### BUSINESS BALANCES AND GROWTH ($ in Millions)\(^{1}\)

<table>
<thead>
<tr>
<th>Month</th>
<th>Mortgage Portfolio, Gross (^{2})</th>
<th>Outstanding MBS (^{3})</th>
<th>Book of Business</th>
<th>Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>End Balance</td>
<td>End Balance</td>
<td>End Balance</td>
<td>Growth Rate (^{4})</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>February 2005</td>
<td>$875,245 (19.1%)</td>
<td>$1,400,825</td>
<td>$2,306,070</td>
<td>(0.4%)</td>
</tr>
<tr>
<td>March 2005</td>
<td>864,648 (13.6%)</td>
<td>1,441,003</td>
<td>2,305,652</td>
<td>(0.2%)</td>
</tr>
<tr>
<td>April 2005</td>
<td>851,936 (16.3%)</td>
<td>1,445,353</td>
<td>2,297,288</td>
<td>(4.3%)</td>
</tr>
<tr>
<td>May 2005</td>
<td>820,072 (28.9%)</td>
<td>1,464,884</td>
<td>2,292,963</td>
<td>(2.2%)</td>
</tr>
<tr>
<td>June 2005</td>
<td>803,225 (25.3%)</td>
<td>1,481,149</td>
<td>2,293,374</td>
<td>0.2%</td>
</tr>
<tr>
<td>July 2005</td>
<td>786,786 (25.3%)</td>
<td>1,498,717</td>
<td>2,287,503</td>
<td>(3.0%)</td>
</tr>
<tr>
<td>August 2005</td>
<td>768,280 (27.1%)</td>
<td>1,520,943</td>
<td>2,289,223</td>
<td>0.9%</td>
</tr>
<tr>
<td>September 2005</td>
<td>727,824 (47.8%)</td>
<td>1,573,010</td>
<td>2,301,634</td>
<td>6.7%</td>
</tr>
<tr>
<td>October 2005</td>
<td>715,542 (16.1%)</td>
<td>1,597,014</td>
<td>2,304,268</td>
<td>1.4%</td>
</tr>
<tr>
<td>November 2005</td>
<td>715,542 (2.8%)</td>
<td>1,594,277</td>
<td>2,309,808</td>
<td>2.9%</td>
</tr>
<tr>
<td>December 2005</td>
<td>727,173 (21.4%)</td>
<td>1,598,079</td>
<td>2,325,251</td>
<td>8.3%</td>
</tr>
<tr>
<td>Full year 2005</td>
<td>$727,173 (10.6%)</td>
<td>$1,598,079</td>
<td>$2,325,251</td>
<td>0.8%</td>
</tr>
<tr>
<td>January 2006</td>
<td>$725,287 (3.1%)</td>
<td>$1,613,005</td>
<td>$2,338,291</td>
<td>6.9%</td>
</tr>
</tbody>
</table>

### BUSINESS VOLUMES ($ in Millions)\(^{1}\)

<table>
<thead>
<tr>
<th>Month</th>
<th>MBS Lender-originated Issues (^{5})</th>
<th>MBS Issues Acquired by Others</th>
<th>MBS Issues Purchases (^{6})</th>
<th>Portfolio Purchases</th>
<th>Business Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$30,721 $538 $30,721 $9,446 $40,167</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>March 2005</td>
<td>31,493 326 31,166 11,206 42,372</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>April 2005</td>
<td>36,838 429 30,409 8,865 45,274</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>May 2005</td>
<td>34,343 219 34,124 11,198 45,322</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 2005</td>
<td>40,039 210 34,124 8,964 48,793</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>July 2005</td>
<td>43,344 207 43,138 9,365 52,502</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>August 2005</td>
<td>46,540 176 46,363 11,564 57,927</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>September 2005</td>
<td>61,013 410 60,603 10,021 70,625</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>October 2005</td>
<td>41,563 446 41,117 10,136 51,253</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>November 2005</td>
<td>37,918 1,923 35,995 16,021 52,016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 2005</td>
<td>32,563 10,293 29,160 26,769 57,820</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full year 2005</td>
<td>$481,265 35,828 465,632 146,640 622,277</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January 2006</td>
<td>$41,524 2,606 38,918 12,199 51,117</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### MORTGAGE PORTFOLIO COMMITMENTS, PURCHASES, AND SALES ($ in Millions)\(^{1}\)

<table>
<thead>
<tr>
<th>Month</th>
<th>Net Retained Commitments(^{7})</th>
<th>Purchase Volume</th>
<th>Purchase Yield(^{8})</th>
<th>Mortgage Portfolio Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 2005</td>
<td>9,945 (4.9%)</td>
<td>11,206 (2.7%)</td>
<td>4.73%</td>
<td>4,806</td>
</tr>
<tr>
<td>April 2005</td>
<td>5,104</td>
<td>8,865 (5.0%)</td>
<td>5.04%</td>
<td>1,680</td>
</tr>
<tr>
<td>May 2005</td>
<td>(8,768)</td>
<td>11,198 (4.9%)</td>
<td>4.99%</td>
<td>17,812</td>
</tr>
<tr>
<td>June 2005</td>
<td>(3,858)</td>
<td>9,365 (5.4%)</td>
<td>5.33%</td>
<td>10,350</td>
</tr>
<tr>
<td>July 2005</td>
<td>3,858</td>
<td>11,564 (5.2%)</td>
<td>5.27%</td>
<td>12,507</td>
</tr>
<tr>
<td>August 2005</td>
<td>(21,943)</td>
<td>10,021 (5.4%)</td>
<td>5.44%</td>
<td>31,071</td>
</tr>
<tr>
<td>September 2005</td>
<td>(400)</td>
<td>10,136 (5.0%)</td>
<td>5.50%</td>
<td>4,437</td>
</tr>
<tr>
<td>October 2005</td>
<td>20,084</td>
<td>16,021 (5.1%)</td>
<td>5.17%</td>
<td>2,571</td>
</tr>
<tr>
<td>November 2005</td>
<td>19,566</td>
<td>28,760 (5.4%)</td>
<td>4.43%</td>
<td>2,876</td>
</tr>
<tr>
<td>December 2005</td>
<td>$35,469</td>
<td>$146,640 (5.16%)</td>
<td></td>
<td>$113,295</td>
</tr>
</tbody>
</table>

| January 2006 | $9,187                          | $12,199 (5.47%) |                      | $1,774                  |

---

1. Represents unpaid principal balance.
3. MBS held by investors other than Fannie Mae's portfolio.
4. Growth rates are compounded.
5. Excludes MBS issued from Fannie Mae's portfolio, which was $1,373 million in January 2006.
6. Included in total portfolio purchases.
7. Represents commitments to purchase, net of commitments to sell, entered into during the month, including any modifications to original amounts.
8. Calculated as commitment yield for single-family loans, pass-thru rate for multifamily loans and coupon divided by price for securities. Yields are presented on a taxable-equivalent basis.

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HIGHLIGHTS:

- **MORTGAGE MARKET**: Both new and existing home sales rose to record levels in 2005 for the 5th consecutive year. New home sales totaled 1.28 million units, exceeding the previous year. Existing home sales rose to record levels in 2005 for the 5th consecutive year. Existing home sales rose to record levels in 2005 for the 5th consecutive year. Existing home sales rose to record levels in 2005 for the 5th consecutive year.

- **BUSINESS VOLUMES**: Lender-originated MBS issues rose to $41.5 billion from $39.6 billion the previous month.

- **BUSINESS BALANCES AND GROWTH**: Total business volume was $51.1 billion, compared to $57.9 billion the previous month.

- **BUSINESS BALANCES AND GROWTH**: Fannie Mae's book of business grew at a compound annualized rate of 6.9 percent in January, driven by outstanding MBS, which grew at an 11.8 percent compound annualized rate.

- **BUSINESS BALANCES AND GROWTH**: The conventional single-family delinquency rate (90 days or more delinquent) rose two basis points in December to 0.79 percent. The multifamily delinquency rate remained stable at 0.27 percent.

- **BUSINESS VOLUMES**: The duration gap on Fannie Mae's portfolio averaged zero months in January.

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**JANUARY 2006**

**HIGHLIGHTS FOR JANUARY INCLUDE:**

- Both new and existing home sales rose to record levels in 2005 for the 5th consecutive year. New home sales totaled 1.28 million units, exceeding sales activity in 2004 by 6.6 percent, while existing home sales rose by 4.3 percent to 7.07 million units.

- Fannie Mae estimates that new and existing home sales will fall by about 6.8 percent and 8.5 percent, respectively, in 2006.
**LIQUIDATIONS ($ in Millions)\(^1\)**

<table>
<thead>
<tr>
<th></th>
<th>Mortgage Portfolio Liquidations</th>
<th>Outstanding MBS Liquidations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Annual Rate</td>
</tr>
<tr>
<td>February 2005</td>
<td>$ 15,545</td>
<td>21.13%</td>
</tr>
<tr>
<td>March 2005</td>
<td>17,049</td>
<td>23.52%</td>
</tr>
<tr>
<td>April 2005</td>
<td>19,899</td>
<td>27.82%</td>
</tr>
<tr>
<td>May 2005</td>
<td>17,301</td>
<td>24.72%</td>
</tr>
<tr>
<td>June 2005</td>
<td>19,575</td>
<td>27.04%</td>
</tr>
<tr>
<td>July 2005</td>
<td>20,128</td>
<td>30.12%</td>
</tr>
<tr>
<td>August 2005</td>
<td>21,302</td>
<td>32.23%</td>
</tr>
<tr>
<td>September 2005</td>
<td>20,606</td>
<td>35.12%</td>
</tr>
<tr>
<td>October 2005</td>
<td>19,624</td>
<td>31.23%</td>
</tr>
<tr>
<td>November 2005</td>
<td>18,001</td>
<td>32.74%</td>
</tr>
<tr>
<td>December 2005</td>
<td>15,107</td>
<td>35.67%</td>
</tr>
<tr>
<td>Full year 2005</td>
<td>$ 211,416</td>
<td>26.25%</td>
</tr>
<tr>
<td>January 2006</td>
<td>$ 12,405</td>
<td>20.50%</td>
</tr>
</tbody>
</table>

**DELIQUENCY RATES**

<table>
<thead>
<tr>
<th></th>
<th>Single-family Conventional(^2)</th>
<th>Multifamily</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-Credit Enhancement(^3)</td>
<td>Credit Enhancement(^4)</td>
</tr>
<tr>
<td>February 2005</td>
<td>0.34%</td>
<td>1.84%</td>
</tr>
<tr>
<td>March 2005</td>
<td>0.31%</td>
<td>1.72%</td>
</tr>
<tr>
<td>April 2005</td>
<td>0.30%</td>
<td>1.68%</td>
</tr>
<tr>
<td>May 2005</td>
<td>0.30%</td>
<td>1.68%</td>
</tr>
<tr>
<td>June 2005</td>
<td>0.30%</td>
<td>1.68%</td>
</tr>
<tr>
<td>July 2005</td>
<td>0.32%</td>
<td>1.74%</td>
</tr>
<tr>
<td>August 2005</td>
<td>0.32%</td>
<td>1.76%</td>
</tr>
<tr>
<td>September 2005</td>
<td>0.33%</td>
<td>1.78%</td>
</tr>
<tr>
<td>October 2005</td>
<td>0.35%</td>
<td>1.85%</td>
</tr>
<tr>
<td>November 2005</td>
<td>0.46%</td>
<td>2.11%</td>
</tr>
<tr>
<td>December 2005</td>
<td>0.47%</td>
<td>2.14%</td>
</tr>
</tbody>
</table>

**AVERAGE INVESTMENT BALANCES**

Fannie Mae has determined at this time not to provide average investment balances, which are derived from numbers that are subject to restatement.

**INTEREST RATE RISK DISCLOSURE**

<table>
<thead>
<tr>
<th></th>
<th>Effective Duration Gap(^7) (in months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 2005</td>
<td>0</td>
</tr>
<tr>
<td>March 2005</td>
<td>1</td>
</tr>
<tr>
<td>April 2005</td>
<td>-1</td>
</tr>
<tr>
<td>May 2005</td>
<td>-1</td>
</tr>
<tr>
<td>June 2005</td>
<td>0</td>
</tr>
<tr>
<td>July 2005</td>
<td>1</td>
</tr>
<tr>
<td>August 2005</td>
<td>0</td>
</tr>
<tr>
<td>September 2005</td>
<td>1</td>
</tr>
<tr>
<td>October 2005</td>
<td>1</td>
</tr>
<tr>
<td>November 2005</td>
<td>0</td>
</tr>
<tr>
<td>December 2005</td>
<td>0</td>
</tr>
<tr>
<td>January 2006</td>
<td>0</td>
</tr>
</tbody>
</table>

In connection with the pending re-audit and restatement of Fannie Mae's previously published financial statements, management is undertaking a comprehensive review of Fannie Mae's accounting routines and controls, financial reporting process and the application of generally accepted accounting principles. While most of the information contained in this summary is not derived from Fannie Mae's financial statements, we expect that some of this information will be impacted by the re-audit and restatement. Management believes that the information may be useful to investors for comparing current business activities with those of prior periods and for reviewing trends in our business, notwithstanding that information may change, perhaps materially, from what is reported herein. Issues under review that will cause some of this information to change include those related to securities accounting, loan accounting, consolidation and amortization. More information regarding the re-audit and restatement may be found in Form 8-Ks Fannie Mae filed with the Securities and Exchange Commission on December 22, 2004, March 18, 2005, May 11, 2005, August 9, 2005 and November 10, 2005.

For more information about Fannie Mae, please visit www.fanniemae.com or contact us at (202) 752-7115.

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\(^1\) Represents unpaid principal balance.

\(^2\) Includes conventional loans three or more months delinquent or in foreclosure process as a percent of the number of loans.

\(^3\) Loans without primary mortgage insurance or any credit enhancements.

\(^4\) Loans with primary mortgage insurance and/or other credit enhancements.

\(^5\) Total of single-family non-credit enhanced and credit enhanced loans.

\(^6\) Includes loans and securities 60 days or more past due and is calculated based on mortgage credit book of business.

\(^7\) The duration gap is a weighted average for the month. Since October 2005, we have included non-mortgage assets and liabilities in the duration gap calculation. Our portfolio duration gap calculation excludes any interest rate sensitivity of the guarantee business.

Numbers may not sum due to rounding.