

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

	Gross Mortgage Portfolio [Table 3]	+	Total Fannie Mae MBS and Other Guarantees [Table 4]	-	Fannie Mae MBS in Portfolio [Table 5]	=	Total Book of Business	Compounded Growth Rate	New Business Acquisitions
August 2008	759,980		2,573,423		274,157		3,059,246	4.4%	40,481
September 2008	761,396		2,591,711		274,204		3,078,903	8.0%	44,097
October 2008	777,112		2,597,969		287,249		3,087,832	3.5%	35,277
November 2008	782,878		2,595,108		290,711		3,087,275	(0.2%)	29,652
December 2008	787,294		2,611,376		287,570		3,111,100	9.7%	48,376
<b>YTD 2008</b>	<b>\$ 787,294</b>		<b>\$ 2,611,376</b>		<b>\$ 287,570</b>		<b>\$ 3,111,100</b>	<b>7.7%</b>	<b>\$ 631,356</b>
January 2009	\$ 785,548		\$ 2,606,196		\$ 283,097		\$ 3,108,647	(0.9%)	\$ 28,829
February 2009	784,724		2,608,979		280,047		3,113,656	2.0%	53,756
March 2009	783,868		2,640,355		280,248		3,143,975	12.3%	92,837
April 2009	770,062		2,638,362		271,413		3,137,011	(2.6%)	57,560
May 2009	789,634		2,711,439		351,158		3,149,915	5.0%	72,594
June 2009	792,612		2,781,056		379,890		3,193,778	18.1%	109,628
July 2009	779,446		2,795,661		355,550		3,219,557	10.1%	95,110
August 2009	779,424		2,805,128		355,295		3,229,257	3.7%	70,600
<b>YTD 2009</b>	<b>\$ 779,424</b>		<b>\$ 2,805,128</b>		<b>\$ 355,295</b>		<b>\$ 3,229,257</b>	<b>5.8%</b>	<b>\$ 580,914</b>

**TABLE 2. PORTFOLIO COMMITMENTS (\$ in Millions) <sup>1,2,3</sup>**

	Commitments to Purchase, Net	Commitments to Sell	Net Retained Commitments
August 2008	24,999	(20,971)	4,028
September 2008	43,764	(34,735)	9,029
October 2008	33,477	(22,913)	10,564
November 2008	21,192	(13,286)	7,906
December 2008	32,464	(20,805)	11,659
<b>Full Year 2008</b>	<b>\$ 408,341</b>	<b>\$ (258,373)</b>	<b>\$ 149,968</b>
January 2009	\$ 26,290	\$ (23,316)	\$ 2,974
February 2009	36,430	(34,078)	2,352
March 2009	42,633	(37,194)	5,439
April 2009	63,805	(58,940)	4,865
May 2009	76,925	(72,982)	3,943
June 2009	72,045	(69,337)	2,708
July 2009	103,588	(99,359)	4,229
August 2009	31,756	(24,849)	6,907
<b>YTD 2009</b>	<b>\$ 453,472</b>	<b>\$ (420,055)</b>	<b>\$ 33,417</b>

**TABLE 3. GROSS MORTGAGE PORTFOLIO (\$ in Millions) <sup>1,2</sup>**

	Purchases <sup>3</sup>	Sales <sup>3</sup>	Liquidations	End Balance <sup>3</sup>	Compounded Growth Rate <sup>3</sup>	Annualized Liquidation Rate
August 2008	13,614	(4,603)	(7,143)	<b>759,980</b>	3.0%	(11.31%)
September 2008	14,572	(6,661)	(6,495)	<b>761,396</b>	2.3%	(10.25%)
October 2008	24,606	(2,341)	(6,549)	<b>777,112</b>	27.8%	(10.32%)
November 2008	13,989	(1,634)	(6,589)	<b>782,878</b>	9.3%	(10.17%)
December 2008	13,980	(3,353)	(6,211)	<b>787,294</b>	7.0%	(9.52%)
<b>Full Year 2008</b>	<b>\$ 196,645</b>	<b>\$ (42,984)</b>	<b>\$ (90,343)</b>	<b>\$ 787,294</b>	<b>8.7%</b>	<b>(12.48%)</b>
January 2009	\$ 11,703	\$ (5,392)	\$ (8,057)	<b>785,548</b>	(2.6%)	(12.28%)
February 2009	15,847	(6,570)	(10,101)	<b>784,724</b>	(1.3%)	(15.43%)
March 2009	22,436	(12,128)	(11,164)	<b>783,868</b>	(1.3%)	(17.07%)
April 2009	18,452	(20,328)	(11,930)	<b>770,062</b>	(19.2%)	(18.26%)
May 2009	42,652	(11,321)	(11,759)	<b>789,634</b>	35.1%	(18.32%)
June 2009	48,285	(34,277)	(11,030)	<b>792,612</b>	4.6%	(16.76%)
July 2009	39,594	(40,376)	(12,384)	<b>779,446</b>	(18.2%)	(18.75%)
August 2009	24,823	(13,982)	(10,863)	<b>779,424</b>	(0.0%)	(16.72%)
<b>YTD 2009</b>	<b>\$ 223,792</b>	<b>\$ (144,374)</b>	<b>\$ (87,288)</b>	<b>\$ 779,424</b>	<b>(1.5%)</b>	<b>(19.01%)</b>

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

	Total Fannie Mae MBS Issuances <sup>4</sup>			Fannie Mae MBS Annualized Liquidation Rate	Other Fannie Mae Guarantees	Total Fannie Mae MBS and Other Guarantees	Compounded Growth Rate	Mortgage Loans	Fannie Mae Guaranteed Securities and Mortgage Loans
August 2008	32,072	(24,911)	2,542,985	(11.79%)	30,438	<b>2,573,423</b>	3.3%	347,685	2,921,108
September 2008	38,354	(21,818)	2,559,521	(10.30%)	32,190	<b>2,591,711</b>	8.9%	350,037	2,941,748
October 2008	28,597	(21,661)	2,566,457	(10.16%)	31,512	<b>2,597,969</b>	2.9%	353,160	2,951,129
November 2008	23,806	(25,057)	2,565,206	(11.72%)	29,902	<b>2,595,108</b>	(1.3%)	356,608	2,951,716
December 2008	37,064	(18,681)	2,583,589	(8.74%)	27,787	<b>2,611,376</b>	7.8%	365,254	2,976,630
<b>Full Year 2008</b>	<b>\$ 542,813</b>	<b>\$ (339,215)</b>	<b>\$ 2,583,589</b>	<b>(14.25%)</b>	<b>\$ 27,787</b>	<b>\$ 2,611,376</b>	<b>7.8%</b>	<b>\$ 365,254</b>	<b>\$ 2,976,630</b>
January 2009	\$ 21,218	\$ (24,755)	\$ 2,580,052	(11.50%)	\$ 26,144	<b>\$ 2,606,196</b>	(2.4%)	\$ 369,119	\$ 2,975,315
February 2009	45,289	(42,278)	2,583,063	(19.66%)	25,916	<b>2,608,979</b>	1.3%	372,518	2,981,497
March 2009	87,813	(56,974)	2,613,902	(26.47%)	26,453	<b>2,640,355</b>	15.4%	372,792	3,013,147
April 2009	55,999	(56,288)	2,613,613	(25.84%)	24,749	<b>2,638,362</b>	(0.9%)	369,276	3,007,638
May 2009	129,091	(55,766)	2,686,938	(25.60%)	24,501	<b>2,711,439</b>	38.8%	310,452	3,021,891
June 2009	130,865	(62,864)	2,754,939	(28.08%)	26,117	<b>2,781,056</b>	35.6%	277,153	3,058,209
July 2009	79,740	(63,294)	2,771,385	(27.57%)	24,276	<b>2,795,661</b>	6.5%	271,604	3,067,265
August 2009	62,111	(52,453)	2,781,043	(22.71%)	24,085	<b>2,805,128</b>	4.1%	271,160	3,076,288
<b>YTD 2009</b>	<b>\$ 612,126</b>	<b>\$ (414,672)</b>	<b>\$ 2,781,043</b>	<b>(24.08%)</b>	<b>\$ 24,085</b>	<b>\$ 2,805,128</b>	<b>11.3%</b>	<b>\$ 271,160</b>	<b>\$ 3,076,288</b>

**MONTHLY SUMMARY HIGHLIGHTS**
**AUGUST 2009**

> Fannie Mae's *Book of Business* grew at a compound annualized rate of 3.7 percent in August and 5.8 percent year-to-date.

> The *Gross Mortgage Portfolio's* compound annualized growth rate was (0.0) percent in August.

> The *Conventional Single-Family Serious Delinquency Rate* rose 23 basis points in July to 4.17 percent; the *Multifamily Serious Delinquency Rate* rose 5 basis points to 0.56 percent in July (latest data available).

> The *Effective Duration Gap* on Fannie Mae's portfolio averaged zero months in August.

**IMPORTANT NOTE:**

On September 6, 2008, the Federal Housing Finance Agency (FHFA) was appointed conservator of Fannie Mae.

**TABLE 5. MORTGAGE PORTFOLIO COMPOSITION (\$ in Millions)**<sup>1</sup>

	Fannie Mae MBS in Portfolio					Mortgage Loans	Non-Fannie Mae Mortgage Securities		Mortgage Portfolio End Balance
	Purchases	Sales	Liquidations	Securitized <sup>5</sup>	End Balance		Agency	Non-Agency	
August 2008	2,721	(4,331)	(3,021)	2,484	274,157	347,685	34,580	103,558	759,980
September 2008	4,956	(6,139)	(2,643)	3,873	274,204	350,037	35,007	35,007	761,396
October 2008	15,153	(2,341)	(2,540)	2,773	287,249	353,160	35,436	101,267	777,112
November 2008	5,506	(1,634)	(3,047)	2,637	290,711	356,608	35,185	100,374	782,878
December 2008	649	(3,338)	(2,471)	2,019	287,570	365,254	34,853	99,617	787,294
<b>YTD 2008</b>	<b>\$ 68,009</b>	<b>\$ (41,244)</b>	<b>\$ (35,235)</b>	<b>\$ 40,093</b>	<b>\$ 287,570</b>	<b>\$ 365,254</b>	<b>\$ 34,853</b>	<b>\$ 99,617</b>	<b>\$ 787,294</b>
January 2009	\$ 609	\$ (5,358)	\$ (3,207)	\$ 3,483	\$ 283,097	\$ 369,119	\$ 34,483	\$ 98,849	\$ 785,548
February 2009	444	(6,570)	(3,860)	6,936	280,047	372,518	34,018	98,141	784,724
March 2009	4,898	(12,127)	(5,084)	12,514	280,248	372,792	33,384	97,444	783,868
April 2009	2,620	(20,298)	(5,428)	14,271	271,413	369,276	32,697	96,676	770,062
May 2009	26,474	(11,272)	(8,132)	72,675	351,158	310,452	32,189	95,835	789,634
June 2009	21,647	(34,038)	(6,752)	47,875	379,890	277,153	40,494	95,075	792,612
July 2009	8,832	(40,332)	(8,232)	15,392	355,550	271,604	57,991	94,301	779,446
August 2009	4,293	(9,692)	(6,897)	12,041	355,295	271,160	59,402	93,567	779,424
<b>YTD 2009</b>	<b>\$ 69,817</b>	<b>\$ (139,687)</b>	<b>\$ (47,592)</b>	<b>\$ 185,187</b>	<b>\$ 355,295</b>	<b>\$ 271,160</b>	<b>\$ 59,402</b>	<b>\$ 93,567</b>	<b>\$ 779,424</b>

**TABLE 6. OTHER INVESTMENTS (\$ in Millions)**<sup>1</sup>

	Other Investments End Balance	Original Maturity	
		≤ 1 Year	> 1 Year
August 2008	88,509	262,600	
September 2008	85,619	281,894	
October 2008	105,069	325,662	
November 2008	105,984	336,354	
December 2008	82,900	332,542	
<b>YTD 2008</b>	<b>\$ 82,900</b>	<b>\$ 332,542</b>	
January 2009	\$ 105,700	\$ 330,198	
February 2009	93,666	300,373	
March 2009	87,591	275,527	
April 2009	78,133	269,793	
May 2009	77,250	260,507	
June 2009	67,457	260,257	
July 2009	71,016	238,867	
August 2009	66,703	229,507	
<b>YTD 2009</b>	<b>\$ 66,703</b>	<b>\$ 229,507</b>	

**TABLE 7. DEBT ACTIVITY (\$ in Millions)**<sup>6</sup>

	Original Maturity > 1 Year					Total Debt Outstanding
	Issuances	Maturities and		Foreign Exchange		
		Redemptions	Repurchases	Adjustments	End Balance	
August 2008	19,039	(16,838)	(2,784)	(128)	572,138	834,738
September 2008	12,632	(22,426)	(1,181)	(52)	561,111	843,005
October 2008	3,322	(9,551)	(439)	(137)	554,306	879,968
November 2008	3,674	(8,470)	(206)	(42)	549,262	885,616
December 2008	19,598	(15,107)	(3,211)	15	550,557	883,099
<b>YTD 2008</b>	<b>\$ 248,399</b>	<b>\$ (253,550)</b>	<b>\$ (13,213)</b>	<b>\$ (213)</b>	<b>\$ 550,557</b>	<b>\$ 883,099</b>
January 2009	\$ 29,205	\$ (23,186)	\$ (1,745)	\$ (56)	\$ 554,775	\$ 884,973
February 2009	40,895	(24,455)	(456)	(15)	570,744	871,117
March 2009	38,428	(13,946)	(1,450)	26	593,802	869,329
April 2009	34,070	(42,027)	(445)	37	585,437	855,230
May 2009	34,730	(26,403)	-	95	593,859	854,366
June 2009	15,205	(22,454)	(686)	17	585,941	846,198
July 2009	14,886	(16,711)	(222)	24	583,918	822,785
August 2009	15,838	(11,696)	(700)	(12)	587,348	816,855
<b>YTD 2009</b>	<b>\$ 223,257</b>	<b>\$ (180,878)</b>	<b>\$ (5,704)</b>	<b>\$ 116</b>	<b>\$ 587,348</b>	<b>\$ 816,855</b>

**TABLE 8. INTEREST RATE RISK DISCLOSURES (\$ in Billions)**<sup>7</sup>

	Market Value Sensitivity		Effective Duration Gap (in months)
	Rate Level	Rate Slope	
	Shock (50 bp)	Shock (25 bp)	
August 2008	(0.5)	(0.1)	2
September 2008	(0.8)	(0.1)	1
October 2008	(1.0)	(0.2)	2
November 2008	(0.6)	(0.2)	0
December 2008	(1.1)	(0.3)	(1)
<b>YTD 2008</b>	<b>\$ (0.8)</b>	<b>\$ (0.1)</b>	
January 2009	\$ (1.3)	\$ (0.4)	0
February 2009	(0.5)	(0.3)	1
March 2009	(0.9)	(0.1)	(2)
April 2009	(0.7)	(0.1)	(1)
May 2009	(0.6)	(0.2)	1
June 2009	(0.5)	(0.2)	1
July 2009	(0.5)	(0.2)	(1)
August 2009	(0.4)	(0.2)	0
<b>YTD 2009</b>	<b>\$ (0.7)</b>	<b>\$ (0.2)</b>	

**TABLE 9. SERIOUS DELINQUENCY RATES**

	Conventional Single-Family <sup>8</sup>			Multifamily Total <sup>9</sup>
	Non-Credit		Total	
	Enhanced	Credit Enhanced		
July 2008	0.80%	3.97%	1.45%	0.13%
August 2008	0.86%	4.26%	1.57%	0.16%
September 2008	0.96%	4.68%	1.72%	0.16%
October 2008	1.06%	5.12%	1.89%	0.21%
November 2008	1.22%	5.69%	2.13%	0.25%
December 2008	1.40%	6.42%	2.42%	0.30%
January 2009	1.63%	7.24%	2.77%	0.27%
February 2009	1.77%	7.70%	2.96%	0.32%
March 2009	1.91%	8.17%	3.15%	0.34%
April 2009	2.10%	8.79%	3.42%	0.36%
May 2009	2.29%	9.60%	3.68%	0.50%
June 2009	2.47%	10.25%	3.94%	0.51%
July 2009	2.66%	10.83%	4.17%	0.56%

## 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. As of August 31, 2009, our gross mortgage portfolio end balance, after taking into account net outstanding commitments to sell of \$45.1 billion, was \$734.3 billion.
3. Gross commitments in Table 2 include dollar roll transactions (purchase commitments with concurrent agreements to re-sell later, or sale commitments with concurrent agreements to repurchase later) in the month in which we enter into them. Table 3 reflects activity from settlements of dollar rolls that are accounted for as purchases and sales of securities, but does not include activity from settlements of dollar rolls that are accounted for as secured financings. Dollar roll activity may result in volatility on a month to month basis in our reported portfolio commitments, purchases, sales, end balances and compounded growth rate.
4. Includes Fannie Mae mortgage-backed securities ("Fannie Mae MBS") issued from Fannie Mae's mortgage portfolio. See Table 5 for monthly activity and balances for Fannie Mae MBS held in portfolio.
5. Securitizations in Table 5 represent new Fannie Mae MBS created from mortgage assets held in the mortgage portfolio, including whole loans. These amounts are included in issuances in Table 4 and, if sold during the month, will be included in sales in Table 5. Our securitizations of loans we held in our portfolio the prior month will reduce the mortgage loans reported in Table 5.
6. 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.
7. The existing prepayment models we use to generate our interest rate risk disclosures reflect a higher level of responsiveness to changes in mortgage rates for our Alt-A and subprime private-label mortgage-related securities than we believe is reasonable given current market conditions. As a result, beginning in December 2008, management has reviewed and relied on adjusted interest rate risk metrics that exclude the sensitivity associated with our Alt-A and subprime private-label mortgage-related securities to manage our interest rate risk. Accordingly, we have revised the presentation of this table to show these adjusted interest rate risk metrics for December 2008 and subsequent periods. Our unadjusted interest rate risk metrics for August 2009, which include the sensitivity associated with our Alt-A and subprime private-label mortgage-related securities, reflect a sensitivity of \$(0.4) billion and \$(0.1) billion for a 50bp rate shock and a 25bp slope shock, respectively, and a duration gap of one month. We expect to discontinue reporting two different risk metrics once the enhancements to our risk metric system have been completed, stress tests have been conducted to validate model results, and our Enterprise Risk Office approves our revised risk metric system.
8. Includes 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 our portfolio. Credit enhanced refers to loans that have primary mortgage insurance and/or other credit enhancements.
9. 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, corporate risk ratings 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.** Sum of MBS issuances and Mortgage Portfolio purchases less Fannie Mae MBS purchases and securitizations of mortgage loans previously held in portfolio.

### Table 2

**Portfolio Commitments.** Represents mandatory commitments entered into during the month. Fannie Mae enters into forward commitments to purchase mortgage securities and mortgage loans, or to sell mortgage securities, for the mortgage portfolio. Purchase commitments typically require mandatory delivery and are subject to the payment of pair-off fees for non-delivery.

**Commitments to Purchase, Net.** Represents mandatory commitments to purchase mortgage loans and mortgage securities, net of mortgage loans for which a cash pair-off has been paid. Pair-offs occur when loans are not delivered against mandatory commitments.

**Commitments to Sell.** Represents mandatory commitments to sell mortgage securities.

**Net Retained Commitments.** Represents mandatory commitments to purchase, less commitments to sell, net of mortgage loans for which a cash pair-off has been paid.

### Table 3

**Gross Mortgage Portfolio.** End balance represents the unpaid principal balance ("UPB") of the mortgage portfolio that Fannie Mae holds for investment and liquidity purposes.

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

**Sales.** Sales of mortgage securities 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.

**Annualized Liquidation Rate.** The liquidation rate is calculated as liquidations divided by the prior period ending balance of the mortgage portfolio, annualized.

### 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 5.

**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 resecuritized 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

**Mortgage Portfolio Composition.** Shows the primary components of Fannie Mae's mortgage portfolio and activity relating to Fannie Mae MBS held in the 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 are commonly referred to as "private-label securities."

### Table 6

**Other Investments.** The \$66.7 billion total as of August 31, 2009 includes \$56.3 billion of readily marketable instruments such as certificates of deposit, federal funds sold and securities purchased under agreements to resell. In addition, the balance includes \$9.7 billion of non-governmental asset-backed securities and \$0.7 billion of unsecured corporate notes.

### Table 7

**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 [www.fanniemae.com/markets/debt/debt\\_activity](http://www.fanniemae.com/markets/debt/debt_activity).

### 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 estimated loss in pre-tax 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 estimated loss in pre-tax 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.

### Table 9

**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, including those with substantial credit enhancement.