

**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
May 2007	\$ 718,257		\$ 2,198,466		\$ 274,360		\$ 2,642,363	20.0%	\$ 66,387
June 2007	722,475		2,222,813		274,507		2,670,782	13.7%	64,039
July 2007	729,840		2,249,638		277,468		2,702,010	15.0%	66,368
August 2007	728,886		2,279,451		274,638		2,733,698	15.0%	65,029
September 2007	723,813		2,305,962		267,397		2,762,378	13.3%	66,497
October 2007	732,291		2,336,005		264,959		2,803,337	20.0%	66,330
November 2007	722,032		2,373,652		258,679		2,837,005	15.4%	63,724
December 2007	723,976		2,421,566		255,947		2,889,595	24.7%	73,383
<b>Full Year 2007</b>	<b>\$ 723,976</b>		<b>\$ 2,421,566</b>		<b>\$ 255,947</b>		<b>\$ 2,889,595</b>	<b>14.3%</b>	<b>\$ 746,119</b>
January 2008	\$ 720,985		\$ 2,442,947		\$ 253,404		\$ 2,910,528	9.0%	\$ 53,986
February 2008	721,579		2,482,790		250,332		2,954,037	19.5%	78,372
March 2008	722,768		2,494,670		247,620		2,969,818	6.6%	59,667
April 2008	728,414		2,509,223		251,673		2,985,964	6.7%	65,891
May 2008	736,925		2,532,293		259,635		3,009,583	9.9%	69,340
<b>YTD 2008</b>	<b>\$ 736,925</b>		<b>\$ 2,532,293</b>		<b>\$ 259,635</b>		<b>\$ 3,009,583</b>	<b>10.3%</b>	<b>\$ 327,256</b>

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

	Commitments to Purchase, Net	Commitments to Sell	Net Retained Commitments
May 2007	\$ 29,600	\$ (12,077)	\$ 17,523
June 2007	33,297	(9,197)	24,100
July 2007	34,416	(15,896)	18,520
August 2007	44,259	(43,802)	457
September 2007	40,214	(26,589)	13,625
October 2007	26,030	(17,803)	8,227
November 2007	28,874	(33,423)	(4,549)
December 2007	20,759	(9,444)	11,315
<b>Full Year 2007</b>	<b>\$ 351,723</b>	<b>\$ (225,670)</b>	<b>\$ 126,053</b>
January 2008	\$ 24,652	\$ (18,365)	\$ 6,287
February 2008	25,063	(17,268)	7,795
March 2008	30,995	(22,900)	8,095
April 2008	45,848	(15,188)	30,660
May 2008	45,393	(20,889)	24,504
<b>YTD 2008</b>	<b>\$ 171,951</b>	<b>\$ (94,610)</b>	<b>\$ 77,341</b>

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

	Purchases <sup>2</sup>	Sales	Liquidations	End Balance	Compounded Growth Rate	Annualized Liquidation Rate
May 2007	\$ 21,776	\$ (3,640)	\$ (10,466)	\$ 718,257	13.8%	(17.67%)
June 2007	16,936	(2,341)	(10,378)	722,475	7.3%	(17.34%)
July 2007	21,219	(4,588)	(9,266)	729,840	12.9%	(15.39%)
August 2007	16,429	(7,690)	(9,692)	728,886	(1.6%)	(15.94%)
September 2007	11,926	(7,944)	(9,055)	723,813	(8.0%)	(14.91%)
October 2007	20,957	(3,905)	(8,574) <sup>3</sup>	732,291	17.3%	(12.74%) <sup>3</sup>
November 2007	13,997	(16,279)	(7,977)	722,032	(15.6%)	(13.07%)
December 2007	12,796	(3,550)	(7,302)	723,976	3.3%	(12.14%)
<b>Full Year 2007</b>	<b>\$ 182,471</b>	<b>\$ (69,034)</b>	<b>\$ (113,860)</b>	<b>\$ 723,976</b>	<b>(0.1%)</b>	<b>(15.72%)</b>
January 2008	\$ 8,913	\$ (4,541)	\$ (7,363)	\$ 720,985	(4.8%)	(12.20%)
February 2008	11,593	(3,347)	(7,652)	721,579	1.0%	(12.74%)
March 2008	15,817	(5,648)	(8,980)	722,768	2.0%	(14.93%)
April 2008	17,961	(3,425)	(8,890)	728,414	9.8%	(14.76%)
May 2008	20,001	(2,894)	(8,596)	736,925	15.0%	(14.16%)
<b>YTD 2008</b>	<b>\$ 74,285</b>	<b>\$ (19,855)</b>	<b>\$ (41,481)</b>	<b>\$ 736,925</b>	<b>4.3%</b>	<b>(13.75%)</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	Fannie Mae Mortgage Loans and Mortgage Loans	
	Issuances <sup>4</sup>	Liquidations	End Balance					Mortgage Loans	Guaranteed Securities and Mortgage Loans
May 2007	\$ 50,915	\$ (30,430)	\$ 2,163,349	(17.04%)	\$ 35,117	\$ 2,198,466	18.7%	\$ 291,299	\$ 2,489,765
June 2007	53,130	(31,794)	2,184,685	(17.64%)	38,128	2,222,813	14.1%	292,997	2,515,810
July 2007	56,129	(28,932)	2,211,883	(15.89%)	37,756	2,249,638	15.5%	295,314	2,544,953
August 2007	56,690	(26,611)	2,241,962	(14.44%)	37,489	2,279,451	17.1%	298,151	2,577,602
September 2007	58,385	(32,367)	2,267,980	(17.32%)	37,982	2,305,962	14.9%	301,289	2,607,251
October 2007	49,424	(15,707) <sup>5</sup>	2,301,697	(10.03%)	34,308	2,336,005	16.8%	312,572 <sup>6</sup>	2,648,577
November 2007	62,582	(24,762)	2,339,517	(12.91%)	34,135	2,373,652	21.1%	317,579	2,691,231
December 2007	64,015	(23,541)	2,379,991	(12.07%)	41,575	2,421,566	27.1%	323,016	2,744,582
<b>Full Year 2007</b>	<b>\$ 629,527</b>	<b>\$ (328,365)</b>	<b>\$ 2,379,991</b>	<b>(15.80%)</b>	<b>\$ 41,575</b>	<b>\$ 2,421,566</b>	<b>15.2%</b>	<b>\$ 323,016</b>	<b>\$ 2,744,582</b>
January 2008	\$ 49,081	\$ (25,910)	2,403,162	(13.06%)	\$ 39,785	\$ 2,442,947	11.1%	\$ 324,100	\$ 2,767,047
February 2008	69,376	(27,023)	2,445,515	(13.49%)	37,275	2,482,790	21.4%	328,328	2,811,118
March 2008	50,135	(41,787)	2,453,863	(20.50%)	40,807	2,494,670	5.9%	333,226	2,827,896
April 2008	58,637	(38,470)	2,474,030	(18.81%)	35,193	2,509,223	7.2%	334,921	2,844,144
May 2008	63,590	(36,077)	2,501,543	(17.50%)	30,750	2,532,293	11.6%	336,030	2,868,323
<b>YTD 2008</b>	<b>\$ 290,819</b>	<b>\$ (169,267)</b>	<b>\$ 2,501,543</b>	<b>(17.07%)</b>	<b>\$ 30,750</b>	<b>\$ 2,532,293</b>	<b>11.3%</b>	<b>\$ 336,030</b>	<b>\$ 2,868,323</b>

**MONTHLY SUMMARY HIGHLIGHTS**
**MAY 2008**

- Fannie Mae's *Book of Business* grew at a compound annualized rate of 9.9 percent in May.
- *Gross Mortgage Portfolio* grew 15.0 percent in May. *Net Retained Commitments* were \$24.5 billion.
- *Fannie Mae MBS and Other Guarantees* rose at a compound annualized rate of 11.6 percent during the month.
- *Total Fannie Mae MBS Issuances* were \$63.6 billion in May.
- The *Conventional Single-Family Serious Delinquency Rate* rose seven basis points in April to 1.22 percent (latest data available). The *Multifamily Serious Delinquency Rate* remained stable at 0.09 percent in April.
- The *Effective Duration Gap* on Fannie Mae's portfolio averaged plus one month in May.

**MORTGAGE MARKET HIGHLIGHTS**

- Total residential mortgage debt outstanding (MDO) grew at a compound annual rate of 2.9 percent during the first quarter of 2008 to \$12.08 trillion.

**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>7</sup>	End Balance		Agency	Non-Agency	
May 2007	\$ 3,627	\$ (3,640)	\$ (3,557)	\$ 2,677	\$ 274,360	\$ 291,299	\$ 31,084	\$ 121,514	\$ 718,257
June 2007	3,155	(2,236)	(3,645)	2,872	274,507	292,997	32,151	122,820	722,475
July 2007	7,796	(4,521)	(3,499)	3,185	277,468	295,314	33,136	123,922	729,840
August 2007	2,805	(7,646)	(3,274)	5,284	274,638	298,151	33,088	123,009	728,886
September 2007	202	(7,834)	(3,221)	3,612	267,397	301,289	32,614	122,513	723,813
October 2007	2,052	(3,822)	(2,667)	1,999	264,959	312,572 <sup>6</sup>	32,808	121,952	732,291
November 2007	1,108	(16,213)	(2,922)	11,747	258,679	317,579	33,032	112,742	722,032
December 2007	785	(3,550)	(2,610)	2,643	255,947	323,016	32,983	112,030	723,976
<b>Full Year 2007</b>	<b>\$ 24,909</b>	<b>\$ (68,402)</b>	<b>\$ (40,283)</b>	<b>\$ 40,967</b>	<b>\$ 255,947</b>	<b>\$ 323,016</b>	<b>\$ 32,983</b>	<b>\$ 112,030</b>	<b>\$ 723,976</b>
January 2008	\$ 699	\$ (3,908)	\$ (2,643)	\$ 3,309	\$ 253,404	\$ 324,100	\$ 32,805	\$ 110,676	\$ 720,985
February 2008	59	(3,160)	(2,509)	2,538	250,332	328,328	32,651	110,268	721,579
March 2008	1,683	(5,646)	(3,351)	4,602	247,620	333,226	32,711	109,211	722,768
April 2008	6,012	(3,316)	(3,338)	4,695	251,673	334,921	34,029	107,791	728,414
May 2008	9,710	(2,894)	(3,395)	4,541	259,635	336,030	34,491	106,769	736,925
<b>YTD 2008</b>	<b>\$ 18,163</b>	<b>\$ (18,924)</b>	<b>\$ (15,236)</b>	<b>\$ 19,685</b>	<b>\$ 259,635</b>	<b>\$ 336,030</b>	<b>\$ 34,491</b>	<b>\$ 106,769</b>	<b>\$ 736,925</b>

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

	Liquid Investments End Balance
May 2007	\$ 55,650
June 2007	55,244
July 2007	59,231
August 2007	59,813
September 2007	41,918
October 2007	41,462 <sup>8</sup>
November 2007	35,478
December 2007	89,164
<b>Full Year 2007</b>	<b>\$ 89,164</b>
January 2008	\$ 95,249
February 2008	71,324
March 2008	53,979
April 2008	58,742
May 2008	64,290
<b>YTD 2008</b>	<b>\$ 64,290</b>

**TABLE 7. DEBT ACTIVITY (\$ in Millions)<sup>9</sup>**

	Original Maturity ≤ 1 Year End Balance
May 2007	\$ 162,161
June 2007	167,586
July 2007	169,128
August 2007	188,336
September 2007	156,527
October 2007	155,049 <sup>10</sup>
November 2007	151,599
December 2007	236,267
<b>Full Year 2007</b>	<b>\$ 236,267</b>
January 2008	\$ 257,986
February 2008	239,469
March 2008	217,267
April 2008	221,480
May 2008	223,171
<b>YTD 2008</b>	<b>\$ 223,171</b>

**TABLE 7. DEBT ACTIVITY (\$ in Millions)<sup>9</sup>**

	Original Maturity > 1 Year					Total Debt Outstanding
	Issuances	Maturities and Redemptions	Repurchases	Foreign Exchange Adjustments <sup>10</sup>	End Balance	
May 2007	\$ 20,988	\$ (12,458)	\$ (691)	\$ -	\$ 619,370	\$ 781,531
June 2007	16,043	(11,020)	(2,540)	-	621,853	789,439
July 2007	15,422	(12,296)	(2,209)	-	622,770	791,898
August 2007	12,306	(16,226)	(1,541)	-	617,309	805,645
September 2007	9,723	(13,047)	(277)	-	613,708	770,235
October 2007	14,420	(20,992)	(863)	2,592	608,865 <sup>10</sup>	763,914
November 2007	16,245	(24,136)	(1,240)	18	599,752	751,351
December 2007	12,606	(38,625)	(4,564)	(35)	569,134	805,401
<b>Full Year 2007</b>	<b>\$ 193,913</b>	<b>\$ (217,897)</b>	<b>\$ (15,217)</b>	<b>\$ 2,575</b>	<b>\$ 569,134</b>	<b>\$ 805,401</b>
January 2008	\$ 29,086	\$ (50,961)	\$ (1,094)	\$ 58	\$ 546,223	\$ 804,209
February 2008	30,046	(36,254)	-	31	540,046	779,515
March 2008	29,231	(17,829)	-	48	551,496	768,763
April 2008	27,812	(18,055)	(1,093)	6	560,166	781,646
May 2008	24,930	(25,960)	(582)	(2)	558,552	781,723
<b>YTD 2008</b>	<b>\$ 141,105</b>	<b>\$ (149,059)</b>	<b>\$ (2,769)</b>	<b>\$ 141</b>	<b>\$ 558,552</b>	<b>\$ 781,723</b>

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

	Market Value Sensitivity <sup>11</sup>		Effective Duration Gap (in months) <sup>12</sup>
	Rate Level Shock (50 bp)	Rate Slope Shock (25 bp)	
May 2007	\$ -	\$ -	0
June 2007	(0.2)	(0.1)	1
July 2007	(0.3)	(0.1)	1
August 2007	(0.5)	(0.0)	1
September 2007	(0.5)	(0.1)	0
October 2007	(0.6)	(0.2)	1
November 2007	(0.7)	(0.2)	1
December 2007	(0.9)	(0.2)	2
January 2008	\$ (0.9)	\$ (0.2)	1
February 2008	(1.1)	(0.2)	2
March 2008	(1.1)	(0.1)	3
April 2008	(1.0)	(0.1)	2
May 2008	(0.7)	(0.0)	1
<b>YTD 2008</b>	<b>\$ (0.9)</b>	<b>\$ (0.1)</b>	

**TABLE 9. SERIOUS DELINQUENCY RATES**

	Conventional Single-Family <sup>13</sup>			Multifamily Total <sup>17</sup>
	Non-Credit Enhanced <sup>14</sup>	Credit Enhanced <sup>15</sup>	Total <sup>16</sup>	
April 2007	0.35%	1.74%	0.62%	0.10%
May 2007	0.34%	1.75%	0.62%	0.11%
June 2007	0.35%	1.81%	0.64%	0.09%
July 2007	0.37%	1.91%	0.68%	0.10%
August 2007	0.39%	2.00%	0.71%	0.06%
September 2007	0.43%	2.18%	0.78%	0.08%
October 2007	0.45%	2.31%	0.83%	0.07%
November 2007	0.49%	2.51%	0.90%	0.08%
December 2007	0.53%	2.75%	0.98%	0.08%
January 2008	0.57%	2.95%	1.06%	0.10%
February 2008	0.60%	3.04%	1.10%	0.10%
March 2008	0.62%	3.15%	1.15%	0.09%
April 2008	0.66%	3.33%	1.22%	0.09%

## 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. Amounts and rates shown for the periods after September 2007 reflect definitional changes and may, therefore, not be comparable to amounts and rates shown for prior periods. Please see notes 3, 5, 6, 8, and 10 and the Glossary below for more information about these changes.
2. Includes capitalized interest.
3. For October 2007, liquidations have been increased by \$890 million, primarily to exclude from the end balance amounts that Fannie Mae now classifies as advances to lenders. The effect of this adjustment has been excluded in calculating growth and liquidation rates for October 2007.
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. For October 2007, "Total Fannie Mae MBS Liquidations" have been reduced by \$3.2 billion, primarily to reflect Fannie Mae's reclassification of Ginnie Mae wraps from "Other Fannie Mae Guarantees" to "Fannie Mae MBS." The effect of this adjustment has been excluded in calculating growth and liquidation rates for October 2007.
6. For October 2007, "Mortgage Loans" has been reduced by \$967 million primarily to exclude from the end balance advances to lenders, which were previously classified as loans.
7. Represents new Fannie Mae MBS created from mortgage loans or non-Fannie Mae mortgage securities previously held in the mortgage portfolio. These amounts, included in the issuance balance in table 4, have been transferred from mortgage loans or non-Fannie Mae mortgage securities to Fannie Mae securities, and may be included in sales.
8. Beginning with October 2007, "Liquid Investments" includes federal funds sold. Without this change, the end balance in October 2007 would have been \$32.4 billion.
9. 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.
10. Beginning with October 2007, this report reflects current foreign exchange adjustments at the respective rates for the period. In addition, amounts after September 2007 reflect the reclassification of \$2.2 billion from "Original Maturity  $\leq$  1 Year" to "Original Maturity > 1 Year." The \$2.2 billion reclassification is reflected in "Foreign Exchange Adjustments" for October 2007. Also, beginning with October 2007, federal funds purchased are not included in "Original Maturity  $\leq$  1 Year." Federal funds purchased totaled \$1.5 billion in October 2007.
11. These measurements show the estimated pre-tax loss in the fair value of Fannie Mae's assets and liabilities, excluding the guaranty business, that would result from an immediate adverse change in the level of LIBOR rates and in the slope of the LIBOR yield curve.
12. Beginning with June 2007, the effective duration gap is weighted based on the proportional fair value weightings of Fannie Mae's assets and liabilities. In prior months, the duration gap was not calculated on a weighted basis.
13. Includes conventional single-family loans three months or more past due or in foreclosure process 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.
14. Loans without primary mortgage insurance and/or other credit enhancements.
15. Loans with primary mortgage insurance and/or other credit enhancements.
16. Total conventional single-family serious delinquency rate includes non-credit enhanced and credit enhanced loans.
17. Includes multifamily loans and securities 60 days or more past due and is calculated based on the UPB of 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.

**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 for periods after September 2007, 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 resellerized 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 consists of credit enhancements we provide on multifamily mortgage assets. Through September 2007, this also included Ginnie Mae wraps.

**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

**Liquid Investments.** Liquid investments serve as a source of liquidity for Fannie Mae and as an investment vehicle for surplus capital. This balance includes high-quality securities that are short-term or readily marketable, such as commercial paper, asset-backed securities, federal funds sold, and corporate floating rate notes.

The balance shown includes cash equivalents but does not include cash balances or cash equivalents pledged as collateral that may be sold or repledged by the counterparty.

### Table 7

**Debt Activity.** 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

**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. Beginning with June, the methodology has been updated such that 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 classify single-family loans as seriously delinquent when a borrower has missed three or more consecutive monthly payments, and the loan has not been brought current or extinguished through foreclosure, payoff, or other resolution. A loan referred to foreclosure but not yet foreclosed is also considered seriously delinquent. We include all of the 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. We classify multifamily loans as seriously delinquent when payment is 60 days or more past due.

For more information about Fannie Mae, please visit [www.fanniemae.com](http://www.fanniemae.com) or contact our Investor Relations Department at (202) 752-7115.