

Spectrum of Fannie Mae Debt Securities Available for Purchase by Municipalities and Local Government Authorities

June 2009

Fannie Mae's debt securities could provide a vast selection of investment options with respect to tailored cash flows which should help bridge cash inflows and outflows.

Fannie Mae issues a wide variety of debt securities through the reverse inquiry process¹ as well as on predefined issuance dates. This flexibility in the company's debt issuance provides an abundance of investment opportunities for its investors. One investor segment, municipalities and local government authorities (LGAs), in particular, seem to appreciate the ability to tailor Fannie Mae debt securities² to satisfy their investment criteria in order to meet the requirements of their investment guidelines. This edition of FundingNotes examines how Fannie Mae debt securities may be an attractive and highly customizable investment option for municipalities and local government authorities.

Municipalities and LGAs Investment Guidelines

Municipalities and LGAs adhere to investment guidelines, often set by the governing state. These investment guidelines tend to contain specific provisions regarding the types of investments allowed and practices permitted. These guidelines promote the use of reliable, diverse, and safe investment options to ensure a prudently managed portfolio worthy of public trust. An example of common municipal investment guidelines is shown in **Exhibit 1**.

Example of Investment Guidelines for a Municipality or LGA

Investment Type	Maximum Maturity	Maximum Specified % of Portfolio	Minimum Quality Requirements
Local Agency Bonds	5 years	None	None
U.S. Treasuries	5 years	None	None
U.S. Agencies	5 years	Up to 100%, depending on jurisdiction	None
Repurchase Agreements	1 year	20%	None
Corporate Medium-Term Notes	5 years	30%	"A" Rating or higher
Bank/Time Deposits	5 years	Maximum FDIC insured	None

Exhibit 1

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¹The reverse inquiry process is a process in which investors reflect their investment interests to their dealer, who then approaches Fannie Mae to structure the investment and determine pricing.

²Securities issued by Fannie Mae are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than Fannie Mae.

**Fannie Mae's Short-Term and Long-Term
Debt Ratings as of June 30, 2009**

	Standard & Poor's	Moody's	Fitch
Short-Term Senior Debt	A-1+	P-1	F1+
Long-Term Senior Debt	AAA	Aaa	AAA

Exhibit 2

The criteria often used to select investments center around superior credit quality, liquidity, yield, and diversification. The order of importance among the criteria varies per municipality and LGA, but, typically, superior credit quality is always the top priority. It is important for municipalities and LGAs to have the ability to preserve principal and interest; to have cash available when required to support expenditure cycles and budgetary goals; to provide maximum returns, without incurring undue risks; and to maintain a broad investment portfolio. Fannie Mae's senior debt ratings for short-term and long-term debt are displayed in **Exhibit 2**.

The investment characteristics for U.S. agencies, as reflected in **Exhibit 1**, can be achieved with Fannie Mae debt securities. As can be seen from the example of Investment Guidelines on the previous page, most municipalities have a maximum maturity of five years. Fannie Mae offers a wide variety of debt investments across the duration spectrum, both noncallable and callable. Therefore, identifying an investment instrument that matures in five years or less is easily achievable from a selection of short-term and medium-term debt products. Fannie Mae debt securities are readily accessible through the reverse inquiry process or on predefined issuance dates via dealers.

Often, municipalities and LGAs are required to receive pricing quotes from a minimum number of different dealer sources. Investment policies may also direct the municipality or LGA to include qualified minority and women-owned business (MWOB) enterprises in the dealer selection process. An investment guideline could state that a percentage of the dealers who offer pricing quotes must be a MWOB. For municipalities and LGAs with this particular investment guideline, Fannie Mae's ACCESS[®] program, established in

Fannie Mae ACCESS Firms as of June 30, 2009

Blaylock Robert Van L.L.C.
Cabrera Capital Markets L.L.C.
Doley Securities, Inc.
Guzman & Company
Jackson Securities L.L.C.
Loop Capital Markets L.L.C.
MFR Securities, Inc.
Mischler Financial Group, Inc.
Samuel A. Ramirez & Co., Inc.
SBK-Brooks Investment Corp.
Utendahl Capital Partners, L.P.
Walton Johnson & Company
The Williams Capital Group, L.P.

Exhibit 3

1992 to expand business with MWOBs, is a useful resource to achieve these investment guideline objectives. Fannie Mae vigorously seeks opportunities to incorporate ACCESS firms, as listed in **Exhibit 3**, in all of its funding programs.

Along with investment guidelines, municipalities and LGAs must plan for the management of specific cash flows. These entities typically have cash inflows that do not mirror cash outflows. Cyclical tax revenues and intermittent bond issuances supply cash inflows, which then help to pay ongoing administrative costs as well as public works projects and expenditures. However, the cash inflows may not be required for use until a future date. In such cases, municipalities and LGAs must properly time cash flows and bridge the cash inflows and outflows through investments in securities that mature on specific dates for their cash disbursement needs. Whether a municipality or LGA has specific investment requirements or has the flexibility to invest at will within the investment guidelines, Fannie Mae's debt securities could provide a vast selection of investment options with respect to tailored cash flows which should help bridge cash inflows and outflows.

Short-Term Investment Options

Fannie Mae's short-term debt securities offer highly liquid, high credit quality investment instruments through the Discount Notes and Benchmark Bills programs.³ These programs offer short-term securities that are sold at a discount from the principal amount and payable at par upon maturity. Investors may find these securities attractive because of the:

- Incremental spread over U.S. Treasury bills of comparable maturity;
- Large volume and broad distribution of a variety of short-term notes;
- Flexibility with respect to reverse inquiry;
- High credit quality and strong secondary market liquidity; and,
- Greater price transparency in Benchmark Bills maturities.

Municipalities and LGAs, like all other investors in Fannie Mae debt securities, must invest through a security dealer who is part of the Selling Group for Discount Notes or the Dealer Group to participate in the Benchmark Bills auctions. Fannie Mae does not sell its debt securities directly to end investors. The same securities dealers comprise both the Selling Group and Dealer Group. **Exhibit 4** lists the respective securities dealers.

Fannie Mae's Discount Notes have maturities ranging from overnight to 360 days from the date of issuance, excluding three- and six-month maturities⁴, and are available in minimum amounts of \$1,000 and increments of \$1,000. Discount Notes are posted daily on the web site⁵ and on wires services such as Reuters, providing the date, discount rate, status, accumulated volume, and settlement type for issuance. **Exhibit 5** provides a snapshot of the Daily Rate Postings report.

Fannie Mae's Discount Notes provide instant execution through its availability for purchase throughout the entire business day and the numerous selection of maturity dates within the next 360 days. If the investment manager does not see a desired maturity date shown on the Daily Rate Postings report, the local entity's dealer can call the Short-Term Funding Desk at Fannie Mae to inquire and receive a rate for that particular date. Fannie Mae's Short-Term Funding Desk

Fannie Mae Selling Group and Dealer Group as of June 30, 2009

Discount Notes Selling Group & Benchmark Bills Dealer Group

Banc of America Securities
Barclays Capital Inc.
Blaylock Robert Van L.L.C.*
Cabrera Capital Markets*
Cantor Fitzgerald & Co.
Citigroup Global Markets Inc.
Credit Suisse Securities
Daiwa Securities
Deutsche Bank Securities Inc.
Doley Securities, Inc.*
FTN Financial
Goldman Sachs & Co.
Greenwich Capital Markets
Guzman & Company*
HSBC Securities (USA), Inc.
JPMorgan Securities Inc.
Jefferies & Co., Inc.
Keybank Capital Markets
Loop Capital Markets*
MFR Securities, Inc.*
Mischler Financial Group, Inc.*
Mizuho Securities Inc.
Morgan Stanley
RBC Capital Markets
Samuel A. Ramirez & Co., Inc.*
SBK-Brooks Investment Corp.*
Seattle-Northwest Securities Corporation
The Williams Capital Group, L.P.
UBS Securities L.L.C.
Utendahl Capital Partners, L.P.*
Walton Johnson & Company*
Wells Fargo Brokerage Services, LLC

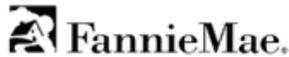
* ACCESS firms

Exhibit 4

³Fannie Mae Discount Notes and Benchmark Bills are unsecured general obligations that are issued in book-entry form through the U.S. Federal Reserve Banks.

⁴Fannie Mae instituted lockout maturities, concurrent with the three- and six-month maturities that are offered through the Benchmark Bills program. Obtaining three- and six-month maturities is only available through the Benchmark Bills program.

⁵http://www.fanniemae.com/markets/debt/other_debt/daily_rate_postings.jhtml



Daily Rate Postings

Last Updated: 06/29/2009 08:55:21

This material is being provided for informational purposes only and is subject to change without notice.

Date	Discount Rate	Status	Acc. Volume (\$M)	Settlement Type
08/03-07/09	0.05		0	CRS
08/10-14/09	0.07		0	CRS
08/17-21/09	0.08		0	CRS
08/24-31/09	0.09		0	CRS
09/01-15/09	0.10		0	CRS
10/01-02/09	0.12		0	CRS
10/08-09/09	0.13		0	CRS
10/13-23/09	0.14		0	CRS
10/26-30/09	0.15		0	CRS
11/02-13/09	0.16		0	CRS
11/16-30/09	0.17		0	CRS
12/01-11/09	0.18		0	CRS
01/06-08/10	0.31		0	CRS
01/11-22/10	0.32		0	CRS
01/25-29/10	0.33		0	CRS
02/01-12/10	0.34		0	CRS
02/16-26/10	0.35		0	CRS
03/01-12/10	0.36		0	CRS
03/15-26/10	0.38		0	CRS
03/29-31/10	0.39		0	CRS
04/01-09/10	0.41		0	CRS
04/12-23/10	0.42		0	CRS
04/26-30/10	0.43		0	CRS
05/03-14/10	0.44		0	CRS
05/17-28/10	0.45		0	CRS
06/01-11/10	0.46		0	CRS
Total Reverse			0	

Fannie Mae Auction Schedule				
Amount	Maturity	Settlement	Stop Out	Stop Out%
\$.50 bln	09/23/09	C,R	.202	85.714
\$.50 bln	12/23/09	C,R	.332	42.857

Description of Settlement Types:

- C = Cash Settlement
- R = Reg Settlement
- S = Skip Settlement

This information is neither an offer nor a solicitation of offers to sell any of these securities.

Exhibit 5

generally responds quickly to all inquiries, cognizant of the investor's urgent needs. Fannie Mae's Discount Notes also offer settlement flexibility by offering same day, next day, and skip day settlements. This settlement flexibility further assists in enabling municipalities and LGAs to attempt to precisely time their cash flows, and it should allow the LGAs to time when cash will be withdrawn from their custodial accounts. The flexibility in issue size, maturity dates, and settlement dates, as well as the rapid response of Fannie Mae's Short-Term Funding Desk, could make Discount

Notes an attractive option for inclusion in a municipality's or LGA's investment strategy.

The Benchmark Bills program is Fannie Mae's disciplined and programmatic method of issuing short-term debt securities through dealers. The organized, highly liquid Benchmark Bills provide enhanced liquidity as well as transparency. Fannie Mae has a schedule of weekly issues in three- and six-month maturities and, occasionally, one-year maturities. Fannie Mae has the option of forgoing any scheduled Benchmark

Bills auctions. Each auction bid must be a minimum of \$50,000 and in increments of \$1,000 thereafter. Each issue is brought to market via a Dutch (single price) auction and Fannie Mae accepts bids through a web-based auction system. This system, Fannie Mae Auction System Technology (FAST)⁶, is used in place of the traditional syndicated underwriting method to accommodate the greater frequency of issuance. Auction results are posted to the Fannie Mae web site as soon as available after each auction. Also, Fannie Mae occasionally issues Discount Notes and Benchmark Notes[®] through FAST.

Term Investment Options

In addition to Fannie Mae's short-term debt securities, the company provides a wide array of term debentures that fall within the five-year maturity investment guideline. Similar to the short-term offerings, the term debt securities are offered via reverse inquiry or scheduled issuance dates.

Fannie Mae's callable Medium-Term Notes (MTN) provide investors with the flexibility to select a desired maturity, call feature, or lockout that may be issued through several dealers. Fannie Mae is typically able to quickly respond to reverse inquiries from investors communicated through dealers to construct securities that meet particular investment profiles. Fannie Mae's callable MTNs are generally issued with a minimum new size of \$10 million. However, investors may purchase a security in minimum denominations as small as \$1,000 and incremental amounts of \$1,000. A popular security from this program for municipalities and LGAs has tended to be a maturity of five years or less with a European (one-time) call feature. The five-year or less maturity term meets the investment criteria. The European call feature provides the investor an opportunity to obtain a greater spread over a typical Fannie Mae noncallable bullet of the same maturity while reducing the cash flow uncertainty of a continuous call structure.

Fannie Mae's noncallable Benchmark Notes program offers investors securities on a predefined date. The 2009 Benchmark Securities Calendar⁷ is designed to assist investors, such as municipalities and LGAs, and other market participants in incorporating Fannie Mae Benchmark Securities into their ongoing investment strategies. Municipalities and LGAs may appreciate the transparent and organized fashion in

which Benchmark Notes have been brought to market on predefined dates and may participate in the Benchmark Notes issuances in the 2-, 3-, and 5-year range, which meets their investment criteria.

In addition to Benchmark Notes, Fannie Mae also offers other noncallable securities, including bullet MTNs and floaters. Eighteen-month noncallable MTNs have historically been popular with municipalities and LGAs. This maturity often matches their budgetary needs. To reduce their debt obligations, municipalities and LGAs may find Fannie Mae's bullet MTNs, or custom cash flow MTNs, as an attractive vehicle to offset certain debt obligations by establishing an escrow that is backed by Fannie Mae debt securities. This practice, called defeasance, requires the establishment of an escrow backed by high credit quality marketable securities, which makes scheduled payments to be passed on to the original bond investors. Thus, the escrow must have cash flows that precisely match the coupon and par payments of the outstanding municipal bond. Through its reverse inquiry process, Fannie Mae can issue a debt security to satisfy the requirements of a defeasance escrow.

For example, a municipality may issue a 10-year noncallable bond of \$200 million with a 5.500 percent coupon to renovate the local schools. However, suppose in year six, interest rates have declined and the municipality is able to refund the outstanding school issue by issuing a new 4-year security with a coupon of 5.125 percent, saving the municipality 37.5 basis points. The proceeds from the sale of the refunding 4-year security could then be used to purchase Fannie Mae debt securities, which are deposited into an escrow account to defease the original school bond. In order to economically offset the payments of the outstanding school bond, the municipality could employ Fannie Mae's reverse inquiry process to structure a custom cash flow MTN. The municipality contacts its securities dealer with their requirements for the payment dates, amounts, and acceptable securities to be included in the escrow. The escrow must have cash flows that exactly correspond to the coupon and par payments of the outstanding school bond. Fannie Mae structures a specific security issuance that meets the municipality's needs and the securities dealer forwards this proposed structure to the municipality, who then evaluates the proposal to ensure that it satisfies the requirements of the

⁶http://www.fanniemae.com/markets/debt/debt_tools_resources/fast.jhtml

⁷http://www.fanniemae.com/markets/debt/pdf/debt_calendar_2009.pdf

defeasance escrow. If the proposal is accepted, Fannie Mae issues an AAA-rated custom cash flow MTN and the municipality is able to defease the school bond.

Custom cash flow MTNs allow investment managers of municipalities and LGAs to structure a security to meet their cash flow needs as opposed to purchasing several securities in the secondary market to achieve the desired cash flows.

Floater, or noncallable floating-rate notes, have a coupon that is tied to a major benchmark index such as three-month Treasury Bills, Prime, Daily Fed Funds, one-month LIBOR, three-month LIBOR, Weekly Fed Funds, or Weekly Constant Maturity Treasury. If a municipality or LGA anticipates a rising interest rate environment, they may look to shorten the duration of their investments through these securities, which would result in increasing demand for floating-rate structures.

Conclusion

Municipalities and local government agencies seek investment opportunities that meet their specific requirements centered on credit quality, liquidity, yield, and diversification. Fannie Mae debt securities can be issued to provide both short-term and medium-term options for a vast range of investment needs. Fannie Mae's predefined debt issuance dates allows municipalities and LGAs to include these securities in their ongoing investment strategies. Additionally, the company's flexibility inherent in the reverse inquiry process permits municipalities and LGAs to attempt to tailor cash flows, so that cash inflows match as closely as possible with outflows, through the issuance of date-specific Fannie Mae high credit quality debentures. The reverse inquiry process also provides LGAs with the opportunity to attempt to structure these debt securities to meet many of their specific investment needs.



FUNDINGNOTES®

For Fannie Mae's Investors and Dealers

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Fannie Mae Funding Liabilities and Debt Outstanding 2006 through May 31, 2009

Funding Liabilities and Debt Outstanding (in millions)	12/31/06	12/31/07	12/31/08	5/31/09
Federal Fund Borrowings	\$ 700	\$ -	\$ -	\$ -
Other Short Term Funding Liabilities ¹	-	869	77	-
Total Federal Funds Purchased and Securities Sold under Agreements to Repurchase	\$ 700	\$ 869	\$ 77	\$ -
Average maturity (in days)	1	1	-	-
Discount Notes ¹³	\$ 83,893	\$ 155,358	\$ 272,476	\$ 256,925
FX Discount Notes	1,917	859	402	395
Other Short Term Debt ²	5,613	50	7,661	3,187
Total Short Term Debt³	\$ 167,923	\$ 236,267	\$ 332,542	\$ 260,507
Average maturity (in days)	81	74	102	102
Benchmark Notes & Bonds ⁴	\$ 277,706	\$ 256,823	\$ 251,315	\$ 284,392
Callable Benchmark Notes ⁴	-	-	-	-
Subordinated Benchmark Notes	11,000	9,000	7,398	7,398
Callable Fixed Rate MTNs ^{5,6}	192,374	207,504	190,950	184,651
Noncallable Fixed Rate MTNs ^{5,6}	114,242	77,331	50,131	45,858
Callable Floating Rate MTNs ^{5,6}	831	8,135	1,530	3,480
Noncallable Floating Rate MTNs ^{5,6}	5,470	5,761	45,470	64,774
Other Long Term Debt ⁷	4,138	4,580	3,763	3,306
Total Long Term Debt^{8,9}	\$ 605,761	\$ 569,134	\$ 550,557	\$ 593,859
Average maturity (in months)	57	68	66	59
Agreements to Repurchase and Debt Outstanding	\$ 774,384	\$ 806,270	\$ 883,176	\$ 854,366
Average maturity (in months)	45	48	42	42

Fannie Mae Funding Liabilities and Debt Issuance 2006 through May 31, 2009

Funding Liabilities and Debt Issuance (in millions)	2006	2007	2008	2009
Federal Fund Borrowings	\$ 58,186	\$ 13,065	\$ 5,617	\$ -
Other Short Term Funding Liabilities ¹	172,493	25,324	60,888	3,320
Total Federal Funds Purchased and Securities Sold under Agreements to Repurchase	\$ 230,679	\$ 38,389	\$ 66,505	\$ 3,320
Discount Notes	\$ 2,030,188	\$ 1,499,540	\$ 1,547,462	\$ 554,322
FX Discount Notes	6,379	2,291	2,583	567
Other Short Term Debt ¹⁰	4,863	86,777	8,661	50
Total Short Term Debt³	\$ 2,041,430	\$ 1,588,608	\$ 1,558,706	\$ 554,939
Benchmark Notes & Bonds	\$ 42,000	\$ 37,000	\$ 50,500	\$ 52,000
Callable Benchmark Notes	-	-	-	-
Subordinated Benchmark Notes	-	-	-	-
Callable Fixed Rate MTNs ⁶	113,716	135,886	150,255	98,369
Noncallable Fixed Rate MTNs ⁶	20,898	8,438	4,336	1,275
Callable Floating Rate MTNs ⁶	2,700	8,275	1,280	2,450
Noncallable Floating Rate MTNs ⁶	2,000	4,176	41,284	23,180
Other Long Term Debt ¹¹	0	138	743	54
Total Long Term Debt⁸	\$ 181,314	\$ 193,913	\$ 248,399	\$ 177,328
Total Federal Funds Purchased and Securities Sold under Agreements to Repurchase and Debt Issued	\$ 2,453,423	\$ 1,820,910	\$ 1,873,610	\$ 735,588
Net Issuance Long Term Debt¹²	\$ 12,058	\$ (39,201)	\$ (18,363)	\$ 43,213

Please see the Endnotes on the following page for more detail.

Endnotes

Footnotes for Tables 1 and 2

- ¹ Other Short Term Funding Liabilities includes Benchmark repos, contingency repo lending, and other short term funding liabilities. For 2006, the Other Short Term Funding Liabilities amount of \$172,493 million includes intra-days loans in the amount of \$163,509 million.
- ² For 2007 and thereafter Other Short Term Debt consists of coupon bearing short term notes. For 2006 Other Short Term Debt consists of coupon bearing short term notes and investment agreements.
- ³ Short term debt consists of borrowings with an original contractual maturity of one year or less.
- ⁴ Outstanding Benchmark Notes & Bonds with expired call options are reported as Benchmark Notes & Bonds.
- ⁵ Outstanding MTNs with expired call options are reported as Noncallable MTNs.
- ⁶ MTNs include all long term non-Benchmark Securities such as globals, zero coupon securities, medium term notes, Final Maturity Amortizing Notes, and other long term debt securities.
- ⁷ For 2007 and thereafter Other Long Term Debt consists of long term foreign currency debt, investment agreements, and other long term securities. For 2006 Other Long Term Debt consists of long term foreign currency debt and other long term securities.
- ⁸ Long term debt consists of borrowings with an original contractual maturity of greater than one year.
- ⁹ Unamortized discounts and issuance costs of long term zero coupon securities are approximately \$11 billion at December 31, 2006, \$10.8 billion at December 31, 2007, \$14.8 billion at December 31, 2008 and \$17.0 billion at May 31, 2009.
- ¹⁰ For months beginning Oct 2007 and thereafter Other Short Term Debt includes coupon bearing short term notes. For 2006 and the first 9 months of 2007, Other Short Term Debt includes coupon bearing short term notes and investment agreements. For 2007, the Other Short Term Debt issuance amount of \$86,777 million includes intra-days loans in the amount of \$86,727 million.
- ¹¹ For months beginning Oct 2007 and thereafter Other Long Term Debt consists of long term foreign currency debt, investment agreements, and other long term securities. For 2006 Other Long Term Debt consists of long term foreign currency debt and other long term securities.
- ¹² Net Issuance Long Term Debt amounts represent the difference between long term debt issued and long term debt repaid during the period. For any period, a positive value indicates that the amount of long term debt issued was greater than the amount of long term debt repaid, and a negative value indicates that the amount of long term debt repaid was greater than the amount of long term debt issued.
- ¹³ Prior period amounts have been collapsed to conform to the current period presentation.

Fannie Mae makes a good faith effort to publish the data in a scheduled manner. Fannie Mae does not guarantee that it will always publish the data when scheduled, and Fannie Mae expressly disclaims any liability for any delay in publishing the data. Fannie Mae reserves the right to publish and/or revise the data. This material should not be construed as an investment recommendation, an offer to buy/sell, or the solicitation of an offer to buy/sell any product or instrument. Although Fannie Mae reasonably attempts to ensure the accuracy of the information it publishes, the company does not represent, warrant or guarantee the accuracy of the data's calculations or the accuracy of the data as published. Fannie Mae shall not have any liability or responsibility, regardless of the cause, for any errors or omissions in connection with the use, misuse, release or distribution of this information.

General

On November 9, 2007, we filed current financial statements in our Form 10-Q for the third quarter of 2007. As a result, beginning with the data for October 2007, we are implementing data reclassifications and other changes to better align the statistical information we present in our funding summary report with the financial information we report in our quarterly and annual filings with the SEC.

Previously reported amounts have been revised to conform to the current period presentation and to reflect the completion of Fannie Mae's 2005 audited financial statements.

Funding Liabilities and Debt include Federal Funds Purchased and Securities Sold under Agreements to Repurchase, Short Term Debt and Long Term Debt.

Reported amounts represent the unpaid principal balance at each reporting period or, in the case of the long term zero coupon bonds, at maturity. Unpaid principal balance does not reflect the effect of debt basis adjustments, including discounts, premiums, and issuance costs.

Numbers may not foot due to rounding.

Debt Securities Index Reports

	May % of BIG	May Total ROR	Last 3 mos Total ROR	Last 6 mos Total ROR	YTD Total ROR	Last 12 mos Total Return		May % of Agg	May Total ROR	Last 3 mos Total ROR	Last 6 mos Total ROR	YTD Total ROR	Last 12 mos Total Return
Citigroup							Barclays Capital						
Fannie Mae Index:	3.07	-0.10	1.12	3.59	-0.57	7.99	Fannie Mae Index:	3.16	-0.17	0.65	3.12	-0.43	7.10
1-10 Years	2.85	0.06	1.35	3.85	0.55	8.06	1-10 Years	2.87	0.02	1.00	3.46	0.61	7.24
10+ Years	0.22	-2.10	-1.98	-0.02	-11.71	6.02	10+ Years	0.29	-2.07	-2.66	-0.28	-8.72	5.11
Callable	0.65	-0.04	1.16	2.46	0.09	4.82	Callable	1.00	-0.10	0.81	2.20	0.47	5.00
Noncallable	2.42	-0.12	1.08	3.67	-0.71	8.34	Noncallable	2.16	-0.20	0.58	3.53	-0.86	8.11
Globals	2.17	-0.13	1.11	3.63	-0.51	8.20	Globals	2.12	-0.17	0.69	3.43	-0.57	7.96
Agency:	8.06	-0.27	0.85	3.37	-0.94	7.73	Agency:	9.85	-0.11	0.75	3.33	-0.25	7.35
Callable	1.13	0.06	1.29	2.23	0.42	4.76	Callable	2.09	-0.08	0.80	2.12	0.65	4.88
Noncallable	6.94	-0.32	0.77	3.39	-1.10	7.90	Noncallable	7.76	-0.11	0.74	3.74	-0.52	8.21
Globals	5.88	-0.11	1.04	3.82	-0.49	8.44	Globals***	6.89	-0.08	0.85	3.74	-0.21	8.26
Citigroup							Barclays Aggregate						
Index*:	100.00	0.51	1.97	4.28	0.79	6.49	Index:	100.00	0.73	2.61	5.10	1.32	5.36
U.S. Treasury	27.27	-0.98	-0.68	-0.95	-4.23	7.58	U.S. Treasury	25.59	-1.01	-0.70	-0.85	-4.10	7.53
GSE**	9.23	-0.14	0.93	3.17	-0.84	7.61	Government-Related**	13.90	0.23	1.16	3.36	-0.32	6.54
Credit	24.33	3.09	5.67	11.10	4.30	1.14	Corporate	18.43	3.90	7.07	12.60	5.44	0.43
MBS	38.87	0.15	1.89	4.36	2.61	9.26	MBS	38.17	0.29	2.00	4.50	2.79	9.19
ABS	0.29	5.73	11.75	19.78	17.55	7.72	ABS	0.50	5.43	8.95	14.22	14.90	2.58
							CMBS	3.41	3.75	18.67	28.38	9.75	-12.54

* Components of Broad (BIG) Index: Treasury, GSE, Corporate, Mortgage

** Includes US Agencies

*** Includes World Bank global issues

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Summary Breakdown of 2009 Debt Issuances

Includes all settled fixed-rate debt issues with maturities greater than one year. Variable rate debt is not included in totals.

Fannie Mae Fixed-Rate Callable Debt May 2009				Fannie Mae Fixed-Rate Callable Debt May 2009					
Maturity/Call (Year)	Par Amount (in thousands)	# Issues	YTD 2009 Par Amount (in thousands)	# Issues	Maturity/Call (Year)	Par Amount (in thousands)	# Issues	YTD 2009 Par Amount (in thousands)	# Issues
1.50NC0.25			1,435,000,000	8	5.00NC0.25	710,000,000	15	1,695,000,000	27
1.99NC0.99			50,000,000	1	5.00NC0.50	20,000,000	1	20,000,000	1
2.00NC0.24			250,000,000	1	5.00NC1.00	1,240,000,000	6	11,270,000,000	28
2.00NC0.25	2,400,000,000	6	3,240,000,000	15	5.00NC1.25			40,000,000	2
2.00NC0.42			800,000,000	6	5.00NC1.50			15,000,000	1
2.00NC0.50	340,000,000	4	1,270,000,000	15	5.00NC2.00	415,000,000	7	3,135,000,000	32
2.00NC1.00	2,890,000,000	10	28,595,000,000	47	5.00NC2.50	105,000,000	2	205,000,000	4
2.02NC1.02			80,000,000	2	5.00NC2.75			15,000,000	1
2.05NC1.05			150,000,000	1	5.00NC3.00	50,000,000	2	250,000,000	6
2.06NC1.06			2,000,000,000	1	5.50NC0.25			10,000,000	1
2.08NC1.08			1,000,000,000	1	5.50NC1.00			60,000,000	2
2.17NC1.17			10,000,000	1	5.51NC0.25	180,000,000	4	180,000,000	4
2.25NC0.25			250,000,000	1	5.51NC2.00	40,000,000	1	40,000,000	1
2.25NC0.76	25,000,000	1	25,000,000	1	5.59NC0.25	10,000,000	1	10,000,000	1
2.25NC1.00	65,000,000	2	65,000,000	2	5.67NC0.50	20,000,000	1	20,000,000	1
2.34NC1.17	20,000,000	1	20,000,000	1	5.76NC2.00			15,000,000	1
2.50NC0.25	50,000,000	1	245,000,000	4	6.00NC0.24			105,000,000	1
2.50NC0.50	400,000,000	4	595,000,000	5	6.00NC0.25	100,000,000	1	200,000,000	3
2.50NC0.75			30,000,000	1	6.00NC0.50			55,000,000	1
2.50NC1.00	290,000,000	5	1,940,000,000	27	6.00NC1.00	15,000,000	1	190,000,000	4
2.75NC1.00			890,000,000	13	6.00NC2.00			100,000,000	3
2.75NC1.75			25,000,000	1	6.00NC3.00	25,000,000	1	25,000,000	1
2.76NC0.25	175,000,000	2	175,000,000	2	6.50NC0.24			10,000,000	1
2.76NC1.00	40,000,000	1	40,000,000	1	6.50NC2.00			20,000,000	2
3.00NC0.24			856,000,000	15	6.51NC1.00			15,000,000	1
3.00NC0.25	185,000,000	4	760,000,000	10	6.67NC0.25			10,000,000	1
3.00NC0.50	90,000,000	3	210,000,000	8	7.00NC0.24			35,000,000	1
3.00NC0.75			25,000,000	1	7.00NC0.25	190,000,000	6	200,000,000	7
3.00NC1.00	3,270,000,000	8	11,955,000,000	35	7.00NC0.50			15,000,000	1
3.00NC1.50	275,000,000	2	460,000,000	5	7.00NC1.00	1,125,000,000	3	4,205,000,000	9
3.00NC2.00			710,000,000	7	7.00NC1.50			25,000,000	1
3.17NC1.17			20,000,000	2	7.00NC2.00			175,000,000	6
3.42NC1.41			15,000,000	1	7.00NC3.00			25,000,000	1
3.50NC0.24			250,000,000	1	7.26NC2.25	20,000,000	2	20,000,000	2
3.50NC0.25			55,000,000	2	7.51NC0.25	160,000,000	2	160,000,000	2
3.50NC1.00			305,000,000	7	7.51NC1.50			40,000,000	2
3.50NC1.50			150,000,000	3	7.51NC2.25			20,000,000	1
3.50NC2.00			125,000,000	3	7.52NC2.00			20,000,000	1
3.51NC0.25	70,000,000	2	109,800,000	4	7.76NC2.00			20,000,000	1
3.51NC1.00	300,000,000	4	720,000,000	11	7.84NC1.59			10,000,000	1
3.51NC1.25			10,000,000	1	8.00NC0.24			10,000,000	1
3.51NC1.50	100,000,000	1	110,000,000	2	8.50NC1.50			25,000,000	1
3.51NC2.00			80,000,000	1	8.51NC1.00			10,000,000	1
3.75NC0.24			25,000,000	1	9.00NC0.25	20,000,000	1	20,000,000	1
3.76NC0.76	50,000,000	2	100,000,000	3	10.00NC0.24			100,000,000	4
3.76NC1.00			25,000,000	1	10.00NC0.25	1,385,000,000	19	1,625,000,000	23
3.84NC0.84			10,000,000	1	10.00NC1.00	345,000,000	3	486,000,000	9
4.00NC0.24			280,000,000	2	10.00NC2.00			15,000,000	1
4.00NC0.25	40,000,000	2	40,000,000	2	10.00NC3.00			25,000,000	1
4.00NC0.50	100,000,000	1	100,000,000	1	11.00NC1.00	15,000,000	1	15,000,000	1
4.00NC1.00	30,000,000	1	360,000,000	9	12.00NC0.24			25,000,000	1
4.00NC2.00			20,000,000	1	12.00NC1.00	50,000,000	2	50,000,000	2
4.08NC1.08			10,000,000	1	13.00NC0.25	51,000,000	2	51,000,000	2
4.50NC0.24			250,000,000	1	15.00NC0.24			1,271,000,000	16
4.50NC0.25			250,000,000	1	15.00NC0.25	3,320,000,000	31	3,600,000,000	38
4.50NC1.00			10,000,000	1	15.00NC0.50	50,000,000	1	50,000,000	1
4.51NC0.25	15,000,000	1	25,000,000	2	15.02NC0.25			20,000,000	1
4.51NC1.00	50,000,000	2	165,000,000	5	15.00NC1.00	420,000,000	6	715,000,000	16
4.51NC1.50			25,000,000	1	15.00NC5.00	40,000,000	1	40,000,000	1
4.58NC1.08			15,000,000	1	20.00NC1.00	662,075,000	11	1,027,075,000	17
4.76NC0.25			10,000,000	1	25.02NC1.00	115,000,000	3	140,000,000	4
4.99NC0.50	25,000,000	1	25,000,000	1	30.02NC1.00	2,374,000,000	6	6,438,010,000	23
5.00NC0.24			530,000,000	10	Total			\$100,818,885,000	655

2009 Debt Redemptions

Callable Debt Redeemed (in billions)

January	\$	13.3
February	\$	18.7
March	\$	12.5
April	\$	38.1
May	\$	22.2
TOTAL	\$	104.8

Summary Breakdown of 2009 Benchmark Notes Issuance

Fannie Mae Noncallable Benchmark Notes

<i>Maturity</i>	<i>May 09 Par Amount</i>	<i># Issues</i>	<i>YTD 2009 Par Amount</i>	<i># Issues</i>
2 Years			21,000,000,000	2
3 Years			10,000,000,000	2
5 Years	5,000,000,000		21,000,000,000	3
TOTAL	\$ 5,000,000,000		\$ 52,000,000,000	7

Recent Benchmark Notes Transaction

Benchmark Securities	Size/Cusip	Lead-Managers	Co-Managers	Pricing Date and Spread	Geographic Distribution	Investor Type Distribution
5 year 2.500% 5/15/2014	\$5.0 billion 31398AXJ6	Barclays Deutsche Bank J.P. Morgan & Co	Blaylock Robert Van, LLC; FTN Financial Capital Markets; Morgan Stanley & Co; UBS Securities LLC	May 13, 2009 +56 basis points 1.875 4/30/2014 U.S. Treasury	U.S. 74.7% Asia 10.7% Europe 7.7% Other 6.9%	Fund Manager 51.4% Comm. Banks 19.4% Insurance 7.4% Corp/Pensions 0.4% Central Banks 16.6% State & Local 4.2% Other 0.6%