

FANNIE MAE

CORPORATE GOVERNANCE GUIDELINES

1. The Roles and Responsibilities of the Board and Management

On September 6, 2008, the Director of FHFA appointed FHFA as Fannie Mae's conservator in accordance with the GSE Act. As conservator, FHFA succeeded to all rights, titles, powers and privileges of Fannie Mae, and of any shareholder, officer or director of Fannie Mae with respect to Fannie Mae and its assets. As a result, Fannie Mae's Board of Directors (Board or Board members) no longer had the power or duty to manage, direct or oversee Fannie Mae's business and affairs.

As conservator, FHFA reconstituted the Board and provided the Board with specified authorities. Board members serve on behalf of the conservator and exercise their authority as directed by and with the approval, where required, of the conservator. Board members have no fiduciary duties to any person or entity except to the conservator. Accordingly, Board members are not obligated to consider the interests of the company, the holders of Fannie Mae's equity or debt securities, or the holders of Fannie Mae MBS unless specifically directed to do so by the conservator.

The Board exercises specified authorities provided to it pursuant to an order from FHFA, as Fannie Mae's conservator. The conservator also provided instructions regarding matters for which conservator decision or notification is required. The conservator retains the authority to amend or withdraw its order and instructions at any time.

FHFA's instructions require that we obtain the conservator's decision before taking action on matters that require the consent of or consultation with Treasury under the senior preferred stock purchase agreement.

FHFA's instructions also require us to obtain the conservator's decision before taking action in

the areas identified below. For some matters, FHFA's instructions specify that the Board must review and approve the matter before we request FHFA decision, and for other matters the Board is expected to determine the appropriate level of its engagement. For some of the specified matters that require prior Board review and approval, the Board is permitted to delegate authority to a relevant committee of the Board (Committee).

In June 2018, FHFA, as conservator, issued Order No. 2018-002 to Fannie Mae outlining functions, responsibilities, and authorities of the Board. In performing its functions, the conservator has directed the Board to review and approve matters related to the following areas:

- a. matters requiring consent of or consultation with the U.S. Department of the Treasury under the Senior Preferred Stock Purchase Agreement (PSPA), as amended, between the U.S. Department of the Treasury and Fannie Mae, including:
 - i. paying dividends or other distributions on or repurchasing Fannie Mae equity securities (other than the senior preferred stock or warrant);
 - ii. issuing equity securities (except in limited instances) ;
 - iii. any reorganization or recapitalization involving Fannie Mae's common stock;
 - iv. incurring indebtedness in excess of limits in the PSPA;
 - v. issuing subordinated debt;
 - vi. entering into a merger with or acquiring all or substantially all of the assets of another entity;
 - vii. engaging in a non-ordinary course transaction with an affiliate, unless transaction terms are at least as favorable as those that could be obtained in an arm's length transaction with an unrelated third party;
 - viii. selling, transferring, leasing or otherwise disposing of any assets, except for dispositions for fair market value in limited circumstances including (a) if the transaction is in the ordinary course of business and consistent with past practice or (b) the assets have a fair market value individually or in the aggregate of less than \$250 million;
 - ix. compensation arrangements, or increasing amounts or benefits payable to (a) "named executive officers" (as defined in Item 402(a)(3) of Securities and Exchange Commission Regulation S-K) and (b) all officers who are "executive officers" (as defined in Rule 3b-7 under the Securities and Exchange Act of 1934, as amended); and
 - x. seeking or permitting the termination of Fannie Mae's conservatorship, other than in connection with a receivership.

- b. actions to redeem or repurchase subordinated debt issued by Fannie Mae, except as may be necessary to comply with the PSPA;
- c. the creation of any subsidiary or affiliate, or entering into a substantial transaction with a subsidiary or affiliate, except for the creation of, or a transaction with, a subsidiary or affiliate undertaken in the ordinary course of business, including with Common Securitization Solutions, LLC;
- d. actions involving changes to or removal of Board risk limits that would result in an increase in the amount of risk that may be taken by Fannie Mae;
- e. actions involving retention and termination of external auditors;
- f. actions involving termination of law firms serving as consultants to the Board;
- g. actions amending Fannie Mae's Bylaws (Bylaws) or Committee charters;
- h. actions setting or increasing the compensation or benefits payable to the members of the Board; and
- i. actions establishing the annual operating budget.

The conservator has directed the Board to oversee that management obtain the decision of the conservator before taking action in the following areas:

- a. material changes in accounting policy;
- b. proposed changes in the business operations, activities, and transactions that in the reasonable business judgment of management are more likely than not to result in a significant increase in credit, market, reputational, operational, or other key risks;
- c. matters that impact or question the conservator's powers, Fannie Mae's conservator status, the legal effect of the conservatorship, interpretations of the senior preferred stock purchase agreement or the Financial Agency Agreement with Treasury or Fannie Mae's performance under the Financial Agency Agreement;
- d. agreements relating to litigation, claims, regulatory proceedings, or tax-related matters where the value of the claim exceeds a specified threshold, including related matters that aggregate to more than the threshold;
- e. mergers, acquisitions, and changes in control of key counterparties where we have a direct contractual right to cease doing business with the entity or object to the merger or acquisition;
- f. changes to requirements, policies, frameworks, standards, or products that are aligned with Freddie Mac (formally, the Federal Home Loan Mortgage Corporation), pursuant to FHFA's direction;

- g. credit risk transfer transactions that are a new transaction type, involve a material change in terms, or involve a new type of collateral;
- h. transfers of mortgage servicing rights that meet minimum size thresholds and would increase the transferee's servicing of Fannie Mae seriously delinquent loans by more than a specified threshold; and
- i. changes in employee compensation that could significantly impact Fannie Mae's employees, including retention awards, special incentive plans, and merit increase pool funding.

FHFA's instructions also require us to timely notify FHFA of activities that represent a significant change in current business practices, operations, policies or strategies not otherwise addressed in the instructions, so that FHFA can participate in decision-making as necessary.

Subject to the consultation, consent, and decision requirements above, the Board performs, directly or through its Committees, the following specific functions, among others:

- a. Oversees the procedures for the selection, retention, evaluation, and compensation of senior management with appropriate qualifications and expertise to operate Fannie Mae's business;
- b. Oversees the key compensation, benefits, and skill development programs governing employees of Fannie Mae;
- c. Oversees corporate performance and reviews and approves Fannie Mae's annual operating budget;
- d. Oversees Fannie Mae's risk policies (including market, credit, and operational risks);
- e. Advises management on significant issues facing Fannie Mae;
- f. Reviews and approves significant corporate actions and any action, upon advisement of management of Fannie Mae that, in the reasonable business judgment of the management of Fannie Mae at the time the action is taken is likely to cause significant reputational risk to Fannie Mae or result in substantial negative publicity;
- g. Oversees the integrity of Fannie Mae's accounting and financial reporting systems and processes, including independent audits, systems of internal controls, and the relationship with the external auditor;
- h. Oversees an independent review, no less frequently than every five years, of Fannie Mae's organizational, structural, staffing, and control matters;
- i. Oversees the process and adequacy of reporting, disclosures, and communications to investors;
- j. Oversees Fannie Mae's legal and regulatory compliance program, including prohibitions

- on personal loans or extensions of credit to executive officers and members of the Board;
- k. Nominates Board members and oversees effective corporate governance;
- l. At least once annually, reviews, with appropriate professional assistance, the requirements of laws, rules, regulations, and guidelines that are applicable to the Board's activities and duties; and
- m. Oversees the responsiveness of management to Federal regulators.

Members of the Board are expected to perform their responsibilities diligently, prepare for and attend meetings, and participate fully in the Board's activities.

The CEO is the leader of management and, pursuant to the Bylaws and a delegation of authority to the CEO and the management-level committees, as may be amended from time to time, the Board has vested the CEO and the management-level committees with the authority to manage and conduct the business of Fannie Mae except where the Board has reserved authority or the right of approval. From time to time, the Board may adopt policies and procedures to assist it in its oversight responsibilities and to promote the safety and soundness of Fannie Mae.

2. The Corporate Governance Guidelines

These Corporate Governance Guidelines have been developed by Fannie Mae's Nominating and Corporate Governance Committee and adopted by the Board. The Nominating and Corporate Governance Committee reviews these guidelines at least annually and recommends changes to the Board for approval as appropriate. These guidelines (along with the charters of the Committees as well as the Bylaws, Employee Code of Conduct, and Code of Conduct for the Board of Directors (Board Code) are published on Fannie Mae's corporate website, www.fanniemae.com.

These guidelines assist Board members to understand and effectively implement their functions, evidencing Fannie Mae's ongoing commitment to high standards of corporate conduct and compliance.

The guidelines should be interpreted in accordance with any applicable legal requirements, including those imposed by the Fannie Mae Charter Act, FHFA, the Bylaws, or federal law or regulation. Although Fannie Mae's securities are not currently listed on the New York Stock Exchange, relevant provisions of the New York Stock Exchange listing standards also will be considered in interpreting these guidelines.

3. Board Composition, Size and Membership Criteria; Limitations on Board Service

The Fannie Mae Charter Act provides that the Fannie Mae Board consists of thirteen persons, or such other number that the Director of FHFA determines appropriate. FHFA, in its capacity as conservator, has determined that the appropriate number of Board members is a minimum of nine and not more than thirteen Board members. In accordance with FHFA corporate governance regulation 12 C.F.R. §1239.20, a majority of the seated Fannie Mae Board members must be independent, as further described in Section 4 below.

In addition, the Board, as a group, must be knowledgeable in business, finance, capital markets, accounting, risk management, public policy, mortgage lending, real estate, low-income housing, homebuilding, regulation of financial institutions, technology, environmental, social and governance, and any other areas as may be relevant to the safe and sound operation of Fannie Mae. At the time of election, or within a reasonable time thereafter, each Board member must have a working familiarity with basic finance and accounting practices, including the ability to read and understand Fannie Mae's balance sheet and income statement, and to ask substantive questions of Fannie Mae's management and internal and external auditors.

It is the responsibility of the Nominating and Corporate Governance Committee to identify and evaluate prospective candidates for the Board who have expertise in the areas described above. The Nominating and Corporate Governance Committee also seeks Board members who possess the highest personal values, judgment, and integrity; who represent diversity in ideas and perspectives; and who understand the regulatory and policy environment in which Fannie Mae does its business. The Nominating and Corporate Governance Committee is committed to considering minorities, women, and individuals with disabilities in the identification and evaluation process for prospective Board candidates. The Nominating and Corporate Governance Committee also considers whether a prospective Board candidate has the ability to attend meetings and fully participate in the activities of the Board, including whether the candidate's service on outside boards and other activities permits the candidate sufficient time to devote to responsibilities associated with being a Fannie Mae Board member. Stockholders may submit written recommendations for candidates directly to the Chair of the Nominating and Corporate Governance Committee in care of Fannie Mae's Office of the Corporate Secretary, and these recommendations should include the information set forth in Section 4.20 of the Bylaws. During conservatorship, these recommendations are subject to FHFA's decision as conservator of Fannie Mae.

Board members are required to inform the Nominating and Corporate Governance Committee of

any changes in employment responsibilities for the Nominating and Corporate Governance Committee to determine whether it is appropriate to re-nominate the Board member for continuing Board service. As set forth in Section 4.03 of the Bylaws, each Board member shall hold office for the term for which he or she is elected or appointed and until his or her successor is chosen or qualified, or his or her death, resignation, or retirement or removal in accordance with applicable law or regulation, whichever event shall first occur. Absent death, resignation, or retirement, each Board member first appointed in 2021 or thereafter will serve until the earlier of: (i) the third anniversary of the effective date of such Board member's appointment while the Company is in conservatorship; (ii) the date on which such Board member is removed by the conservator while the Company is in conservatorship; or (iii) the date on which such Board member's successor is elected at an annual meeting of stockholders in accord with the Bylaws. A Board member will not be re-nominated after having served for ten years or after reaching the age of 72, whichever comes first, except with the approval of FHFA in accordance with FHFA corporate governance regulation 12 C.F.R. §1239.20. A Board member may serve his or her full term if he or she has served less than 10 years or is 72 years of age on the date of his or her annual election or appointment to the Board. Unless otherwise requested by the Board, the CEO ceases to be a member of the Board at the termination of his or her employment as CEO.

The CEO and Designated Executive Officers (as such term is defined in the Nominating and Corporate Governance Committee Charter) must obtain approval from the Nominating and Corporate Governance Committee before accepting a seat on the board of another for-profit organization. Non-management Board members must notify the Nominating and Corporate Governance Committee before accepting a seat on the board of another for-profit organization, and the Nominating and Corporate Governance Committee will review such opportunity. Unless the Nominating and Corporate Governance Committee determines otherwise, non-management Board members may not serve on the boards of directors of more than three public companies (in addition to the Fannie Mae Board), the CEO may not serve on the boards of directors of more than two public companies (in addition to the Fannie Mae Board), and Designated Executive Officers (other than the CEO) may not serve on the boards of directors of more than three for-profit organizations. Unless the Board determines otherwise, Audit Committee members may not serve on the audit committees of more than two public companies (in addition to the Fannie Mae Board).

4. Board Member Independence

The Board, with the assistance of the Nominating and Corporate Governance Committee, on an annual basis, reviews the independence of all Board members. The Board affirmatively determines the independence of each Board member, and Fannie Mae discloses those determinations. The definition of "independence" adopted by the Board meets the requirements of independence as set forth in FHFA corporate governance regulation 12 C.F.R. §1239.5, which requires that the Committees comply with the charter, independence, composition, expertise, duties, responsibilities, and other requirements set forth under rules issued by the New York Stock Exchange. An "independent board member" must be determined to have no material relationship with Fannie Mae, either directly or through an organization that has a material relationship with Fannie Mae. A relationship is "material" if, in the judgment of the Board, it would interfere with the Board member's independent judgment. In addition, FHFA corporate governance regulation 12 C.F.R. §1239.5 requires the Audit Committee to comply with the requirements set forth under Section 301 of the Sarbanes-Oxley Act of 2002.

In accordance with FHFA corporate governance regulation 12 C.F.R. §1239.20, the Board is required to apply the definition of independence defined under the rules set forth by the New York Stock Exchange, as amended from time to time. Where the New York Stock Exchange rules do not address a particular relationship, the Board, based upon the recommendation of the Nominating and Corporate Governance Committee, determines whether a relationship is material, and whether a Board member is independent.

5. Board Leadership

The positions of Chair of the Board and CEO are separate, and the Chair of the Board is required to be an independent Board member.

6. Board Meetings

The Fannie Mae Board holds regularly scheduled meetings and calls at least eight times per year, and once per quarter. At least one of these meetings includes a session at which the Board reviews strategic matters. In addition to regularly scheduled meetings, unscheduled Board meetings may be called with adequate notice, if needed. Board members are expected to attend in person, or by video or phone, if necessary, all regularly scheduled Board and Committee meetings. In years in which Fannie Mae holds an Annual Meeting of Stockholders, Board members are expected to attend such Annual Meeting. The Board Chair, in consultation with the Chairs of the Committees, determines the agenda for Board meetings. Board members

periodically ask the Board Chair, or his or her designee, to evaluate the information being provided to the Board and to submit suggestions for Board agenda items.

Fannie Mae's non-management Board members meet in executive session on a regularly scheduled basis. If any of the non-management Board members are not independent, then the independent Board members also meet in executive session at least once each year. Time for an executive session is placed on the agenda for every regular Board meeting. The Chair of the Board presides over these sessions.

7. Board Materials

Fannie Mae management provides Board members with information and materials necessary for the Board to fulfill its oversight functions. Board members are expected to review and devote appropriate time to studying Board and Committee materials. Materials for meetings are generally distributed one week in advance of each Board and Committee meeting to allow Board members to prepare for discussion of the items at the meeting and to request additional information as appropriate. In certain cases, presentations and/or other materials may be provided at the Board or Committee meeting, or less than a week in advance of the meeting.

8. Board Committees

The current standing Board Committees are the Audit, Community Responsibility and Sustainability, Compensation and Human Capital, Nominating and Corporate Governance, Risk Policy and Capital, and Strategic Initiatives and Technology Committees. The Bylaws give the Board authority to create additional committees. Each Committee has a written charter setting forth the responsibilities, duties, and authorities of the Committee. The full Board reviews and approves Committee charters and submits Committee charters to FHFA for decision as required.

The Audit, Compensation and Human Capital, and Nominating and Corporate Governance Committees consist solely of independent Board members. The Risk Policy and Capital Committee has an independent Board member as Chair. Committee assignments, including the designation of committee Chairs and Vice Chairs (if any), are made annually by the Board based on recommendations from the Nominating and Corporate Governance Committee. Assignments are made based on a combination of factors including each individual Board member's expertise, requirements noted in each committee charter, applicable FHFA corporate governance regulations, and the needs of Fannie Mae. Annually, the Nominating and Corporate Governance Committee assesses the composition of the committees and the Board to identify any desired rotations and whether or not to recruit additional Board members, and may propose such changes

for Board approval. Consideration is given to duration of service, continuity, succession planning, relevant expertise and qualifications and Board member areas of expressed interest, among other factors.

Each committee meets as frequently as needed and for an appropriate length of time based on the specific meeting agenda and committee charter requirements. Committee agendas are developed by the committee Chair in consultation with the appropriate members of management and with the input of other Board members. Each committee Chair makes a report on committee matters to the Board, generally at the next scheduled Board meeting.

9. Board Member Access to Management and Outside Advisors

Members of Fannie Mae's senior management team attend Board and Committee meetings as needed to make special presentations and as a discussion resource, and are available directly to Board members outside of meetings.

The Board and Committees (consistent with the provisions of their respective charters) generally have the authority to retain such outside counsel, experts, and other advisors as they determine necessary to assist them in the performance of their functions. The retention and termination of external auditors and termination of law firms serving as consultants to the Board require the decision of the conservator.

10. Communications with the Board

To facilitate the ability of interested parties to communicate their concerns or questions, Fannie Mae publishes on its website and in its proxy statement (or in its annual report on Form 10-K) a mailing address and an e-mail address for communications directly with the Board. Communications may be addressed to a specific Board member or Board members, or to the independent Board members as a group. The Office of the Corporate Secretary is responsible for processing all the communications to the relevant Board member or Board members. Communications that are commercial solicitations, ordinary course customer inquiries or complaints, incoherent or obscene, are not forwarded to the Board. In addition, Fannie Mae publishes on its website and in its proxy statement (or in its annual report on Form 10-K) a procedure for communicating with the Audit Committee regarding accounting, internal accounting controls, or auditing matters.

11. Board Member Compensation and Reimbursement

FHFA as conservator established compensation for members of the Board which, pursuant to FHFA corporate governance regulation 12 C.F.R. §1230.3, is reasonable, appropriate, and commensurate with the duties and responsibilities of their Board service . The Compensation and Human Capital Committee is responsible for reviewing the compensation of Board members for service on the Board and Committees and recommending changes to the Board as appropriate. The Compensation and Human Capital Committee also reviews non-management Board member compensation trends as appropriate. A change to Board member compensation requires the decision of the conservator. Management Board members do not receive additional cash or equity compensation for Board service. Board members receive reimbursement for reasonable expenses incurred in the performance of their duties, including travel and reasonable expenses associated with continuing education on matters relevant to Board or committee service.

12. Board Member Orientation and Continuing Education

New Board members participate in an orientation program to assist in familiarizing them with Fannie Mae's business and their responsibilities as Board members. The orientation program addresses at a minimum Fannie Mae's corporate powers and limitations; an overview of Fannie Mae's business; the housing finance industry; strategic goals; risks; the Fannie Mae workforce; and Fannie Mae's corporate governance practices. Orientation sessions are also provided to new members of committees. Fannie Mae supports Board members' periodic participation in continuing education programs to assist them in performing their Board responsibilities. In addition, on at least an annual basis, Fannie Mae provides, directly or through third parties, in-house Board member education programs on significant developments applicable to the Board and Fannie Mae's operations.

13. Board Performance Evaluation

The Board conducts an annual self-evaluation to assess its effectiveness and the adequacy of the information flow to the Board, based on criteria developed by the Nominating and Corporate Governance Committee and reviewed by the Board. Each of the Committees conducts an annual self-evaluation.

The Nominating and Corporate Governance Committee evaluates the performance of Board members on an annual basis, taking into consideration factors related to a Board member's contribution to the effective functioning of the Board.

14. Management Evaluation and Succession

The Compensation and Human Capital Committee conducts an annual review of the performance of Fannie Mae, the CEO, and senior management including performance against the FHFA Scorecard objectives, the Board Goals, and any goals specific to the CEO. Neither the CEO nor senior management is present when the Compensation and Human Capital Committee meets to evaluate their compensation. The Chair of the Board and the chair of the Compensation and Human Capital Committee present the CEO's annual performance review for the Compensation and Human Capital Committee's approval. The CEO's annual performance review is based, in large part, upon an annual performance report prepared by the Chair of the Board and upon ratings and commentary provided by individual Board members. The senior management performance reviews include the Compensation and Human Capital Committee's own assessment and reflect discussions with other Board members. The Board's independent Board members approve the compensation of the CEO, and the full Board approves the compensation of Fannie Mae's executive officers (as defined by Securities Exchange Commission rules), with both approvals subject to the decision of the conservator.

On an annual basis, the Compensation and Human Capital Committee reviews management succession planning with the CEO in preparation for discussion by the entire Board. The Board discussion on management succession occurs during executive session and focuses on succession planning for the CEO and other key members of senior management, including the identification and development of potential successors and succession planning in the event of an unexpected occurrence.

15. Compliance; Codes of Conduct

The Board oversees Fannie Mae's legal and regulatory compliance program. The Board has adopted the Employee Code of Conduct that is applicable to all Fannie Mae employees and is posted on Fannie Mae's website. Each employee must annually commit to follow the Employee Code of Conduct. The Nominating and Corporate Governance Committee has primary responsibility for overseeing implementation of and compliance with the Employee Code of Conduct and the Designated Executive Officers' (as such term is defined in the Nominating and Corporate Governance Committee Charter) compliance with the Conflict of Interest Policy, Standard, and Procedure and the Business Courtesies Policy and Procedure, each of which implements provisions of the Employee Code of Conduct, and other matters with respect to the Designated Executive Officers as set forth in the Nominating and Corporate Governance Committee Charter.

The Board has adopted the Board Code of Conduct which is posted on Fannie Mae's website. Each Board member must annually certify compliance with the Board Code. The Nominating and Corporate Governance Committee oversees implementation and compliance with the Board Code.

The Board reviews, at least once every three years, the adequacy of the Employee Code of Conduct and the Board Code for consistency with best practices and practices appropriate to Fannie Mae and, upon the recommendation of the Nominating and Corporate Governance Committee, makes revisions as appropriate.

16. Implementation of the Guidelines

The Board has provided these guidelines to clarify further the policies and procedures that govern its operations. These guidelines are effective immediately. If the Board determines that that the guidelines are not in full force and effect, the Board will take such action as it deems necessary to restore compliance.

Effective Date: February 2, 2021