TABLE 1. TOTAL BOOK OF BUSINESS COMPONENTS ($ in Millions) [1]

	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 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
YTD 2008	**$ 787,294**	**$ 2,611,376**	**$ 287,570**	**$ 3,111,100**	**7.7%**	**$ 631,356**
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
YTD 2009	**$ 789,634**	**$ 2,711,439**	**$ 351,158**	**$ 3,149,915**	**3.0%**	**$ 305,576**

TABLE 2. PORTFOLIO COMMITMENTS ($ in Millions) [1, 2, 3, 4]

	Commitments to Purchase, Net	Commitments to Sell	Net Retained Commitments
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
Full Year 2008	**$ 408,341**	**$ (258,373)**	**$ 149,968**
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
YTD 2009	**$ 246,083**	**$ (226,510)**	**$ 19,573**

TABLE 3. GROSS MORTGAGE PORTFOLIO ($ in Millions) [1, 2]

	Purchases [4]	Sales [4]	Liquidations	**End Balance [4]**	Compounded Growth Rate [4]	Annualized Liquidation Rate
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%)
Full Year 2008	**$ 196,645**	**$ (42,984)**	**$ (90,343)**	**$ 787,294**	**8.7%**	**(12.48%)**
January 2009	$ 11,703	$ (5,392)	$ (8,057)	**$ 785,548**	(2.6%)	(12.28%)
February 2009	15,847	(6,570)	(10,101)	**784,724**	(1.3%)	(15.43%)
March 2009	22,436	(12,128)	(11,164)	**783,868**	(1.3%)	(17.07%)
April 2009	18,452	(20,328)	(11,930)	**770,062**	**(19.2%)**	(18.26%)
May 2009	42,652	(11,321)	(11,759)	**789,634**	35.1%	(18.32%)
YTD 2009	**$ 111,090**	**$ (55,739)**	**$ (53,011)**	**$ 789,634**	**0.7%**	**(16.16%)**

TABLE 4. FANNIE MAE GUARANTEED SECURITIES AND MORTGAGE LOANS ($ in Millions) [1]

	Total Fannie Mae MBS			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
	Issuances [5]	Liquidations	End Balance						
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
Full Year 2008	**$ 542,813**	**$ (339,215)**	**$ 2,583,589**	**(14.25%)**	**$ 27,787**	**$ 2,611,376**	**7.8%**	**$ 365,254**	**$ 2,976,630**
January 2009	$ 21,218	$ (24,755)	$ 2,580,052	(11.50%)	$ 26,144	**$ 2,606,196**	(2.4%)	$ 369,119	$ 2,975,315
February 2009	45,289	(42,278)	2,583,063	(19.66%)	25,916	**2,608,979**	1.3%	372,518	2,981,497
March 2009	87,813	(56,974)	2,613,902	(26.47%)	26,453	**2,640,355**	15.4%	372,792	3,013,147
April 2009	55,999	(56,288)	2,613,613	(25.84%)	24,749	**2,638,362**	(0.9%)	369,276	3,007,638
May 2009	129,091	(55,766)	2,686,938	(25.60%)	24,501	**2,711,439**	38.8%	310,452	3,021,891
YTD 2009	**$ 339,410**	**$ (236,061)**	**$ 2,686,938**	**(21.93%)**	**$ 24,501**	**$ 2,711,439**	**9.4%**	**$ 310,452**	**$ 3,021,891**

MONTHLY SUMMARY HIGHLIGHTS

MAY 2009

- In May, Fannie Mae provided $71.6 billion of liquidity to the market, including *MBS Issuances* of $67.7 billion (excluding securitizations of whole loans held for investment in our portfolio, as described below) and *Net Retained Commitments* of $3.9 billion. Liquidity provided to lenders through dollar roll transactions and whole loan conduit activities are reflected in the gross commitment numbers in Table 2 (please see Endnote 4).
- In May, Fannie Mae securitized $61.4 billion of whole loans held for investment in our portfolio, which is reflected in *MBS Issuances* (Table 4) and *Securitizations* (Table 5). We continue to retain these securities in our portfolio, and therefore do not include the related issuances in our estimate of liquidity provided to the market. Please see Endnote 6, which describes the effect of the whole loan securitizations on other measures in this report.
- May refinance volume increased to $57 billion. We expect that our refinance volumes will remain above historical norms in the near term, but may fluctuate from month-to-month based on a number of market factors. Fannie Mae began accepting deliveries of refinance mortgage originations under the Making Home Affordable Program (MHA Program) in April 2009. We expect that the MHA Program will bolster refinance volumes over time as major lenders adopt necessary system changes and consumer awareness continues to build.
- Fannie Mae's *Book of Business* grew at a compound annualized rate of 5 percent in May.
- *Fannie Mae MBS and Other Guarantees* grew by 38.8 percent in May. Excluding the securitizations of whole loans held for investment in our portfolio, *MBS and Other Guarantees* grew by an annualized 5.4 percent, to $2.7 trillion. Excluding the securitizations of whole loans described above, MBS Issuance rose to $67.7 billion. Liquidations remained elevated at $55.8 billion.
- *Gross Mortgage Portfolio* grew at a compound annualized rate of 35.1 percent in May.
- The *Conventional Single-Family Serious Delinquency Rate* rose 27 basis points in April to 3.42 percent; the *Multifamily Serious Delinquency Rate* rose two basis points to 0.36 percent in April (latest data available).
- The *Effective Duration Gap* on Fannie Mae's portfolio averaged one month in May.
- 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.

TABLE 5. MORTGAGE PORTFOLIO COMPOSITION ($ in Millions)[1]

	Fannie Mae MBS in Portfolio					Mortgage	Non-Fannie Mae Mortgage Securities		Mortgage Portfolio
	Purchases	Sales	Liquidations	Securitizations[6]	**End Balance**	Loans	Agency	Non-Agency	End Balance
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
YTD 2008	**$ 68,009**	**$ (41,244)**	**$ (35,235)**	**$ 40,093**	**$ 287,570**	**$ 365,254**	**$ 34,853**	**$ 99,617**	**$ 787,294**
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
YTD 2009	**$ 35,045**	**$ (55,625)**	**$ (25,711)**	**$ 109,879**	**$ 351,158**	**$ 310,452**	**$ 32,189**	**$ 95,835**	**$ 789,634**

TABLE 6. OTHER INVESTMENTS ($ in Millions)[1]

	Other Investments End Balance
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
YTD 2008	**$ 82,900**
January 2009	$ 105,700
February 2009	93,666
March 2009	87,591
April 2009	78,133
May 2009	77,250
YTD 2009	**$ 77,250**

TABLE 7. DEBT ACTIVITY ($ in Millions)[7]

	Original Maturity ≤ 1 Year	Original Maturity > 1 Year					Total Debt
	End Balance	Issuances	Maturities and Redemptions	Repurchases	Foreign Exchange Adjustments	End Balance	Outstanding
May 2008	$ 223,171	$ 24,930	$ (25,960)	$ (582)	$ (2)	$ 558,552	$ 781,723
June 2008	241,553	30,906	(19,046)	(993)	6	569,425	810,978
July 2008	272,977	18,123	(13,053)	(1,630)	(16)	572,849	845,826
August 2008	262,600	19,039	(16,838)	(2,784)	(128)	572,138	834,738
September 2008	281,894	12,632	(22,426)	(1,181)	(52)	561,111	843,005
October 2008	325,662	3,322	(9,551)	(439)	(137)	554,306	879,968
November 2008	336,354	3,674	(8,470)	(206)	(42)	549,262	885,616
December 2008	332,542	19,598	(15,107)	(3,211)	15	550,557	883,099
YTD 2008	**$ 332,542**	**$ 248,399**	**$ (253,550)**	**$ (13,213)**	**$ (213)**	**$ 550,557**	**$ 883,099**
December 2009	$ 330,198	$ 29,205	$ (23,186)	$ (1,745)	$ (56)	$ 554,775	$ 884,973
February 2009	300,373	40,895	(24,455)	(456)	(15)	570,744	871,117
March 2009	275,527	38,428	(13,946)	(1,450)	26	593,802	869,329
April 2009	269,793	34,070	(42,027)	(445)	37	585,437	855,230
May 2009	260,507	34,730	(26,403)	-	95	593,859	854,366
YTD 2009	**$ 260,507**	**$ 177,328**	**$ (130,017)**	**$ (4,096)**	**$ 87**	**$ 593,859**	**$ 854,366**

TABLE 8. INTEREST RATE RISK DISCLOSURES ($ in Billions)[8]

	Market Value Sensitivity		Effective
	Rate Level Shock (50 bp)	Rate Slope Shock (25 bp)	Duration Gap (in months)
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	(1.1)	(0.3)	(1)
YTD 2008	**$ (0.8)**	**$ (0.1)**	
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
YTD 2009	**$ (0.8)**	**$ (0.2)**	

TABLE 9. SERIOUS DELINQUENCY RATES

	Conventional Single-Family[9]			Multifamily
	Non-Credit Enhanced	Credit Enhanced	Total	Total[10]
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%
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%

Numbers may not sum due to rounding.
See Endnotes and Glossary on Pages 3 and 4

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 May 31, 2009, our gross mortgage portfolio end balance, after taking into account net outstanding commitments to sell of $34.6 billion, was $755.1 billion.
3. 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 February 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.
4. 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. Beginning in the second quarter of 2009, we increased our dollar roll activity, which may result in more volatility on a month to month basis in our reported portfolio commitments, purchases, sales, end balances and compounded growth rate. Whole loan conduit activities involve our purchase of loans principally for the purpose of securitizing them.
5. 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.
6. 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.
7. 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.
8. 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 May 2009, which include the sensitivity associated with our Alt-A and subprime private-label mortgage-related securities, reflect a sensitivity of $(1.2) billion and $(0.1) billion for a 50bp rate shock and a 25bp slope shock, respectively, and a duration gap of 3 months. For our unadjusted interest rate risk metrics for December 2008 through April 2009, refer to our Monthly Summary reports for February through April 2009. Management currently is in the process of enhancing our risk models to better capture borrower refinancing and prepayment constraints that have resulted from the stressed housing market. Management expects to discontinue reporting these two different metrics once the enhancements to our risk metric system have been completed and our Enterprise Risk Office approves our revised risk metric system.
9. 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.
10. 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 $77.3 billion total as of May 31, 2009 includes $65.5 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 $10.4 billion of non-governmental asset-backed securities and $1.4 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.

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.