

# Fannie Mae Progress Report

THIRD QUARTER 2014

As of Sept. 30, 2014

## OUR PURPOSE

- We continue to focus on supporting the housing market recovery and helping to build a sustainable housing finance system.
- Our priorities are aligned with the public interest.
- We are committed to providing liquidity to the mortgage market; assisting troubled borrowers; enabling families to buy, refinance, or rent homes; and building a book of business that will help protect Americans' investment in the company.

## OUR RESULTS THIRD QUARTER 2014

- Our third quarter results were strong.
- Net income in Q3 2014 increased compared with Q2 2014, due primarily to lower fair value losses and an increase in revenues. This increase was partially offset by a decline in credit-related income.
- We expect to remain profitable for the foreseeable future.

Net income  
for Q3 2014  
**\$3.9**  
BILLION

Comprehensive  
income for  
Q3 2014  
**\$4.0**  
BILLION

## SINGLE-FAMILY BOOK OF BUSINESS AS OF SEPTEMBER 30, 2014



- Single-Family Loans prior to 2009
- Single-Family Loans 2009 through Q3 2014

- We have established responsible credit standards while making it possible for families to purchase, refinance, or rent homes.
- Beginning in 2008, we significantly strengthened our underwriting and eligibility standards and changed our pricing to promote sustainable homeownership and stability in the housing market.
- As a result, the credit quality of our book of business has improved.

## FANNIE MAE PERFORMANCE SNAPSHOT\*

- High-quality new book of business accounted for 80 percent of single-family conventional guaranty book of business as of September 30, 2014.
- Remained the largest single issuer of single-family mortgage-related securities in the secondary market in the third quarter of 2014 and remained a continuous source of liquidity in the multifamily market.
- Funded the mortgage market with more than \$4.3 trillion in liquidity, which enabled borrowers to complete 13.0 million mortgage refinancings and 4.3 million home purchases, and provided financing for 2.5 million units of multifamily housing.
- Refinanced approximately 4.1 million mortgages through the company's Refi Plus™ initiative, including loans refinanced under the Administration's Home Affordable Refinance Program (HARP). As a result of Refi Plus, borrowers' monthly payments were reduced by an average of \$159 in the third quarter of 2014.
- Helped distressed families retain their homes or avoid foreclosure through more than 1.6 million workout solutions, including more than 1.1 million loan modifications.

For more information, see our Q3 2014 Form 10-Q Report, filed with the SEC on November 6, 2014.

\* Fannie Mae data for the period January 1, 2009 through September 30, 2014, unless otherwise noted.



www.fanniemae.com/progress

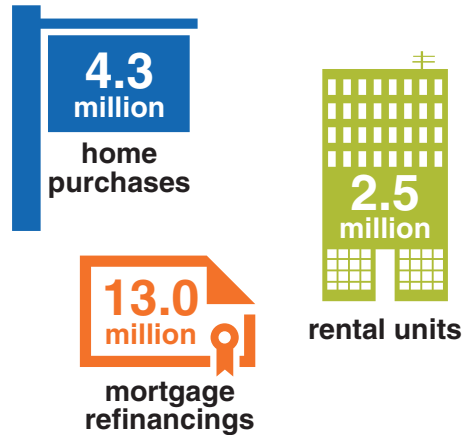


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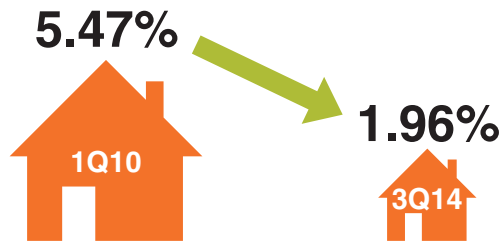
## LIQUIDITY AND SUPPORT TO THE MARKET

- We funded the mortgage market with more than \$4.3 trillion in liquidity since 2009, enabling families to buy, refinance, or rent homes:



## DRIVING DOWN THE SERIOUS DELINQUENCY (SDQ) RATE

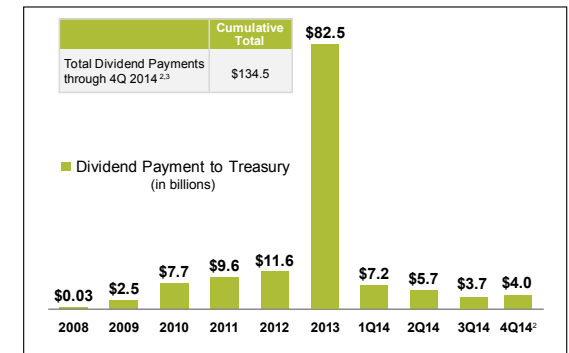
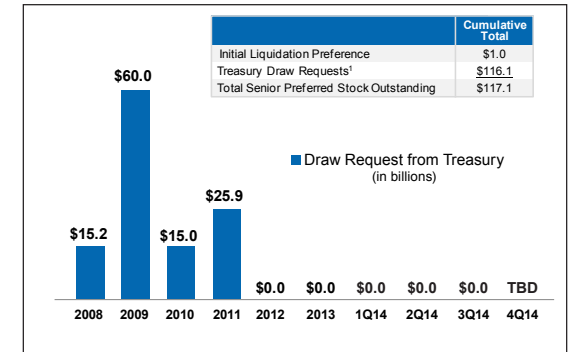
- Our single-family SDQ rate has declined 18 consecutive quarters.



- Fannie Mae's single-family SDQ rate was 1.96 percent.
- Our single-family SDQ rate is substantially lower than private market levels.
- Approximately 96 percent of Fannie Mae's 17.4 million single-family conventional loans are current.

## TREASURY DRAWS AND DIVIDEND PAYMENTS

- Fannie Mae expects to have paid Treasury approximately \$134.5 billion in dividends as of December 31, 2014.



- Treasury draw requests are shown in the period for which requested and do not include the initial \$1.0 billion liquidation preference of Fannie Mae's senior preferred stock, for which Fannie Mae did not receive any cash proceeds. The payment of dividends does not offset prior Treasury draws.
- Fannie Mae expects to pay a dividend for the fourth quarter of 2014 calculated based on our net worth of \$6.4 billion as of Sept. 30, 2014 less the applicable capital reserve amount of \$2.4 billion.
- Amounts may not sum due to rounding.

This report includes our expectations regarding our future financial results, profitability, our ability to pay taxpayers, our future dividend payments to Treasury, and the growth, profitability, and caliber of the loans in our new single-family book of business. These expectations are forward-looking statements based on our current assumptions regarding numerous factors, including future home prices. Our actual results and future expectations may differ materially from our current expectations as a result of home price changes, unemployment rates, other macroeconomic and housing market variables, future legislative or regulatory requirements, borrower behavior, and many other factors, including those discussed in the "Risk Factors" section of and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2013 and in our quarterly report on Form 10-Q for the quarter ended September 30, 2014. These forward-looking statements are representative only as of the date they are made, and we undertake no obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under the federal securities laws.

Data as of September 30, 2014