

# Fannie Mae Progress Report

FIRST QUARTER 2014

As of March 31, 2014

## OUR PURPOSE

- We continue to focus on supporting the housing market recovery and building a sustainable housing finance system for the future.
- Our priorities are aligned with the public interest.
- We are committed to providing liquidity to the mortgage market; assisting troubled borrowers; enabling families to buy, refinance, or rent a home; and building a book of business that will help protect Americans' investment in the company.

## OUR RESULTS FIRST QUARTER 2014

- Our first quarter results were strong, resulting in the company's ninth consecutive quarterly profit.
- Key drivers included stable revenues from guaranty fees and declining revenues from our retained mortgage portfolio, and revenues were boosted significantly by settlement agreements relating to private-label mortgage-related securities sold to us. Results also benefited from credit-related income, offset by fair value losses.

Net income  
for Q1 2014  
**\$5.3**  
BILLION

Comprehensive  
income for  
Q1 2014  
**\$5.7**  
BILLION

## SINGLE-FAMILY BOOK OF BUSINESS AS OF MARCH 31, 2014



- Single-Family Loans prior to 2009
- Single-Family Loans 2009 through Q1 2014

- We have established responsible credit standards while making it possible for families to purchase, refinance, or rent a home.
- We expect that the loans in our new single-family book of business will be profitable over their lifetime.
- We significantly strengthened our underwriting and eligibility standards and changed our pricing to promote sustainable homeownership and stability in the housing market.
- As a result, loans in our new single-family book of business have strong credit risk profiles.

## FANNIE MAE PERFORMANCE SNAPSHOT\*

- High-quality new book of business accounted for 78 percent of single-family conventional guaranty book of business as of March 31, 2014.
- Remained the largest single issuer of single-family mortgage-related securities in the secondary market in the first quarter of 2014 and remained a continuous source of liquidity in the multifamily market.
- Funded the mortgage market with more than \$4.1 trillion in liquidity, which enabled borrowers to complete 12.5 million mortgage refinancings and 3.9 million home purchases, and provided financing for 2.3 million units of multifamily housing.
- Refinanced approximately 4.0 million mortgages through the company's Refi Plus™ initiative, including loans refinanced under the Administration's Home Affordable Refinance Program (HARP). As a result of Refi Plus, borrowers' monthly payments were reduced by an average of \$157 in the first quarter of 2014.
- Helped distressed families retain their homes or avoid foreclosure through more than 1.6 million workout solutions, including approximately 1.1 million loan modifications.

For more information, see our 2014 Form 10-Q Report, filed with the SEC on May 8, 2014.

\* Fannie Mae data for the period January 1, 2009 through March 31, 2014, unless otherwise noted.



www.fanniemae.com/progress

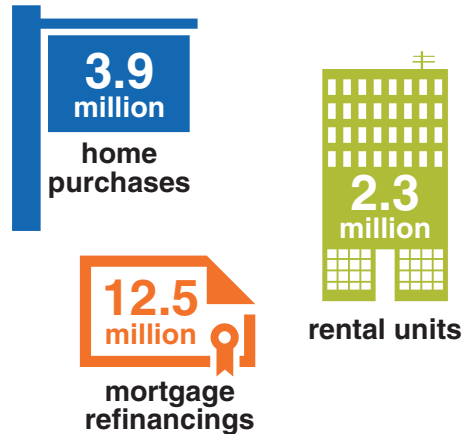


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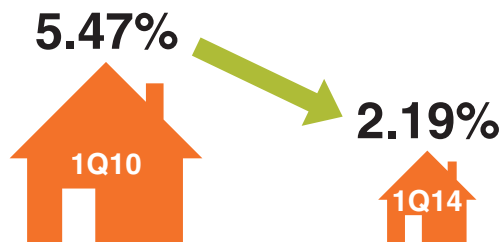
## LIQUIDITY AND SUPPORT TO THE MARKET

- We funded the mortgage market with more than \$4.1 trillion in liquidity since 2009, enabling families to buy, refinance, or rent a home:



## DRIVING DOWN THE SERIOUS DELINQUENCY (SDQ) RATE

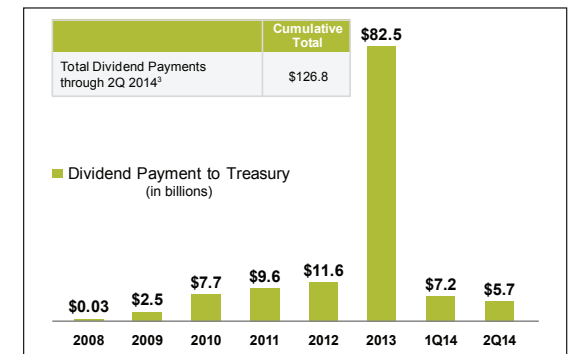
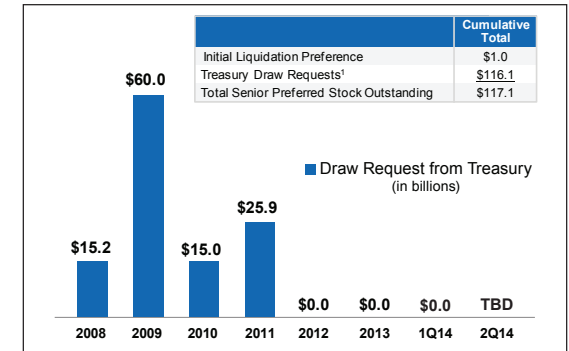
- Our single-family SDQ rate has declined 16 consecutive quarters.



- Fannie Mae's single-family SDQ rate was 2.19 percent.
- Our single-family SDQ rate is substantially lower than private market levels.
- Approximately 96 percent of Fannie Mae's 17.5 million single-family conventional loans are current.

## TREASURY DRAWS AND DIVIDEND PAYMENTS

- Fannie Mae expects to have paid Treasury approximately \$126.8 billion in dividends as of June 30, 2014. We expect to remain profitable for the foreseeable future.



- Treasury draw requests are shown in the period for which requested and do not include the initial \$1.0 billion liquidation preference of Fannie Mae's senior preferred stock, for which Fannie Mae did not receive any cash proceeds. The payment of dividends does not offset prior Treasury draws.
- Fannie Mae expects to pay a dividend for the second quarter of 2014 calculated based on our net worth of \$8.1 billion as of March 31, 2014 less the applicable capital reserve amount of \$2.4 billion.
- Amounts may not sum due to rounding.

This report includes our expectations regarding our future financial results, profitability, our ability to pay taxpayers, our future dividend payments to Treasury, and the growth, profitability, and caliber of the loans in our new single-family book of business. These expectations are forward-looking statements based on our current assumptions regarding numerous factors, including future home prices. Our actual results and future expectations may differ materially from our current expectations as a result of home price changes, unemployment rates, other macroeconomic and housing market variables, future legislative or regulatory requirements, borrower behavior, and many other factors, including those discussed in the "Risk Factors" section of and elsewhere in our Annual Report for the year ended December 31, 2013 and in our quarterly report on Form 10-Q for the quarter ended March 31, 2014. These forward-looking statements are representative only as of the date they are made, and we undertake no obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under the federal securities laws.

Data as of March 31, 2014