Fannie Mae®

Financial Supplement
Q1 2022

May 3, 2022

- Some of the terms and other information in this presentation are defined and discussed more fully in Fannie Mae's Form 10-Q for the quarter ended March 31, 2022 ("Q1 2022 Form 10-Q") and Form 10-K for the year ended December 31, 2021 ("2021 Form 10-K"). This presentation should be reviewed together with the Q1 2022 Form 10-Q and the 2021 Form 10-K, which are available at www.fanniemae.com in the "About Us—Investor Relations—SEC Filings" section. Information on or available through the company's website is not part of this supplement.
- Some of the information in this presentation is based upon information from third-party sources such as sellers and servicers of mortgage loans. Although Fannie Mae generally considers this information reliable, Fannie Mae does not independently verify all reported information.
- Due to rounding, amounts reported in this presentation may not sum to totals indicated (i.e., 100%), or amounts shown as 100% may not reflect the entire population.
- Unless otherwise indicated data is as of March 31, 2022 or for the first three months of 2022. Data for prior years is as of December 31 or for the full year indicated.
- Note references are to endnotes, appearing on pages 23 to 26.
- Terms used in presentation

  CAS: Connecticut Avenue Securities®

  CIRT™: Credit Insurance Risk Transfer™

  CRT: Credit risk transfer

  DSCR: Weighted-average debt service coverage ratio

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

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

  FHFA: The Federal Housing Finance Agency

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

  LTV ratio: Loan-to-value ratio

  MSA: Metropolitan statistical area

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

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

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

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

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

  UPB: Unpaid principal balance

Table of Contents

Overview

Single-Family Business

Multifamily Business

Endnotes

Overview

Corporate Financial Highlights

Summary of Q1 2022 Financial Results

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

Q1 2022 Key Highlights

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

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

Credit-related income (expense)

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

Investment gains (losses), net

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

Fair value gains (losses)

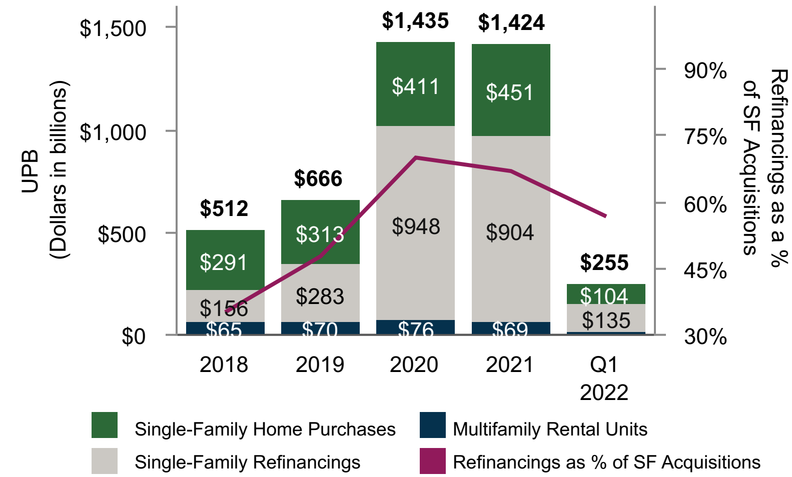
- $480 million fair value gains in the first quarter of 2022 compared with fair value losses of $166 million in the fourth quarter of 2021. Fair value gains in the first quarter of 2022 were driven primarily by increases in the fair value of commitments to sell mortgage-related securities as prices decreased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

Guaranty Book of Business Highlights

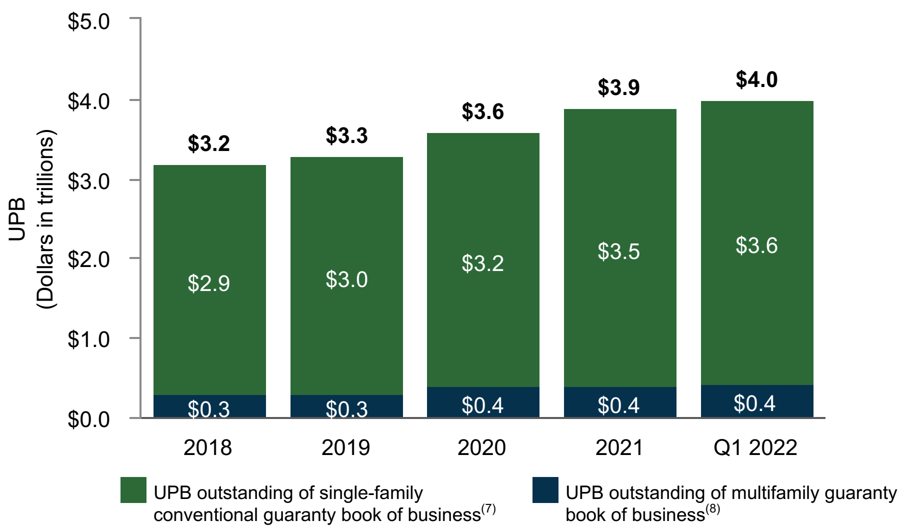
Market Liquidity Provided

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

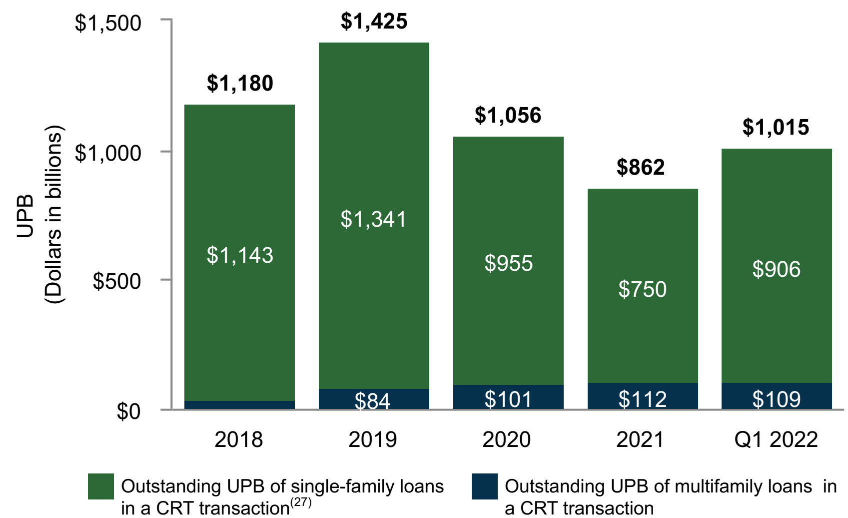
Unpaid Principal Balance	Units
$104B	312K Single-Family Home Purchases
$135B	487K Single-Family Refinancings
$16B	136K Multifamily Rental Units



Outstanding Guaranty Book of Business at Period End

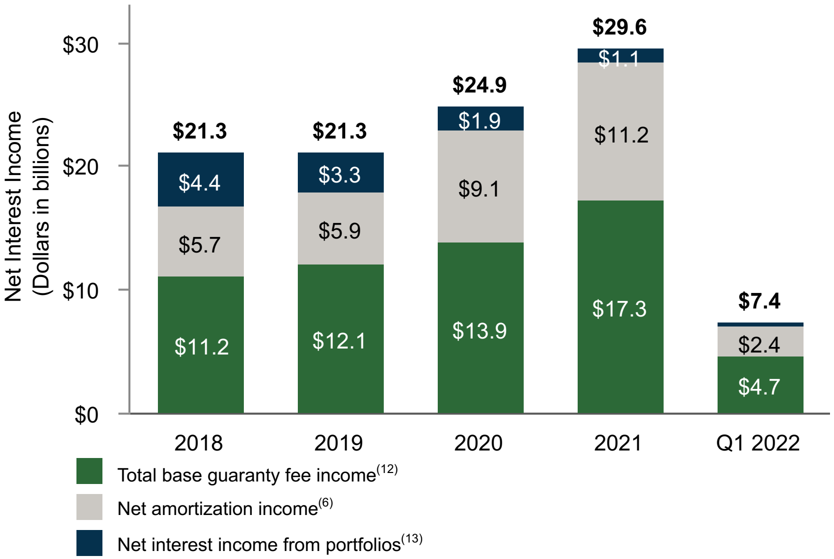


Guaranty Book in a CRT

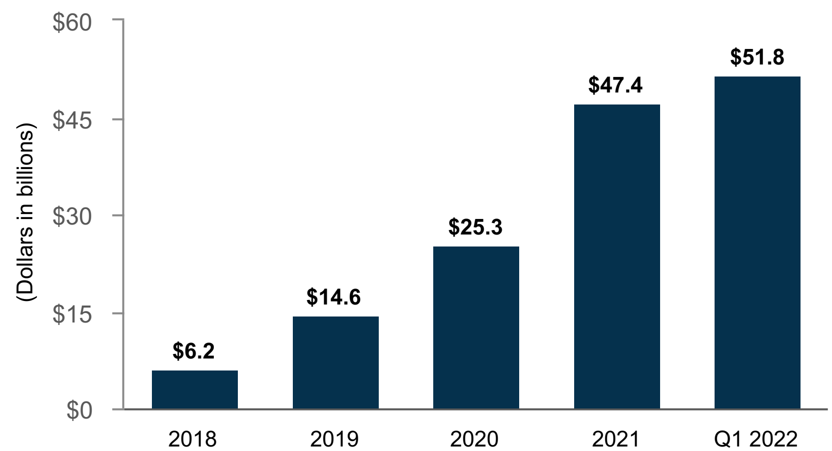


Interest Income and Liquidity Management

Components of Net Interest Income

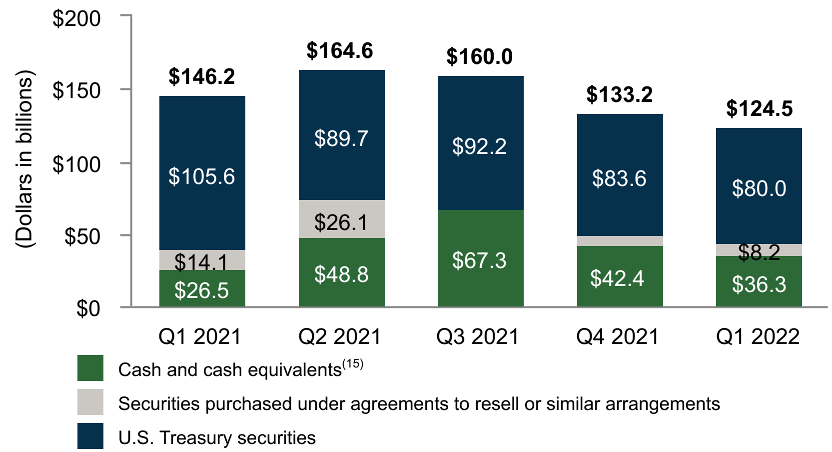


Net Worth of Fannie Mae



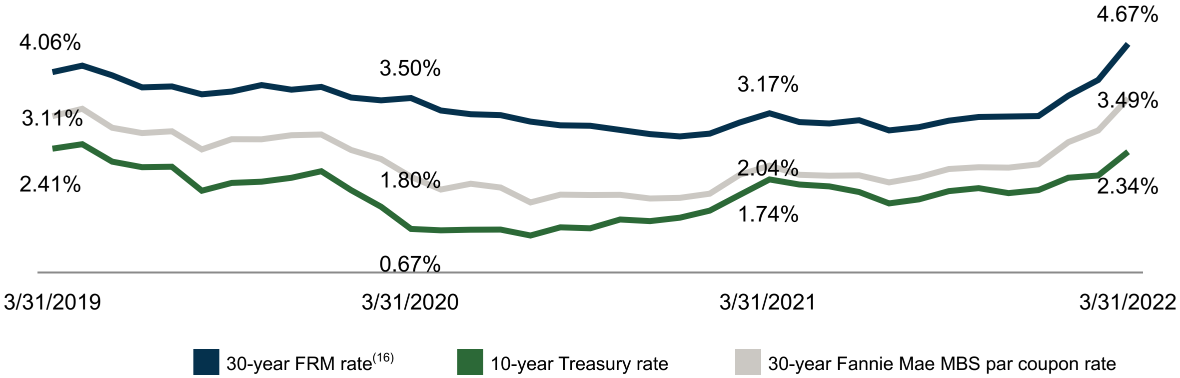
Aggregate Indebtedness of Fannie Mae[14]

Other Investments Portfolio ("OIP")

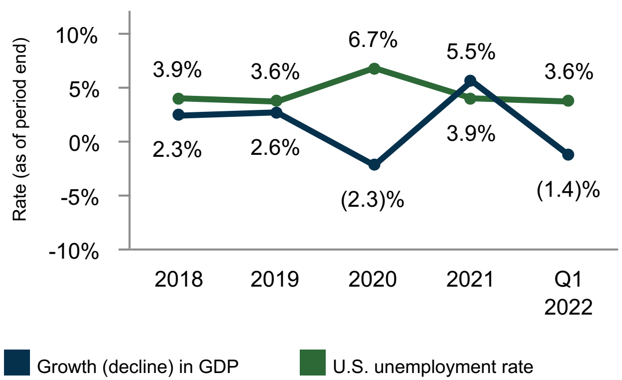


Key Market Economic Indicators

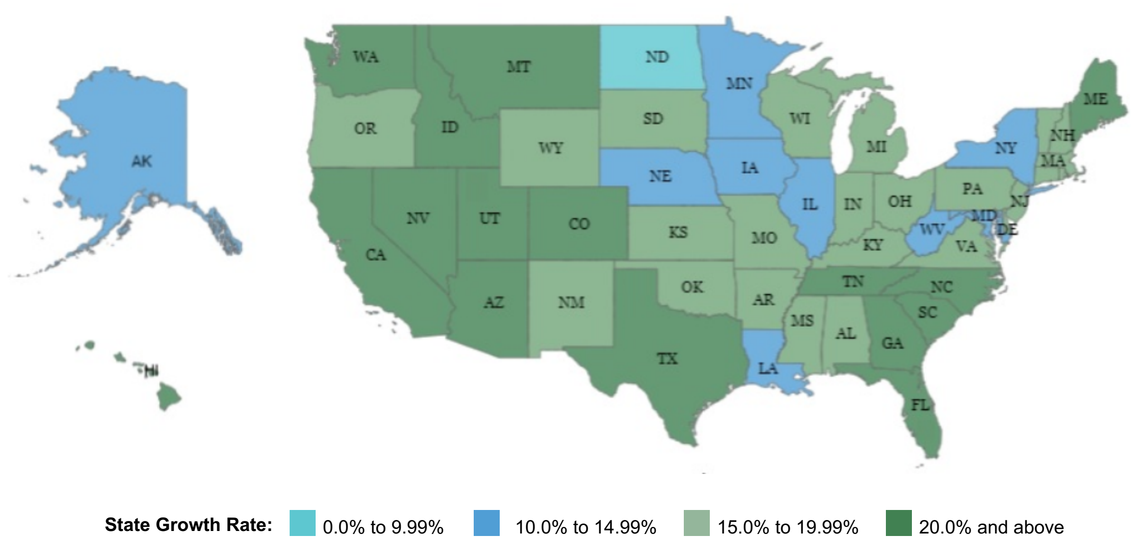
Benchmark Interest Rates



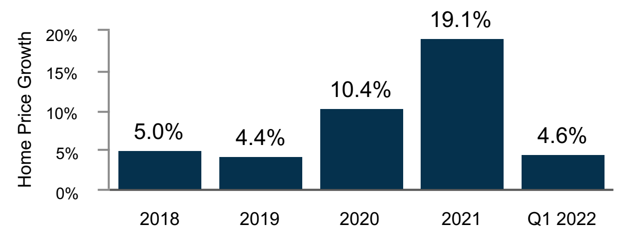
U.S. GDP Growth (Decline) Rate and Unemployment Rate[17]



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



Single-Family Home Price Growth Rate[18]



Top 10 States by UPB[18]

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

Single-Family Business

Single-Family Highlights

Q1 2022

$6,255M
Net interest income

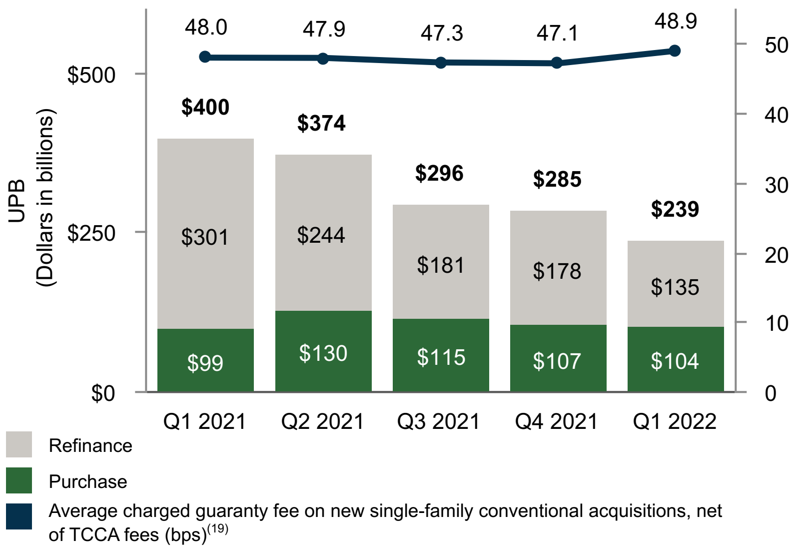
$(66)M
Investment losses, net

$527M
Fair value gains, net

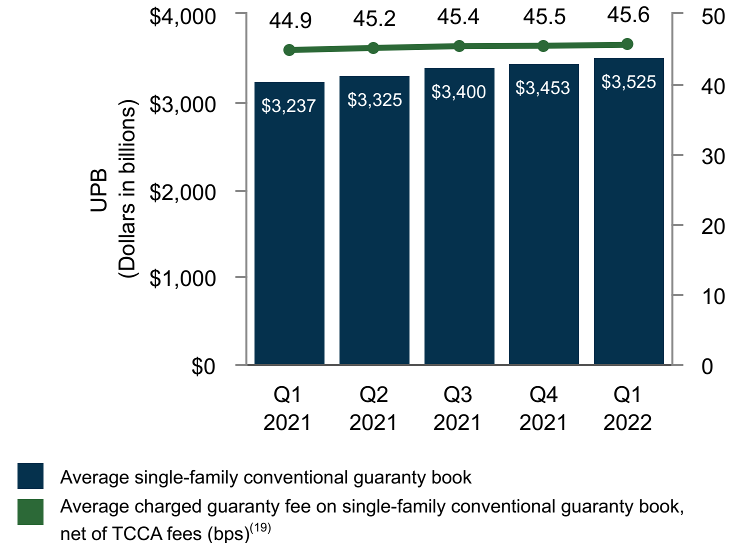
$(236)M
Credit-related expense

$3,709M
Net income

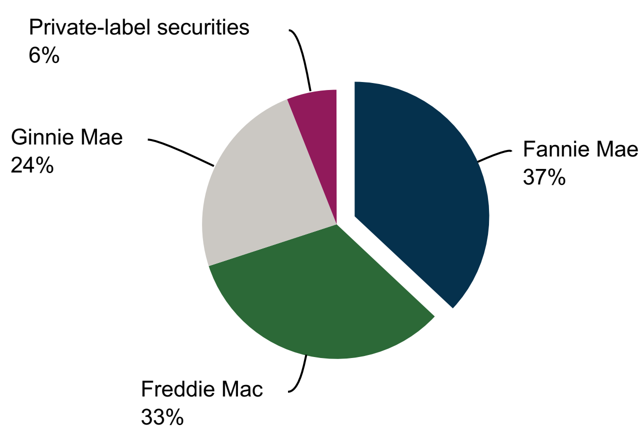
Single-Family Conventional Loan Acquisitions(7)



Single-Family Conventional Guaranty Book of Business(7)



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



Highlights

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

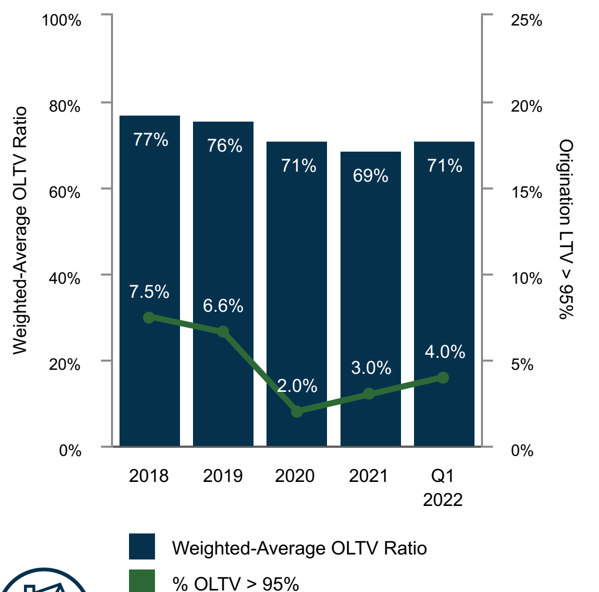
Credit Characteristics of Single-Family Conventional Loan Acquisitions

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

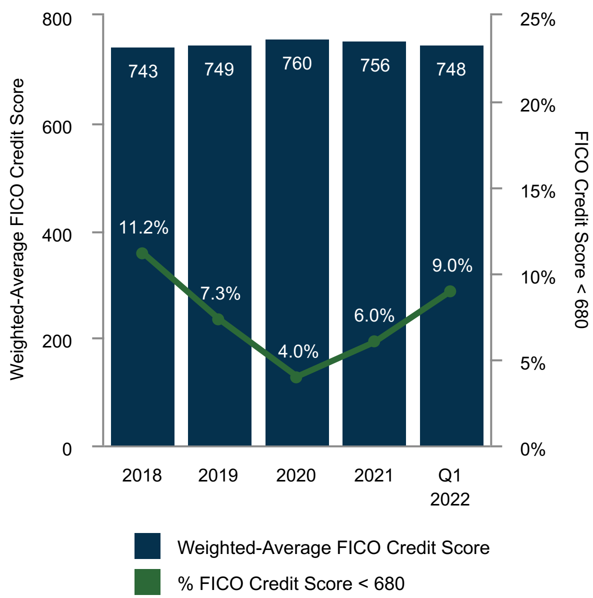
Q1 2022 Acquisition Credit Profile by Certain Loan Features

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

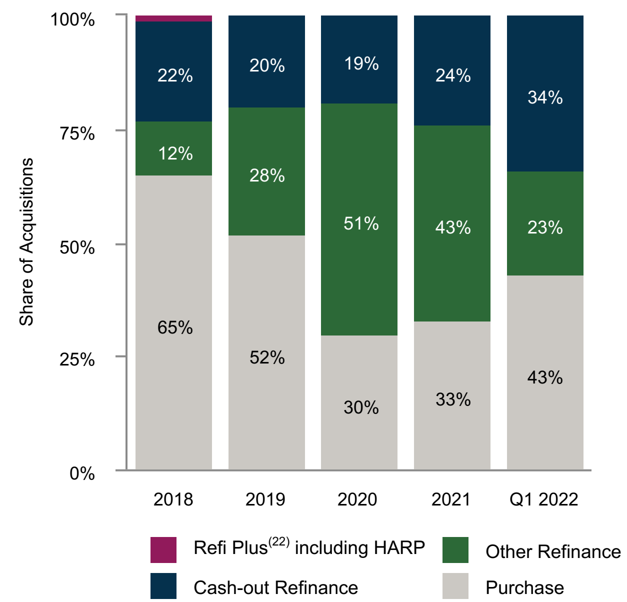
Origination Loan-to-Value Ratio



FICO Credit Score[10]



Acquisitions by Loan Purpose



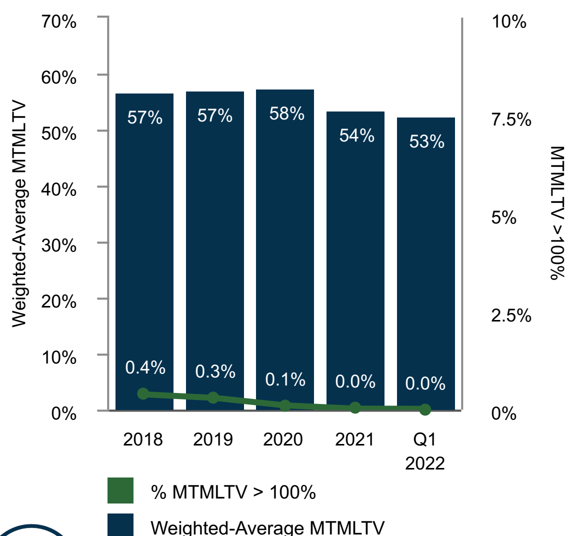
Credit Characteristics of Single-Family Conventional Guaranty Book of Business

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

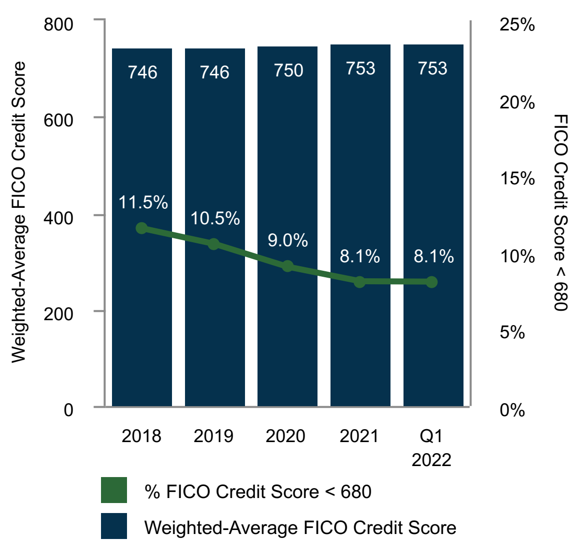
As of March 31, 2022

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

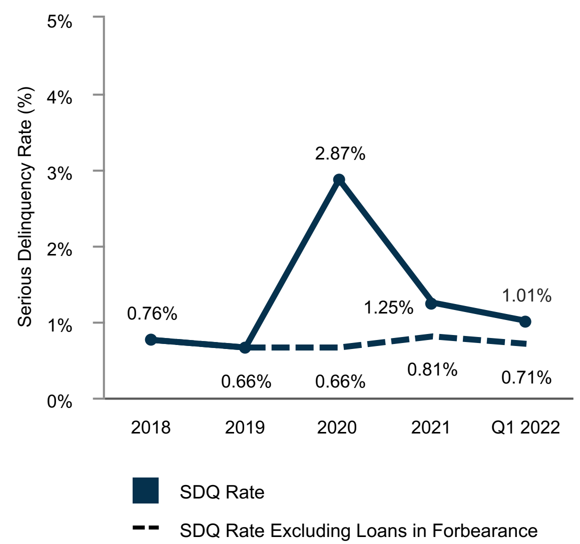
Mark-to-Market Loan-to-Value (MTMLTV) Ratio(9)



FICO Credit Score(10)

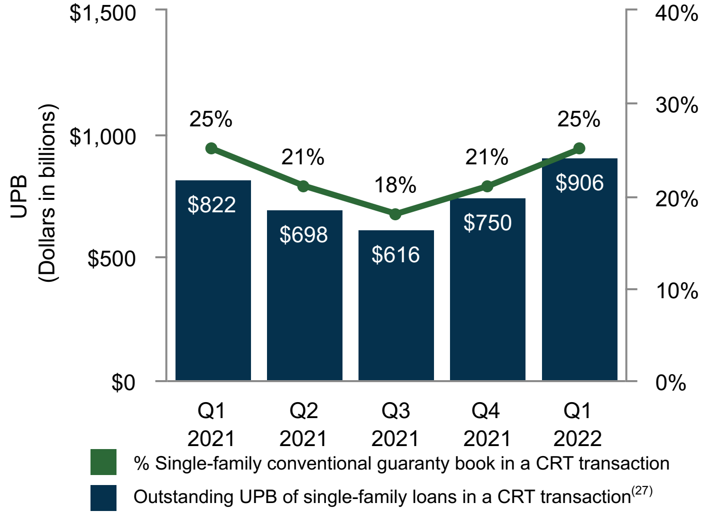


SDQ Rate(11)



Single-Family Credit Risk Transfer

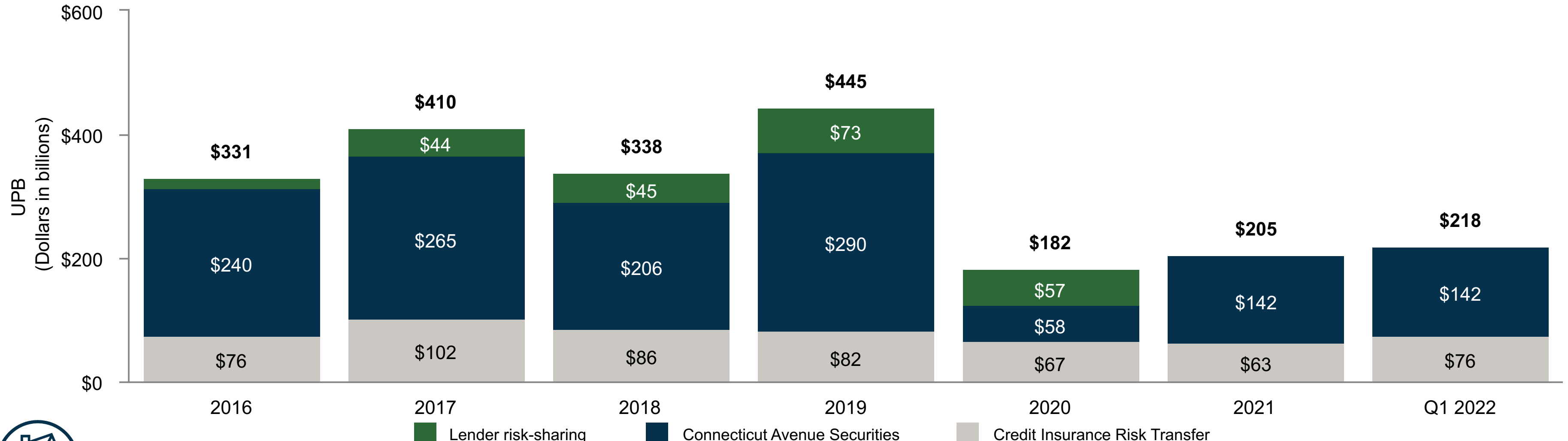
Single-Family Credit Risk Transfer



Single-Family Loans with Credit Enhancement

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

Single-Family Credit Risk Transfer Issuance

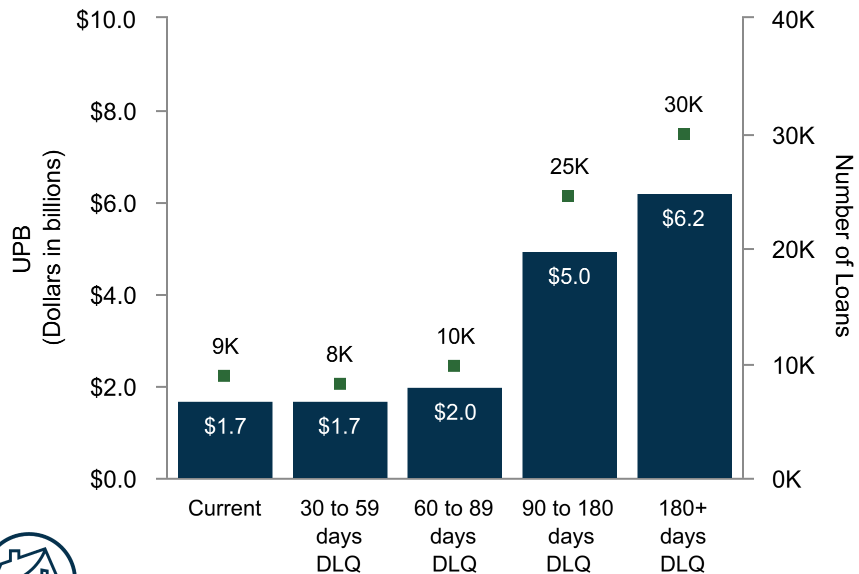


Single-Family Conventional Guaranty Book of Business in Forbearance

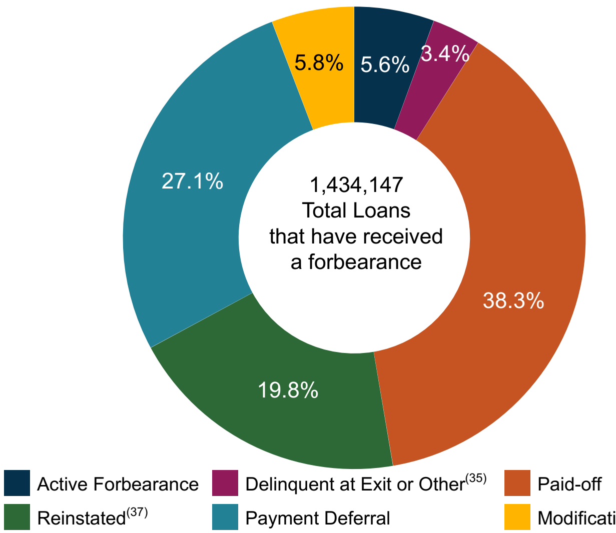
Certain Credit Characteristics of Single-Family Loans in Forbearance[24][31]

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

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

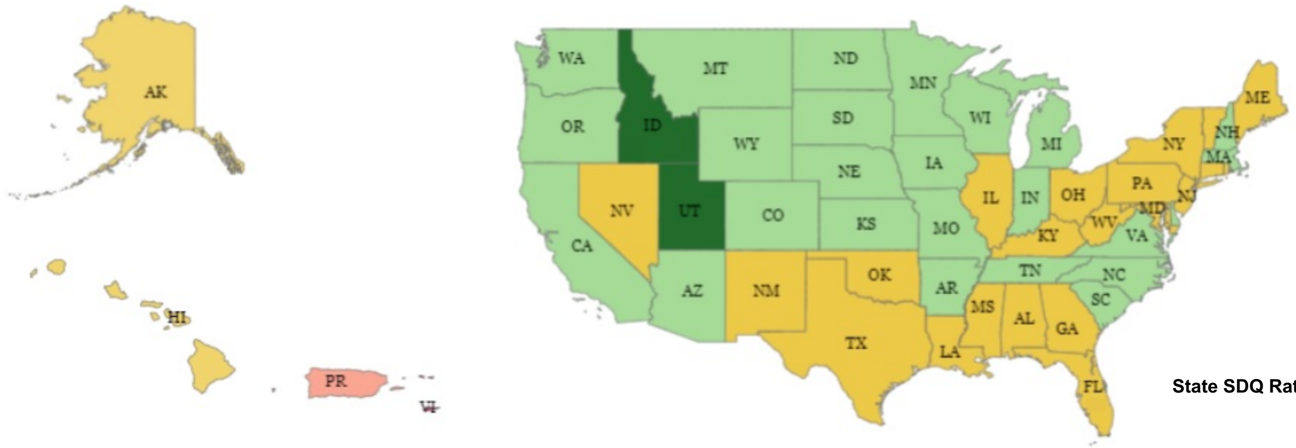


Single-Family Loan Forbearance Status[34] As of March 31, 2022



Single-Family Problem Loan Statistics

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

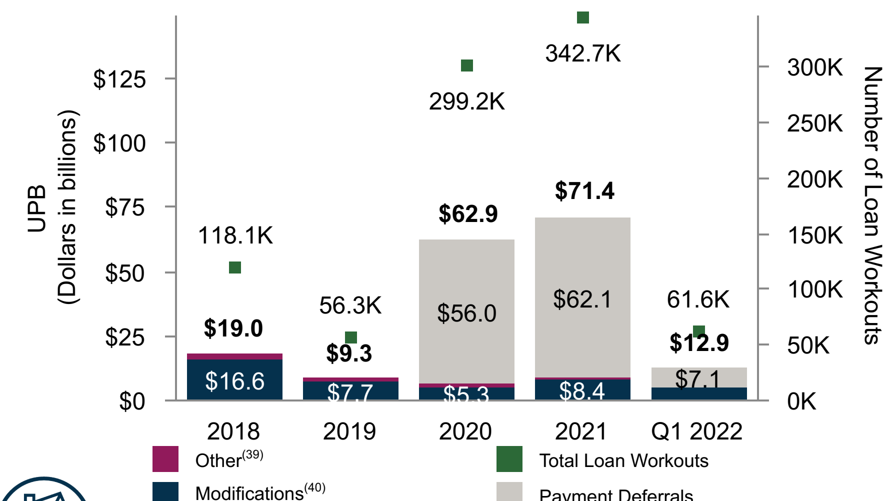


Top 10 States by UPB

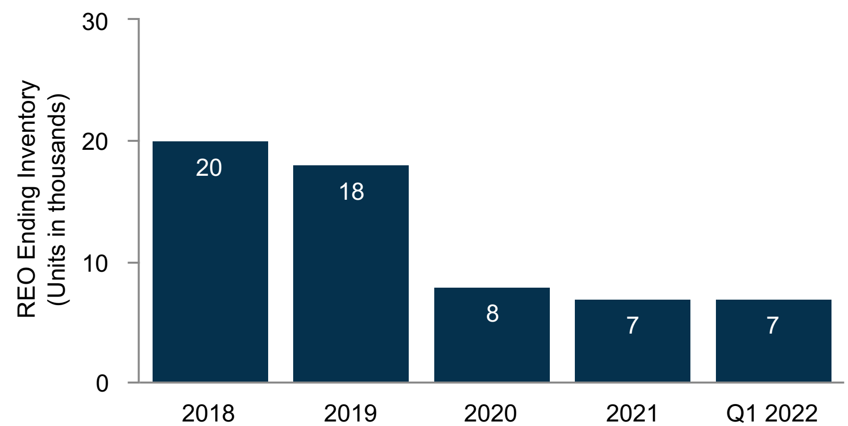
State	Serious Delinquency Rate[11]	Average Months to Foreclosure[38]
CA	0.79%	41
TX	1.17%	27
FL	1.21%	56
NY	1.87%	59
WA	0.69%	44
NJ	1.49%	52
CO	0.66%	30
IL	1.28%	34
VA	0.89%	34
NC	0.84%	27

State SDQ Rate: Less than 0.50% | 0.50% to 0.99% | 1.00% to 1.99% | 2.00% to 2.99% | 3.00% and above

Single-Family Loan Workouts

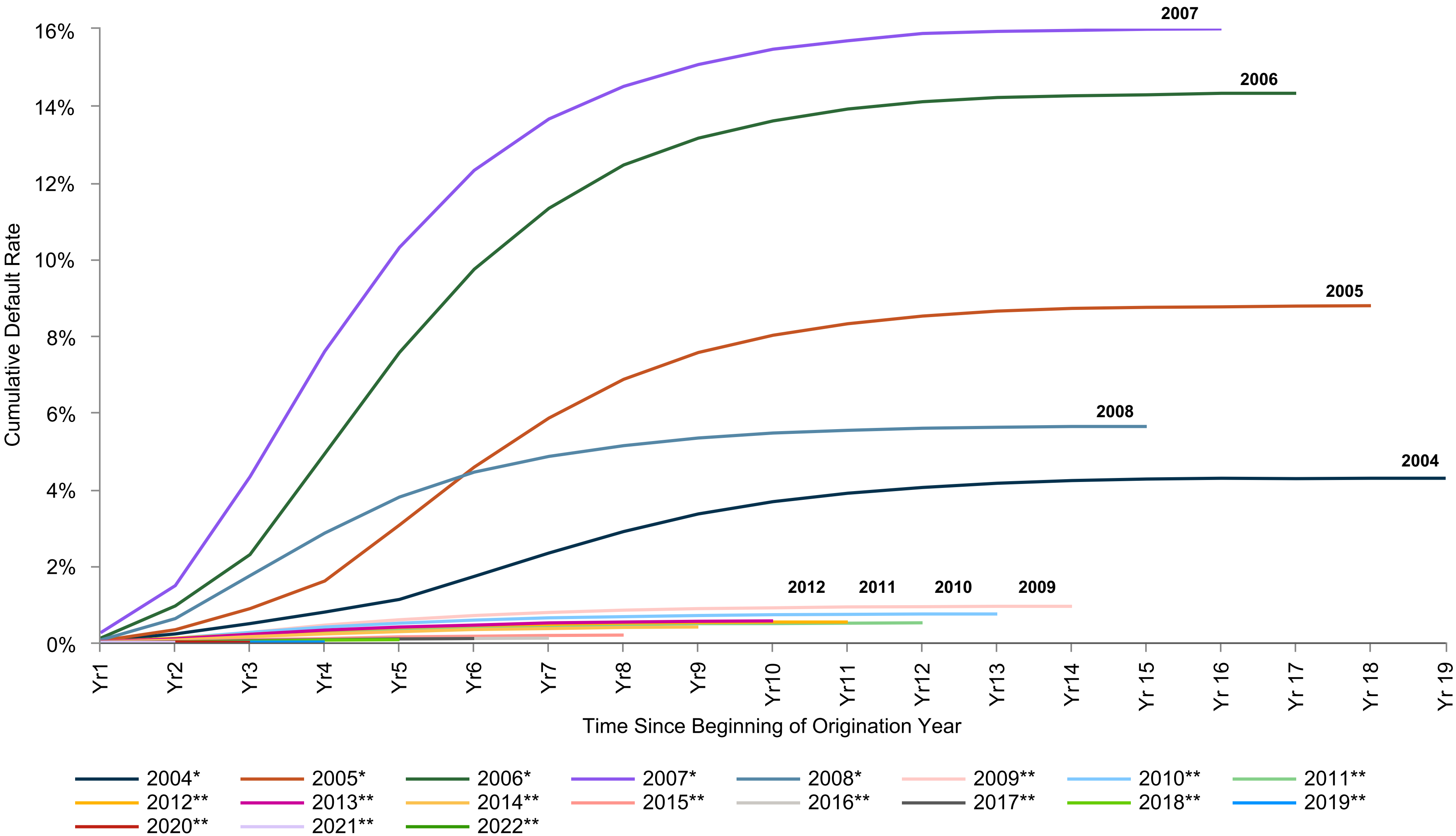


Single-Family REO Ending Inventory



Single-Family Cumulative Default Rates

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



* Loans originated prior to 2009 represent only 3% of the single-family conventional guaranty book of business as of March 31, 2022.

**As of March 31, 2022, cumulative default rates on the loans originated in each individual year from 2009-2022 were less than 1%.

Multifamily Business

Multifamily Highlights

Q1 2022

$1,144M
Net interest income

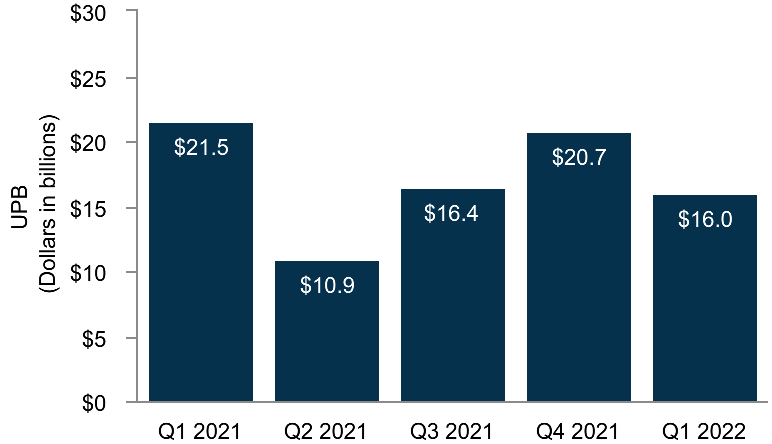
$22M
Fee and other income

$(47)M
Fair value losses, net

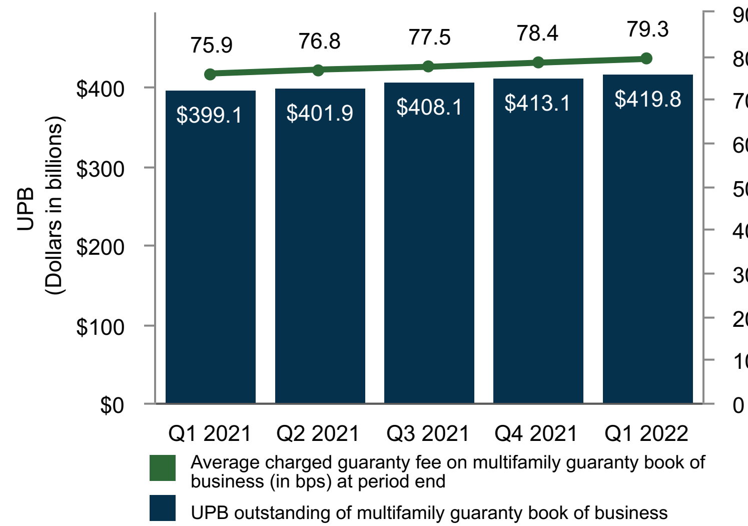
$35M
Credit-related income

$699M
Net income

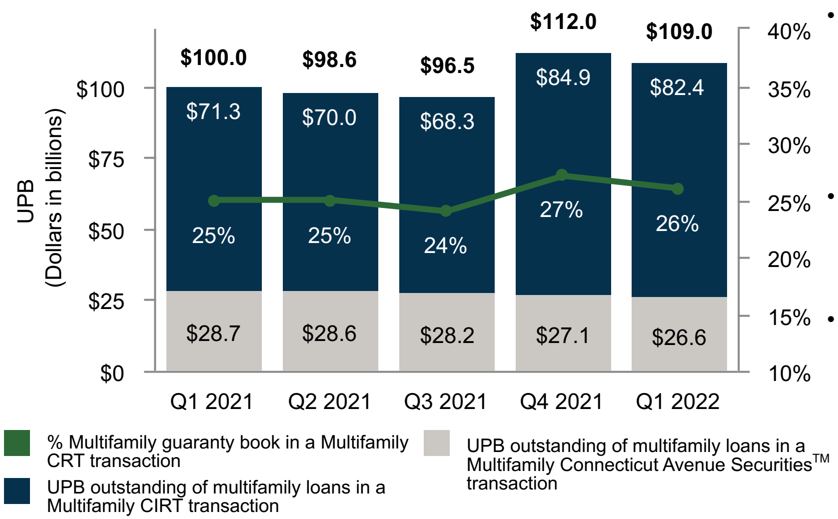
Multifamily New Business Volume



Multifamily Guaranty Book of Business[8]



Multifamily Credit Risk Transfer



Highlights

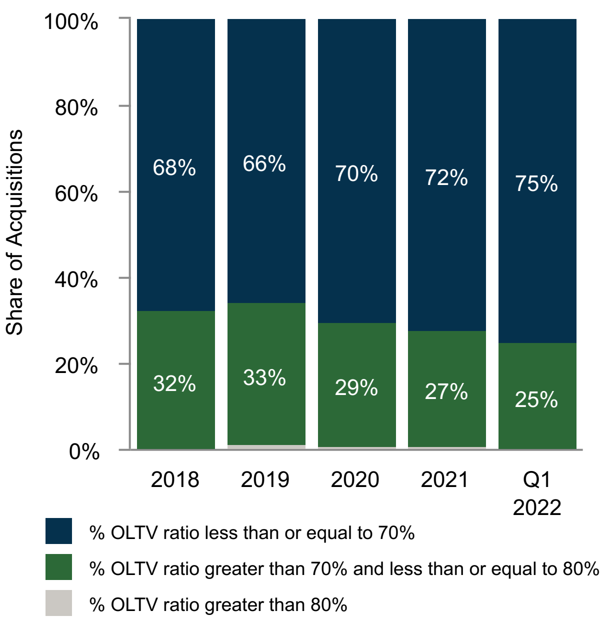
- New multifamily business volume was $16.0 billion in Q1 2022. The Federal Housing Finance Agency (FHFA) established a 2022 multifamily volume cap of $78 billion, of which 50% must be mission-driven, focused on certain affordable and underserved market segments, and 25% affordable to residents earning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

Credit Characteristics of Multifamily Loan Acquisitions

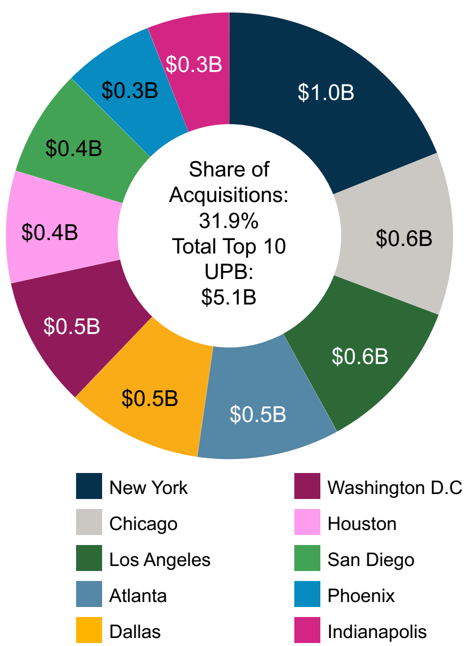
Certain Credit Characteristics of Multifamily Loans by Acquisition Period[8]

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

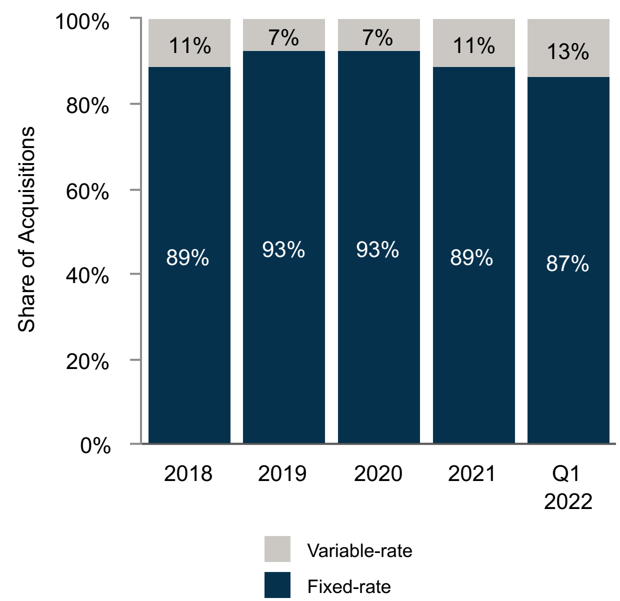
Origination Loan-to-Value Ratio[8]



Top 10 MSAs by Q1 2022 Acquisition UPB[8]



Acquisitions by Note Type[8]



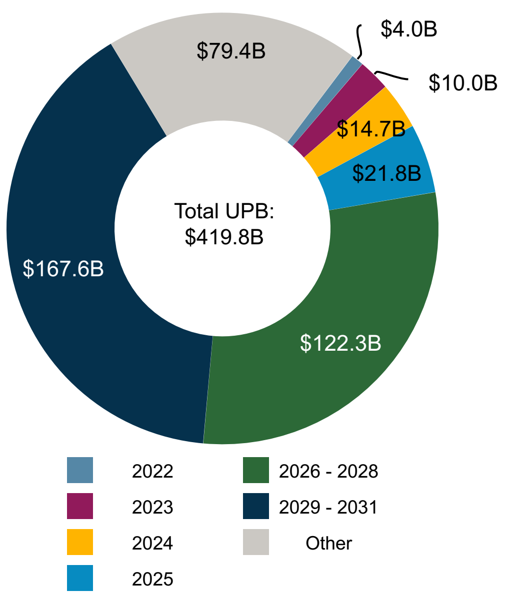
Credit Characteristics of Multifamily Guaranty Book of Business

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

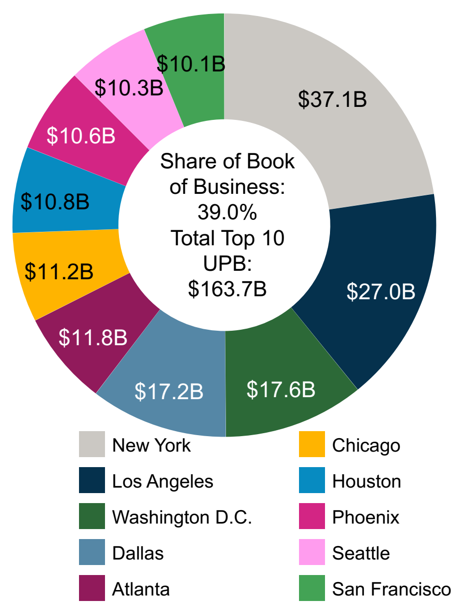
As of March 31, 2022

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

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



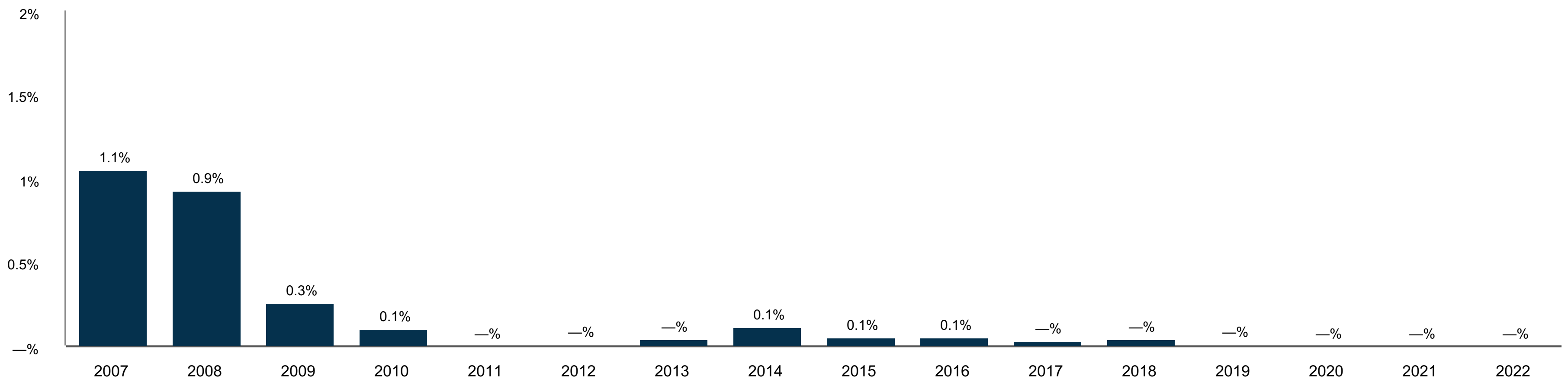
Top 10 MSAs by UPB As of March 31, 2022[8]



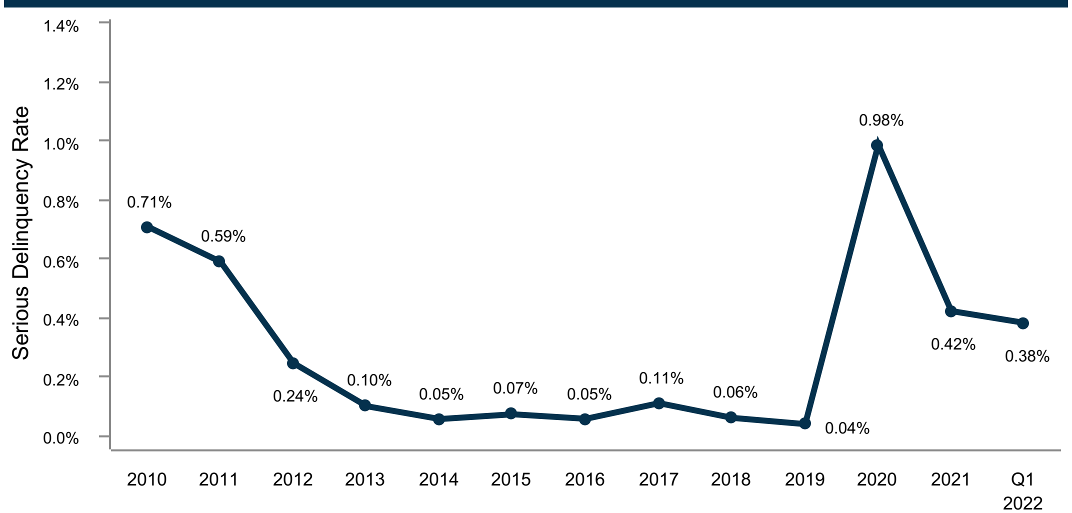
Certain Credit Characteristics of Guaranty Book

Multifamily Serious Delinquency, Credit Loss and Forbearance Rates

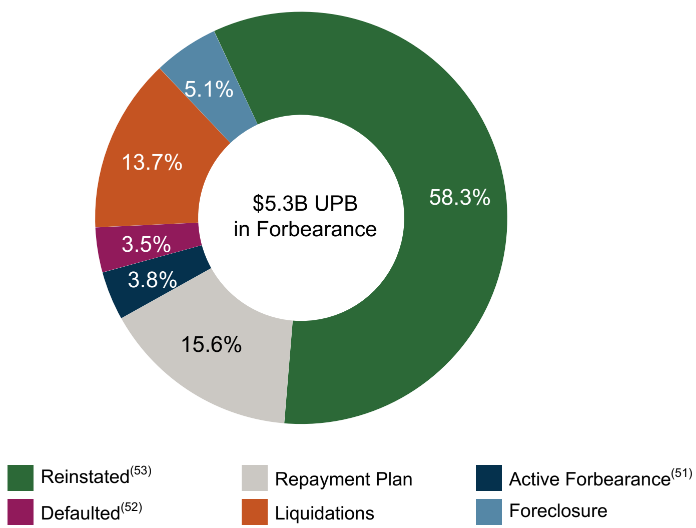
Cumulative Total Credit Loss Rate, Net by Acquisition Year Through Q1 2022(49)



Serious Delinquency Rates(47)



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



Endnotes

Endnotes

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

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

(3) Intentionally left blank.

(4) Intentionally left blank.

(5) Intentionally left blank.

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

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

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

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

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

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

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

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

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

Endnotes

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

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

(17) U.S. Gross Domestic Product ("GDP") annual growth (decline) rates for periods prior to 2022 are based on the annual "percentage change from fourth quarter to fourth quarter one year ago" calculated by the Bureau of Economic Analysis and are subject to revision. GDP decline rate for Q1 2022 is the annualized GDP decline rate based on the First Quarter 2022 (Advance Estimate) published by the Bureau of Economic Analysis on April 28, 2022.

(18) Home price estimates are based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of March 2022. Including subsequent data may lead to materially different results. Home price growth rate is not seasonally adjusted. UPB estimates are based on data available through the end of March 2022, and the top 10 states are reported by UPB in descending order. One-year home price growth rate is for the 12-month period ending March 31, 2022.

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

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

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

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

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

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

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

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

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

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

Endnotes

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

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

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

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

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

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

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

(36) Includes loans that are in trial modifications.

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

(38) Measured from the borrowers' last paid installment on their mortgages to when the related properties were added to the company's REO inventory for foreclosures completed during the three months ended March 31, 2022. Home Equity Conversion Mortgages insured by the Department of Housing and Urban Development are excluded from this calculation.

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

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

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

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

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

Endnotes

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

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

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

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

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

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

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

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

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

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

(54) Defaults include loan foreclosures, short sales, sales to third parties at the time of foreclosure and deeds-in-lieu of foreclosure. Cumulative Default Rate is the total number of single-family conventional loans in the guaranty book of business originated in the identified year that have defaulted, divided by the total number of single-family conventional loans in the guaranty book of business originated in the identified year. Data as of March 31, 2022 is not necessarily indicative of the ultimate performance of the loans and performance may change, perhaps materially, in future periods.