

**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
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
June 2008	749,640		2,558,851		268,918		3,039,573	12.6%	63,847
July 2008	758,112		2,566,443		276,304		3,048,251	3.5%	42,368
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>Full Year 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
<b>YTD 2009</b>	<b>\$ 785,548</b>		<b>\$ 2,606,196</b>		<b>\$ 283,097</b>		<b>\$ 3,108,647</b>	<b>(0.9%)</b>	<b>\$ 28,829</b>

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

	Commitments to Purchase, Net	Commitments to Sell	Net Retained Commitments
January 2008	\$ 24,764	\$ (19,171)	\$ 5,593
February 2008	25,230	(17,191)	8,039
March 2008	35,702	(28,628)	7,074
April 2008	42,178	(15,188)	26,990
May 2008	42,963	(20,864)	22,099
June 2008	38,266	(17,858)	20,408
July 2008	43,342	(26,763)	16,579
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
<b>YTD 2009</b>	<b>\$ 26,290</b>	<b>\$ (23,316)</b>	<b>\$ 2,974</b>

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

	Purchases	Sales	Liquidations	End Balance	Compounded Growth Rate	Annualized Liquidation Rate
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%)
June 2008	23,385	(2,674)	(7,996)	749,640	22.8%	(13.02%)
July 2008	18,214	(1,863)	(7,879)	758,112	14.4%	(12.61%)
August 2008	13,614	(4,603)	(7,143)	759,980	3.0%	(11.31%)
September 2008	14,572	(6,661)	(6,495)	761,396	2.3%	(10.25%)
October 2008	24,606	(2,341)	(6,549)	777,112	27.8%	(10.32%)
November 2008	13,989	(1,634)	(6,589)	782,878	9.3%	(10.17%)
December 2008	13,980	(3,353)	(6,211)	787,294	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)	\$ 785,548	(2.6%)	(12.28%)
<b>YTD 2009</b>	<b>\$ 11,703</b>	<b>\$ (5,392)</b>	<b>\$ (8,057)</b>	<b>\$ 785,548</b>	<b>(2.6%)</b>	<b>(12.28%)</b>

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

	Total Fannie Mae MBS Issuances <sup>3</sup>	Total Fannie Mae MBS Liquidations	Total Fannie Mae MBS End Balance	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
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
June 2008	55,536	(30,040)	2,527,039	(14.41%)	31,812	2,558,851	13.3%	339,943	2,898,794
July 2008	36,564	(27,779)	2,535,824	(13.19%)	30,619	2,566,443	3.6%	342,178	2,908,621
August 2008	32,072	(24,911)	2,542,985	(11.79%)	30,438	2,573,423	3.3%	347,685	2,921,108
September 2008	38,354	(21,818)	2,559,521	(10.30%)	32,190	2,591,711	8.9%	350,037	2,941,748
October 2008	28,597	(21,661)	2,566,457	(10.16%)	31,512	2,597,969	2.9%	353,160	2,951,129
November 2008	23,806	(25,057)	2,565,206	(11.72%)	29,902	2,595,108	(1.3%)	356,608	2,951,716
December 2008	37,064	(18,681)	2,583,589	(8.74%)	27,787	2,611,376	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	\$ 2,606,196	(2.4%)	\$ 369,119	\$ 2,975,315
<b>YTD 2009</b>	<b>\$ 21,218</b>	<b>\$ (24,755)</b>	<b>\$ 2,580,052</b>	<b>(11.50%)</b>	<b>\$ 26,144</b>	<b>\$ 2,606,196</b>	<b>(2.4%)</b>	<b>\$ 369,119</b>	<b>\$ 2,975,315</b>

**MONTHLY SUMMARY HIGHLIGHTS**
**JANUARY 2009**

- In January, Fannie Mae provided \$24.2 billion in liquidity to the market through *Net Retained Commitments* of \$3.0 billion and \$21.2 billion in *MBS Issuances*.
- Fannie Mae's *Book of Business* declined at a compound annualized rate of (0.9) percent in January.
- *Gross Mortgage Portfolio* declined at a compound annualized rate of (2.6) percent in January.
- *Fannie Mae MBS and Other Guarantees* declined at a compound annualized rate of (2.4) percent during the month.
- The *Conventional Single-Family Serious Delinquency Rate* rose 29 basis points in December to 2.42 percent (latest data available). The *Multifamily Serious Delinquency Rate* rose five basis points to 0.30 percent in December.
- The *Effective Duration Gap* on Fannie Mae's portfolio averaged two months in January.
- On September 6, 2008, the Federal Housing Finance Agency (FHFA) was appointed conservator of Fannie Mae. Information about Fannie Mae's business under conservatorship and about the effects of agreements between Fannie Mae and the U.S. Treasury Department is contained in Fannie Mae's 2008 annual report on Form 10-K, as filed with the SEC on February 26, 2009, a copy of which is available on Fannie Mae's Web site at [www.fanniemae.com](http://www.fanniemae.com).

**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	Securitizations <sup>4</sup>	End Balance		Agency	Non-Agency	
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
June 2008	11,151	(2,674)	(3,117)	3,923	268,918	339,943	35,026	105,753	749,640
July 2008	9,710	(1,863)	(3,161)	2,700	276,304	342,178	34,813	104,817	758,112
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	102,148	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>Full Year 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
<b>YTD 2009</b>	<b>\$ 609</b>	<b>\$ (5,358)</b>	<b>\$ (3,207)</b>	<b>\$ 3,483</b>	<b>\$ 283,097</b>	<b>\$ 369,119</b>	<b>\$ 34,483</b>	<b>\$ 98,849</b>	<b>\$ 785,548</b>

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

	Other Investments End Balance
January 2008	\$ 95,249
February 2008	71,324
March 2008	53,979
April 2008	58,742
May 2008	64,290
June 2008	72,509
July 2008	103,574
August 2008	88,509
September 2008	85,619
October 2008	105,069
November 2008	105,984
December 2008	82,900
<b>Full Year 2008</b>	<b>\$ 82,900</b>
January 2009	\$ 105,700
<b>YTD 2009</b>	<b>\$ 105,700</b>

**TABLE 7. DEBT ACTIVITY (\$ in Millions)<sup>5</sup>**

	Original Maturity < 1 Year End Balance
January 2008	\$ 257,986
February 2008	239,469
March 2008	217,267
April 2008	221,480
May 2008	223,171
June 2008	241,553
July 2008	272,977
August 2008	262,600
September 2008	281,894
October 2008	325,662
November 2008	336,354
December 2008	332,542
<b>Full Year 2008</b>	<b>\$ 332,542</b>
January 2009	\$ 330,198
<b>YTD 2009</b>	<b>\$ 330,198</b>

	Original Maturity > 1 Year					Total Debt Outstanding
	Issuances	Maturities and Redemptions	Repurchases	Foreign Exchange Adjustments	End Balance	
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
June 2008	30,906	(19,046)	(993)	6	569,425	810,978
July 2008	18,123	(13,053)	(1,630)	(16)	572,849	845,826
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>Full Year 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
<b>YTD 2009</b>	<b>\$ 29,205</b>	<b>\$ (23,186)</b>	<b>\$ (1,745)</b>	<b>\$ (56)</b>	<b>\$ 554,775</b>	<b>\$ 884,973</b>

**TABLE 8. INTEREST RATE RISK DISCLOSURES (\$ in Billions)<sup>11</sup>**

	Market Value Sensitivity		Effective Duration Gap (in months)
	Rate Level Shock (50 bp)	Rate Slope Shock (25 bp)	
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
June 2008	(0.6)	(0.0)	2
July 2008	(0.5)	(0.0)	1
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	(1.0)	(0.2)	1
<b>Full Year 2008</b>	<b>(0.8)</b>	<b>(0.1)</b>	
January 2009	\$ (1.3)	\$ (0.3)	2
<b>YTD 2009</b>	<b>(1.3)</b>	<b>(0.3)</b>	

**TABLE 9. SERIOUS DELINQUENCY RATES**

	Conventional Single-Family <sup>6</sup>			Multifamily Total <sup>10</sup>
	Non-Credit Enhanced <sup>7</sup>	Credit Enhanced <sup>8</sup>	Total <sup>9</sup>	
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%
May 2008	0.71%	3.56%	1.30%	0.09%
June 2008	0.74%	3.74%	1.36%	0.11%
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%

## 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 June 2008, we have revised our reporting of our 2008 commitment amounts to reflect the trade date face value of the commitments. From January through May 2008, we previously reported commitment amounts based on the original face value of our commitments. We believe that reporting our commitments based on the face value on the date of the trade better reflects the economics of the transaction and the actual settlement amount.
3. 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.
4. 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.
5. 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.
6. 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.
7. Loans without primary mortgage insurance and/or other credit enhancements.
8. Loans with primary mortgage insurance and/or other credit enhancements.
9. Total conventional single-family serious delinquency rate includes non-credit enhanced and credit enhanced loans.
10. 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.
11. 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. We have begun supplementing these risk metrics with risk metrics adjusted to exclude the sensitivity associated with our Alt-A and subprime private-label mortgage-related securities. Our adjusted risk metrics for January 2009 reflect a sensitivity of \$(1.3) billion and \$(0.4) billion for a 50bp rate shock and a 25bp slope shock, respectively, and a duration gap of zero months. Management currently is reviewing the assumptions and methodologies employed to calculate our interest-rate risk metrics and expects to discontinue reporting these adjusted metrics once this review process is completed.

## 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 \$105.7 billion total as of January 31, 2009 includes \$88.1 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 \$11.9 billion of non-governmental asset-backed securities and \$5.7 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  $\leq$  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 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.

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