percentage of the single-family conventional guaranty book of business.

	As of December 31,			
	2025		2024	
	Risk in Force - Mortgage Insurance	Percentage of Single-Family Conventional Guaranty Book of Business	Risk in Force - Mortgage Insurance	Percentage of Single-Family Conventional Guaranty Book of Business
	(Dollars in millions)			
Mortgage insurance risk in force:				
Primary mortgage insurance	**$ 201,303**		$ 202,277	
Pool mortgage insurance	**52**		53	
Total mortgage insurance risk in force	**$ 201,355**	**6%**	$ 202,330	6%

Mortgage insurance only covers losses that are realized after the borrower defaults and title to the property is subsequently transferred, such as after a foreclosure, short-sale, or a deed-in-lieu of foreclosure. Also, mortgage insurance does not protect us from all losses on covered loans. For example, mortgage insurance is not intended to cover property damage from hazards, including natural disasters; and the mortgage insurance policy permits the exclusion of any material loss directly related to property damage.

The table below displays our mortgage insurer counterparties that provided 10% or more of the risk in force mortgage insurance coverage on mortgage loans in our single-family conventional guaranty book of business.

	Percentage of Risk-in-Force Coverage by Mortgage Insurer	
	As of December 31,	
	2025	2024
Counterparty:[1]		
Mortgage Guaranty Insurance Corp.	**19 %**	19 %
Radian Guaranty, Inc.	**18**	18
Enact Mortgage Insurance Corp.	**17**	17
Arch Capital Group Ltd.	**16**	17
Essent Guaranty, Inc.	**16**	16
National Mortgage Insurance Corp.	**14**	13
Total	**100 %**	100 %

(1) Insurance coverage amounts provided for each counterparty may include coverage provided by affiliates and subsidiaries of the counterparty.

We have counterparty credit risk relating to the potential insolvency of, or non-performance by, monoline mortgage insurers that insure single-family loans we purchase or guarantee. There is risk that these counterparties may fail to fulfill their obligations to pay our claims under insurance policies. On at least a quarterly basis, we assess our mortgage insurer counterparties' respective abilities to fulfill their obligations to us. Our assessment includes financial reviews and analyses of the insurers' portfolios and capital adequacy. If we determine that it is probable that we will not collect all of our claims from one or more of our mortgage insurer counterparties, it could increase our loss reserves, which could adversely affect our results of operations, liquidity, financial condition and net worth.

When we estimate the credit losses that are inherent in our mortgage loans and under the terms of our guaranty obligations, we also consider the recoveries that we expect to receive from primary mortgage insurance, as mortgage insurance recoveries reduce the severity of the loss associated with defaulted loans if the borrower defaults and title to the property is subsequently transferred. Mortgage insurance does not cover credit losses that result from a reduction in mortgage interest paid by the borrower in connection with a loan modification, forbearance of principal, or forbearance of scheduled loan payments. We evaluate the financial condition of our mortgage insurer counterparties and adjust the contractually due recovery amounts to ensure that expected credit losses as of the balance sheet date are included in our loss reserve estimate. As a result, if our assessment of one or more of our mortgage insurer counterparties' ability to fulfill their respective obligations to us worsens, it could increase our loss reserves. As of December 31, 2025 and 2024, our estimated benefit from mortgage insurance, which is based on estimated credit losses as of period end, reduced our loss reserves by $1.2 billion and $1.0 billion, respectively.

When an insured loan held in our retained mortgage portfolio subsequently goes into foreclosure, we charge off the loan, eliminating any previously-recorded loss reserves, and record REO and a mortgage insurance receivable for the claim proceeds deemed probable of recovery, as appropriate. However, if a mortgage insurer rescinds, cancels or denies insurance coverage, the initial receivable becomes due from the mortgage seller or servicer. We had outstanding receivables of $501 million recorded in "Other assets" in our consolidated balance sheets as of December 31, 2025 and $472 million as of December 31, 2024 related to amounts claimed on insured, defaulted loans excluding government-insured loans. We assessed these outstanding receivables for collectability, and established a valuation allowance of $380 million as of December 31, 2025 and $403 million as of December 31, 2024, which reduced our claim receivable to the amount considered probable of collection.

Mortgage Servicers and Sellers. Mortgage servicers collect mortgage and escrow payments from borrowers, pay taxes and insurance costs from escrow accounts, monitor and report delinquencies, and perform other required activities, including loss mitigation, on our behalf. Our mortgage servicers and sellers may also be obligated to repurchase loans or foreclosed properties, reimburse us for losses or provide other remedies under certain circumstances, such as if it is determined that the mortgage loan did not meet our underwriting or eligibility requirements, if certain loan representations and warranties are violated or if mortgage insurers rescind coverage. Our representation and warranty framework does not require repurchase for loans that have breaches of certain selling representations and warranties if they have met specified criteria for relief.

In the fourth quarter of 2025, we updated our disclosure of servicer concentrations to be based on the counterparty performing the servicing, including loans serviced by that counterparty on behalf of other servicers. Previously servicer concentrations were disclosed based on loans for which the servicer was directly contractually responsible to us and excluded loans serviced on behalf of another servicer. Prior period information in this report has been recast to reflect this updated approach.

Our business with mortgage servicers is concentrated. Following Rocket Companies, Inc.'s acquisition of Mr. Cooper Group in October 2025, Nationstar Mortgage LLC, doing business as Mr. Cooper ("Mr. Cooper") and Rocket Mortgage, LLC are affiliates. These companies serviced approximately 23% of our single-family guaranty book of business based on UPB as of December 31, 2025. As of December 31, 2024, these companies on a combined basis serviced approximately 23% of our single-family guaranty book of business, based on UPB. No other single-family mortgage servicer serviced 10% or more of our single-family conventional guaranty book of business as of December 31, 2025 or 2024. Rocket Mortgage, LLC and Mr. Cooper are non-depository servicers.

The table below displays the percentage of our single-family conventional guaranty book of business serviced by our top five depository single-family mortgage servicers and top five non-depository single-family mortgage servicers (i.e., servicers that are not insured depository institutions) based on UPB.

	Percentage of Single-Family Conventional Guaranty Book of Business	
	As of December 31,	
	2025	2024
Top five depository servicers	**23 %**	24 %
Top five non-depository servicers	**39**	36
Total	**62 %**	60 %

As of December 31, 2025, 40% of our single-family conventional guaranty book of business was serviced by depository servicers, and 60% of our single-family conventional guaranty book of business was serviced by non-depository servicers. As of December 31, 2024, 42% of our single-family conventional guaranty book of business was serviced by depository servicers, and 58% of our single-family conventional guaranty book of business was serviced by non-depository servicers.

The table below displays the percentage of our multifamily guaranty book of business serviced by our top five depository multifamily mortgage servicers and top five non-depository multifamily mortgage servicers. As of December 31, 2025, Walker & Dunlop, Inc. serviced 13% of our multifamily guaranty book of business based on UPB, compared with 14% as of December 31, 2024. No other multifamily mortgage servicer serviced 10% or more of our multifamily guaranty book of business as of December 31, 2025 or 2024. Walker & Dunlop, Inc. is a non-depository servicer.

	Percentage of Multifamily Guaranty Book of Business	
	As of December 31,	
	2025	2024
Top five depository servicers	**24 %**	26 %
Top five non-depository servicers	**45**	44
Total	**69 %**	70 %

As of December 31, 2025, 29% of our multifamily guaranty book of business was serviced by depository servicers and 71% of our multifamily guaranty book of business was serviced by non-depository servicers. As of December 31, 2024, 31% of our multifamily guaranty book of business was serviced by depository servicers and 69% of our multifamily guaranty book of business was serviced by non-depository servicers.

Compared with depository financial institutions, our non-depository servicers pose additional risks because they may not have the same financial strength or operational capacity, or be subject to the same level of regulatory oversight as depository financial institutions.

Multifamily Lenders with Risk Sharing. We enter into risk sharing agreements with lenders pursuant to which the lenders agree to bear all or some portion of the credit losses on the covered loans. Our maximum potential loss recovery from lenders under these risk sharing agreements on both DUS and non-DUS multifamily loans was $129.6 billion as of December 31, 2025, compared with $119.8 billion as of December 31, 2024. As of December 31, 2025, 53% of our maximum potential loss recovery on multifamily loans was from five DUS lenders, as compared with 52% as of December 31, 2024.

Derivatives Counterparties. For information on credit risk associated with our derivative transactions and repurchase agreements see “Note 9, Derivative Instruments” and “Note 15, Netting Arrangements.”

15. Netting Arrangements

We use master netting arrangements, which allow us to offset certain financial instruments and collateral with the same counterparty, to minimize counterparty credit exposure. The tables below display information related to derivatives and securities purchased under agreements to resell, which are subject to an enforceable master netting arrangement or similar agreement that are either offset or not offset in our consolidated balance sheets.

	As of December 31, 2025					
				Amounts Not Offset in our Consolidated Balance Sheets		
	Gross Amount	Gross Amount Offset[1]	Net Amount Presented in our Consolidated Balance Sheets	Financial Instruments[2]	Collateral[3]	Net Amount
	(Dollars in millions)					
Assets:						
OTC risk management derivatives	$ 277	$ (266)	$ 11	$ —	$ —	$ 11
Cleared risk management derivatives	—	67	67	—	—	67
Mortgage commitment derivatives	55	—	55	(24)	(1)	30
Total derivative assets	332	(199)	133 [4]	(24)	(1)	108
Securities purchased under agreements to resell	45,650	—	45,650	—	(45,650)	—
Total assets	$ 45,982	$ (199)	$ 45,783	$ (24)	$ (45,651)	$ 108
Liabilities:						
OTC risk management derivatives	$ (1,256)	$ 1,244	$ (12)	$ —	$ 10	$ (2)
Cleared risk management derivatives	—	(2)	(2)	—	2	—
Mortgage commitment derivatives	(131)	—	(131)	24	101	(6)
Total liabilities	$ (1,387)	$ 1,242	$ (145) [4]	$ 24	$ 113	$ (8)

	As of December 31, 2024					
				Amounts Not Offset in our Consolidated Balance Sheets		
	Gross Amount	Gross Amount Offset[1]	Net Amount Presented in our Consolidated Balance Sheets	Financial Instruments[2]	Collateral[3]	Net Amount
	(Dollars in millions)					
Assets:						
OTC risk management derivatives	$ 401	$ (383)	$ 18	$ —	$ —	$ 18
Cleared risk management derivatives	—	21	21	—	—	21
Mortgage commitment derivatives	112	—	112	(91)	(14)	7
Total derivative assets	513	(362)	151 [4]	(91)	(14)	46
Securities purchased under agreements to resell	56,250	—	56,250	—	(56,250)	—
Total assets	$ 56,763	$ (362)	$ 56,401	$ (91)	$ (56,264)	$ 46
Liabilities:						
OTC risk management derivatives	$ (2,368)	$ 2,368	$ —	$ —	$ —	$ —
Cleared risk management derivatives	—	(1)	(1)	—	1	—
Mortgage commitment derivatives	(137)	—	(137)	91	9	(37)
Total liabilities	$ (2,505)	$ 2,367	$ (138) [4]	$ 91	$ 10	$ (37)

(1) Represents the effect of the right to offset under legally enforceable master netting arrangements to settle with the same counterparty on a net basis, including cash collateral posted and received and accrued interest.

(2) Mortgage commitment derivative amounts reflect where we have recognized both an asset and a liability with the same counterparty under an enforceable master netting arrangement but we have not elected to offset the related amounts in our consolidated balance sheets.

(3) Represents collateral received that has not been recognized and not offset in our consolidated balance sheets as well as collateral posted which has been recognized but not offset in our consolidated balance sheets. Does not include collateral held or posted in excess of our exposure.

(4) Excludes derivative assets recognized in our consolidated balance sheets of $44 million and $28 million as of December 31, 2025 and 2024, respectively, and derivative liabilities recognized in our consolidated balance sheets of $7 million and $16 million as of December 31, 2025 and 2024, respectively, that were not subject to enforceable master netting arrangements.

Derivative instruments are recorded at fair value and securities purchased under agreements to resell are recorded at amortized cost in our consolidated balance sheets.

We determine our rights to offset the assets and liabilities presented above with the same counterparty, including collateral posted or received, based on the contractual arrangements entered into with our individual counterparties and various rules and regulations that would govern the insolvency of a derivative counterparty. The following is a description, under various agreements, of the nature of those rights and their effect or potential effect on our financial position.

The terms of the majority of our contracts for OTC risk management derivatives are governed under master agreements of the International Swaps and Derivatives Association Inc. (“ISDA”). These agreements provide that all transactions entered into under the agreement with the counterparty constitute a single contractual relationship. An event of default by the counterparty allows the early termination of all outstanding transactions under the same ISDA agreement and we may offset all outstanding amounts related to the terminated transactions including collateral posted or received.

The terms of our contracts for cleared derivatives are governed under the rules of the clearing organization and the agreement between us and the clearing member of that clearing organization. In the event of a clearing organization default, all open positions at the clearing organization are closed and a net position (on a clearing member by clearing member basis) is calculated. Unless otherwise transferred, in the event of a clearing member default, all open positions cleared through that clearing member are closed and a net position is calculated.

The terms of our contracts for mortgage commitment derivatives are primarily governed by the Fannie Mae Single-Family Selling Guide (“Selling Guide”), for Fannie Mae-approved lenders, or Master Securities Forward Transaction Agreements (“MSFTA”), for counterparties that are not Fannie Mae-approved lenders. In the event of default by the counterparty, both the Selling Guide and the MSFTA allow us to terminate all outstanding transactions under the applicable agreement and offset all outstanding amounts related to the terminated transactions including collateral posted or received. Under the Selling Guide, upon a lender event of default, we generally may offset any amounts owed to a lender against any amounts a lender may owe us under any other existing agreement, regardless of whether or not such other agreements are in default or payments are immediately due.

The terms of our contracts for securities purchased under agreements to resell are governed by Master Repurchase Agreements, which are based on the guidelines prescribed by the Securities Industry and Financial Markets Association. Master Repurchase Agreements provide that all transactions under the agreement constitute a single contractual relationship. An event of default by the counterparty allows the early termination of all outstanding transactions under the same agreement and we may offset all outstanding amounts related to the terminated transactions including collateral posted or received.

In addition to these contractual relationships, we are also a clearing member of two divisions of Fixed Income Clearing Corporation (“FICC”), a central counterparty (“CCP”). One FICC division clears our trades involving securities purchased under agreements to resell, securities sold under agreements to repurchase, and other non-mortgage related securities. The other division clears our forward purchase and sale commitments of mortgage-related securities, including dollar roll transactions. As a result of these trades, we are required to post initial and variation margin payments as well as settle certain positions each business day in cash. As a clearing member of FICC, we are exposed to the risk that the FICC or one or more of the CCP’s clearing members fails to perform its obligations as described below.

- A default by or the financial or operational failure of FICC would require us to replace transactions cleared through FICC, thereby increasing operational costs and potentially resulting in losses.
- We may also be exposed to losses if a clearing member of FICC defaults on its obligations as each clearing member is required to absorb a portion of those fellow-clearing member losses. As a result, we could lose the margin that we have posted to FICC. Moreover, our exposure could exceed the amount of margin that we previously posted to FICC, since FICC’s rules require non-defaulting clearing members to cover, on a pro rata basis, losses caused by a clearing member’s default.

We are unable to develop an estimate of the maximum potential amount of future payments that we could be required to make to FICC under these arrangements as our exposure is dependent on the volume of trades FICC clearing

members execute now and in the future, which varies daily. Although we are unable to develop an estimate of our maximum exposure, we expect that losses caused by any clearing member would be partially offset by the fair value of margin posted by the defaulting clearing member and any other available assets of the CCP for those purposes. We believe that the risk of a material loss is remote due to FICC's margin and settlement requirements, guarantee funds and other resources that are available in the event of a default.

We actively monitor the risks associated with FICC in order to effectively manage this counterparty risk and our associated liquidity exposure.

16. Fair Value

We use fair value measurements for the initial recording of certain assets and liabilities and periodic remeasurement of certain assets and liabilities on a recurring or nonrecurring basis.

Fair Value Measurement

Fair value measurement guidance defines fair value, establishes a framework for measuring fair value and sets forth disclosures around fair value measurements. This guidance applies whenever other accounting guidance requires or permits assets or liabilities to be measured at fair value. The guidance establishes a three-level fair value hierarchy that prioritizes the inputs into the valuation techniques used to measure fair value as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: Limited observable inputs or observable inputs for similar assets and liabilities.
- Level 3: Unobservable inputs.

Recurring Changes in Fair Value

The following tables display our assets and liabilities measured in our consolidated balance sheets at fair value on a recurring basis subsequent to initial recognition, including instruments for which we have elected the fair value option.

	Fair Value Measurements as of December 31, 2025				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Netting Adjustment[1]	Estimated Fair Value
Recurring fair value measurements:			(Dollars in millions)		
Assets:					
Trading securities:					
Mortgage-related	$ —	$ 14,264	$ 27	$ —	$ 14,291
Non-mortgage-related	55,205	18	—	—	55,223
Total trading securities	55,205	14,282	27	—	69,514
Available-for-sale securities:					
Agency[2]	—	32	276	—	308
Other mortgage-related	—	2	65	—	67
Total available-for-sale securities	—	34	341	—	375
Mortgage loans	—	5,076	388	—	5,464
Derivative assets	—	304	72	(199)	177
Total assets at fair value	$ 55,205	$ 19,696	$ 828	$ (199)	$ 75,530
Liabilities:					
Long-term debt:					
Of Fannie Mae	$ —	$ —	$ 256	$ —	$ 256
Of consolidated trusts	—	14,969	91	—	15,060
Total long-term debt	—	14,969	347	—	15,316
Derivative liabilities	—	1,387	7	(1,242)	152
Total liabilities at fair value	$ —	$ 16,356	$ 354	$ (1,242)	$ 15,468

	Fair Value Measurements as of December 31, 2024				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Netting Adjustment[1]	Estimated Fair Value
Recurring fair value measurements:			(Dollars in millions)		
Assets:					
Trading securities:					
Mortgage-related	$ —	$ 1,070	$ 28	$ —	$ 1,098
Non-mortgage-related	77,610	20	—	—	77,630
Total trading securities	77,610	1,090	28	—	78,728
Available-for-sale securities:					
Agency[2]	—	38	301	—	339
Other mortgage-related	—	4	126	—	130
Total available-for-sale securities	—	42	427	—	469
Mortgage loans	—	3,345	399	—	3,744
Derivative assets	—	487	54	(362)	179
Total assets at fair value	$ 77,610	$ 4,964	$ 908	$ (362)	$ 83,120
Liabilities:					
Long-term debt:					
Of Fannie Mae	$ —	$ 136	$ 249	$ —	$ 385
Of consolidated trusts	—	13,188	104	—	13,292
Total long-term debt	—	13,324	353	—	13,677
Derivative liabilities	—	2,506	15	(2,367)	154
Total liabilities at fair value	$ —	$ 15,830	$ 368	$ (2,367)	$ 13,831

(1) Derivative contracts are reported on a gross basis by level. The netting adjustment represents the effect of the legal right to offset under legally enforceable master netting arrangements to settle with the same counterparty on a net basis, including cash collateral posted and received.

(2) Agency securities consist of securities issued by Fannie Mae, Freddie Mac, or Ginnie Mae.

The following tables display a reconciliation of all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3).

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
	Trading Securities	Available-for-Sale Securities	Mortgage Loans	Net Derivatives	Long-term Debt
	(Dollars in millions)				
Balance as of December 31, 2022	**$ 47**	**$ 634**	**$ 543**	**$ (37)**	**$ (378)**
Purchases	—	—	—	—	—
Sales	—	—	(1)	—	—
Issuances	—	—	—	—	—
Settlements	(1)	(124)	(79)	36	17
Net transfers	(11)	—	2	—	1
Total gains (losses) realized & unrealized[1]	(9)	4	12	78	(25)
Balance as of December 31, 2023	**26**	**514**	**477**	**77**	**(385)**
Purchases	—	—	—	—	—
Sales	—	—	(14)	—	—
Issuances	—	—	—	—	—
Settlements	(1)	(92)	(63)	54	16
Net transfers	3	(1)	(9)	—	—
Total gains (losses) realized & unrealized[1]	—	6	8	(92)	16
Balance as of December 31, 2024	**28**	**427**	**399**	**39**	**(353)**
Purchases	—	—	—	—	—
Sales	—	—	(1)	—	—
Issuances	—	—	—	—	—
Settlements	—	(86)	(54)	37	14
Net transfers	(3)	1	29	—	—
Total gains (losses) realized & unrealized[1]	2	(1)	15	(11)	(8)
Balance as of December 31, 2025	**$ 27**	**$ 341**	**$ 388**	**$ 65**	**$ (347)**

(1) We had no significant unrealized gains or losses related to assets and liabilities still held in either “Net income” or “Other comprehensive income (loss)” at December 31, 2025, 2024, or 2023.

The following tables display valuation techniques for our Level 3 assets and liabilities measured at fair value on a recurring basis, excluding instruments for which we have elected the fair value option. Changes in these unobservable inputs can result in significantly higher or lower fair value measurements of these assets and liabilities as of the reporting date.

	Fair Value Measurements as of December 31, 2025	
	Fair Value	Significant Valuation Techniques
	(Dollars in millions)	
Recurring fair value measurements:		
Trading securities:		
Mortgage-related[1]	$ 27	Single Vendor
Available-for-sale securities:		
Agency[1]	$ 276	Consensus and Single Vendor
Other mortgage-related	65	Primarily Discounted Cash Flow, Single Vendor, and Consensus
Total available-for-sale securities	$ 341	
Net derivatives	$ 65	Dealer Mark and Discounted Cash Flow

	Fair Value Measurements as of December 31, 2024	
	Fair Value	Significant Valuation Techniques
	(Dollars in millions)	
Recurring fair value measurements:		
Trading securities:		
Mortgage-related[1]	$ 28	Primarily Consensus
Available-for-sale securities:		
Agency[1]	$ 301	Consensus
Other mortgage-related	126	Primarily Discounted Cash Flow, Single Vendor, and Consensus
Total available-for-sale securities	$ 427	
Net derivatives	$ 39	Dealer Mark and Discounted Cash Flow

[1] Includes Fannie Mae and Freddie Mac securities.

Nonrecurring Changes in Fair Value

In our consolidated balance sheets certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (for example, when we evaluate loans for impairment).

Our nonrecurring fair value measures consist primarily of Level 3 assets, for which the valuation techniques are displayed in the following table.

	Valuation Techniques	Fair Value Measurements as of December 31, 2025	2024
		(Dollars in millions)	
Nonrecurring fair value measurements:			
Mortgage loans:[1]			
Mortgage loans held for sale, at lower of cost or fair value	Consensus	**$ 107**	$ 113
Single-family mortgage loans held for investment, at amortized cost	Internal Model	**221**	267
Multifamily mortgage loans held for investment, at amortized cost	Appraisal	**231**	448
	Asset Manager Estimate	**1**	—
	Broker Price Opinion	**1,586**	851
	Internal Model	**250**	172
Total multifamily mortgage loans held for investment, at amortized cost		**2,068**	1,471
Acquired property, net:			
Single-family	Accepted Offer and Appraisal	**139**	74
	Internal Model and Walk Forward	**263**	294
Total single-family		**402**	368
Multifamily	Broker Price Opinion and Appraisal	**104**	278
Total nonrecurring assets at fair value		**$ 2,902**	$ 2,497

(1) When we measure impairment, including recoveries, based on the fair value of the loan or the underlying collateral and impairment is recorded on any component of the mortgage loan, including accrued interest receivable and amounts due from the borrower for advances of taxes and insurance, we present the entire fair value measurement amount with the corresponding mortgage loan.

Valuation Techniques

We use valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation techniques we use for fair value measurement and disclosure as well as our basis for classifying these measurements as Level 1, Level 2 or Level 3 of the valuation hierarchy in more specific situations.

Instruments	Valuation Techniques	Classification
U.S. Treasury Securities and Futures	We classify securities whose values are based on quoted market prices in active markets for identical assets as Level 1 of the valuation hierarchy. These are comprised of U.S. Treasury securities and futures which are classified as trading securities.	Level 1
Other Trading Securities and Available-for-Sale Securities	We classify securities in active markets as Level 2 of the valuation hierarchy if quoted market prices in active markets for identical assets are not available. For all valuation techniques used for securities where there is limited activity or less transparency around these inputs to the valuation, these securities are classified as Level 3 of the valuation hierarchy. Single Vendor: Uses a single vendor price that represents estimated fair value. Consensus: Uses an average of two or more vendor prices or dealer marks that represents estimated fair value. Discounted Cash Flow: In the absence of prices provided by third-party pricing services supported by observable market data, we estimate the fair value of a portion of our securities using a discounted cash flow technique that uses inputs such as default rates, prepayment speeds, loss severity and spreads based on market assumptions where available. For private-label securities, an increase in unobservable prepayment speeds in isolation would generally result in an increase in fair value, and an increase in unobservable spreads, severity rates or default rates in isolation would generally result in a decrease in fair value. For mortgage revenue bonds classified as Level 3 of the valuation hierarchy, an increase in unobservable spreads would result in a decrease in fair value. Although we have disclosed unobservable inputs for the fair value of our recurring Level 3 securities above, interrelationships exist among these inputs such that a change in one unobservable input typically results in a change to one or more of the other inputs.	Level 2 and 3
Mortgage Loans Held for Investment	Build-up: We derive the fair value of performing mortgage loans using a build-up valuation technique starting with the base value for our Fannie Mae MBS with similar characteristics and then add or subtract the fair value of the associated guaranty asset, guaranty obligation (“GO”) and master servicing arrangement. We set the GO equal to the estimated fair value we would receive if we were to issue our guaranty to an unrelated party in a stand-alone arm’s length transaction at the measurement date. The fair value of the GO is estimated based on our current guaranty pricing for newly acquired loans. Our performing loans are generally classified as Level 2 of the valuation hierarchy to the extent that significant inputs are observable. To the extent that unobservable inputs are significant, the loans are classified as Level 3 of the valuation hierarchy. Consensus: Calculated through the extrapolation of indicative sample bids obtained from multiple active market participants plus the estimated value of any applicable mortgage insurance, the estimated fair value using the Consensus method represents an estimate of the prices we would receive if we were to sell these single-family nonperforming and certain reperforming loans in the whole loan market. The fair value of any mortgage insurance on a nonperforming or reperforming loan is estimated using product-specific pricing grids that have been derived from loan-level bids on whole loan transactions. These loans are generally classified as Level 3 of the valuation hierarchy because significant inputs are unobservable. To the extent that significant inputs are observable, the loans are classified as Level 2 of the valuation hierarchy. We estimate the fair value for a portion of our senior-subordinated trust structures using the prices at the security level as a proxy for estimating loan fair value. These loans are classified as Level 3 of the valuation hierarchy because significant inputs are unobservable. Single Vendor: We estimate the fair value of our reverse mortgages using the single vendor valuation technique. Internal Model: The internal model used to value collateral contains four sub-component models: 1) Location Model, 2) Neighborhood Model, 3) Automated Valuation Model (“AVM”) Imputation Model and 4) Final Valuation Model. These models consider characteristics of the property, neighborhood, local housing markets, underlying loan and home price growth to derive a final estimated value. These loans are classified as Level 3 of the valuation hierarchy because significant inputs are unobservable.	Level 2 and 3

Instruments	Valuation Techniques	Classification
Mortgage Loans Held for Investment	Appraisal: We use appraisals to estimate the fair value for a portion of our multifamily loans based on either estimated replacement cost, the present value of future cash flows, or sales of similar properties. Significant unobservable inputs include estimated replacement or construction costs, property net operating income, capitalization rates, and adjustments made to sales of comparable properties based on characteristics such as financing, conditions of sale, and physical characteristics of the property. Broker Price Opinion: We use broker price opinions to estimate the fair value for a portion of our multifamily loans. This technique uses both current property value and the property value adjusted for stabilization and market conditions. The unobservable inputs used in this technique are property net operating income and market capitalization rates to estimate property value. Asset Manager Estimate: This technique uses the net operating income and tax assessments of the specific property as well as Metropolitan Statistical Area-specific market capitalization rates and average per unit sales values to estimate property fair value. An increase in prepayment speeds in isolation would generally result in an increase in the fair value of our mortgage loans classified as Level 3 of the valuation hierarchy, and an increase in severity rates, default rates or spreads in isolation would generally result in a decrease in fair value. Although we have disclosed unobservable inputs for the fair value of the mortgage loans classified as Level 3 above, interrelationships exist among these inputs such that a change in one unobservable input typically results in a change to one or more of the other inputs.	Level 2 and 3
Mortgage Loans Held for Sale	Loans are reported at the lower of cost or fair value in our consolidated balance sheets. The valuation methodology and inputs used in estimating the fair value of HFS loans are the same as our HFI loans and are described above in “Mortgage Loans Held for Investment.” To the extent that significant inputs are unobservable, the loans are classified within level 3 of the valuation hierarchy.	Level 2 and 3
Acquired Property, Net and Other Assets	*Single-family acquired property valuation techniques* Accepted Offer: An Offer to Purchase Real Estate that has been submitted by a potential purchaser of an acquired property and accepted by Fannie Mae in a pending sale. Appraisal: An appraisal is an estimate based on recent historical data of the value of a specific property by a certified or licensed appraiser. Adjustments are made for differences between comparable properties for unobservable inputs such as square footage, location, and condition of the property. At times, we may use similar valuation techniques to appraisals, such as Broker Price Opinion, Evaluation, and Property Inspection Report with Value. These additional techniques are included in the ‘Appraisal’ category within the table above. This information is used along with recent and pending sales and current listings of similar properties to arrive at an estimate of value. Broker Price Opinion: This technique provides an estimate of what the property is worth based upon a real estate broker’s use of specific market research and a sales comparison approach that is similar to the appraisal process. This information is used along with recent and pending sales and current listings of similar properties to arrive at an estimate of value. Property Inspection Report with Value: This technique provides an estimate of what the property is worth based upon a third party model that is adjusted for condition of the property and/or any other factors impacting the marketability. This information is used along with recent and pending sales and current listings of similar properties to arrive at an estimate of value. Evaluation: This technique provides an estimate of what the property is worth based upon a valuation professional’s use of data gathered during an inspection, market research and a sales comparison approach that is similar to the appraisal process. This information is used along with recent and pending sales and current listings of similar properties to arrive at an estimate of value. Walk Forward: A walk forward is a technique to adjust an existing valuation or sales price for changing market conditions by applying a walk forward factor based on local price movements. Internal Model: We use an internal model to estimate fair value for distressed properties. The valuation methodology and inputs used are described under “Mortgage Loans Held for Investment.” *Multifamily acquired property valuation techniques* Broker Price Opinion: We use this method to estimate property values for distressed properties. The valuation methodology and inputs used are described under “Mortgage Loans Held for Investment.” Appraisal: We use this method to estimate property values for distressed properties. The valuation methodology and inputs used are described under “Mortgage Loans Held for Investment.”	Level 3

Instruments	Valuation Techniques	Classification
Asset and Liability Derivative Instruments (collectively "Derivatives")	The valuation process for the majority of our risk management derivatives uses observable market data provided by third-party sources, resulting in Level 2 classification of the valuation hierarchy. Single Vendor: We use one vendor price to estimate fair value. We generally validate these observations of fair value through the use of a discounted cash flow technique. Clearing House: We use the clearing house-provided value for interest-rate derivatives which are transacted through a clearing house. Internal Model: We use internal models to value interest-rate derivatives which are valued by referencing yield curves derived from observable interest rates and spreads to project and discount cash flows to present value. Discounted Cash Flow: We use discounted cash flow to estimate fair value for credit enhancement derivatives related to credit risk transfer transactions. Dealer Mark: Certain highly complex structured swaps primarily use a single dealer mark due to lack of transparency in the market and may be modeled using observable interest rates and volatility levels as well as significant unobservable assumptions, resulting in Level 3 classification of the valuation hierarchy. Mortgage commitment derivatives that use observable market data, quotes and actual transaction price levels adjusted for market movement are typically classified as Level 2 of the valuation hierarchy. To the extent mortgage commitment derivatives include adjustments for market movement that cannot be corroborated by observable market data, we classify them as Level 3 of the valuation hierarchy.	Level 2 and 3
Debt of Fannie Mae and Consolidated Trusts	We classify debt instruments that have quoted market prices in active markets for similar liabilities when traded as assets as Level 2 of the valuation hierarchy. For all valuation techniques used for debt instruments where there is limited activity or less transparency around these inputs to the valuation, these debt instruments are classified as Level 3 of the valuation hierarchy. Consensus: Uses an average of two or more vendor prices or dealer marks that represents estimated fair value for similar liabilities when traded as assets. Single Vendor: Uses a single vendor price that represents estimated fair value for these liabilities when traded as assets. Discounted Cash Flow: Uses spreads based on market assumptions where available. The valuation methodology and inputs used in estimating the fair value of MBS assets are described under "Other Trading Securities and Available-for-Sale Securities."	Level 2 and 3

Fair Value of Financial Instruments

The following table displays the carrying value and estimated fair value of our financial instruments. The fair value of financial instruments we disclose includes commitments to purchase multifamily and single-family mortgage loans that we do not record in our consolidated balance sheets. The fair values of these commitments are included as "Mortgage loans held for investment, net of allowance for loan losses." The disclosure excludes all non-financial instruments; therefore, the fair value of our financial assets and liabilities does not represent the underlying fair value of our total consolidated assets and liabilities.

	As of December 31, 2025					
	Carrying Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Netting Adjustment	Estimated Fair Value
	(Dollars in millions)					
Financial assets:						
Cash, including restricted cash	$ 42,583	$ 42,583	$ —	$ —	$ —	$ 42,583
Securities purchased under agreements to resell	45,650	—	45,650	—	—	45,650
Trading securities	69,514	55,205	14,282	27	—	69,514
Available-for-sale securities	375	—	34	341	—	375
Mortgage loans held for sale	209	—	23	201	—	224
Mortgage loans held for investment, net of allowance for loan losses	4,119,104	—	3,656,465	137,864	—	3,794,329
Advances to lenders	3,595	—	3,595	—	—	3,595
Derivative assets at fair value	177	—	304	72	(199)	177
Guaranty assets	90	—	—	172	—	172
Total financial assets	$ 4,281,297	$ 97,788	$ 3,720,353	$ 138,677	$ (199)	$ 3,956,619
Financial liabilities:						
Short-term debt:						
Of Fannie Mae	$ 24,538	$ —	$ 24,548	$ —	$ —	$ 24,548
Long-term debt:						
Of Fannie Mae	102,751	—	104,784	602	—	105,386
Of consolidated trusts	4,053,140	—	3,701,675	235	—	3,701,910
Derivative liabilities at fair value	152	—	1,387	7	(1,242)	152
Guaranty obligations	96	—	—	54	—	54
Total financial liabilities	$ 4,180,677	$ —	$ 3,832,394	$ 898	$ (1,242)	$ 3,832,050

	As of December 31, 2024					
	Carrying Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Netting Adjustment	Estimated Fair Value
	(Dollars in millions)					
Financial assets:						
Cash, including restricted cash	$ 38,536	$ 38,536	$ —	$ —	$ —	$ 38,536
Securities purchased under agreements to resell	56,250	—	56,250	—	—	56,250
Trading securities	78,728	77,610	1,090	28	—	78,728
Available-for-sale securities	469	—	42	427	—	469
Mortgage loans held for sale	373	—	130	258	—	388
Mortgage loans held for investment, net of allowance for loan losses	4,137,633	—	3,496,803	127,763	—	3,624,566
Advances to lenders	1,825	—	1,825	—	—	1,825
Derivative assets at fair value	179	—	487	54	(362)	179
Guaranty assets	64	—	—	160	—	160
Total financial assets	$ 4,314,057	$ 116,146	$ 3,556,627	$ 128,690	$ (362)	$ 3,801,101
Financial liabilities:						
Short-term debt:						
Of Fannie Mae	$ 11,188	$ —	$ 11,193	$ —	$ —	$ 11,193
Long-term debt:						
Of Fannie Mae	128,234	—	129,152	567	—	129,719
Of consolidated trusts	4,088,675	—	3,557,237	274	—	3,557,511
Derivative liabilities at fair value	154	—	2,506	15	(2,367)	154
Guaranty obligations	69	—	—	60	—	60
Total financial liabilities	$ 4,228,320	$ —	$ 3,700,088	$ 916	$ (2,367)	$ 3,698,637

The following is a description of the valuation techniques we use for fair value measurement of our financial instruments as well as our basis for classifying these measurements as Level 1, Level 2 or Level 3 of the valuation hierarchy in certain specific situations.

Instruments	Description	Classification
Financial Instruments for which Fair Value Approximates Carrying Value	We hold certain financial instruments that are not carried at fair value but for which the carrying value approximates fair value due to the short-term nature and negligible credit risk inherent in them. These financial instruments include cash, the majority of advances to lenders, and securities sold/purchased under agreements to repurchase/resell.	Level 1 and 2
Securities Sold/ Purchased Under Agreements to Repurchase/Resell	The carrying value for the majority of these specific instruments approximates the fair value due to the short-term nature and the negligible inherent credit risk, as they involve the exchange of collateral that is easily traded. Were we to calculate the fair value of these instruments, we would use observable inputs.	Level 2
Mortgage Loans Held for Sale	Loans are reported at the lower of cost or fair value in our consolidated balance sheets. The valuation methodology and inputs used in estimating the fair value of HFS loans are the same as for our HFI loans and are described under “Mortgage Loans Held for Investment” in the valuation techniques for assets and liabilities held at fair value table in the “Fair Value Measurement” section above. To the extent that significant inputs are unobservable, the loans are classified within Level 3 of the valuation hierarchy.	Level 2 and 3
Mortgage Loans Held for Investment	For a description of loan valuation techniques, refer to “Mortgage Loans Held for Investment” in the valuation techniques for assets and liabilities held at fair value table in the “Fair Value Measurement” section above.	Level 2 and 3
Advances to Lenders	The carrying value for the majority of our advances to lenders approximates the fair value due to the short-term nature and the negligible inherent credit risk. If we were to calculate the fair value of these instruments, we would use discounted cash flow models that use observable inputs such as spreads based on market assumptions, resulting in Level 2 classification.	Level 2
Guaranty Assets and Buy-ups	Guaranty assets related to our portfolio securitizations are recorded in our consolidated balance sheets at fair value on a recurring basis and are classified as Level 3. Guaranty assets in lender swap transactions are recorded in our consolidated balance sheets at the lower of cost or fair value. These assets, which are measured at fair value on a nonrecurring basis, are also classified as Level 3. We estimate the fair value of guaranty assets by using proprietary models to project cash flows based on management’s best estimate of key assumptions such as prepayment speeds and forward yield curves. Because guaranty assets are similar to an interest-only income stream, the projected cash flows are discounted at rates that consider the current spreads on interest-only swaps that reference Fannie Mae MBS and also liquidity considerations of the guaranty assets. The fair value of guaranty assets includes the fair value of any associated buy-ups.	Level 3
Guaranty Obligations	The fair value of all guaranty obligations, measured subsequent to their initial recognition, is our estimate of a hypothetical transaction price we would receive if we were to issue our guaranty to an unrelated party in a standalone arm’s-length transaction at the measurement date. The valuation methodology and inputs used in estimating the fair value of the guaranty obligations are described under “Mortgage loans held for Investment—Build-up” in the valuation techniques for assets and liabilities held at fair value in the “Fair Value Measurement” section above.	Level 3

Fair Value Option

We generally elect the fair value option on a financial instrument when the accounting guidance would otherwise require us to separately account for a derivative that is embedded in the instrument at fair value. Under the fair value option, we carry this type of instrument, in its entirety, at fair value instead of separately accounting for the derivative.

Interest income from the mortgage loans is recorded in “Interest income: Mortgage loans” and interest expense for the debt instruments is recorded in “Interest expense: Long-term debt” in our consolidated statements of operations and comprehensive income.

The following table displays the fair value and UPB of the financial instruments for which we have elected the fair value option.

	As of December 31,					
	2025			2024		
	Loans[1]	Long-Term Debt of Fannie Mae	Long-Term Debt of Consolidated Trusts	Loans[1]	Long-Term Debt of Fannie Mae	Long-Term Debt of Consolidated Trusts
	(Dollars in millions)					
Fair value	**$ 5,464**	**$ 256**	**$ 15,060**	$ 3,744	$ 385	$ 13,292
UPB	**5,808**	**250**	**15,516**	4,079	383	13,766

(1) Includes nonaccrual loans with a fair value of $30 million and $31 million as of December 31, 2025 and 2024, respectively. Includes loans that are 90 days or more past due with a fair value of $26 million and $25 million as of December 31, 2025 and 2024, respectively.

Changes in Fair Value under the Fair Value Option Election

We recorded gains of $290 million, losses of $26 million and gains of $108 million for the years ended December 31, 2025, 2024 and 2023, respectively, from changes in the fair value of loans recorded at fair value in "Fair value gains (losses), net" in our consolidated statements of operations and comprehensive income.

We recorded losses of $702 million, gains of $59 million, and losses of $308 million for the years ended December 31, 2025, 2024 and 2023, respectively, from changes in the fair value of long-term debt recorded at fair value in "Fair value gains (losses), net" in our consolidated statements of operations and comprehensive income.

17. Commitments and Contingencies

We are party to various types of legal actions and proceedings, including actions brought on behalf of various classes of claimants. We also are subject to regulatory examinations, inquiries and investigations, and other information gathering requests. In some of the matters, indeterminate amounts are sought. Modern pleading practice in the U.S. permits considerable variation in the assertion of monetary damages or other relief. Jurisdictions may permit claimants not to specify the monetary damages sought or may permit claimants to state only that the amount sought is sufficient to invoke the jurisdiction of the trial court. This variability in pleadings, together with our and our counsel's actual experience in litigating or settling claims, leads us to conclude that the monetary relief that may be sought by plaintiffs bears little relevance to the merits or disposition value of claims.

Legal actions and proceedings of all types are subject to many uncertain factors that generally cannot be predicted with assurance. Accordingly, the outcome of any given matter and the amount or range of potential loss at particular points in time is frequently difficult to ascertain. Uncertainties can include how fact finders will evaluate documentary evidence and the credibility and effectiveness of witness testimony, and how the court will apply the law. Disposition valuations are also subject to the uncertainty of how opposing parties and their counsel may view the evidence and applicable law.

On a quarterly basis, we review relevant information about pending legal actions and proceedings for the purpose of evaluating and revising our contingencies, accruals and disclosures. We establish an accrual only for matters when the likelihood of a loss is probable and we can reasonably estimate the amount of such loss. We are often unable to estimate the possible losses or ranges of losses, particularly for proceedings that are in their early stages of development, where plaintiffs seek indeterminate or unspecified damages, where there may be novel or unsettled legal questions relevant to the proceedings, or where settlement negotiations have not occurred or progressed. Given the uncertainties involved in any action or proceeding, regardless of whether we have established an accrual, the ultimate resolution of certain of these matters may be material to our operating results for a particular period, depending on, among other factors, the size of the loss or liability imposed and the level of our net income or loss for that period.

In addition to the matters specifically described below, we are involved in a number of legal and regulatory proceedings that arise in the ordinary course of business that we do not expect will have a material impact on our business or financial condition. Our bylaws provide that we indemnify officers and directors for certain liabilities incurred in connection with legal proceedings and, pursuant to our bylaws and related indemnification agreements, we have advanced costs and expenses.

Senior Preferred Stock Purchase Agreements Litigation

A consolidated class action (*"In re Fannie Mae/Freddie Mac Senior Preferred Stock Purchase Agreement Class Action Litigations"*) and a non-class action lawsuit, *Fairholme Funds v. FHFA*, filed by Fannie Mae and Freddie Mac stockholders against us, FHFA as our conservator, and Freddie Mac were filed in the U.S. District Court for the District

of Columbia. The lawsuits challenge the August 2012 amendment to each company's senior preferred stock purchase agreement with Treasury.

Plaintiffs in these lawsuits allege that the net worth sweep dividend provisions of the senior preferred stock that were implemented pursuant to the August 2012 amendments nullified certain of the stockholders' rights and caused them harm. Plaintiffs in the class action represent a class of Fannie Mae preferred stockholders and classes of Freddie Mac common and preferred stockholders. The cases were tried before a jury at a trial that commenced on July 24, 2023. On August 14, 2023, the jury returned a verdict for the plaintiffs and awarded damages of $299.4 million to Fannie Mae preferred stockholders. On October 24, 2023, the court held that these stockholders were entitled to receive prejudgment interest on the damage award. On March 20, 2024, the court entered final judgment and set the amount of prejudgment interest owed by Fannie Mae at $199.7 million. On April 17, 2024, the defendants filed a motion for judgment as a matter of law, which the court denied on March 14, 2025. The defendants filed a notice of appeal on April 11, 2025. On April 25, 2025, plaintiffs filed a notice of cross-appeal challenging several of the court's pretrial rulings, which they contend prevented them from seeking the full measure of their alleged damages. Until the appeal is resolved and any final judgment amount has been paid, post-judgment interest on the damages and prejudgment interest awards will accrue at a rate of 5.01%, starting on March 20, 2024, to be computed daily and compounded annually. We recognized $495 million of expense in 2023 related to the jury verdict and estimated prejudgment interest through December 31, 2023 in "Other income (expense), net." We recognized an additional $24 million and $26 million of expense in 2024 and 2025, respectively, related to the prejudgment and post-judgment interest. Briefing on the appeal is currently scheduled to conclude in February 2026.

Unconditional Purchase Commitments

We have $52.9 billion in unconditional commitments related to the purchase of loans and mortgage-related securities. These are primarily mortgage commitment derivatives with maturities under one year and include both on- and off-balance sheet commitments. A portion of these have been recorded as derivatives in our consolidated balance sheets.

Fannie Mae®