



**TABLE 1. TOTAL BOOK OF BUSINESS COMPONENTS (\$ in Millions) <sup>1</sup>**

|                       | Mortgage Portfolio<br>End Balance<br>[Table 2] | + | Total Fannie Mae<br>MBS and Other<br>Guarantees<br>[Table 4] | - | Fannie Mae MBS in<br>Portfolio<br>[Table 3] | = | Total Book of<br>Business | Compounded Growth<br>(Decline) Rate | New Business<br>Acquisitions |
|-----------------------|--|---|--|---|---|---|---------------------------|-------------------------------------|------------------------------|
| June 2016             | \$ 316,277                                     |   | \$ 2,846,007   |   | \$ 58,463                                   |   | \$ 3,103,821              | 1.1 %                               | \$ 53,529                    |
| July 2016             | 308,875  |   | 2,850,932  |   | 56,607                                      |   | 3,103,200                 | (0.2)%                              | 53,401                       |
| August 2016           | 311,125  |   | 2,863,733  |   | 61,887                                      |   | 3,112,971                 | 3.8 %                               | 59,044                       |
| September 2016        | 306,537  |   | 2,876,765  |   | 60,019                                      |   | 3,123,283                 | 4.0 %                               | 71,420                       |
| October 2016          | 300,865  |   | 2,890,513  |   | 61,721                                      |   | 3,129,657                 | 2.5 %                               | 66,774                       |
| November 2016         | 289,461  |   | 2,889,326  |   | 41,143                                      |   | 3,137,644                 | 3.1 %                               | 64,514                       |
| December 2016         | 272,354  |   | 2,913,936  |   | 42,054                                      |   | 3,144,236                 | 2.6 %                               | 61,671                       |
| <b>Full Year 2016</b> | <b>\$ 272,354</b>                              |   | <b>\$ 2,913,936</b>  |   | <b>\$ 42,054</b>                            |   | <b>\$ 3,144,236</b>       | <b>1.4 %</b>                        | <b>\$ 637,425</b>            |
| January 2017          | \$ 272,981                                     |   | \$ 2,929,632   |   | \$ 52,404                                   |   | \$ 3,150,209              | 2.3 %                               | \$ 55,271                    |
| February 2017         | 268,802  |   | 2,934,631  |   | 51,223                                      |   | 3,152,210                 | 0.8 %                               | 39,748                       |
| March 2017            | 268,833  |   | 2,946,652  |   | 54,938                                      |   | 3,160,547                 | 3.2 %                               | 40,964                       |
| April 2017            | 278,462  |   | 2,953,250  |   | 67,739                                      |   | 3,163,973                 | 1.3 %                               | 41,845                       |
| May 2017              | 255,721  |   | 2,961,339  |   | 49,255                                      |   | 3,167,805                 | 1.5 %                               | 43,632                       |
| June 2017             | 255,798  |   | 2,970,836  |   | 51,252                                      |   | 3,175,382                 | 2.9 %                               | 49,443                       |
| <b>YTD 2017</b>       | <b>\$ 255,798</b>                              |   | <b>\$ 2,970,836</b>  |   | <b>\$ 51,252</b>                            |   | <b>\$ 3,175,382</b>       | <b>2.0 %</b>                        | <b>\$ 270,903</b>            |

**TABLE 2. MORTGAGE PORTFOLIO ACTIVITY (\$ in Millions) <sup>1</sup>**

|                       | Purchases         | Sales               | Liquidations       | Mortgage Portfolio<br>End Balance |
|-----------------------|-------------------|---------------------|--------------------|-----------------------------------|
| June 2016             | \$ 28,010         | \$ (24,472)         | \$ (4,916)         | \$ 316,277                        |
| July 2016             | 25,446            | (28,993)            | (3,855)            | 308,875                           |
| August 2016           | 32,517            | (25,900)            | (4,367)            | 311,125                           |
| September 2016        | 35,150            | (35,732)            | (4,006)            | 306,537                           |
| October 2016          | 35,682            | (37,477)            | (3,877)            | 300,865                           |
| November 2016         | 28,344            | (35,818)            | (3,930)            | 289,461                           |
| December 2016         | 27,926            | (40,428)            | (4,605)            | 272,354                           |
| <b>Full Year 2016</b> | <b>\$ 319,378</b> | <b>\$ (340,290)</b> | <b>\$ (51,837)</b> | <b>\$ 272,354</b>                 |
| January 2017          | \$ 24,161         | \$ (19,674)         | \$ (3,860)         | \$ 272,981                        |
| February 2017         | 18,984            | (19,153)            | (4,010)            | 268,802                           |
| March 2017            | 21,327            | (17,330)            | (3,966)            | 268,833                           |
| April 2017            | 34,867            | (22,012)            | (3,226)            | 278,462                           |
| May 2017              | 23,108            | (41,192)            | (4,657)            | 255,721                           |
| June 2017             | 23,808            | (20,158)            | (3,573)            | 255,798                           |
| <b>YTD 2017</b>       | <b>\$ 146,255</b> | <b>\$ (139,519)</b> | <b>\$ (23,292)</b> | <b>\$ 255,798</b>                 |

**TABLE 4. FANNIE MAE GUARANTEED SECURITIES AND MORTGAGE LOANS (\$ in Millions) <sup>1</sup>**

|                       | Total Fannie Mae MBS |                     |                     | Fannie Mae<br>MBS Annualized<br>Liquidation Rate |
|-----------------------|----------------------|---------------------|---------------------|--|
|                       | Issuances            | Liquidations        | End Balance         |  |
| June 2016             | \$ 50,119            | \$ (45,112)         | \$ 2,830,263        | (19.2)%  |
| July 2016             | 53,852               | (48,810)            | 2,835,305           | (20.7)%  |
| August 2016           | 58,557               | (45,661)            | 2,848,181           | (19.3)%  |
| September 2016        | 71,498               | (58,383)            | 2,861,296           | (24.6)%  |
| October 2016          | 69,545               | (55,732)            | 2,875,109           | (23.4)%  |
| November 2016         | 52,493               | (53,507)            | 2,874,095           | (22.3)%  |
| December 2016         | 75,275               | (50,769)            | 2,898,601           | (21.2)%  |
| <b>Full Year 2016</b> | <b>\$ 637,837</b>    | <b>\$ (545,706)</b> | <b>\$ 2,898,601</b> | <b>(19.4)%</b>                                   |
| January 2017          | \$ 62,430            | \$ (46,631)         | \$ 2,914,400        | (19.3)%  |
| February 2017         | 40,519               | (35,375)            | 2,919,544           | (14.6)%  |
| March 2017            | 42,088               | (30,005)            | 2,931,627           | (12.3)%  |
| April 2017            | 42,458               | (35,782)            | 2,938,303           | (14.6)%  |
| May 2017              | 42,874               | (34,614)            | 2,946,563           | (14.1)%  |
| June 2017             | 48,634               | (38,993)            | 2,956,204           | (15.9)%  |
| <b>YTD 2017</b>       | <b>\$ 279,003</b>    | <b>\$ (221,400)</b> | <b>\$ 2,956,204</b> | <b>(15.3)%</b>                                   |

**TABLE 3. MORTGAGE PORTFOLIO COMPOSITION (\$ in Millions) <sup>1</sup>**

| Fannie Mae MBS<br>in Portfolio | Mortgage Loans    | Non-Fannie Mae Mortgage Securities |                 | Mortgage Portfolio<br>End Balance |
|--------------------------------|-------------------|------------------------------------|-----------------|-----------------------------------|
|                                |                   | Agency                             | Non-Agency      |                                   |
| \$ 58,463                      | \$ 242,661        | \$ 3,714                           | \$ 11,439       | \$ 316,277                        |
| 56,607                         | 239,844           | 2,226                              | 10,198          | 308,875                           |
| 61,887                         | 236,394           | 2,817                              | 10,027          | 311,125                           |
| 60,019                         | 233,990           | 2,669                              | 9,859           | 306,537                           |
| 61,721                         | 228,180           | 2,238                              | 8,726           | 300,865                           |
| 41,143                         | 238,100           | 1,905                              | 8,313           | 289,461                           |
| 42,054                         | 220,069           | 2,499                              | 7,732           | 272,354                           |
| <b>\$ 42,054</b>               | <b>\$ 220,069</b> | <b>\$ 2,499</b>                    | <b>\$ 7,732</b> | <b>\$ 272,354</b>                 |
| \$ 52,404                      | \$ 210,811        | \$ 2,374                           | \$ 7,392        | \$ 272,981                        |
| 51,223                         | 207,773           | 2,691                              | 7,115           | 268,802                           |
| 54,938                         | 204,739           | 2,412                              | 6,744           | 268,833                           |
| 67,739                         | 201,480           | 2,715                              | 6,528           | 278,462                           |
| 49,255                         | 198,236           | 2,814                              | 5,416           | 255,721                           |
| 51,252                         | 197,194           | 2,284                              | 5,068           | 255,798                           |
| <b>\$ 51,252</b>               | <b>\$ 197,194</b> | <b>\$ 2,284</b>                    | <b>\$ 5,068</b> | <b>\$ 255,798</b>                 |

## MONTHLY SUMMARY HIGHLIGHTS

### June 2017

- Fannie Mae's *Book of Business* increased at a compound annualized rate of 2.9 percent in June.
- The *Conventional Single-Family Serious Delinquency Rate* decreased three basis points to 1.01 percent in June; the *Multifamily Serious Delinquency Rate* remained flat at 0.04 percent in June.
- Fannie Mae completed 7,587 loan modifications in June.

#### IMPORTANT NOTE:

Fannie Mae has been under conservatorship, with the Federal Housing Finance Agency (FHFA) acting as conservator, since September 6, 2008.

**TABLE 5. OTHER INVESTMENTS (\$ in Millions) <sup>1</sup>**

|                       | Other Investments<br>End Balance |
|-----------------------|----------------------------------|
| June 2016             | \$ 75,140                        |
| July 2016             | 83,871                           |
| August 2016           | 75,391                           |
| September 2016        | 75,833                           |
| October 2016          | 76,125                           |
| November 2016         | 81,940                           |
| December 2016         | 87,641                           |
| <b>Full Year 2016</b> | <b>\$ 87,641</b>                 |
| January 2017          | \$ 85,291                        |
| February 2017         | 91,677                           |
| March 2017            | 90,214                           |
| April 2017            | 71,038                           |
| May 2017              | 88,875                           |
| June 2017             | 78,178                           |
| <b>YTD 2017</b>       | <b>\$ 78,178</b>                 |

**TABLE 6. DEBT ACTIVITY (\$ in Millions) <sup>2</sup>**

|                       | Original Maturity       |                                 | Original Maturity > 1 Year |                |                |                   |                   | Total Debt<br>Outstanding |
|-----------------------|-------------------------|---------------------------------|----------------------------|----------------|----------------|-------------------|-------------------|---------------------------|
|                       | < 1 Year<br>End Balance | Maturities and Foreign Exchange |                            |                |                |                   |                   |                           |
|                       |                         | Issuances                       | Redemptions                | Repurchases    | Adjustments    | End Balance       |                   |                           |
| June 2016             | \$ 60,561               | \$ 12,293                       | \$ (9,478)                 | \$ (15)        | \$ (41)        | \$ 304,529        | \$ 365,090        |                           |
| July 2016             | 57,286                  | 17,588                          | (17,082)                   | —              | (3)            | 305,032           | 362,318           |                           |
| August 2016           | 48,843                  | 16,430                          | (15,530)                   | —              | (3)            | 305,929           | 354,772           |                           |
| September 2016        | 51,491                  | 14,838                          | (18,633)                   | —              | (6)            | 302,128           | 353,619           |                           |
| October 2016          | 40,114                  | 11,969                          | (9,009)                    | —              | (25)           | 305,063           | 345,177           |                           |
| November 2016         | 37,459                  | 3,776                           | (8,747)                    | —              | 9              | 300,101           | 337,560           |                           |
| December 2016         | 35,025                  | 2,269                           | (8,565)                    | —              | (6)            | 293,799           | 328,824           |                           |
| <b>Full Year 2016</b> | <b>\$ 35,025</b>        | <b>\$ 118,524</b>               | <b>\$ (143,032)</b>        | <b>\$ (54)</b> | <b>\$ (85)</b> | <b>\$ 293,799</b> | <b>\$ 328,824</b> |                           |
| January 2017          | \$ 33,305               | \$ 6,596                        | \$ (8,963)                 | \$ —           | \$ 8           | \$ 291,440        | \$ 324,745        |                           |
| February 2017         | 38,037                  | 4,378                           | (5,419)                    | —              | (7)            | 290,392           | 328,429           |                           |
| March 2017            | 37,478                  | 2,134                           | (1,500)                    | —              | 7              | 291,033           | 328,511           |                           |
| April 2017            | 32,832                  | 2,975                           | (8,156)                    | —              | 14             | 285,866           | 318,698           |                           |
| May 2017              | 30,491                  | 2,939                           | (5,063)                    | (80)           | (2)            | 283,660           | 314,151           |                           |
| June 2017             | 30,527                  | —                               | (10,130)                   | —              | 5              | 273,535           | 304,062           |                           |
| <b>YTD 2017</b>       | <b>\$ 30,527</b>        | <b>\$ 19,022</b>                | <b>\$ (39,231)</b>         | <b>\$ (80)</b> | <b>\$ 25</b>   | <b>\$ 273,535</b> | <b>\$ 304,062</b> |                           |

**TABLE 7. SERIOUS DELINQUENCY RATES**

|                                 | Conventional Single-Family <sup>3</sup> |             |             |         |                     |                                   |                                   |         | Multifamily <sup>6</sup> |
|---------------------------------|---|-------------|-------------|---------|---------------------|-----------------------------------|-----------------------------------|---------|--------------------------|
|                                 | Vintage by Origination Year             |             |             |         | Credit Enhanced     |                                   |                                   | Overall |                          |
|                                 | 2004 and Prior                          | 2005 - 2008 | 2009 - 2017 | Overall | Non-Credit Enhanced | Primary MI and Other <sup>4</sup> | Credit Risk Transfer <sup>5</sup> |         |                          |
| June 2016                       | 2.82%                                   | 6.73%       | 0.34%       | 1.32%   | 1.28%               | 2.17%                             | 0.10%                             | 1.32%   | 0.07%                    |
| July 2016                       | 2.83%                                   | 6.70%       | 0.34%       | 1.30%   | 1.26%               | 2.14%                             | 0.11%                             | 1.30%   | 0.08%                    |
| August 2016                     | 2.73%                                   | 6.46%       | 0.33%       | 1.24%   | 1.19%               | 2.27%                             | 0.12%                             | 1.24%   | 0.07%                    |
| September 2016                  | 2.75%                                   | 6.49%       | 0.33%       | 1.24%   | 1.20%               | 2.19%                             | 0.12%                             | 1.24%   | 0.07%                    |
| October 2016                    | 2.76%                                   | 6.38%       | 0.34%       | 1.21%   | 1.17%               | 2.21%                             | 0.14%                             | 1.21%   | 0.06%                    |
| November 2016                   | 2.82%                                   | 6.47%       | 0.35%       | 1.23%   | 1.19%               | 2.21%                             | 0.15%                             | 1.23%   | 0.06%                    |
| December 2016                   | 2.82%                                   | 6.39%       | 0.36%       | 1.20%   | 1.16%               | 2.18%                             | 0.17%                             | 1.20%   | 0.05%                    |
| January 2017                    | 2.84%                                   | 6.41%       | 0.36%       | 1.20%   | 1.17%               | 2.14%                             | 0.17%                             | 1.20%   | 0.05%                    |
| February 2017                   | 2.86%                                   | 6.40%       | 0.36%       | 1.19%   | 1.17%               | 2.09%                             | 0.17%                             | 1.19%   | 0.05%                    |
| March 2017                      | 2.76%                                   | 6.15%       | 0.34%       | 1.12%   | 1.12%               | 1.95%                             | 0.16%                             | 1.12%   | 0.05%                    |
| April 2017                      | 2.67%                                   | 5.85%       | 0.33%       | 1.07%   | 1.07%               | 1.80%                             | 0.16%                             | 1.07%   | 0.04%                    |
| May 2017                        | 2.64%                                   | 5.80%       | 0.32%       | 1.04%   | 1.06%               | 1.74%                             | 0.15%                             | 1.04%   | 0.04%                    |
| June 2017                       | 2.62%                                   | 5.73%       | 0.32%       | 1.01%   | 1.03%               | 1.68%                             | 0.15%                             | 1.01%   | 0.04%                    |
| June 2017 % of Book Outstanding | 4%                                      | 7%          | 89%         |         | 63%                 | 19%                               | 28%                               |         |                          |

**TABLE 8. INTEREST RATE RISK DISCLOSURES (\$ in Billions)**

|                       | Market Value Sensitivity |                 | Effective<br>Duration Gap<br>(in months) |
|-----------------------|--------------------------|-----------------|--|
|                       | Rate Level               | Rate Slope      |  |
|                       | Shock (50 bp)            | Shock (25 bp)   |  |
| June 2016             | \$ 0.0                   | \$ (0.1)        | 0  |
| July 2016             | 0.0                      | 0.0             | 0  |
| August 2016           | 0.0                      | 0.0             | 0  |
| September 2016        | 0.0                      | 0.0             | 0  |
| October 2016          | (0.1)                    | 0.0             | 0  |
| November 2016         | (0.1)                    | (0.1)           | 0  |
| December 2016         | 0.0                      | (0.1)           | 0  |
| <b>Full Year 2016</b> | <b>\$ 0.0</b>            | <b>\$ (0.1)</b> |  |
| January 2017          | \$ 0.0                   | \$ 0.0          | 0  |
| February 2017         | 0.0                      | 0.0             | 0  |
| March 2017            | 0.0                      | 0.0             | 0  |
| April 2017            | 0.0                      | 0.0             | 0  |
| May 2017              | 0.0                      | 0.0             | 0  |
| June 2017             | 0.0                      | 0.0             | 0  |
| <b>YTD 2017</b>       | <b>\$ 0.0</b>            | <b>\$ 0.0</b>   |  |

Numbers may not sum due to rounding

See Endnotes and Glossary on Pages 3 and 4

Page 2 of 4

## ENDNOTES

1. The end balances and business activity in this report represent unpaid principal balances ("UPB"), which do not reflect market valuation adjustments, allowance for loan losses, impairments, unamortized premiums and discounts, and the impact of consolidation of variable interest entities.
2. Reported amounts represent the UPB at each reporting period or, in the case of the long-term zero coupon bonds, at maturity. UPB does not reflect the effect of debt basis adjustments, including discounts, premiums, and issuance costs.
3. Delinquency rates represent seriously delinquent conventional single-family loans as a percent of the total number of conventional single-family loans. These rates are based on conventional single-family mortgage loans and exclude reverse mortgages and non-Fannie Mae mortgage securities held in Fannie Mae's portfolio. The credit-enhanced categories are not mutually exclusive. A loan with primary mortgage insurance that is also covered by a credit risk transfer transaction will be included in both the "Primary MI and Other" category and the "Credit Risk Transfer" category. The percent of book outstanding is calculated based on the aggregate UPB of conventional single-family loans for each category, divided by the aggregate UPB of the loans in Fannie Mae's single-family conventional book of business.
4. 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.
5. Refers to loans included in reference pools for credit risk transfer transactions, including loans in these transactions that are also covered by primary mortgage insurance. For Connecticut Avenue Securities and some lender risk-sharing transactions, this represents outstanding unpaid principal balance of the underlying loans on the single-family mortgage credit book, not the outstanding reference pool, as of the specified date. Loans included in our credit risk transfer transactions have all been acquired since 2012 and newer vintages typically have significantly lower delinquency rates than more seasoned loans.
6. Calculated based on the UPB of seriously delinquent multifamily loans owned by Fannie Mae or underlying Fannie Mae guaranteed securities, divided by the UPB of multifamily loans owned by Fannie Mae or underlying Fannie Mae guaranteed securities.

## GLOSSARY & OTHER INFORMATION

### General

**Risk Disclosures.** In addition to the interest rate risk disclosures provided in Table 8, Fannie Mae's most recent available information relating to subordinated debt, liquidity management and credit risks is included in its most recent Form 10-K or Form 10-Q filed with the Securities and Exchange Commission.

**Compounded Growth Rate.** Monthly growth rates are compounded to provide an annualized rate of growth.

### Table 1

**Total Book of Business.** Sum of the Gross Mortgage Portfolio balance and Total Fannie Mae MBS and Other Guarantees balance, less Fannie Mae MBS held in the mortgage portfolio.

**New Business Acquisitions.** Single-family and multifamily mortgage loans purchased during the period and single-family and multifamily mortgage loans underlying Fannie Mae MBS issued pursuant to lender swaps. These amounts reflect new business purchases on which our statutory affordable housing allocations are based.

### Table 2

**Mortgage Portfolio Activity.** End balance represents the unpaid principal balance ("UPB") of the mortgage portfolio that Fannie Mae holds for investment and liquidity purposes. Excludes certain matched trades and certain early funding activities.

**Purchases.** Acquisition of mortgage loans and mortgage securities for the mortgage portfolio.

**Sales.** Sales of mortgage securities and mortgage loans from the mortgage portfolio.

**Liquidations.** Represents the total amount of repayments, curtailments, payoffs, and foreclosures on mortgage loans and mortgages underlying securities held in the mortgage portfolio.

### Table 3

**Mortgage Portfolio Composition.** Shows the primary components of Fannie Mae's mortgage portfolio.

**Non-Fannie Mae Agency Securities.** Represents mortgage-related securities issued by Freddie Mac and Ginnie Mae.

**Non-Fannie Mae Non-Agency Securities.** These primarily include private-label securities, mortgage revenue bonds, and commercial mortgage-backed securities.

### Table 4

**Fannie Mae Guaranteed Securities and Mortgage Loans.** Consists of securities and mortgage loans for which Fannie Mae manages credit risk. This table excludes non-Fannie Mae securities held in the mortgage portfolio, which are shown in Table 3.

**Total Fannie Mae MBS.** Includes Fannie Mae MBS, private label wraps, whole loan REMICs, and Ginnie Mae wraps. Also includes Multifamily discount MBS ("DMBS") that Fannie Mae guarantees, regardless of whether those MBS are held in the mortgage portfolio or held by investors other than Fannie Mae. If an MBS has been res securitized into another MBS, the principal amount is only included once in this total.

**Issuances.** Represents the total amount of Fannie Mae MBS created during the month, including lender-originated issues and Fannie Mae MBS created from mortgage loans previously held in Fannie Mae's portfolio. Fannie Mae MBS may be held in portfolio after their creation.

**Liquidations.** Represents the total amount of repayments, curtailments, payoffs, and foreclosures on mortgages underlying Fannie Mae MBS, including Fannie Mae MBS held in the mortgage portfolio.

**Other Fannie Mae Guarantees.** Outstanding balance of Fannie Mae guarantees, other than Fannie Mae MBS. This primarily includes long-term standby commitments we have issued and credit enhancements we have provided.

**Annualized Liquidation Rate.** The liquidation rate is calculated as liquidations divided by the prior period ending balance of total Fannie Mae MBS, annualized.

### Table 5

**Other Investments.** Primarily consists of cash and readily marketable instruments such as certificates of deposit, federal funds sold, securities purchased under agreements to resell and Treasury bills.

### Table 6

**Debt Activity.** Debt is classified in the table based on its original maturity. For debt with an original term of more than one year, the portion of that long-term debt that is due within one year is not reclassified to "Original Maturity < 1 Year." For more information about Fannie Mae's debt activity, please visit <http://www.fanniemae.com/portal/funding-the-market/debt/reports/index.html>.

### Table 7

**Serious Delinquency Rates.** A measure of credit performance and indicator of future defaults for the single-family and multifamily mortgage credit books. We include single-family loans that are three months or more past due or in the foreclosure process, and multifamily loans that are 60 days or more past due. We include conventional single-family loans that we own and that back Fannie Mae MBS in our single-family delinquency rate.

### Table 8

Our interest rate risk measures provide useful estimates of key interest-rate risk and include the impact of our purchases and sales of derivative instruments, which we use to limit our exposure to changes in interest rates. While we believe that our market value sensitivity and duration gap metrics are useful risk management tools, they should be understood as estimates rather than precise measurements. Methodologies employed to calculate interest-rate risk sensitivity disclosures are periodically changed on a prospective basis to reflect improvements in the underlying estimation processes.

**Market Value Sensitivity to Rate Level Shock (50bp).** This measurement shows the most adverse pre-tax impact on the market value of Fannie Mae's assets and liabilities from an immediate adverse 50 basis point shift in the level of LIBOR rates. The amounts shown are estimates, not precise measurements. The measurement excludes any sensitivity of the guaranty business. Fannie Mae tracks the daily average of this measurement for the reported month.

**Market Value Sensitivity to Rate Slope Shock (25bp).** This measurement shows the most adverse pre-tax impact on the market value of Fannie Mae's assets and liabilities from an immediate adverse 25 basis point change in the slope of the LIBOR yield curve. To calculate the adverse change in the slope of the LIBOR yield curve, the company calculates the effect of a 25 basis point change in slope that results in a steeper LIBOR yield curve and the effect of a 25 basis point change in slope that results in a flatter LIBOR yield curve, and reports the more adverse of the two results. The amounts shown are estimates, not precise measurements. The measurement excludes any sensitivity of the guaranty business. Fannie Mae tracks the daily average of this measurement for the reported month.

**Effective Duration Gap.** The effective duration gap estimates the net sensitivity of the fair value of Fannie Mae's assets and liabilities to movements in interest rates. This statistic is expressed as a number of months, based on the daily average for the reported month. A duration gap of zero implies that the change in the fair value of assets from an interest rate move will be offset by an equal move in the fair value of liabilities, including debt and derivatives, resulting in no change in the fair value of the net assets. The calculation excludes any sensitivity of the guaranty business.