UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 15, 2022

Federal National Mortgage Association

(Exact name of registrant as specified in its charter)

Fannie Mae

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

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

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

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

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

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

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

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

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

Emerging growth company ☐

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

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

Item 2.02 Results of Operations and Financial Condition.

On February 15, 2022, Fannie Mae filed its annual report on Form 10-K for the year ended December 31, 2021 and is issuing a news release reporting its financial results for the periods covered by the Form 10-K. Copies of the news release and a financial supplement are furnished as Exhibits 99.1 and 99.2, respectively, to this report and are incorporated herein by reference. Copies may also be found on Fannie Mae’s website, www.fanniemae.com, in the “About Us” section under “Investor Relations/Quarterly and Annual Results.” Information appearing on the company’s website is not incorporated into this report.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are being submitted with this report:

Exhibit Number	Description of Exhibit
99.1	News release, dated February 15, 2022
99.2	Financial Supplement for Q4 and Full Year 2021, dated February 15, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

FEDERAL NATIONAL MORTGAGE ASSOCIATION

By: /s/ Chryssa C. Halley

Chryssa C. Halley

Executive Vice President and Chief Financial Officer

Date: February 15, 2022

Fannie Mae

Contact:	Pete Bakel 202-752-2034	**Resource Center: 1-800-232-6643** **Exhibit 99.1**
Date:	February 15, 2022	

Fannie Mae Reports Net Income of $22.2 Billion for 2021 and $5.2 Billion for Fourth Quarter 2021

- $22.2 billion annual net income and $5.2 billion fourth quarter 2021 net income, with net worth reaching $47.4 billion as of December 31, 2021
- $1.4 trillion in liquidity provided to the Single-Family and Multifamily mortgage markets in 2021
- $451.3 billion of Single-Family home purchase acquisitions in 2021, highest on record and of which nearly 50% were for first-time homebuyers
- Acquired 1.5 million home purchase loans and 3.3 million refinance loans during 2021, helping homeowners take advantage of low interest rates
- Approximately 694,000 units of rental housing financed in 2021, nearly 95% of which were affordable to families earning at or below 120% of area median income, providing support for both workforce and affordable housing
- More than 1.4 million single-family forbearance plans initiated to help borrowers since the onset of the COVID-19 pandemic; as of December 31, 2021, approximately 1.3 million of these loans have exited forbearance, including approximately 788,000 through reinstatement or payoff, and approximately 380,000 through the company's payment deferral option
- Home price growth in 2021 was 19.0%, the highest annual growth rate in the history of Fannie Mae's home price index

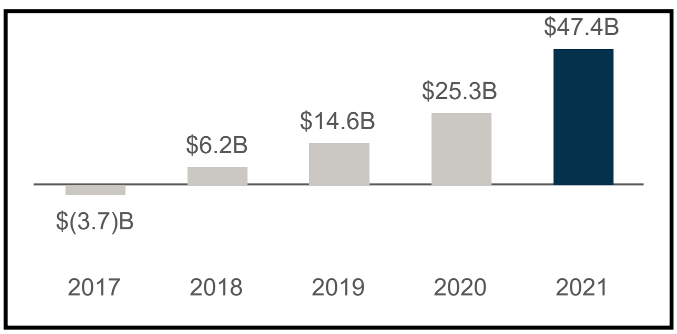
"Fannie Mae continued to be a crucial source of mortgage financing in 2021. Our performance was strong and many parts of the housing economy performed well in 2021, but not for everyone. Our housing mission to advance equitable and sustainable access to homeownership and quality, affordable rental housing has never been more important. Much work remains to ensure that America's housing finance system serves all people fairly and is safe, sound, and properly capitalized."

Hugh R. Frater, Chief Executive Officer

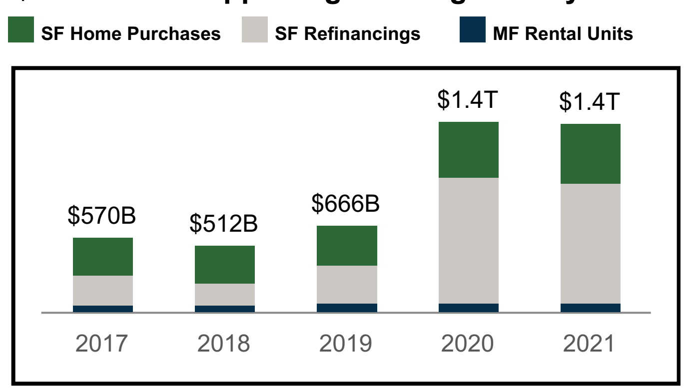
Q4 and Full Year 2021 Key Results

$47.4 Billion Net Worth

Increase of $22.1 billion in 2021

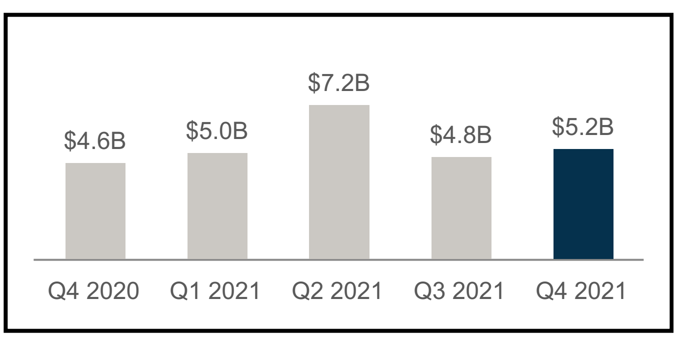


$1.4 Trillion Supporting Housing Activity

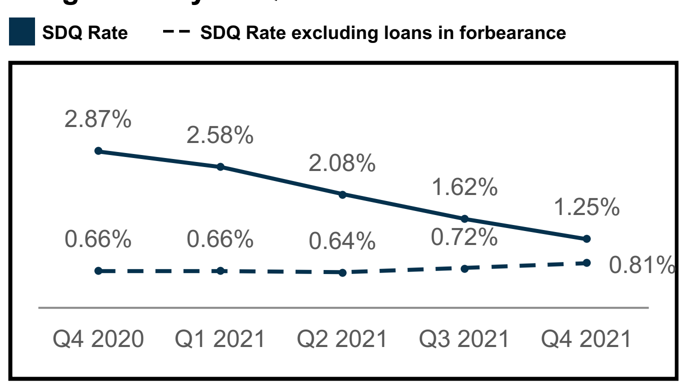


$5.2 Billion Net Income for Q4

Increase of $347 million compared with third quarter 2021



Single-Family SDQ Rate



Summary of Financial Results

(Dollars in millions)	2021	2020	Variance	% Change	Q421	Q321	Variance	% Change
Net interest income	$ 29,587	$ 24,866	$ 4,721	19 %	$ 7,587	$ 6,972	$ 615	9 %
Fee and other income	361	462	(101)	(22)%	60	111	(51)	(46)%
Net revenues	29,948	25,328	4,620	18 %	7,647	7,083	564	8 %
Investment gains, net	1,352	907	445	49 %	418	243	175	72 %
Fair value gains (losses), net	155	(2,501)	2,656	NM	(166)	(17)	(149)	NM
Administrative expenses	(3,065)	(3,068)	3	— %	(826)	(745)	(81)	(11)%
Credit-related income (expense)	5,097	(855)	5,952	NM	912	868	44	5 %
Temporary Payroll Tax Cut Continuation Act of 2011 (TCCA) fees	(3,071)	(2,673)	(398)	(15)%	(801)	(781)	(20)	(3)%
Other expenses, net*	(2,467)	(2,259)	(208)	(9)%	(692)	(543)	(149)	(27)%
Income before federal income taxes	27,949	14,879	13,070	88 %	6,492	6,108	384	6 %
Provision for federal income taxes	(5,773)	(3,074)	(2,699)	(88)%	(1,303)	(1,266)	(37)	(3)%
Net income	$ 22,176	$ 11,805	$ 10,371	88 %	$ 5,189	$ 4,842	$ 347	7 %
Total comprehensive income	$ 22,098	$ 11,790	$ 10,308	87 %	$ 5,184	$ 4,828	$ 356	7 %
Net worth	$ 47,357	$ 25,259	$ 22,098	87 %	$ 47,357	$ 42,173	$ 5,184	12 %

NM - Not meaningful

* Other expense, net also includes credit enhancement expense and change in expected credit enhancement recoveries

Financial Highlights

- Net income increased $10.4 billion in 2021, compared with 2020 driven primarily by a shift from credit-related expense to credit-related income, higher net interest income, and a shift from fair value losses to fair value gains.
- Credit-related income was $5.1 billion in 2021, compared with credit-related expense of $855 million in 2020. Credit-related income in 2021 was driven primarily by strong actual and forecasted home price growth, an increase in the volume of loan redesignations, and a reduction in the company's estimate of losses it expects to incur as a result of the COVID-19 pandemic, partially offset by increases in interest rates. Credit-related expense in 2020 was driven by the impact of COVID-19 and the associated economic downturn, offset by higher actual and forecasted home prices, lower actual and projected mortgage interest rates, and the redesignation of certain reperforming single-family loans from held-for-investment to held-for-sale.
- Net interest income increased $4.7 billion in 2021 compared with 2020, driven primarily by higher base guaranty fee income and higher amortization income. The company's base guaranty fee income grew as a result of growth in its guaranty book of business to $3.9 trillion in 2021, from $3.6 trillion in 2020, coupled with an increase in the company's average charged guaranty fee. Single-family refinances of $903.7 billion in 2021 drove significant prepayment activity resulting in elevated amortization income during the year. Single-family mortgage loan prepayment activity slowed in the later part of 2021; however, refinancing activity remained strong throughout most of 2021 due to the continued low interest-rate environment.
- Fair value gains were $155 million in 2021, compared with fair value losses of $2.5 billion in 2020. Fair value gains in 2021 were driven primarily by declines in the fair value of risk management derivatives and trading securities, offset by the impact of hedge accounting. Fair value losses in 2020, before the company implemented hedge accounting, were driven primarily by declines in the fair value of commitments to sell mortgage-related securities as prices increased during the commitment period.

Single-Family Business Financial Results

(Dollars in millions)	2021	2020	Variance	% Change	Q4 2021	Q3 2021	Variance	% Change
Net interest income	**$ 25,429**	$ 21,502	$ 3,927	18 %	**$ 6,342**	$ 5,870	$ 472	8 %
Fee and other income	**269**	368	(99)	(27)%	**41**	86	(45)	(52)%
Net revenues	**25,698**	21,870	3,828	18 %	**6,383**	5,956	427	7 %
Investment gains, net	**1,392**	728	664	91 %	**448**	222	226	102 %
Fair value gains (losses), net	**167**	(2,539)	2,706	NM	**(156)**	(31)	(125)	NM
Administrative expenses	**(2,557)**	(2,559)	2	— %	**(695)**	(620)	(75)	(12)%
Credit-related income (expense)	**4,586**	(232)	4,818	NM	**575**	807	(232)	(29)%
Temporary Payroll Tax Cut Continuation Act of 2011 (TCCA) fees	**(3,071)**	(2,673)	(398)	(15)%	**(801)**	(781)	(20)	(3)%
Other expenses, net*	**(2,092)**	(2,107)	15	1 %	**(509)**	(463)	(46)	(10)%
Income before federal income taxes	**24,123**	12,488	11,635	93 %	**5,245**	5,090	155	3 %
Provision for federal income taxes	**(4,996)**	(2,607)	(2,389)	(92)%	**(1,044)**	(1,065)	21	2 %
Net income	**$ 19,127**	$ 9,881	$ 9,246	94 %	**$ 4,201**	$ 4,025	$ 176	4 %
Average charged guaranty fee on new conventional acquisitions, net of TCCA	47.6 bps	46.4 bps	1.2 bps	3 %	47.1 bps	47.3 bps	(0.2) bps	— %
Average charged guaranty fee on conventional guaranty book of business, net of TCCA	45.2 bps	44.2 bps	1.0 bps	2 %	45.5 bps	45.4 bps	0.1 bps	— %

NM - Not meaningful

* Other expense, net also includes credit enhancement expense and change in expected credit enhancement recoveries

Key Business Highlights

- Single-family conventional acquisition volume was $1.4 trillion in 2021. Purchase acquisition volume was $451.3 billion in 2021, the highest on record, of which nearly 50% was for first-time homebuyers. Refinance acquisition volume was $903.7 billion in 2021, a decline from $947.8 billion in 2020, the highest on record. Both purchase and refinance volumes remained elevated due to the continued low interest-rate environment.
- Average single-family conventional guaranty book of business in 2021 increased from 2020 by 9.5% driven primarily by growth in the average balance of loans acquired during the year. Record home price appreciation in 2021 has reduced the weighted-average mark-to-market loan-to-value ratio of the company's single-family conventional guaranty book of business to 54% as of December 31, 2021. The weighted average FICO credit score of the company's single-family conventional guaranty book of business was 753 as of December 31, 2021.
- Average charged guaranty fee, net of TCCA fees, on the single-family conventional guaranty book increased from 44.2 basis points as December 31, 2020 to 45.2 basis points as of December 31, 2021. Average charged guaranty fee on newly acquired single-family conventional loans, net of TCCA fees, increased 1.2 basis points to 47.6 basis points in 2021, compared with 46.4 basis points in 2020.
- As of December 31, 2021, 0.7% of the single-family guaranty book of business based on loan count, or 117,440 loans, was in forbearance, the vast majority of which was related to the COVID-19 pandemic, compared with 3.0% as of December 31, 2020. Since the start of the pandemic, 88% of loans that entered forbearance have successfully exited.
- Single-family serious delinquency rate decreased to 1.25% as of December 31, 2021, from 1.62% as of September 30, 2021 and 2.87% as of December 31, 2020, due to the on-going economic recovery and the decline in the number of the company's single-family loans in a COVID-19 forbearance plan. Single-family serious delinquency rate, excluding loans in forbearance, increased to 0.81% as of December 31, 2021, from 0.72% as of September 30, 2021 and 0.66% as of December 31, 2020, due primarily to loans exiting forbearance and entering into trial modifications. The company expects the majority of loans exiting forbearance and entering trial modifications currently and in the future will successfully complete their trial modification periods. Upon successful completion of a trial modification period (typically lasting three to four months), a loan will no longer be considered seriously delinquent. Single-family seriously delinquent loans are loans that are 90 days or more past due or in the foreclosure process.

Multifamily Business Financial Results

(Dollars in millions)	2021	2020	Variance	% Change	Q4 2021	Q3 2021	Variance	% Change
Net interest income	$ 4,158	$ 3,364	$ 794	24 %	$ 1,245	$ 1,102	$ 143	13 %
Fee and other income	92	94	(2)	(2)%	19	25	(6)	(24)%
Net revenues	4,250	3,458	792	23 %	1,264	1,127	137	12 %
Fair value gains (losses), net	(12)	38	(50)	NM	(10)	14	(24)	NM
Administrative expenses	(508)	(509)	1	— %	(131)	(125)	(6)	(5)%
Credit-related income (expenses)	511	(623)	1,134	NM	337	61	276	NM
Credit enhancement expense	(239)	(220)	(19)	(9)%	(67)	(59)	(8)	(14)%
Change in expected credit enhancement recoveries	(108)	144	(252)	NM	(92)	(14)	(78)	NM
Other income (expense), net	(68)	103	(171)	NM	(54)	14	(68)	NM
Income before federal income taxes	3,826	2,391	1,435	60 %	1,247	1,018	229	22 %
Provision for federal income taxes	(777)	(467)	(310)	(66)%	(259)	(201)	(58)	(29)%
Net income	$ 3,049	$ 1,924	$ 1,125	58 %	$ 988	$ 817	$ 171	21 %
Average charged guaranty fee rate on multifamily guaranty book of business, at period end	78.4 bps	74.5 bps	3.9 bps	5%	78.4 bps	77.5 bps	0.9 bps	1%

NM - Not meaningful

Key Business Highlights

- New multifamily business volume was $69.5 billion in 2021, in compliance with the $70 billion volume cap established by the Federal Housing Finance Agency (FHFA) for 2021. The company's 2021 business volume also met FHFA's requirement that a minimum of 50% of volume be mission-driven, focused on specified affordable and underserved market segments, with 20% affordable to residents earning 60% of area median income or below. The cap for 2022 is $78 billion, with a minimum of 50% mission-driven volume, and 25% of loan purchases affordable to residents earning 60% or less of area median income.
- The multifamily guaranty book of business grew by 7% in 2021 to $413.1 billion. The average charged guaranty fee on the multifamily book increased from 74.5 basis points as of December 31, 2020 to 78.4 basis points as of December 31, 2021. These changes contributed to an increase in guaranty fee revenue, which, along with higher yield maintenance revenue due to higher prepayment volumes, drove the year-over-year increase in net interest income.
- As of December 31, 2021, nearly 90% of the loans in the company's multifamily guaranty book of business that had received a forbearance, measured by unpaid principal balance, were in a repayment plan or reinstated. Less than 0.1% of the multifamily book, or $363 million in unpaid principal balance, was still in active forbearance, with 66% resulting from COVID-19-related financial hardship.
- The multifamily serious delinquency rate remained flat at 0.42% as of December 31, 2021, compared with September 30, 2021, and decreased from 0.98% as of December 31, 2020, driven primarily by the on-going economic recovery resulting in loans that received forbearance completing repayment plans or otherwise reinstating, offset by an increase in forbearance resulting from natural disaster-related financial hardship. The multifamily serious delinquency rate, excluding loans that received a forbearance, increased slightly to 0.04% as of December 31, 2021 from 0.03% as of September 30, 2021 and December 31, 2020. Multifamily seriously delinquent loans are loans that are 60 days or more past due.

Additional Matters

Fannie Mae's Consolidated Balance Sheets and Statements of Operations and Income for the full year of 2021 are available in the accompanying Annex; however, investors and interested parties should read the company's 2021 Form 10-K, which was filed today with the Securities and Exchange Commission and is available on Fannie Mae's website, www.fanniemae.com. The company provides further discussion of its financial results and condition, credit performance, and other matters in its 2021 Form 10-K. Additional information about the company's financial and credit performance is contained in Fannie Mae's "Q4 and Full Year 2021 Financial Supplement" at www.fanniemae.com.

# # #

In this release, the company has presented a forward-looking statement regarding the performance of the company's loans in trial modifications. Actual outcomes could be materially different due to a variety of factors, including those described in "Forward-Looking Statements" and "Risk Factors" in the company's 2021 Form 10-K.

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

Fannie Mae advances equitable and sustainable access to homeownership and quality, affordable rental housing for millions of people across America. We enable the 30-year fixed-rate mortgage and drive responsible innovation to make homebuying and renting easier, fairer, and more accessible. To learn more, visit fanniemae.com and follow us on twitter.com/fanniemae.

ANNEX
FANNIE MAE
Consolidated Balance Sheets
(Dollars in millions)

	As of December 31, 2021	
	2021	**2020**
ASSETS		
Cash and cash equivalents	**$ 42,448**	$ 38,337
Restricted cash and cash equivalents (includes $59,203 and $68,308, respectively, related to consolidated trusts)	**66,183**	77,286
Securities purchased under agreements to resell or similar arrangements (includes $13,533 and $0, respectively, related to consolidated trusts)	**20,743**	28,200
Investments in securities:		
Trading, at fair value (includes $4,224 and $6,544, respectively, pledged as collateral)	**88,206**	136,542
Available-for-sale, at fair value (with an amortized cost of $827 and $1,606, net of allowance for credit losses of $0 and $3, respectively)	**837**	1,697
Total investments in securities	**89,043**	138,239
Mortgage loans:		
Loans held for sale, at lower of cost or fair value	**5,134**	5,197
Loans held for investment, at amortized cost:		
Of Fannie Mae	**61,025**	112,726
Of consolidated trusts	**3,907,712**	3,546,521
Total loans held for investment (includes $4,964 and 6,490, respectively, at fair value)	**3,968,737**	3,659,247
Allowance for loan losses	**(5,629)**	(10,552)
Total loans held for investment, net of allowance	**3,963,108**	3,648,695
Total mortgage loans	**3,968,242**	3,653,892
Advances to lenders	**8,414**	10,449
Deferred tax assets, net	**12,715**	12,947
Accrued interest receivable, net (includes $8,878 and $9,635, respectively, related to consolidated trusts and net of an allowance of $140 and $216, respectively)	**9,264**	9,937
Acquired property, net	**1,259**	1,261
Other assets	**10,855**	15,201
Total assets	**$ 4,229,166**	$ 3,985,749
LIABILITIES AND EQUITY		
Liabilities:		
Accrued interest payable (includes $8,517 and $8,955, respectively, related to consolidated trusts)	**$ 9,186**	$ 9,719
Debt:		
Of Fannie Mae (includes $2,381 and $3,728, respectively, at fair value)	**200,892**	289,572
Of consolidated trusts (includes $21,735 and $24,586, respectively, at fair value)	**3,957,299**	3,646,164
Other liabilities (includes $1,245 and $1,523, respectively, related to consolidated trusts)	**14,432**	15,035
Total liabilities	**4,181,809**	3,960,490
Commitments and contingencies (Note 16)	**—**	—
Fannie Mae stockholders' equity:		
Senior preferred stock (liquidation preference of $163,672 and $142,192, respectively)	**120,836**	120,836
Preferred stock, 700,000,000 shares are authorized—555,374,922 shares issued and outstanding	**19,130**	19,130
Common stock, no par value, no maximum authorization—1,308,762,703 shares issued and 1,158,087,567 shares outstanding	**687**	687
Accumulated deficit	**(85,934)**	(108,110)
Accumulated other comprehensive income	**38**	116
Treasury stock, at cost, 150,675,136 shares	**(7,400)**	(7,400)
Total stockholders' equity (See Note 1: Senior Preferred Stock Purchase Agreement, Senior Preferred Stock and Warrant for information on the related dividend obligation and liquidation preference)	**47,357**	25,259
Total liabilities and equity	**$ 4,229,166**	$ 3,985,749

See Notes to Consolidated Financial Statements in the 2021 Form 10-K

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

	For the Twelve Months ended December 31,		
	2021	**2020**	**2019**
Interest income:			
Trading securities	**$ 524**	$ 874	$ 1,627
Available-for-sale securities	**58**	98	175
Mortgage loans	**98,930**	106,316	117,374
Securities purchased under agreements to resell or similar arrangements	**21**	146	843
Other	**142**	135	163
Total interest income	**99,675**	107,569	120,182
Interest expense:			
Short-term debt	**(4)**	(182)	(501)
Long-term debt	**(70,084)**	(82,521)	(98,388)
Total interest expense	**(70,088)**	(82,703)	(98,889)
Net interest income	**29,587**	24,866	21,293
Benefit (provision) for credit losses	**5,130**	(678)	4,011
Net interest income after benefit (provision) for credit losses	**34,717**	24,188	25,304
Investment gains, net	**1,352**	907	1,770
Fair value gains (losses), net	**155**	(2,501)	(2,214)
Fee and other income	**361**	462	566
Non-interest income (loss)	**1,868**	(1,132)	122
Administrative expenses:			
Salaries and employee benefits	**(1,493)**	(1,554)	(1,486)
Professional services	**(817)**	(921)	(967)
Other administrative expenses	**(755)**	(593)	(570)
Total administrative expenses	**(3,065)**	(3,068)	(3,023)
Foreclosed property expense	**(33)**	(177)	(515)
Temporary Payroll Tax Cut Continuation Act of 2011 (“TCCA”) fees	**(3,071)**	(2,673)	(2,432)
Credit enhancement expense	**(1,051)**	(1,361)	(1,134)
Change in expected credit enhancement recoveries	**(194)**	233	—
Other expenses, net	**(1,222)**	(1,131)	(745)
Total expenses	**(8,636)**	(8,177)	(7,849)
Income before federal income taxes	**27,949**	14,879	17,577
Provision for federal income taxes	**(5,773)**	(3,074)	(3,417)
Net income	**22,176**	11,805	14,160
Other comprehensive loss:			
Changes in unrealized gains on available-for-sale securities, net of reclassification adjustments and taxes	**(67)**	(23)	(179)
Other, net of taxes	**(11)**	8	(12)
Total other comprehensive loss	**(78)**	(15)	(191)
Total comprehensive income	**$ 22,098**	$ 11,790	$ 13,969
Net income	**$ 22,176**	$ 11,805	$ 14,160
Dividends distributed or amounts attributable to senior preferred stock	**(22,098)**	(11,790)	(13,969)
Net income attributable to common stockholders	**$ 78**	$ 15	$ 191
Earnings per share:			
Basic	**$ 0.01**	$ 0.00	$ 0.03
Diluted	**0.01**	0.00	0.03
Weighted-average common shares outstanding:			
Basic	**5,867**	5,867	5,762
Diluted	**5,893**	5,893	5,893

See Notes to Consolidated Financial Statements in the 2021 Form 10-K

EXHIBIT 99.2

Financial Supplement
Q4 and Full Year 2021

February 15, 2022

- Some of the terms and other information in this presentation are defined and discussed more fully in Fannie Mae's Form 10-K for the year ended December 31, 2021 ("2021 Form 10-K"). This presentation should be reviewed together with the 2021 Form 10-K, which is available at www.fanniemae.com in the "About Us—Investor Relations—SEC Filings" section. Information on or available through the company's website is not part of this supplement.
- Some of the information in this presentation is based upon information from third-party sources such as sellers and servicers of mortgage loans. Although Fannie Mae generally considers this information reliable, Fannie Mae does not independently verify all reported information.
- Due to rounding, amounts reported in this presentation may not sum to totals indicated (i.e. 100%), or amounts shown as 100% may not reflect the entire population.
- Unless otherwise indicated data is as of December 31, 2021 or for the full year indicated. Data for prior years is as of December 31 or for the full year indicated.
- Note references are to endnotes, appearing on pages 24 to 27.
- Terms used in presentation

  CAS: Connecticut Avenue Securities®

  CIRT™: Credit Insurance Risk Transfer™

  CRT: Credit risk transfer

  DSCR: Weighted-average debt service coverage ratio

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

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

  FHFA: The Federal Housing Finance Agency

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

  LTV ratio: Loan-to-value ratio

  MSA: Metropolitan statistical area

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

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

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

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

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

  UPB: Unpaid principal balance

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Overview

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Summary of 2021 and Q4 2021 Financial Results

(Dollars in millions)	2021	2020	Variance	Q4 2021	Q3 2021	Variance
Net interest income	**$29,587**	$24,866	$4,721	**$7,587**	$6,972	$615
Fee and other income	**361**	462	(101)	**60**	111	(51)
Net revenues	**29,948**	25,328	4,620	**7,647**	7,083	564
Investment gains, net	**1,352**	907	445	**418**	243	175
Fair value gains (losses), net	**155**	(2,501)	2,656	**(166)**	(17)	(149)
Administrative expenses	**(3,065)**	(3,068)	3	**(826)**	(745)	(81)
Credit-related income (expense)	**5,097**	(855)	5,952	**912**	868	44
TCCA fees	**(3,071)**	(2,673)	(398)	**(801)**	(781)	(20)
Other expenses, net[1]	**(2,467)**	(2,259)	(208)	**(692)**	(543)	(149)
Income before federal income taxes	**27,949**	14,879	13,070	**6,492**	6,108	384
Provision for federal income taxes	**(5,773)**	(3,074)	(2,699)	**(1,303)**	(1,266)	(37)
Net income	**$22,176**	$11,805	$10,371	**$5,189**	$4,842	$347
Total comprehensive income	**$22,098**	$11,790	$10,308	**$5,184**	$4,828	$356
Net worth	**$47,357**	$25,259	$22,098	**$47,357**	$42,173	$5,184
Net worth ratio[2]	1.1 %	0.6 %		1.1 %	1.0 %	

2021 Key Highlights

$22.2 billion net income in 2021, with net worth reaching $47.4 billion as of December 31, 2021

Net income increased $10.4 billion in 2021 compared with 2020 primarily driven by:

Credit-related income (expense)

- $5.1 billion income in 2021 compared with $855 million expense in 2020 driven primarily by strong actual and forecasted home price growth, an increase in the volume of loan redesignations, and a reduction in the company's estimate of losses it expects to incur as a result of the COVID-19 pandemic, partially offset by increases in interest rates.

Net interest income

- Increased $4.7 billion in 2021 compared with 2020, driven primarily by higher base guaranty fee income and higher amortization income. An increase in the size of the guaranty book of business combined with an increase in average charged guaranty fees led to higher base guaranty fee income.

Fair value gains (losses)

- $155 million of fair value gains in 2021, compared with fair value losses of $2.5 billion in 2020. Fair value gains in 2021 were primarily driven by declines in the fair value of risk management derivatives and trading securities, offset by the impact of hedge accounting. Fair value losses in 2020, before the company implemented hedge accounting, were primarily driven by declines in the fair value of commitments to sell mortgage-related securities as prices increased during the commitment period.

Selected Financial Data

Selected Financial Data

(Dollars in millions)

As of December 31,	2021	2020	2019	2018	2017
Cash and cash equivalents	$ 42,448	$ 38,337	$ 21,184	$ 25,557	$ 32,110
Restricted cash and cash equivalents	66,183	77,286	40,223	23,866	28,150
Investments in securities	89,043	138,239	50,527	45,296	39,522
Mortgage loans, net of allowance	3,968,242	3,653,892	3,334,162	3,249,395	3,178,525
Total assets	**$ 4,229,166**	**$ 3,985,749**	**$ 3,503,319**	**$ 3,418,318**	**$ 3,345,529**
Short-term debt	2,795	12,173	26,662	24,896	33,756
Long-term debt	4,155,396	3,923,563	3,440,724	3,367,024	3,296,298
Total liabilities	**$ 4,181,809**	**$ 3,960,490**	**$ 3,488,711**	**$ 3,412,078**	**$ 3,349,215**
Total Fannie Mae stockholders' equity (deficit)	**$ 47,357**	**$ 25,259**	**$ 14,608**	**$ 6,240**	**$ (3,686)**
Loss reserves[3]	**$ (5,774)**	**$ (10,798)**	**$ (9,047)**	**$ (14,252)**	**$ (19,400)**
Loss reserves as a percentage of guaranty book of business:					
Single-family[4]	0.15 %	0.30 %	0.30 %	0.49 %	0.65 %
Multifamily[5]	0.17 %	0.32 %	0.08 %	0.08 %	0.09 %

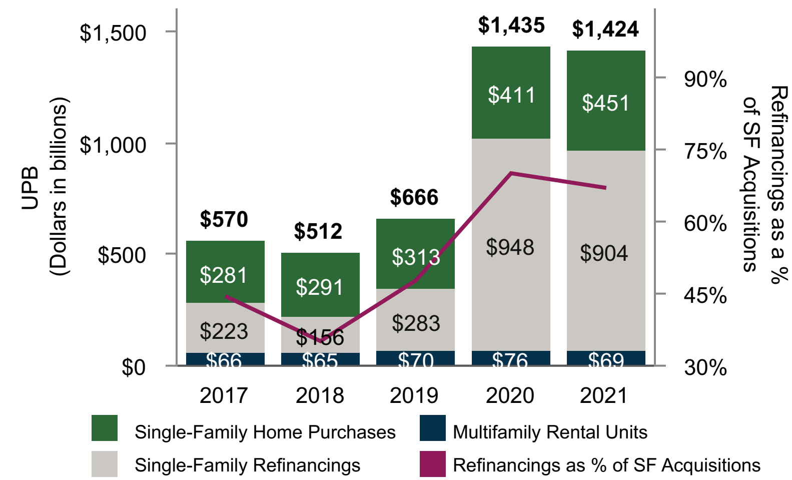
For the Year Ended December 31,	2021	2020	2019	2018	2017
Net income	**$ 22,176**	**$ 11,805**	**$ 14,160**	**$ 15,959**	**$ 2,463**
Return on assets[6]	0.54 %	0.32 %	0.41 %	0.47 %	0.07 %

Guaranty Book of Business Highlights

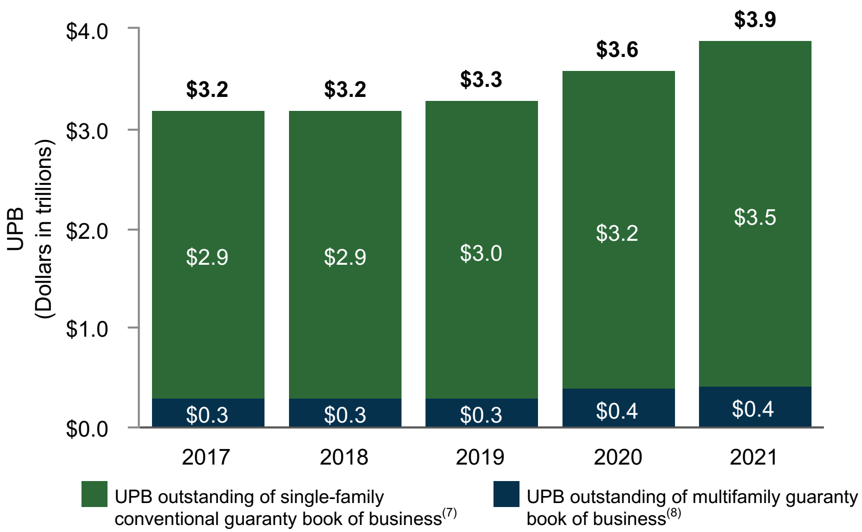
Market Liquidity Provided

Total liquidity provided in the fourth quarter of 2021 was over $305 billion

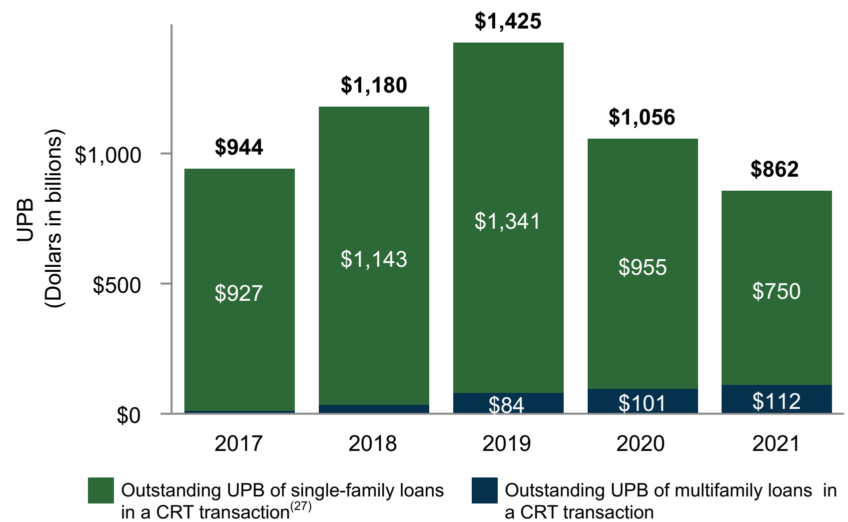
Unpaid Principal Balance	Units
$107.2B	351K Single-Family Home Purchases
$177.6B	669K Single-Family Refinancings
$20.7B	183K Multifamily Rental Units



Outstanding Guaranty Book of Business at Period End

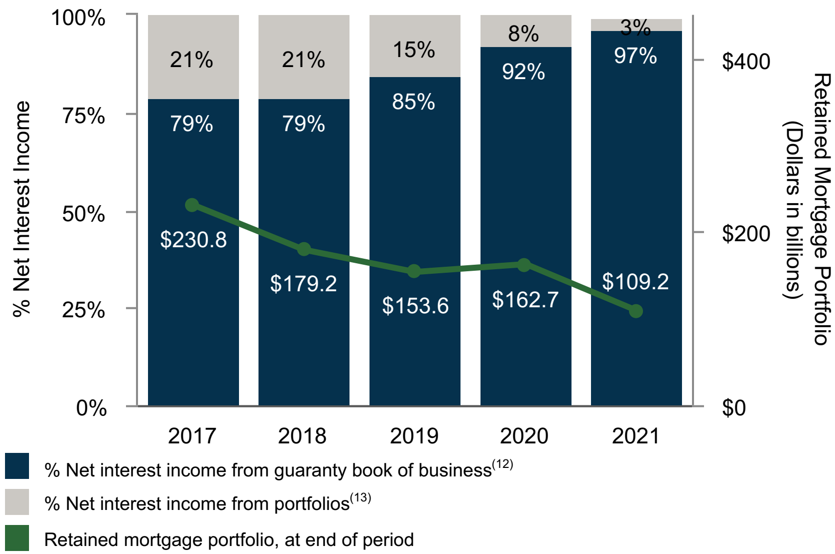


Guaranty Book in a CRT

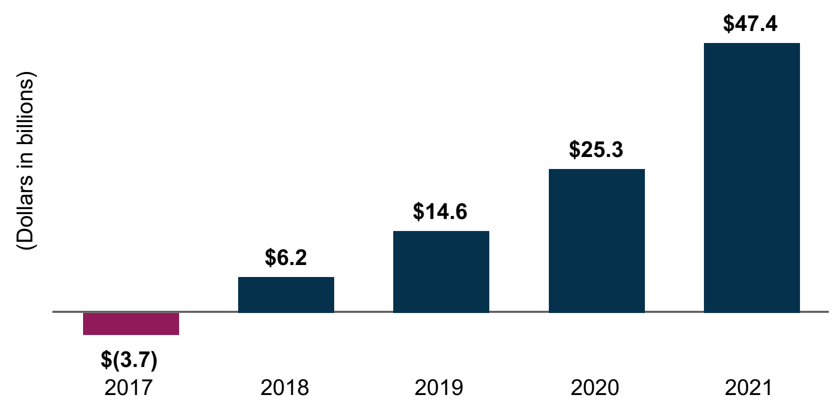


Portfolio and Liquidity Management

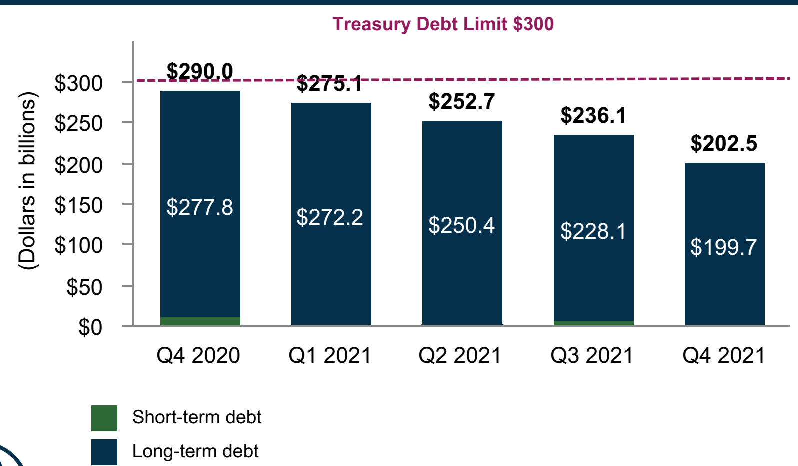
Sources of Net Interest Income and Retained Mortgage Portfolio Balance



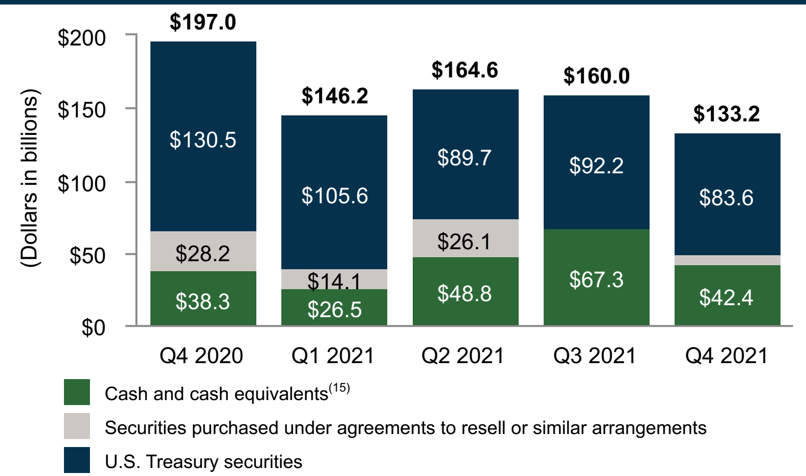
Net Worth of Fannie Mae



Aggregate Indebtedness of Fannie Mae[14]

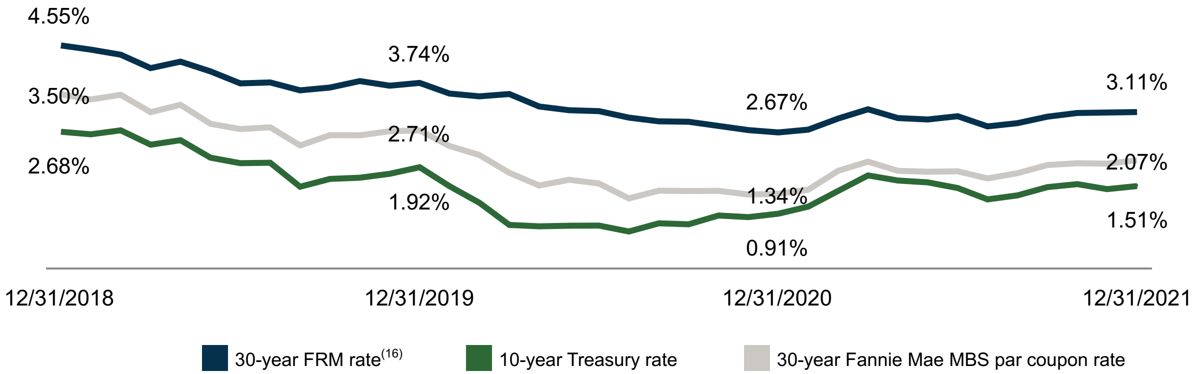


Other Investments Portfolio ("OIP")

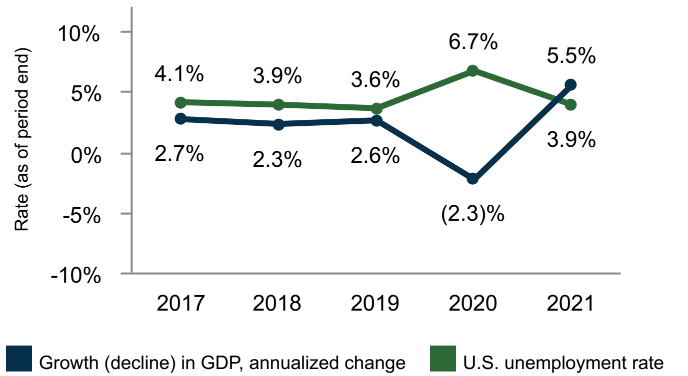


Key Market Economic Indicators

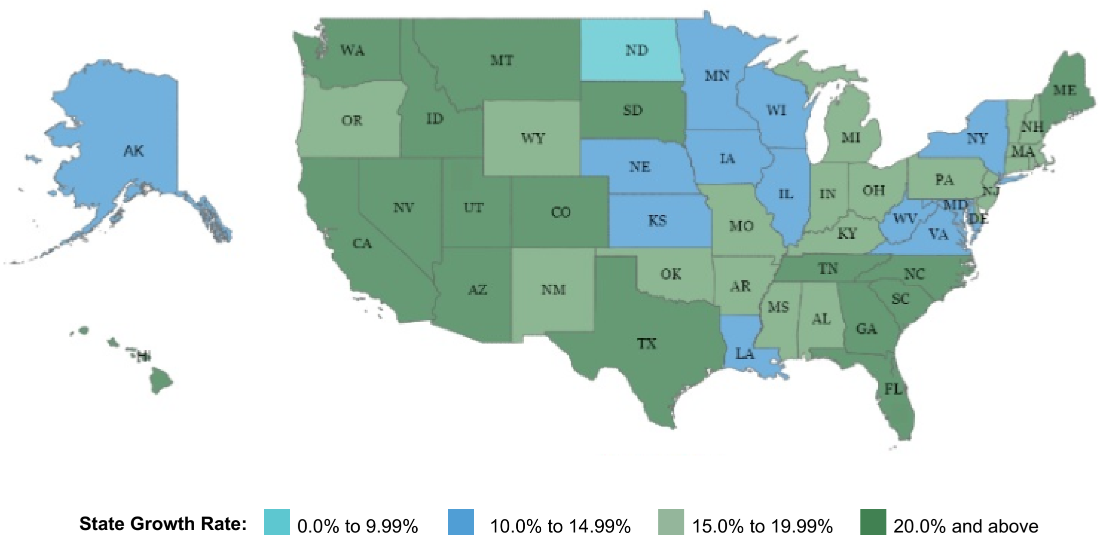
Benchmark Interest Rates



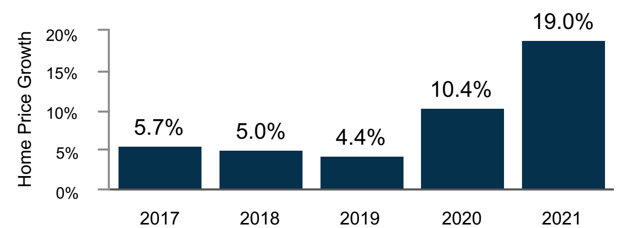
U.S. GDP Growth (Decline) Rate and Unemployment Rate[17]



One Year Home Price Growth Rate Q4 2021[18] United States 19.0%



Single-Family Home Price Growth Rate[18]



Top 10 States by UPB[18]

State	One Year Home Price Growth Rate Q4 2021	Share of Single-Family Conventional Guaranty Book
CA	20.2%	19%
TX	21.7%	7%
FL	28.5%	6%
NY	13.1%	5%
WA	22.8%	4%
NJ	17.3%	3%
CO	21.2%	3%
IL	13.8%	3%
VA	14.4%	3%
NC	24.0%	3%

Single-Family Business

Single-Family Highlights

2021

$25,429M
Net interest income

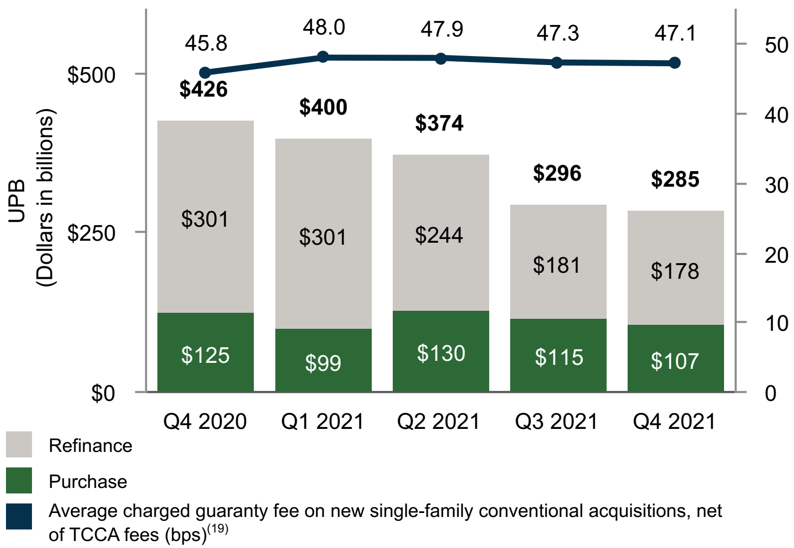
$1,392M
Investment gains, net

$167M
Fair value gains, net

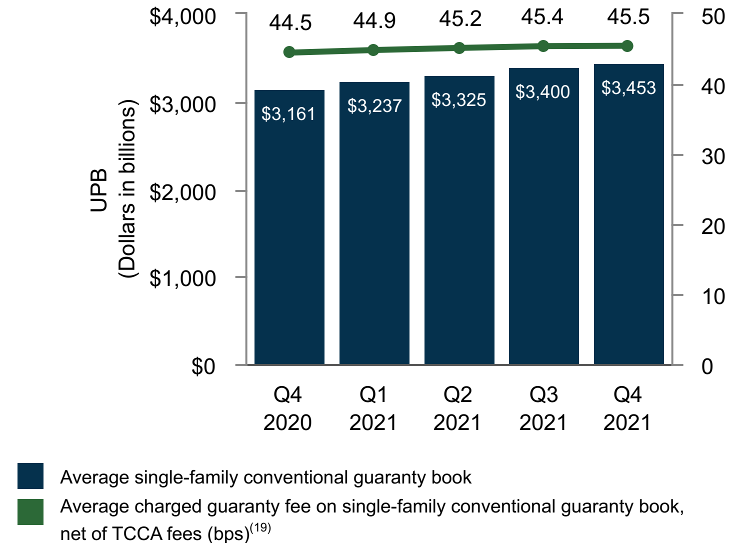
$4,586M
Credit-related income

$19,127M
Net income

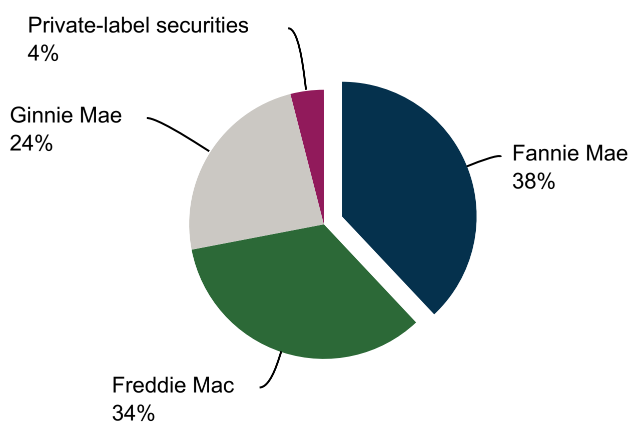
Single-Family Conventional Loan Acquisitions(7)



Single-Family Conventional Guaranty Book of Business(7)



2021 Single-Family Mortgage-Related Securities Share of Issuances



Highlights

- Single-family conventional acquisition volume was $1.4 trillion in 2021. Purchase acquisition volume was $451.3 billion in 2021, the highest on record, of which nearly 50% were for first-time homebuyers. Refinance acquisition volume was $903.7 billion in 2021, a decline from $947.8 billion in 2020, the highest on record. Both purchase and refinance volumes remained elevated due to the continued low interest-rate environment.
- The average single-family conventional guaranty book of business in 2021 increased from 2020 by 9.5%.
- Single-family serious delinquency rate decreased to 1.25% as of December 31, 2021, from 1.62% as of September 30, 2021 and 2.87% as of December 31, 2020, due primarily to the on-going economic recovery and the decline in the number of the company's single-family loans in a COVID-19 forbearance plan.

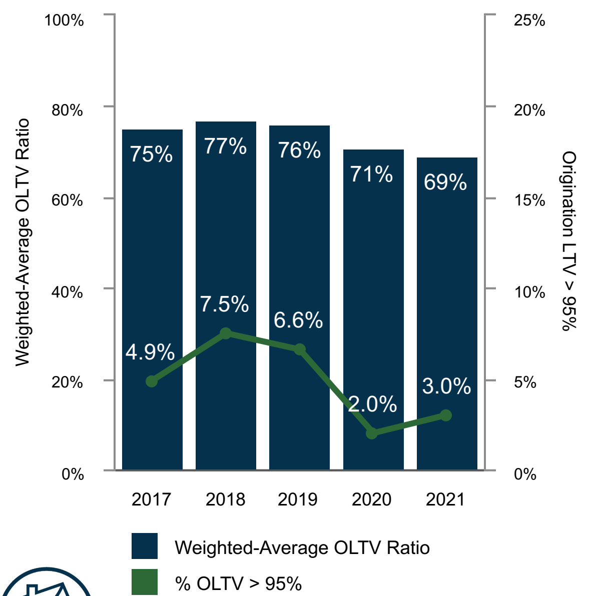
Credit Characteristics of Single-Family Conventional Loan Acquisitions

Certain Credit Characteristics of Single-Family Conventional Loans by Acquisition Period

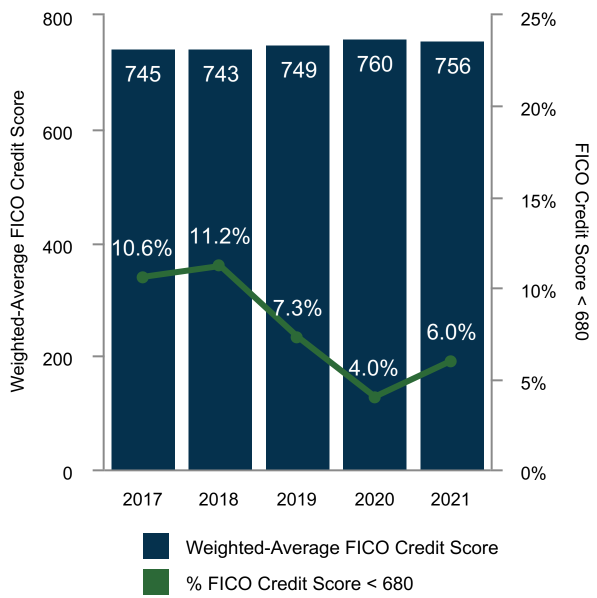
2021 Acquisition Credit Profile by Certain Loan Features

Categories are not mutually exclusive	Q4 2020	Full Year 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Full Year 2021	OLTV Ratio >95%	HomeReady®[21]	FICO Credit Score < 680[10]	DTI Ratio > 43%[20]
Total UPB (Dollars in billions)	$425.6	$1,358.8	$400.5	$373.3	$296.4	$284.5	$1,354.7	$40.1	$38.9	$86.0	$305.9
Weighted-Average OLTV Ratio	70%	71%	68%	70%	70%	70%	69%	97%	83%	71%	72%
OLTV Ratio > 95%	2%	2%	2%	2%	4%	4%	3%	100%	28%	1%	3%
Weighted-Average FICO® Credit Score[10]	762	760	761	757	753	751	756	746	746	657	747
FICO Credit Score < 680[10]	4%	4%	4%	6%	8%	8%	6%	3%	8%	100%	8%
DTI Ratio > 43%[20]	20%	21%	20%	22%	24%	25%	23%	25%	40%	28%	100%
Fixed-rate	100%	100%	100%	99%	99%	99%	99%	100%	100%	100%	100%
Primary Residence	91%	92%	91%	93%	95%	91%	92%	100%	100%	97%	91%
HomeReady®[21]	3%	2%	3%	3%	3%	3%	3%	27%	100%	3%	5%

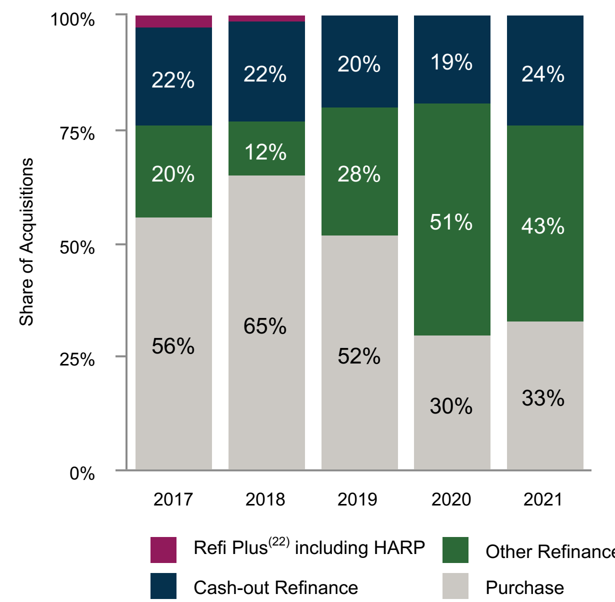
Origination Loan-to-Value Ratio



FICO Credit Score[10]



Acquisitions by Loan Purpose



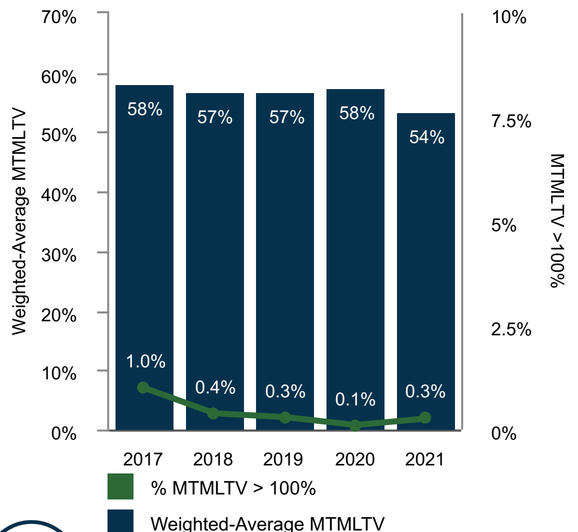
Credit Characteristics of Single-Family Conventional Guaranty Book of Business

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

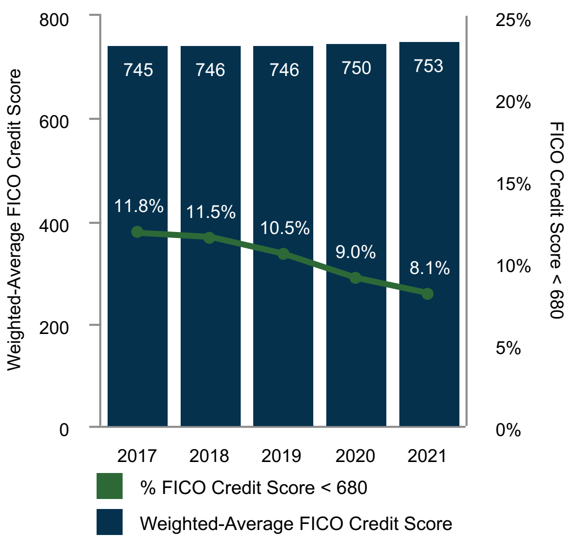
As of December 31, 2021

Categories are not mutually exclusive	Overall Book	Origination Year: 2008 & Earlier	2009-2017	2018	2019	2020	2021	Certain Loan Features: OLTV Ratio > 95%	Home-Ready®[21]	FICO Credit Score < 680[10]	Refi Plus Including HARP[22]	DTI Ratio > 43%[20]
Total UPB (Dollars in billions)	$3,483.1	$94.3	$864.7	$98.7	$203.5	$1,043.5	$1,178.4	$160.9	$102.0	$281.6	$152.5	$785.2
Average UPB	$198,865	$81,777	$133,323	$168,770	$205,592	$258,943	$275,860	$164,262	$179,526	$152,487	$108,426	$212,703
Share of Single-Family Conventional Guaranty Book	100%	3%	24%	3%	6%	30%	34%	5%	3%	8%	4%	23%
Loans in Forbearance by UPB[24]	0.7%	2.5%	1.0%	2.3%	1.5%	0.5%	0.2%	1.6%	1.4%	2.3%	1.2%	1.2%
Share of Loans with Credit Enhancement[25]	34%	10%	46%	74%	56%	33%	26%	82%	79%	36%	41%	40%
Serious Delinquency Rate[11]	1.25%	4.59%	1.53%	3.76%	2.23%	0.45%	0.09%	2.82%	1.95%	4.25%	1.86%	2.10%
Weighted-Average OLTV Ratio	72%	75%	74%	77%	76%	71%	69%	104%	86%	75%	85%	74%
OLTV Ratio > 95%	5%	9%	7%	10%	8%	3%	3%	100%	34%	8%	28%	6%
Amortized OLTV Ratio[26]	72%	137%	76%	71%	72%	68%	68%	93%	83%	88%	112%	79%
Weighted-Average Mark-to-Market LTV Ratio[9]	54%	35%	37%	52%	55%	57%	64%	68%	70%	52%	36%	55%
Weighted-Average FICO Credit Score[10]	753	697	748	732	746	761	756	732	742	651	727	741
FICO Credit Score < 680[10]	8%	38%	11%	17%	9%	4%	7%	14%	9%	100%	22%	11%

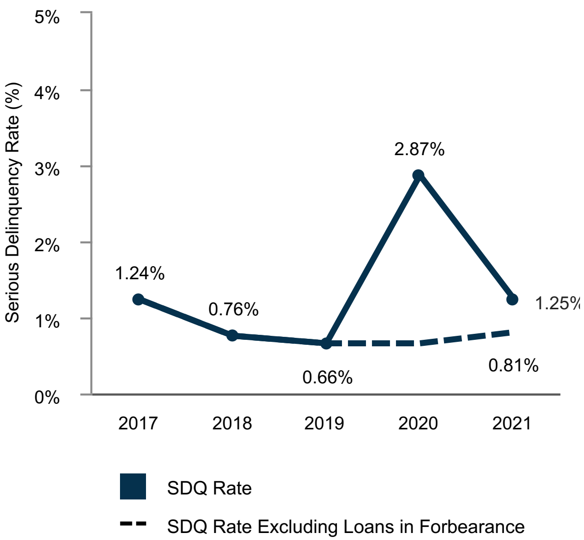
Mark-to-Market Loan-to-Value (MTMLTV) Ratio[9]



FICO Credit Score[10]

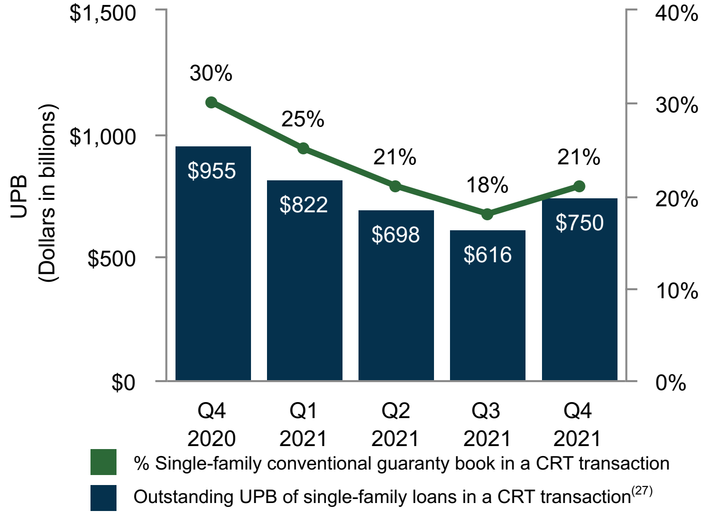


SDQ Rate[11]



Single-Family Credit Risk Transfer

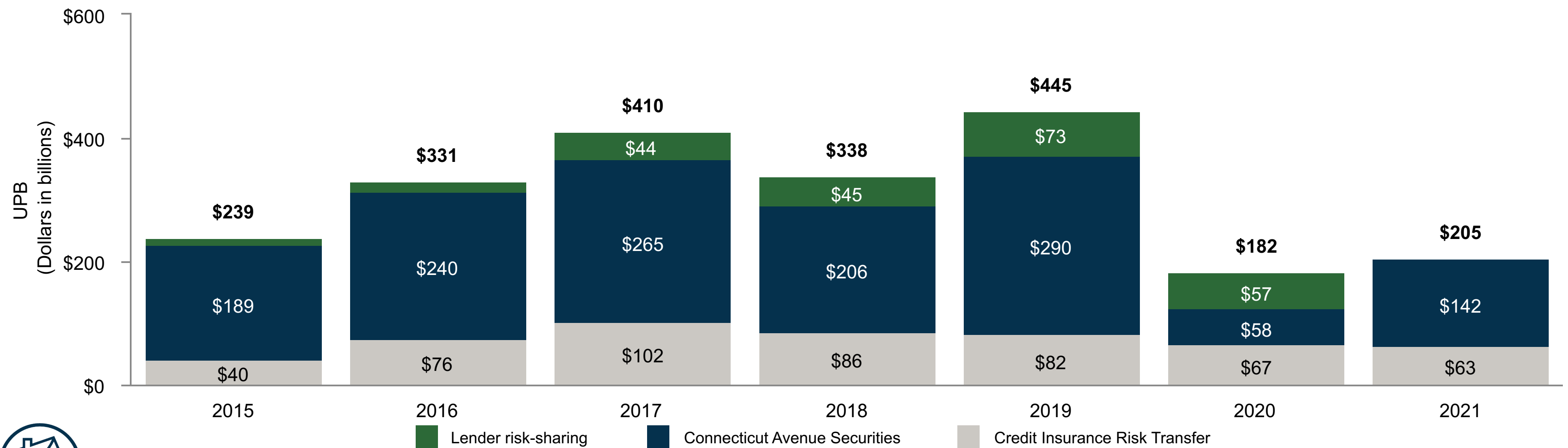
Single-Family Credit Risk Transfer



Single-Family Loans with Credit Enhancement

Credit Enhancement Outstanding UPB (dollars in billions)	2019 Outstanding UPB	2019 % of Book[30] Outstanding	2020 Outstanding UPB	2020 % of Book[30] Outstanding	2021 Outstanding UPB	2021 % of Book[30] Outstanding
Primary mortgage insurance & other[28]	$653	22%	$681	21%	**$697**	**20%**
Connecticut Avenue Securities[29]	$919	31%	$608	19%	**$512**	**14%**
Credit Insurance Risk Transfer[27]	$275	10%	$216	7%	**$168**	**5%**
Lender risk-sharing[29]	$147	5%	$131	4%	**$70**	**2%**
(Less: loans covered by multiple credit enhancements)	($438)	(15)%	($304)	(9)%	**($253)**	**(7)%**
Total single-family loans with credit enhancement	$1,556	53%	$1,332	42%	**$1,194**	**34%**

Single-Family Credit Risk Transfer Issuance



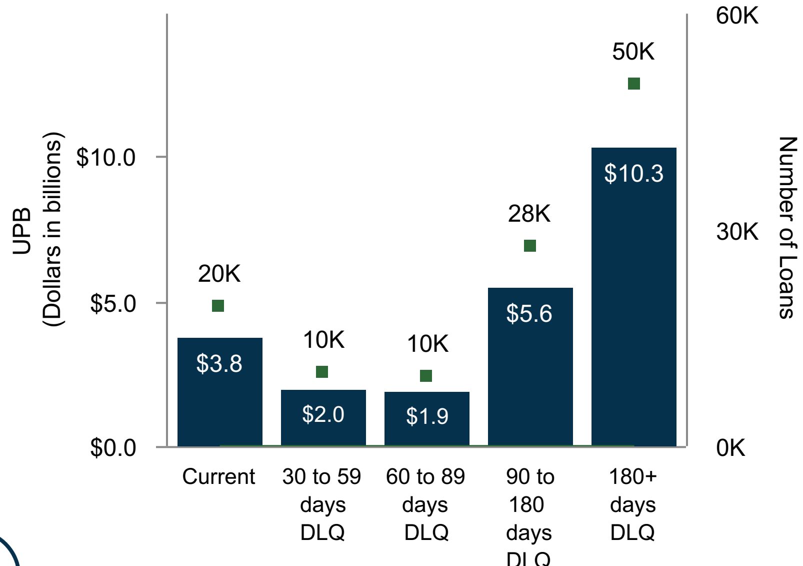
Single-Family Conventional Guaranty Book of Business in Forbearance

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

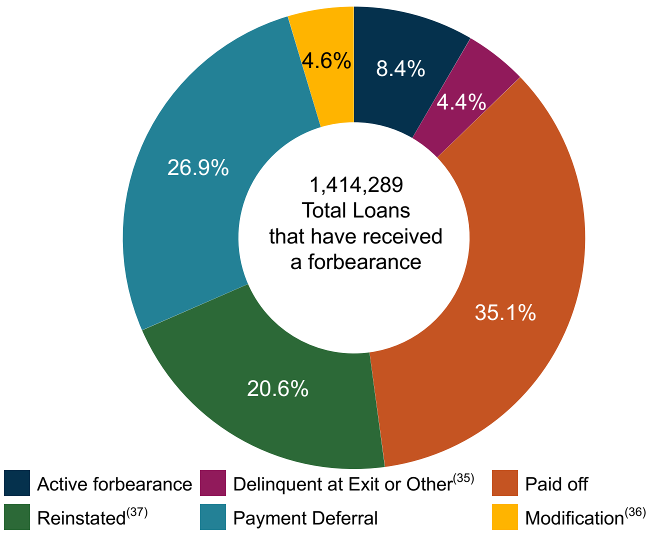
As of December 31, 2021

Categories are not mutually exclusive	**Total**	Origination Year: 2008 & Earlier	2009-2017	2018	2019	2020	2021
Total UPB (Dollars in billions)	**$23.6**	$2.4	$8.7	$2.3	$3.1	$5.1	$2.0
Average UPB	**$200,826**	$122,521	$173,512	$206,411	$240,064	$289,722	$315,550
Share of Single-Family Conventional Guaranty Book based on Loan Count	**0.7%**	0.1%	0.3%	0.1%	0.1%	0.1%	0.0%
Share of Single-Family Conventional Guaranty Book based on UPB[32]	**0.7%**	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%
MTMLTV Ratio > 80% without Mortgage Insurance	**0.5%**	0.3%	0.1%	0.0%	0.0%	0.1%	0.0%
DTI Ratio > 43%[20]	**39.7%**	4.1%	13.2%	5.0%	5.8%	8.3%	3.3%
FICO Credit Score < 680[10]	**27.8%**	5.2%	10.6%	3.3%	3.1%	3.8%	1.8%
OLTV Ratio > 95%	**11.1%**	1.1%	4.5%	1.7%	1.9%	1.4%	0.5%

Delinquency Status of Loans in Forbearance[33] as of December 31, 2021

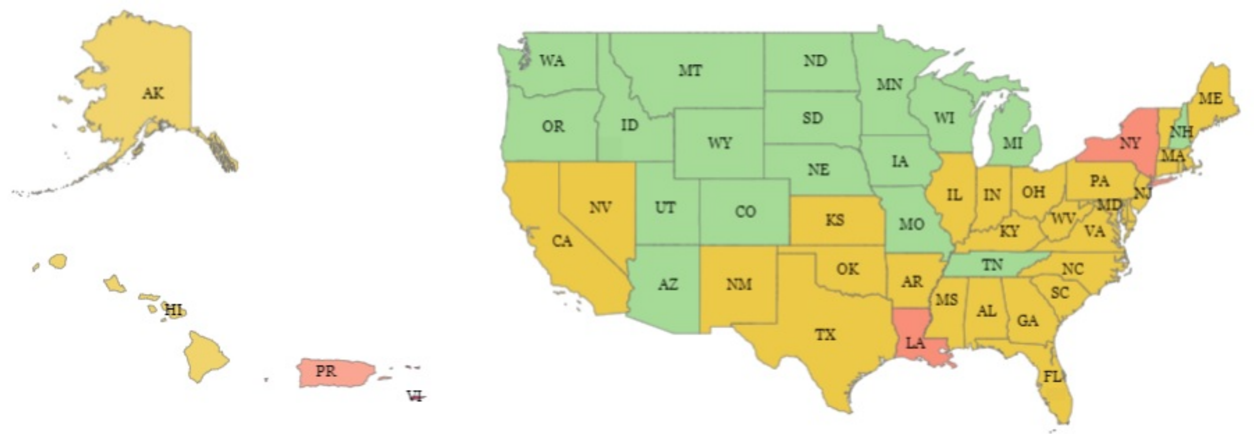


Single-Family Loan Forbearance Status[34] As of December 31, 2021



Single-Family Problem Loan Statistics

Single-Family Serious Delinquency Rate by State as of December 31, 2021[11]



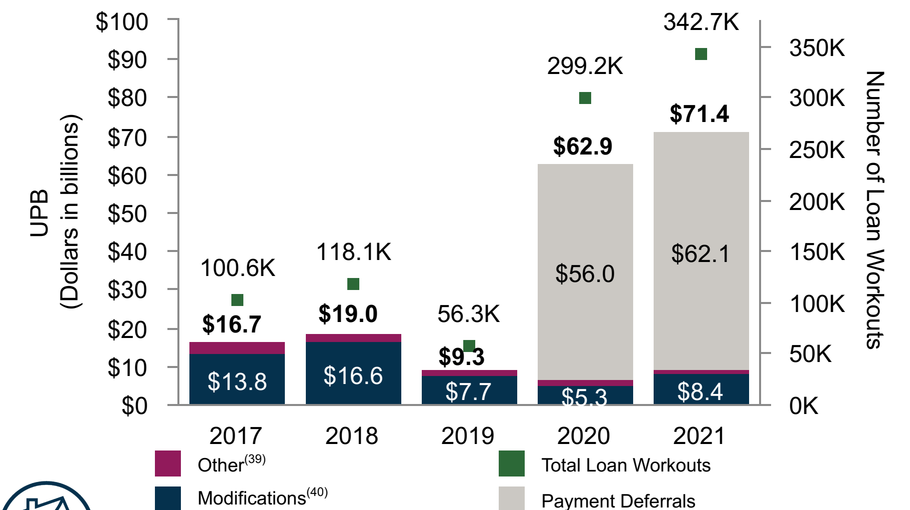
Top 10 States by UPB

State	Serious Delinquency Rate[11]	Average Months to Foreclosure[38]
CA	1.01%	30
TX	1.48%	29
FL	1.59%	43
NY	2.24%	65
WA	0.85%	38
NJ	1.90%	42
CO	0.82%	30
IL	1.55%	25
VA	1.11%	17
NC	1.03%	26

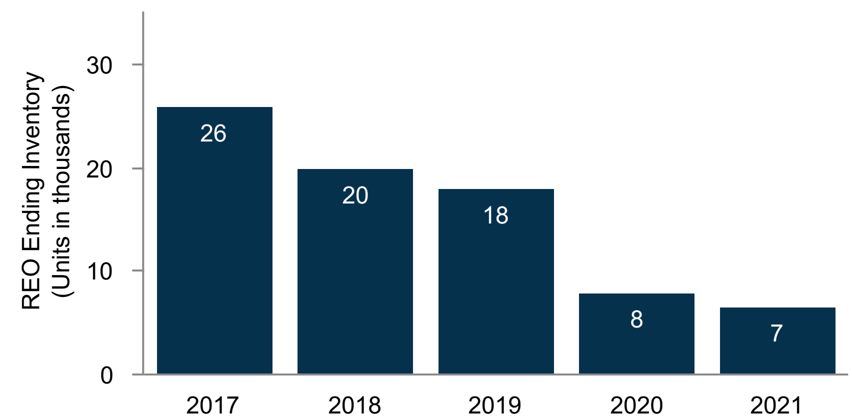
State SDQ Rate:

- 0.51% to 0.99%
- 1.00% to 1.99%
- 2.00% to 2.99%
- 3.00% and above

Single-Family Loan Workouts

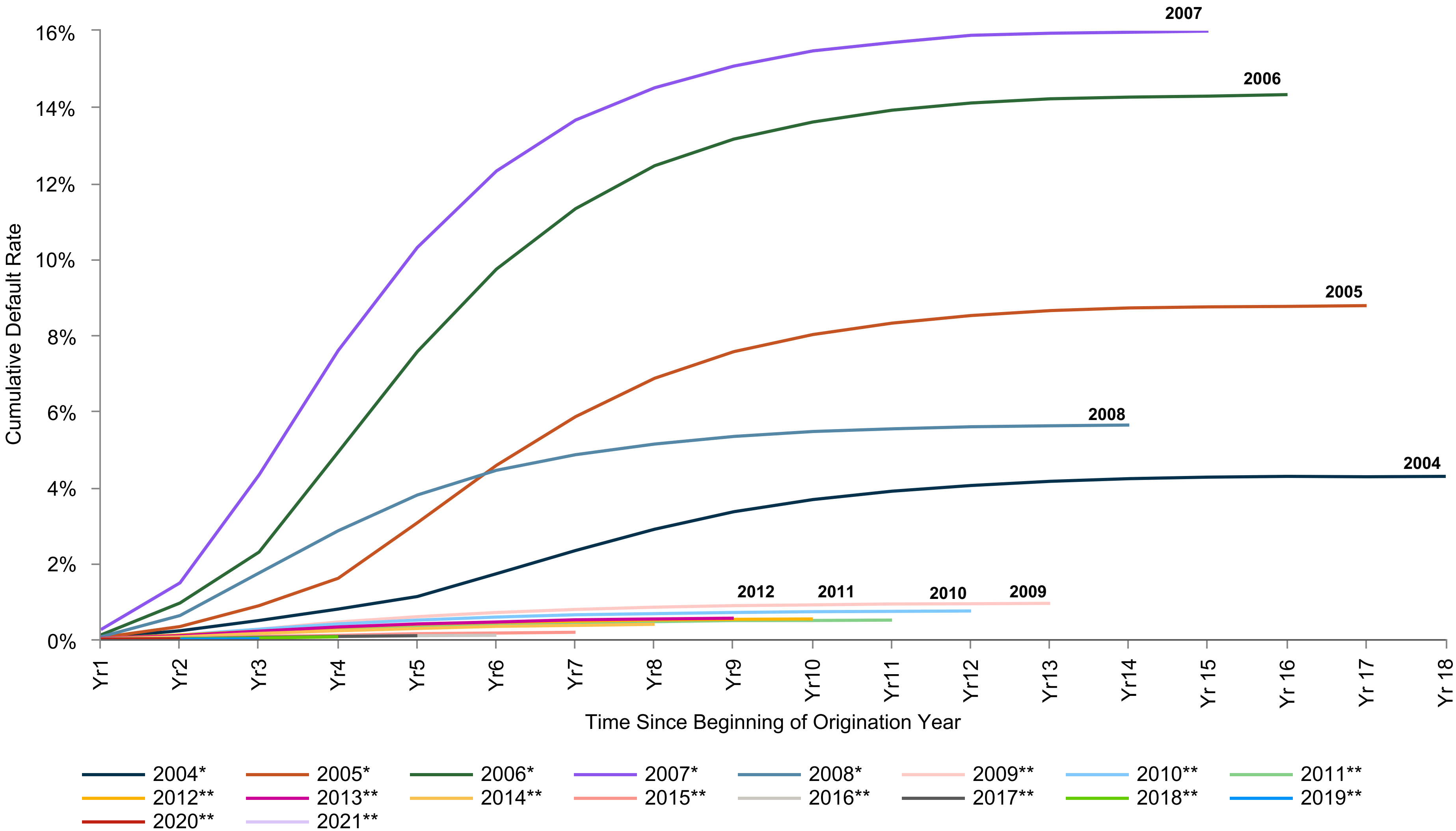


Single-Family REO Ending Inventory



Single-Family Cumulative Default Rates

Cumulative Default Rates of Single-Family Conventional Guaranty Book of Business by Origination Year[(55)]



* Loans originated prior to 2009 represent only 3% of the single-family conventional guaranty book of business as of December 31, 2021.

**As of December 31, 2021, cumulative default rates on the loans originated in each individual year from 2009-2021 were less than 1%.

Multifamily Business

Multifamily Highlights

2021

$4,158M
Net interest income

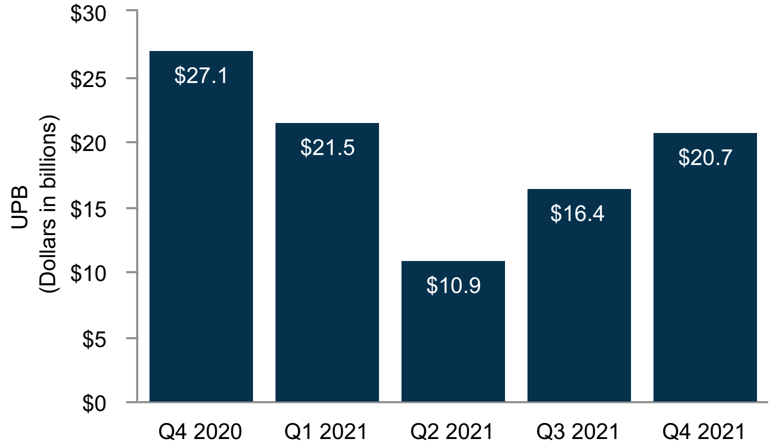
$92M
Fee and other income

$(12)M
Fair value losses, net

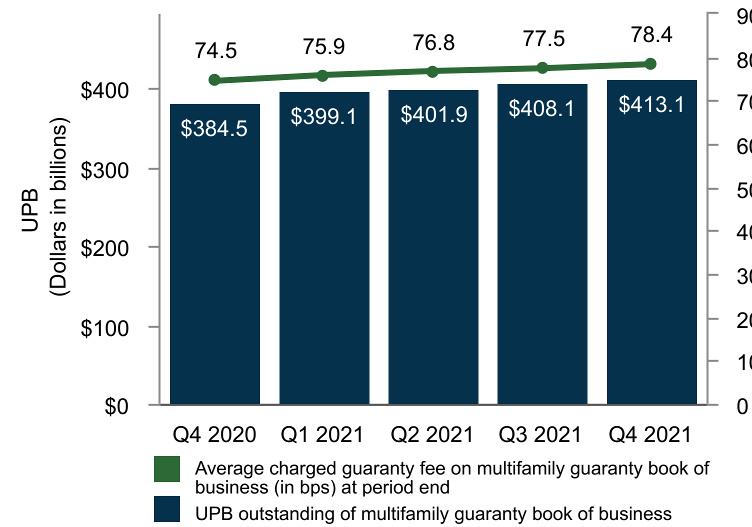
$511M
Credit-related income

$3,049M
Net income

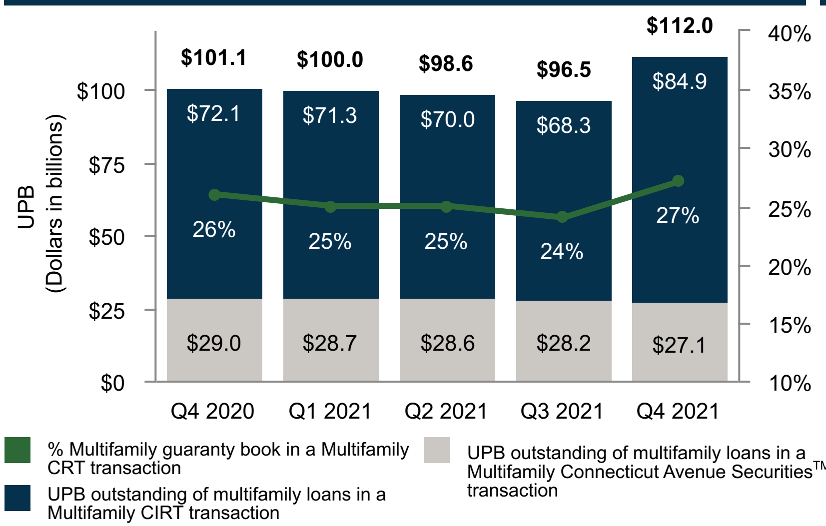
Multifamily New Business Volume



Multifamily Guaranty Book of Business[8]



Multifamily Credit Risk Transfer



Highlights

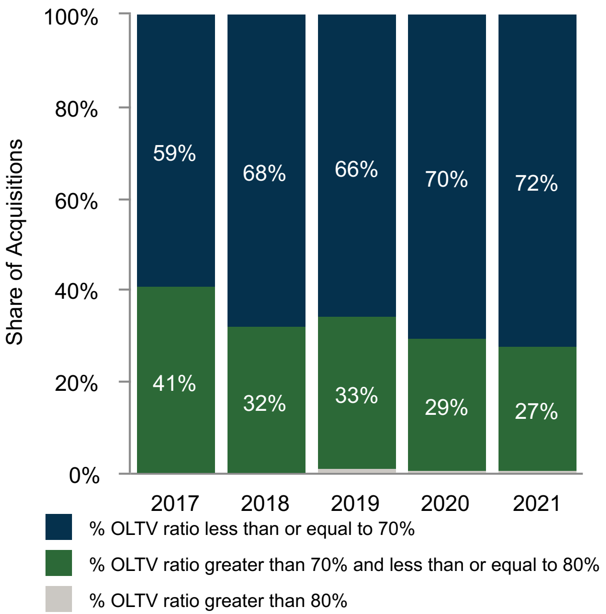
- New multifamily business volume was $69.5 billion in 2021, of which more than 50% was mission-driven business. This met the requirements established by the Federal Housing Finance Agency (FHFA) for 2021 volumes, including a multifamily volume cap of $70 billion.
- The multifamily guaranty book of business grew by 7% in 2021 to $413.1 billion. The average charged guaranty fee on the multifamily book increased from 74.5 basis points as of December 31, 2020 to 78.4 basis points as of December 31, 2021.
- As of December 31, 2021, nearly 90% of the loans in the company's multifamily guaranty book of business that had received a forbearance, measured by unpaid principal balance, were in a repayment plan or reinstated. Less than 0.1% of the multifamily book, or $363 million in unpaid principal balance, was still in active forbearance.

Credit Characteristics of Multifamily Loan Acquisitions

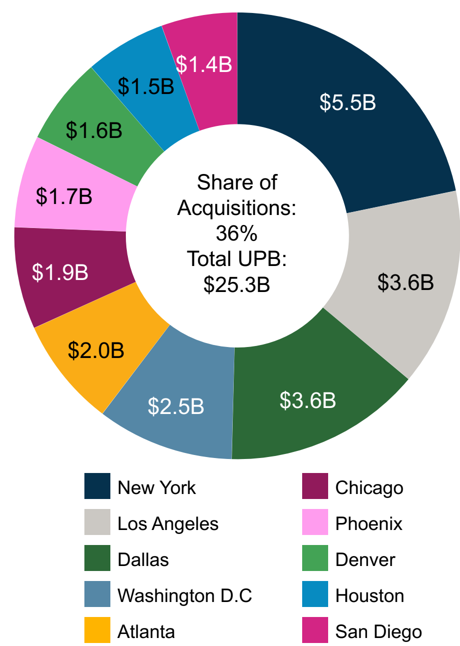
Certain Credit Characteristics of Multifamily Loans by Acquisition Period[8]

Categories are not mutually exclusive	2017	2018	2019	2020	2021
Total UPB (Dollars in billions)	$67.1	$65.4	$70.2	$76.0	**$69.5**
Weighted-Average OLTV Ratio	67%	65%	66%	64%	**65%**
Loan Count	3,861	3,723	4,113	5,051	**4,203**
% Lender Recourse[41]	100%	100%	100%	99%	**100%**
% DUS[42]	98%	99%	100%	99%	**99%**
% Full Interest-Only	26%	33%	33%	38%	**40%**
Weighted-Average OLTV Ratio on Full Interest-Only Acquisitions	58%	58%	59%	58%	**59%**
Weighted-Average OLTV Ratio on Non-Full Interest-Only Acquisitions	70%	68%	69%	68%	**68%**
% Partial Interest-Only[43]	57%	53%	56%	50%	**50%**

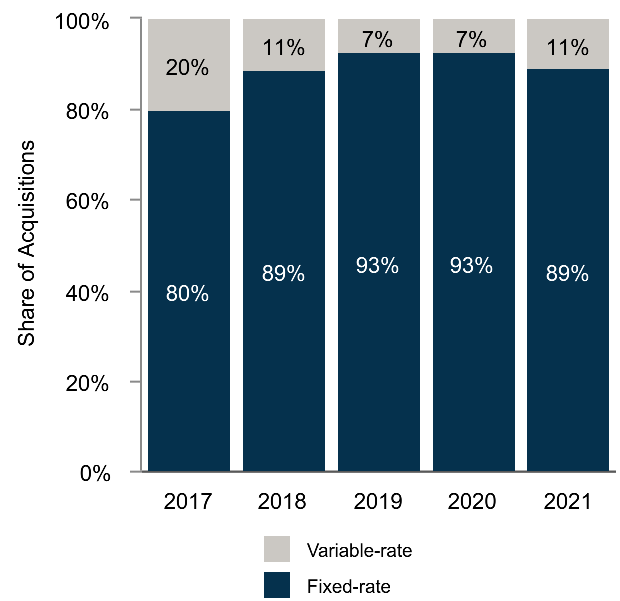
Origination Loan-to-Value Ratio[8]



Top 10 MSAs by 2021 Acquisition UPB[8]



Acquisitions by Note Type[8]



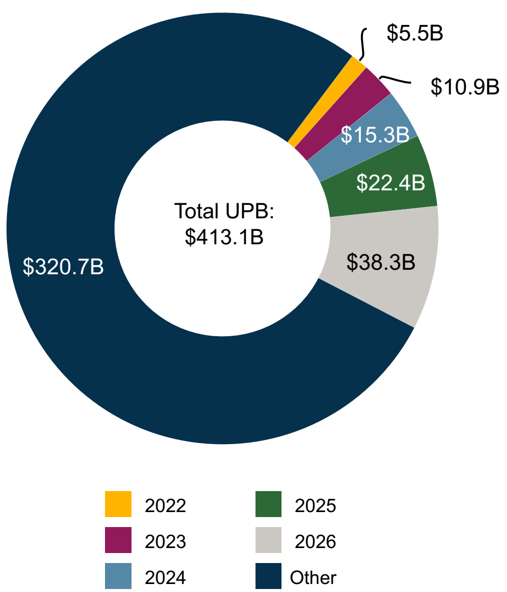
Credit Characteristics of Multifamily Guaranty Book of Business

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

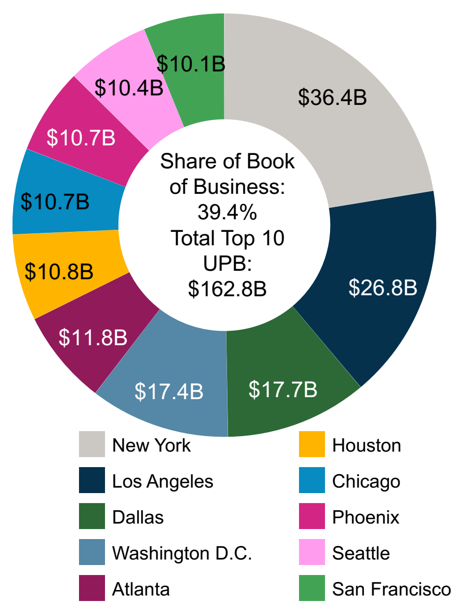
As of December 31, 2021

		Acquisition Year							Asset Class or Targeted Affordable Segment				
Categories are not mutually exclusive	Overall Book	2008 & Earlier	2009-2016	2017	2018	2019	2020	2021	Conventional /Co-op[44]	Seniors Housing[44]	Student Housing[44]	Manufactured Housing[44]	Privately Owned with Subsidy[48]
Total UPB (Dollars in billions)	$413.1	$7.0	$87.6	$51.9	$56.3	$66.9	$74.2	$69.2	$363.5	$16.8	$14.6	$18.2	$47.2
% of Multifamily Guaranty Book	100%	2%	21%	12%	14%	16%	18%	17%	88%	4%	4%	4%	11%
Loan Count	28,856	2,784	7,169	2,788	3,147	3,818	4,958	4,192	25,977	629	641	1,609	3,838
Average UPB (Dollars in millions)	$14.3	$2.5	$12.2	$18.6	$17.9	$17.5	$15.0	$16.5	$14.0	$26.6	$22.8	$11.3	$12.3
Weighted-Average OLTV Ratio	65%	69%	66%	66%	65%	66%	64%	65%	65%	66%	66%	65%	68%
Weighted-Average DSCR[46]	2.1	3.1	1.9	2.0	1.9	1.9	2.4	2.3	2.1	1.8	1.8	2.2	2.2
% Fixed rate	91%	25%	92%	88%	93%	94%	94%	89%	92%	62%	82%	93%	85%
% Full Interest-Only	33%	28%	23%	31%	35%	34%	38%	40%	35%	13%	30%	25%	25%
% Partial Interest-Only[43]	51%	19%	48%	54%	53%	56%	50%	50%	50%	59%	63%	58%	44%
% Small Balance Loans[45]	42%	91%	50%	31%	28%	35%	36%	26%	42%	14%	24%	50%	48%
% DUS[8]	99%	91%	99%	98%	100%	100%	99%	99%	99%	98%	100%	100%	98%
Serious Delinquency Rate[47]	0.42%	0.03%	0.80%	0.90%	0.47%	0.36%	0.08%	0.00%	0.30%	1.30%	2.87%	0.06%	0.13%

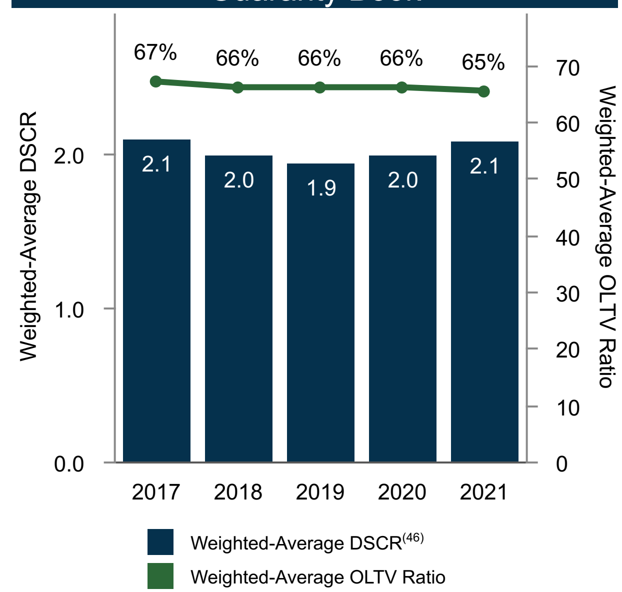
UPB by Maturity Year As of December 31, 2021[8]



Top 10 MSAs by UPB As of December 31, 2021[8]

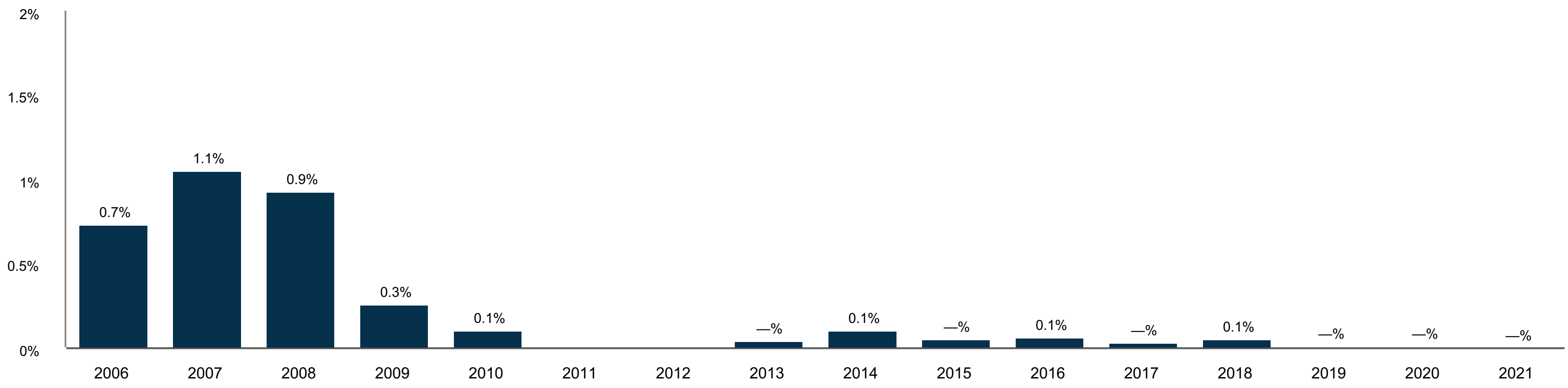


Certain Credit Characteristics of Guaranty Book

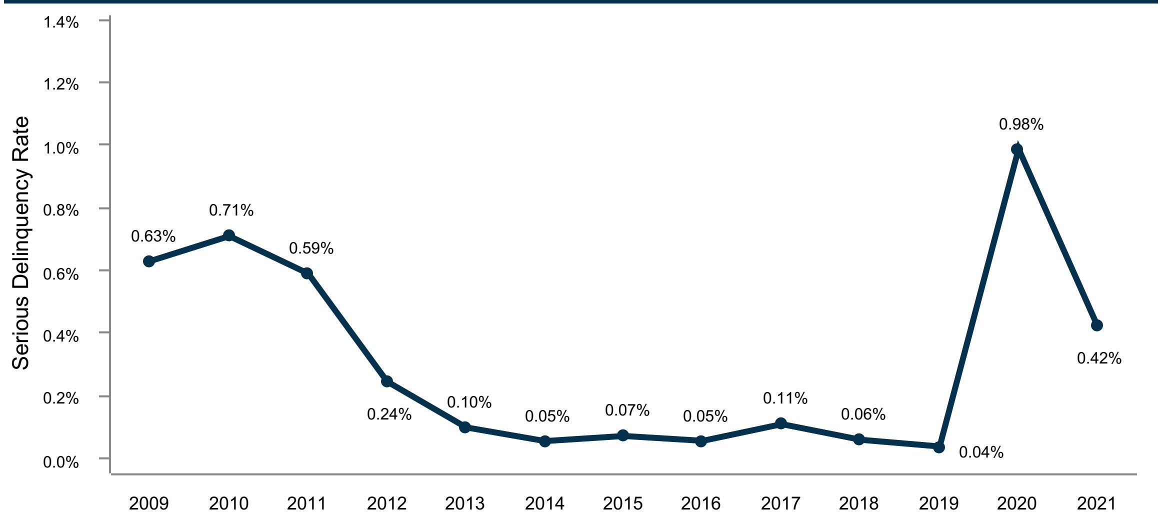


Multifamily Serious Delinquency, Credit Loss and Forbearance Rates

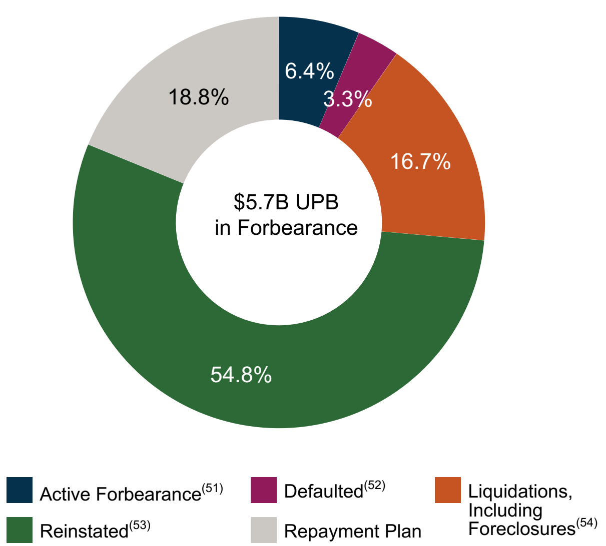
Cumulative Total Credit Loss Rate, Net by Acquisition Year Through 2021[49]



Serious Delinquency Rates[47]



Multifamily Loan Forbearance Status as of December 31, 2021[50]



Endnotes

Endnotes

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

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

(3) Consists of the company's allowance for loan losses and reserve for guaranty losses. The measurement of loss reserves was impacted upon the adoption of the CECL standard on January 1, 2020, prospectively. See “Note 1, Summary of Significant Accounting Policies” in the Company's 2021 Form 10K for more information about its adoption of the CECL standard.

(4) Calculated based on single-family conventional guaranty book of business.

(5) Prior to the company's adoption of the CECL standard on January 1, 2020, benefits for freestanding credit enhancements were netted against multifamily loss reserves. As of January 1, 2020, these credit enhancements are recorded in “Other assets” in the company's consolidated balance sheet.

(6) Calculated based on net income for the reporting period divided by average total assets during the period, expressed as a percentage. Average balances for purposes of ratio calculations are based on balances at the beginning of the year and at the end of each quarter for each year shown.

(7) Single-family conventional loan population consists of: (a) single-family conventional mortgage loans of Fannie Mae; (b) single-family conventional mortgage loans underlying Fannie Mae MBS other than loans underlying Freddie Mac securities that Fannie Mae has resecuritized; and (c) other credit enhancements that Fannie Mae provided on single-family mortgage assets, such as long-term standby commitments. It excludes non-Fannie Mae single-family mortgage-related securities held in the retained mortgage portfolio for which Fannie Mae does not provide a guaranty. Conventional refers to mortgage loans and mortgage-related securities that are not guaranteed or insured, in whole or in part, by the U.S. government or one of its agencies.

(8) The multifamily guaranty book of business consists of: (a) multifamily mortgage loans of Fannie Mae; (b) multifamily mortgage loans underlying Fannie Mae MBS; and (c) other credit enhancements that the company provided on multifamily mortgage assets. It excludes non-Fannie Mae multifamily mortgage-related securities held in the retained mortgage portfolio for which Fannie Mae does not provide a guaranty. Data reflects the latest available information as of December 31, 2021.

(9) The average estimated mark-to-market LTV ratio is based on the unpaid principal balance of the loan divided by the estimated current value of the property at period end, which the company calculates using an internal valuation model that estimates periodic changes in home value. Excludes loans for which this information is not readily available.

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

(11) Single-family SDQ rate refers to single-family loans that are 90 days or more past due or in the foreclosure process, expressed as a percentage of the company’s single-family conventional guaranty book of business, based on loan count. Single-family SDQ rate for loans in a particular category refers to SDQ loans in the applicable category, divided by the number of loans in the single-family conventional guaranty book of business in that category.

(12) Net interest income from guaranty book of business includes the impact of a 10 basis point guaranty fee increase implemented in 2012 pursuant to the Temporary Payroll Tax Cut Continuation Act of 2011 and as extended by the Infrastructure Investment and Jobs Act, the incremental revenue from which is remitted to Treasury and not retained by the company.

(13) Includes interest income from assets held in the company’s retained mortgage portfolio and other investments portfolio, as well as other assets used to generate lender liquidity. Also includes interest expense on the company’s outstanding corporate debt and Connecticut Avenue Securities® debt.

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

Endnotes

(15) Cash equivalents are comprised of overnight repurchase agreements and U.S. Treasuries that have a maturity at the date of acquisition of three months or less.

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

(17) U.S. Gross Domestic Product ("GDP") annual growth (decline) rate are based on the annual "percentage change from fourth quarter to fourth quarter one year ago" calculated by the Bureau of Economic Analysis and are subject to revision.

(18) Home price estimates are based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of December 2021. Including subsequent data may lead to materially different results. Home price growth rate is not seasonally adjusted. UPB estimates are based on data available through the end of December 2021, and the top 10 states are reported by UPB in descending order. One-year home price growth rate is for the 12-month period ending December 31, 2021.

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

(20) Excludes loans for which this information is not readily available. From time to time, the company revises its guidelines for determining a borrower's DTI ratio. The amount of income reported by a borrower and used to qualify for a mortgage may not represent the borrower's total income; therefore, the DTI ratios reported may be higher than borrowers' actual DTI ratios.

(21) Refers to HomeReady® mortgage loans, a low down payment mortgage product offered by the company that is designed for creditworthy low-income borrowers. HomeReady allows up to 97% loan-to-value ratio financing for home purchases. The company offers additional low down payment mortgage products that are not HomeReady loans; therefore, this category is not representative of all high LTV ratio single-family loans acquired or in the single-family conventional guaranty book of business for the periods shown. See the "OLTV Ratio > 95%" category for information on the single-family loans acquired or in the single-family conventional guaranty book of business with origination LTV ratios greater than 95%.

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

(23) Calculated based on the aggregate unpaid principal balance of single-family loans for each category divided by the aggregate unpaid principal balance of loans in the single-family conventional guaranty book of business. Loans with multiple product features are included in all applicable categories.

(24) Consists of loans that are in an active forbearance as of December 31, 2021.

(25) Percentage of loans in the single-family conventional guaranty book of business, measured by unpaid principal balance, included in an agreement used to reduce credit risk by requiring collateral, letters of credit, mortgage insurance, corporate guarantees, inclusion in a credit risk transfer transaction reference pool, or other agreement that provides for Fannie Mae's compensation to some degree in the event of a financial loss relating to the loan.

(26) Amortized origination loan-to-value ratio is calculated based on the current UPB of a loan at period end, divided by the home price at origination of the loan.

(27) Includes mortgage pool insurance transactions covering loans with an unpaid principal balance of approximately $1.5 billion outstanding as of December 31, 2021.

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

Endnotes

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

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

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

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

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

(34) As a part of the company's relief programs and pursuant to the CARES Act, the company has authorized servicers to permit payment forbearance to borrowers experiencing a COVID-19-related financial hardship for up to 12 months without regard to the delinquency status of the loan, and for borrowers already in forbearance as of February 28, 2021, for a total of up to 18 months, provided that the forbearance does not result in the loan becoming greater than 18 months delinquent. The company estimates that, through December 31, 2021, approximately 8% of the single-family loans, based on loan count, in the single-family conventional guaranty book of business as of March 31, 2020 have been in a COVID-19-related forbearance at some point between then and December 31, 2021.

(35) Consists of 60,638 loans that were delinquent upon the expiration of the forbearance arrangement and 2,431 loans that exited forbearance through a repayment plan.

(36) Includes loans that are in trial modifications.

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

(38) Measured from the borrowers' last paid installment on their mortgages to when the related properties were added to the company's REO inventory for foreclosures completed during the twelve months ended December 31, 2021. Home Equity Conversion Mortgages insured by the Department of Housing and Urban Development are excluded from this calculation.

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

(40) There were approximately 39,100 loans in a trial modification period that was not complete as of December 31, 2021.

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

(42) Under the Delegated Underwriting and Servicing ("DUS") program, Fannie Mae acquires individual, newly originated mortgages from specially approved DUS lenders using DUS underwriting standards and/or DUS loan documents. Because DUS lenders generally share the risk of loss with Fannie Mae, they are able to originate, underwrite, close and service most loans without a pre-review by the company.

(43) Includes any loan that was underwritten with an interest-only term less than the term of the loan, regardless of whether it is currently in its interest-only period.

Endnotes

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

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

(46) Weighted-average debt service coverage ratio, or "DSCR", is calculated using the latest available income information from annual statements for these properties. When operating statement information is not available, the DSCR at the time of acquisition is used. If both are unavailable, the underwritten DSCR is used. Although the company uses the most recently available results from their multifamily borrowers, there is a lag in reporting, which typically can range from three to six months, but in some cases may be longer. Accordingly, the financial information Fannie Mae has received from borrowers may not reflect the most recent impacts of the COVID-19 pandemic. Co-op loans are excluded from this metric.

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

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

(49) Cumulative net credit loss rate is the cumulative net credit losses (gains) through December 31, 2021 on the multifamily loans that were acquired in the applicable period, as a percentage of the total acquired unpaid principal balance of multifamily loans in the applicable period. Net credit losses include expected benefit of freestanding loss-sharing benefit, primarily multifamily DUS lender-risk sharing transactions.

(50) Displays the status and percentage of UPB as of current period end of the multifamily loans in the guaranty book of business that have received a forbearance since the onset of the COVID-19 pandemic, including $124.3 million of active non-COVID related forbearance, as well as loans that liquidated prior to period end. Since the COVID-19 pandemic was declared a national emergency in March 2020, Fannie Mae has broadly offered forbearance to affected multifamily borrowers. Nearly all of the multifamily loans that received forbearance were associated with a COVID-19-related financial hardship.

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

(52) Includes loans that are no longer in forbearance and are not on a repayment plan. Loans in this population may proceed to other loss mitigation activities, such as foreclosure or modification.

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

(54) Of the $957 million in loans that liquidated prior to December 31, 2021, $238 million went to foreclosure prior to that date, largely as a result of the foreclosure of loans within a seniors housing portfolio.

(55) Defaults include loan foreclosures, short sales, sales to third parties at the time of foreclosure and deeds-in-lieu of foreclosure. Cumulative Default Rate is the total number of single-family conventional loans in the guaranty book of business originated in the identified year that have defaulted, divided by the total number of single-family conventional loans in the guaranty book of business originated in the identified year. Data as of December 31, 2021 is not necessarily indicative of the ultimate performance of the loans and performance may change, perhaps materially, in future periods.