

Fannie Mae Progress Report

THIRD QUARTER 2012

As of Nov. 7, 2012

OUR PURPOSE

- We are focused on supporting the housing market recovery and helping to lay the foundation for a better housing finance system.
- We are committed to funding the mortgage market, assisting troubled borrowers, and building a strong new book of business that will help return value to taxpayers.

OUR RESULTS THIRD QUARTER 2012

- The improvement in the company's financial results in the third quarter of 2012 compared with the third quarter of 2011 was due primarily to lower credit-related expenses resulting from an increase in actual and expected home prices, higher sales prices on our real-estate owned (REO) properties, and a decline in fair value losses.
- Our financial condition has improved markedly, and our expected ability to pay taxpayers is growing.

We reported
\$1.8 billion
net income
this quarter

We expect to report
annual net income

for the first time
since 2006

We generated

\$9.7 billion

net income for the first
nine months of 2012

SINGLE-FAMILY BOOK OF BUSINESS



- Single-Family Loans prior to 2009
- Single-Family Loans 2009 through September 30, 2012

- We expect that the loans in our new single-family book of business will be profitable over their lifetime.
- We strengthened our underwriting and eligibility standards to support sustainable homeownership.
- As a result, loans in our new single-family book of business have strong credit risk profiles.

FANNIE MAE PERFORMANCE SNAPSHOT*

- High-quality new book of business accounts for 63 percent of single-family guaranty book of business.
- Remained the largest single issuer of single-family mortgage-related securities in the secondary market in the third quarter of 2012 and remained a constant source of liquidity in the multifamily market.
- Funded the mortgage market with approximately \$3.0 trillion in liquidity, which enabled borrowers to complete 8.9 million mortgage refinancings and 2.5 million home purchases and provided financing for 1.5 million units of multifamily housing.
- Refinanced approximately 2.5 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 \$221 in the third quarter of 2012.
- Completed approximately 1.3 million loan workouts, including approximately 839,000 modifications, that helped homeowners in distress to retain their homes or avoid foreclosure.

* Fannie Mae data since January 1, 2009, unless otherwise noted.



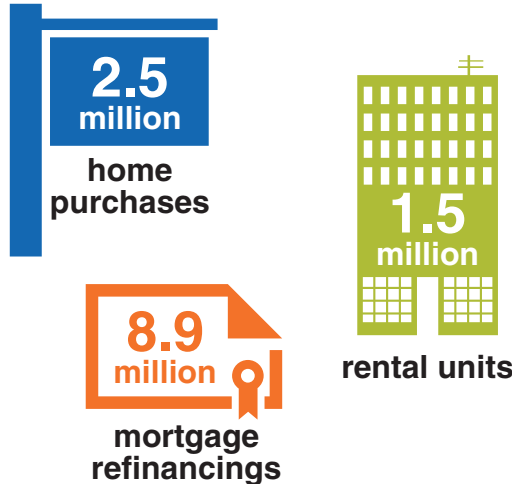
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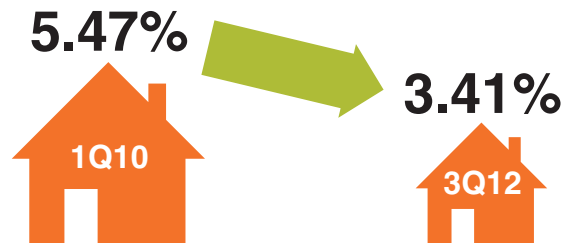
LIQUIDITY AND SUPPORT TO THE MARKET

- We provided approximately \$3.0 trillion in liquidity to the mortgage market since 2009, which provided financing for:



DRIVING DOWN THE SERIOUS DELINQUENCY (SDQ) RATE

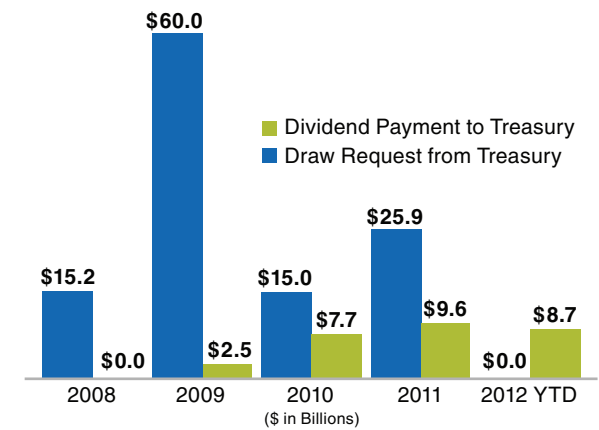
- Our single-family SDQ rate has declined 10 consecutive quarters.



- Fannie Mae's single-family SDQ rate was 3.41 percent.
- Our single-family SDQ rate is substantially lower than private market levels.
- 94 percent of Fannie Mae's 17.6 million loans are current.

Data as of September 30, 2012

PAYING DIVIDENDS TO TAXPAYERS



	Cumulative Total as of	
	September 30, 2012	December 31, 2011
Treasury Draw Requests ⁽¹⁾	\$ 116.1	\$ 116.1
Dividend Payments	\$ 28.5	\$ 19.8

⁽¹⁾ Treasury draw requests are shown in the period for which they were 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.

This report includes our expectations regarding our future financial results, our ability to pay taxpayers, 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 variables, government policy, social behaviors, and many other factors, including those discussed in the "Risk Factors" section of and elsewhere in our quarterly report on Form 10-Q for the quarter ended September 30, 2012 and our annual report on Form 10-K for the year ended December 31, 2011. 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.