Fannie Mae
2008 Q1 10-Q Investor Summary

May 6, 2008

- These materials present tables and other information about Fannie Mae, including information contained in Fannie Mae's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008 ("2008 Q1 Form 10-Q"). These materials should be reviewed together with the 2008 Q1 Form 10-Q, copies of which are available on the company's Web site at www.fanniemae.com under the "Investor Relations" section of the Web site.
- More complete information about Fannie Mae, its business, business segments, financial condition and results of operations is contained in its 2008 Q1 Form 10-Q, which also includes more detailed explanations and additional information relating to the information contained in this presentation. Footnotes to the included tables have been omitted.

Forward Looking Statements/Risk Factors

This presentation includes forward-looking statements, including statements relating to our future capital position, financial performance and condition, ability to take advantage of business opportunities, market share and credit losses; our strategy; the fair value of our net assets; our expectations regarding the housing, credit and mortgage markets; volatility in our results; and our future credit loss ratio. Future results may differ materially from what is indicated in these forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, greater than expected delinquencies and credit losses on the mortgages we hold or guaranty; impairments, delinquencies and losses on loans that back our private-label mortgage-related securities investments; further declines in home prices in excess of our current expectations; a recession or other economic downturn; a default by one or more of our significant institutional counterparties on its obligations to us; the loss of business volume from any of our key lender customers; widening of credit spreads; and changes in interest rates, as well as others described in the "Risk Factors" sections in Fannie Mae's annual report on Form 10-K for the year ended December 31, 2007 ("2007 Form 10-K") and 2008 Q1 Form 10-Q and in its reports on Form 8-K.

Other terms used but not defined in this presentation may be defined in our 2007 Form 10-K or 2008 Q1 Form 10-Q.

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2008 Q1 Executive Summary

- **Net loss decreased $1.4 billion from ($3.6 billion) in 2007 Q4 to ($2.2 billion) in 2008 Q1.**
  - Net revenues grew $0.7 billion or 21.8%, driven by increases in guaranty fee income and net interest income.
  - Fair value losses increased $0.9 billion or 27.3% from $3.4 billion to $4.4 billion driven by wider spreads on trading assets and interest rate declines that caused derivatives losses to remain high.
  - The provision for credit losses plus foreclosed property expenses rose to $3.2 billion from $3.0 billion in 2007 Q4 primarily due to an increase in charge-offs. This reflects higher defaults and average loss severities, driven by national home price declines and weak economic conditions in the Midwest.
- **EPS increased $1.23 from ($3.80) in 2007 Q4 to ($2.57) in 2008 Q1.**
- **Capital in excess of the OFHEO mandated 20% surplus increased to $5.1 billion in 2008 Q1 versus $3.9 billion in 2007 Q4 primarily due to the reduction of the surplus requirement from 30% to 20%.**
  - Progress with regulator on reducing excess capital levels.
- **Fannie Mae announced plans to raise $6 billion in new capital.**
  - Public offerings of common stock, non-cumulative mandatory convertible preferred stock and, in the very near future, non-cumulative, non-convertible preferred stock.
  - New capital will enable us to maintain a strong conservative balance sheet, enhance long-term shareholder value, and provide stability to the secondary mortgage market.
- **Credit remains a top focus of the company.**
  - Management continues to tighten eligibility standards and actively mitigate credit losses.
- **Addressing market-related volatility impact on capital**
  - Eliminated losses on certain guaranty contracts as a result of adopting new accounting standard, SFAS 157.
  - On January 1, 2008, in connection with a new accounting standard, SFAS 159, we re-designated $18.1 billion of agency securities as trading which we expect will have the effect of reducing the impact of changing interest rates on our derivatives marked-to-market.
  - In mid-April, we implemented hedge accounting which we expect will have the effect of decreasing the impact of derivative mark to market changes.
  - Implemented HomeSaver Advance™ initiative which we expect will allow homeowners to stay in their homes and also will mitigate losses on loans purchased from MBS trusts.

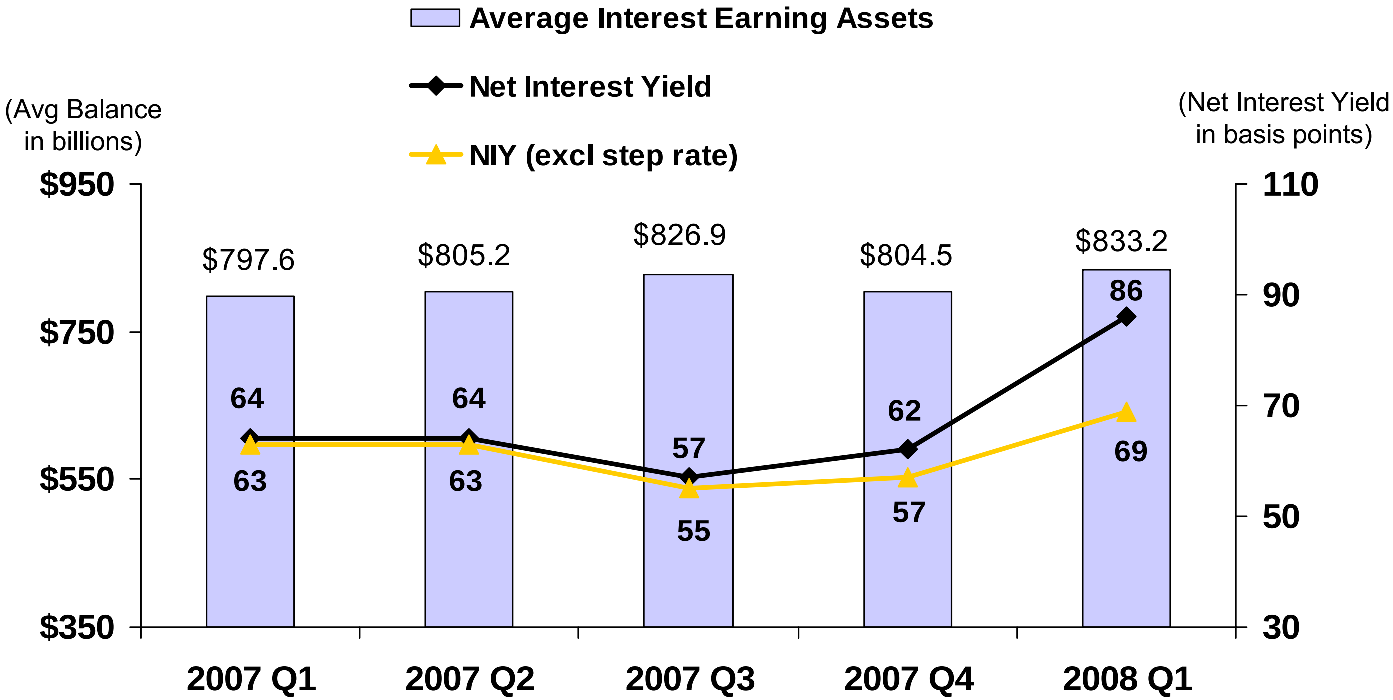
Consolidated Financial Results

(dollars in millions, except per share amounts)	Detail on slide:	2008 Q1	2007 Q4 [1]	2007 Q3 [1]	2007 Q2 [1]	2007 Q1 [1]
1 **Net interest income**	**5**	**$ 1,690**	**$ 1,136**	**$ 1,058**	**$ 1,193**	**$ 1,194**
2 **Guaranty fee income**	**6**	**1,752**	**1,621**	**1,232**	**1,120**	**1,098**
3 Trust management income		107	128	146	150	164
4 Fee and other income	45	227	214	217	257	277
5 **Net revenues**		**3,776**	**3,099**	**2,653**	**2,720**	**2,733**
6 **Fair value gains (losses), net**	**7, 8**	**(4,377)**	**(3,439)**	**(2,087)**	**1,424**	**(566)**
7 **Investment gains (losses), net**	**10**	**(111)**	**(915)**	**(154)**	**(93)**	**295**
8 Losses from partnership investments		(141)	(478)	(147)	(215)	(165)
9 Losses on certain guaranty contracts [2]		-	(386)	(294)	(461)	(283)
10 **Credit-related expenses**	**12**	**(3,243)**	**(2,973)**	**(1,200)**	**(518)**	**(321)**
11 Administrative expenses		(512)	(651)	(660)	(660)	(698)
12 Other non-interest expenses		(505)	(427)	(95)	(60)	(104)
13 **Net losses and expenses**		**(8,889)**	**(9,269)**	**(4,637)**	**(583)**	**(1,842)**
14 Income (loss) before federal income taxes and extraordinary gains (losses)		(5,113)	(6,170)	(1,984)	2,137	891
15 Benefit (provision) for federal income taxes		2,928	2,623	582	(187)	73
16 Extraordinary gains (losses), net of tax effect		(1)	(12)	3	(3)	(3)
17 Net income (loss)		$ (2,186)	$ (3,559)	$ (1,399)	$ 1,947	$ 961
18 Diluted earnings (loss) per common share		$ (2.57)	$ (3.80)	$ (1.56)	$ 1.86	$ 0.85

[1] Certain amounts have been reclassified to conform to the current period presentation.

[2] 2008 Q1 reflects a change in valuation methodology in conjunction with the adoption of SFAS 157 on January 1, 2008.

Tax-Equivalent Net Interest Income and Yield



GAAP Net Interest Income ($M)	$1,194	$1,193	$1,058	$1,136	$1,690
Tax-equivalent adjustment ($M)	92	90	87	85	83
Tax-equivalent NII ($M)	$1,286	$1,283	$1,145	$1,221	$1,773
Step rate debt impact ($M)	22	19	28	96	347

- Redemption of step rate debt added 17 bps, on an annualized basis, to the net interest yield in 2008 Q1. This reflects the reversal of interest accrued on step-rate debt because the debt was called before all the interest was paid.
- SOP 03-3 accretion increased net interest income by $35 million in 2008 Q1 (2 bps positive impact on net interest yield), $38 million in 2007 Q4 (2 bps), $21 million in 2007 Q3 (1 bp), $14 million in 2007 Q2 (1 bp), and $7 million in 2007 Q1 (less than 1 bp).
- If current market conditions continue, we expect net interest yield (excluding the benefit received from the redemption of step rate debt securities during 2008 Q1) to continue to increase for the remainder of 2008.

Our net interest yield reflected the benefits of a steeper yield curve as we shifted our funding mix to a higher proportion of lower-rate, short-term debt.

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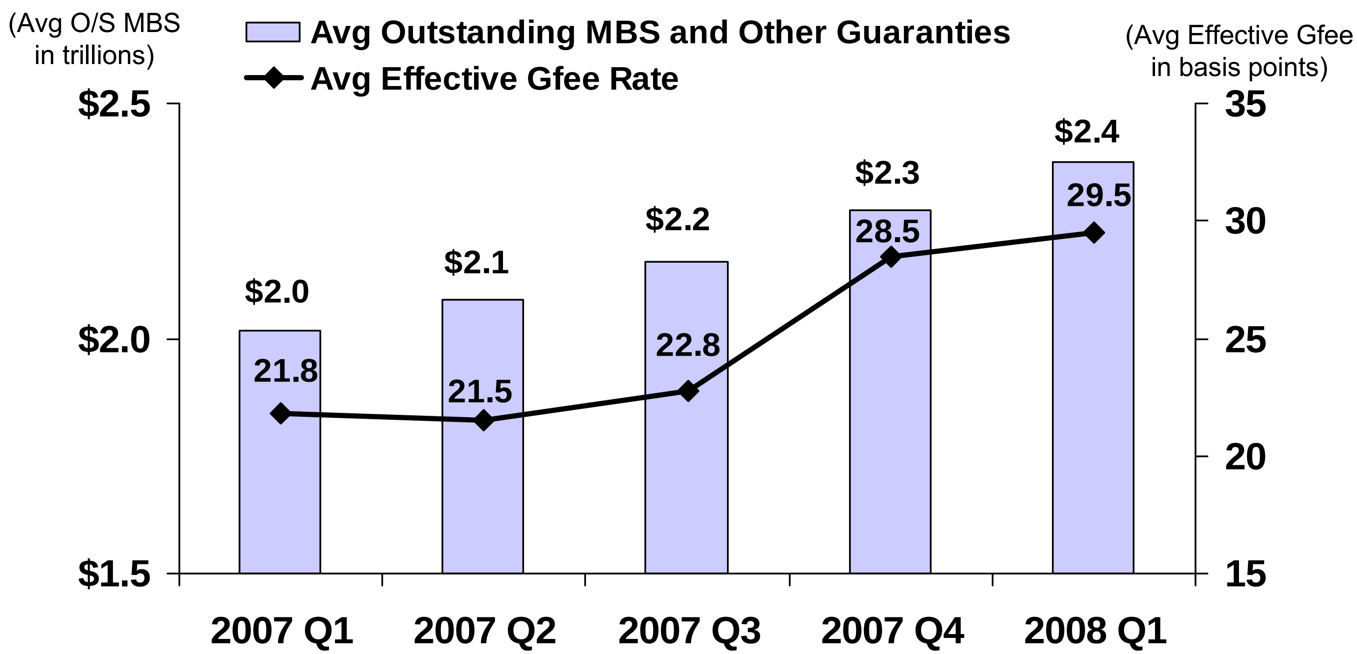
Guaranty Fee Income



Guaranty Fee Income ($M)	$1,098	$1,120	$1,232	$1,621	$1,752

- Accretion of previously recognized losses on certain guaranty contracts (LCGC) increased guaranty fee income by $297 million in 2008 Q1, $276 million in 2007 Q4, $144 million in 2007 Q3, $91 million in 2007 Q2, and $92 million in 2007 Q1. These accretion amounts will be more than the cumulative LCGC recognized in previous periods due to the treatment of upfront cash items and credit enhancements received at the inception of the guaranty contracts.
- Amortization of deferred fees accounted for a substantial portion of the increase in effective guaranty fee rate from 2007 Q3 to 2007 Q4. Such amortization was roughly flat in 2008 Q1 versus 2007 Q4.
- Average charged guaranty fee on new business was 25.9 bps in 2008 Q1 versus 29.2 bps in 2007 Q4. Average charged fee for March 2008 was 27.9 bps from 26.5 bps for December 2007 and 25.6 bps for March 2007.
- Price increases went into effect on March 1, 2008, and an additional price increase is scheduled to go into effect in June 2008. The impact of the March price increase was partially offset by a decline in acquisitions of higher-risk, higher-priced product such as Alt-A.

Growth in guaranty fee income driven primarily by book growth and an increase in average effective guaranty fee rate.

Fair Value Items

Effect on 2008 Q1 Results of Operations of Significant Market-Based Valuation Adjustments

(dollars in millions)	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1
Derivatives fair value gains (losses), net	$ (3,003)	$ (3,222)	$ (2,244)	$ 1,916	$ (563)
Gains (losses) on trading securities, net	(1,227)	(215)	290	(501)	61
Debt foreign exchange gains (losses), net	(157)	(2)	(133)	9	(64)
Debt fair value gains, net	10	-	-	-	-
Fair value gains (losses), net	(4,377)	(3,439)	(2,087)	1,424	(566)
SOP 03-3 fair value losses	(728)	(559)	(670)	(66)	(69)
Losses on certain guaranty contracts	-	(386)	(294)	(461)	(283)
Total	$ (5,105)	$ (4,384)	$ (3,051)	$ 897	$ (918)

- **Principal reasons for fair value declines:**
  - Reduced levels of liquidity in the mortgage and credit markets resulted in wider credit spreads creating significant losses – primarily on our CMBS, subprime, Alt-A, and non-mortgage trading securities.
  - Declines in interest rates drove derivative losses with only partial offsets from trading securities.
- **Reducing market-related volatility impact on capital:**
  - Implemented hedge accounting in April 2008, which should have the effect of reducing capital fluctuations associated with changes in interest rates.
  - Eliminated losses on certain guaranty contracts as a result of adopting SFAS 157 on January 1, 2008.

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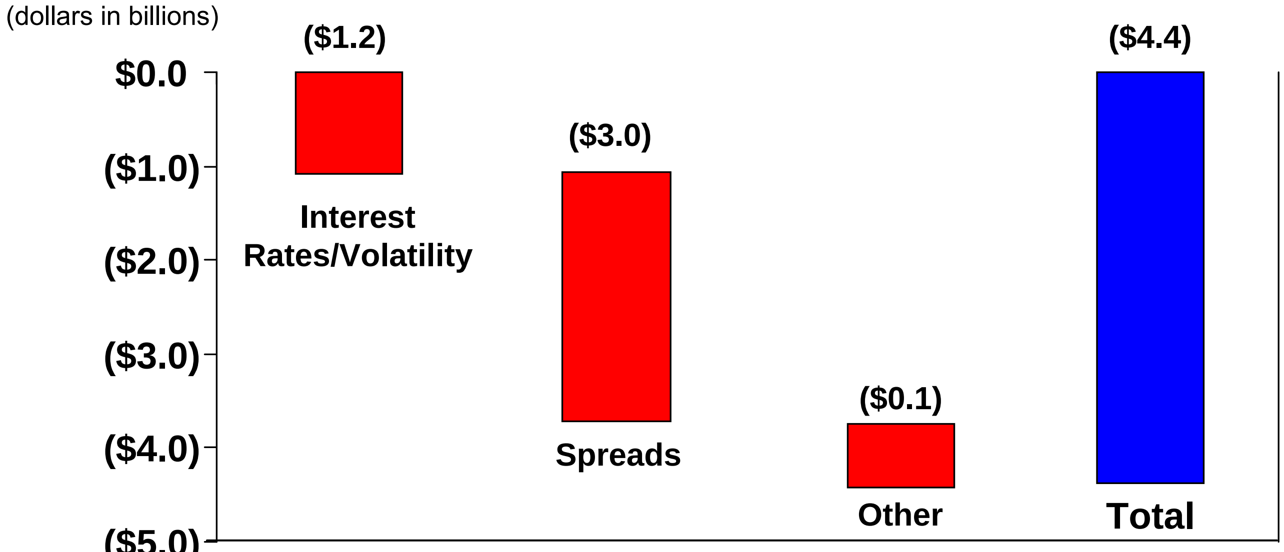
Fair Value Items

Effect on 2008 Q1 Results of Operations of Significant Market-Based Valuation Adjustments



Derivatives ($B)	($3.1)	$ -	$0.1	($3.0)
Trading ($B)	$1.8	($3.0)	$ -	($1.2)
Other ($B)	$ -	$ -	($0.1)	($0.1)
Total ($B)	($1.2)	($3.0)	($0.1)	($4.4)

Actions to reduce future interest rate volatility associated with these items:

- In connection with adoption of SFAS 159, moved selected agency MBS to MTM accounting to reduce the impact of changing interest rates on derivative MTM.
- Implemented hedge accounting in April 2008.

Wider credit spreads caused trading losses and lower interest rates triggered derivative losses. Hedge accounting is expected to have the effect of reducing volatility created by interest rates. Spread risk remains in trading portfolio.

Numbers may not foot due to rounding

Trading Portfolio – Mortgage Securities

(dollars in billions)
gains (losses) pre-tax

Product	As of March 31, 2008 Fair Value	As of March 31, 2008 Spread Sensitivity (OAS + 1 bp)
Trading portfolio mortgage securities		
Fixed Rate MBS	$ 39.3	(0.012)
ARM MBS	7.1	(0.001)
Agency CMOs	12.3	(0.006)
PLS	7.0	(0.002)
CMBS	10.9	(0.006)
Munis	0.8	(0.001)
Total	$ 77.4	(0.029)

Spread changes will still have an impact on income and capital.

Numbers may not foot due to rounding

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Investment Gains (Losses), Net

(dollars in millions)	2008 Q1	2007 Q4 [1]	2007 Q3 [1]	2007 Q2 [1]	2007 Q1 [1]
Other-than-temporary impairment on AFS securities	$ (55)	$ (736)	$ (75)	$ -	$ (3)
Lower-of-cost-or-market adjustments on held-for-sale loans	(71)	12	3	(115)	(3)
Gains (losses) on Fannie Mae portfolio securitizations, net	42	(376)	(65)	(11)	49
Gains on sales of AFS securities, net	33	325	52	55	271
Other investment losses, net	(60)	(140)	(69)	(22)	(19)
Investment gains (losses), net	$ (111)	$ (915)	$ (154)	$ (93)	$ 295

[1] Certain amounts have been reclassified to conform with the current period presentation.

- 2007 Q4 other-than-temporary impairment ($736 million) was driven by impairment of securities in our liquid investment portfolio. Beginning in 2008 Q1, these securities were re-designated as trading and marked-to-market through fair value gains (losses).

Lower impairment losses drove the reduction in investment losses in 2008 Q1.

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Subprime and Alt-A Private-Label Securities (In Portfolio)

(dollars in billions)	As of 3/31/08					
	UPB	Fair Value	Gross Unrealized Losses on AFS Securities	Net Trading Losses (2008 Q1)	Avg. Fair Value Price	Avg. Credit Enhancement
Subprime						
AFS	$ 25.6	$ 21.4	$ (4.0)		$ 83.66	36.8%
Trading	4.8	3.8		(0.5)	79.25	36.4%
PL Wraps						
AFS	0.2	0.2	(0.0)		96.55	63.0%
Trading	8.1	7.5		(0.1)	92.38	28.9%
Total Subprime	$ 38.7	$ 32.9	$ (4.0)	$ (0.5)	$ 85.00	35.2%
Alt-A						
AFS	$ 26.7	$ 22.9	$ (4.0)		$ 85.63	18.3%
Trading	3.9	3.0		(0.6)	77.21	57.9%
Total Alt-A	$ 30.6	$ 25.8	$ (4.0)	$ (0.6)	$ 84.56	23.4%
TOTAL	**$ 69.2**	**$ 58.7**	**$ (8.0)**	**$ (1.1)**	**$ 84.80**	**30.0%**

- Since the beginning of 2007, Fannie Mae has recorded through earnings net losses of $0.9 billion on Alt-A and $2.3 billion on subprime private-label securities and wraps.
- Current unrealized losses at March 31, 2008, on these trading securities is $2.3 billion.
- Additional detail regarding these securities is provided in Appendix I, pages 36-38.

Subprime and Alt-A AFS securities continue to perform and are credit-enhanced.

Numbers may not foot due to rounding

Credit-Related Expenses/Credit Loss Performance Metrics

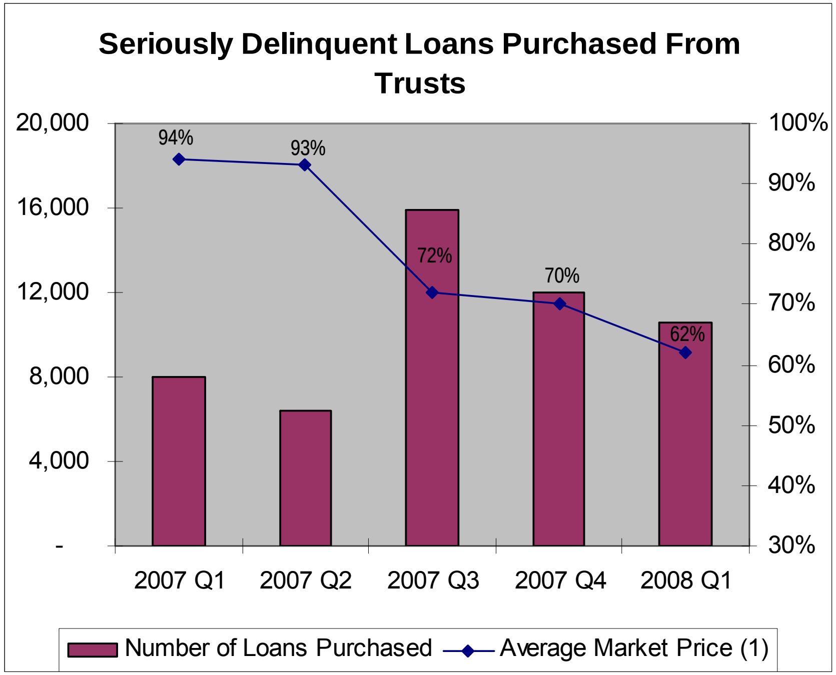
(dollars in millions)	2008 Q1 Amount	2008 Q1 Rate (bps)	2007 Q4 Amount	2007 Q4 Rate (bps) (1)	2007 Q3 Amount	2007 Q3 Rate (bps) (1)	2007 Q2 Amount	2007 Q2 Rate (bps) (1)	2007 Q1 Amount	2007 Q1 Rate (bps) (1)
Charge-offs, net of recoveries	$ 630	9.0	$ 307	4.6	$ 197	3.0	$ 154	2.5	$ 121	2.0
Foreclosed property expense	250	3.6	233	3.5	146	2.3	96	1.5	85	1.4
Credit losses, excluding the impact of SOP 03-3	**880**	**12.6**	**540**	**8.1**	**343**	**5.3**	**250**	**4.0**	**206**	**3.4**
SOP 03-3 fair value losses	728	10.5	559	8.3	670	10.5	66	1.1	69	1.2
Impact of SOP 03-3 on charge-offs and foreclosed property expense	(169)	(2.4)	(110)	(1.6)	(62)	(1.0)	(26)	(0.4)	(25)	(0.4)
Credit losses, including the impact of SOP 03-3	1,439	20.7	989	14.8	951	14.8	290	4.7	250	4.2
Increase in allowance for loan losses and reserve for guaranty losses	1,804		1,984		249		228		71	
Credit-related expenses	$ 3,243		$ 2,973		$ 1,200		$ 518		$ 321	
Allowance for loan losses and reserve for guaranty losses	$ 5,195		$ 3,391		$ 1,407		$ 1,158		$ 930	
Percent of allowance for loan losses and reserve for guaranty losses to the guaranty book of business	0.18%		0.12%		0.05%		0.05%		0.04%	
Single-family serious delinquency rate	1.15%		0.98%		0.78%		0.64%		0.62%	

(1) We previously calculated our credit loss ratio based on annualized credit losses as a percentage of our mortgage credit book of business, which includes non-Fannie Mae mortgage-related securities held in our mortgage investment portfolio that we do not guarantee. Because losses related to non-Fannie Mae mortgage-related securities are not reflected in our credit losses, we revised the calculation of our credit loss ratio to reflect credit losses as a percentage of our guaranty book of business. All ratios are annualized.

- Credit loss ratio (excluding the impact of SOP 03-3) increased to 12.6 bps in 2008 Q1 from 8.1 bps in 2007 Q4.
- The company expects the 2008 credit loss ratio of 13 to 17 basis points (excluding the impact of SOP 03-3) based on home price declines in 2008 of 7 to 9 percent. We also expect peak-to-trough declines in home prices of 15 to 19 percent.
- Allowance for loan losses and reserve for guaranty losses are influenced by a variety of factors such as delinquency trends, borrower behavior in rapidly declining markets, and the pace and depth of home price declines, particularly pronounced in certain regions. If the current negative trend in the housing market continues, we expect a further increase in our loss reserves during 2008 due to higher delinquencies, defaults, and loan loss severities.
- We expect credit losses to increase in 2009 relative to 2008.

Increased realized credit losses drive higher credit-related expenses. Credit remains a key focus of the company.

Losses on Seriously Delinquent Loans Purchased from Trusts/Cure Rates



(1) Includes value of primary mortgage insurance

Re-performance Rates of Seriously Delinquent Single-Family Loans Purchased from MBS Trusts

	Period Loans Purchased from MBS Trusts						
	2008 Q1	**2007 Q4**	**2007 Q3**	**2007 Q2**	**2007 Q1**	**2007**	**2006**
Cured [1]	44%	49%	37%	52%	54%	46%	65%
Defaults [2]	2%	11%	25%	18%	23%	19%	22%
90 days or more delinquent	54%	40%	38%	30%	23%	35%	13%
Total	100%	100%	100%	100%	100%	100%	100%

(1) In our experience, it generally takes at least 18 to 24 months to assess the ultimate re-performance of a delinquent loan. Accordingly, these re-performance statistics as of March 31, 2008 for delinquent loans purchased from MBS trusts during 2008 and 2007 may not be indicative of the ultimate long-term performance of these loans.

(2) Consists of foreclosures, preforeclosure sales, sales to third parties and deeds in lieu of foreclosures.

- Despite a reduction in the number of seriously delinquent loans purchased from MBS trusts, SOP 03-3 losses increased in 2008 Q1 as the average fair value of loans purchased fell from 70% in Q4 2007 to 62% in Q1 2008.
- Going forward, we expect that HomeSaver Advance™, initiated in March 2008, will reduce the number of loans that we otherwise would have purchased out of MBS trusts in 2008.

Increased losses on seriously delinquent loans purchased from MBS trusts driven by declines in average market price.

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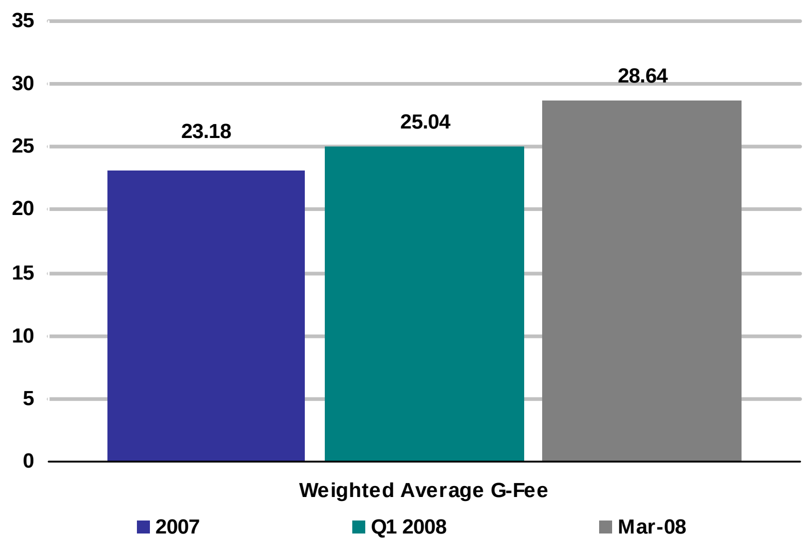
Proactive Credit Management

- **Tightening underwriting and eligibility standards / reduced participation in riskier segments**
  - Stricter eligibility requirements - increasing FICOs, lowering LTVs and increasing documentation requirements
  - Significantly reduced Alt-A acquisitions
- **Increasing loss mitigation efforts**
  - Focused on work-outs
  - Encourage servicers to ramp up work-outs and outreach programs to delinquent borrowers
  - Provide incentives to attorneys and servicers to pursue alternatives to foreclosure
- **Benefiting from credit enhancement on riskier loans; credit enhancement purchased primarily in prior quarters.**
- **Actively monitoring counterparties and enhancing counterparty collateral requirements**
  - Credit enhancement providers
  - Servicers

Substantial loss mitigation efforts are underway.

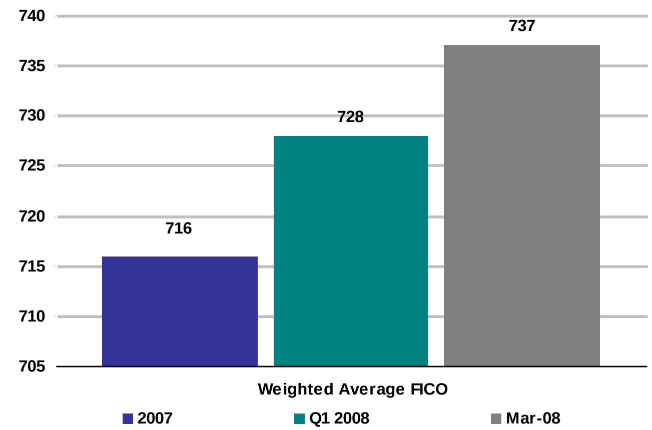
Single-Family Pricing and Credit

G-Fee Rate

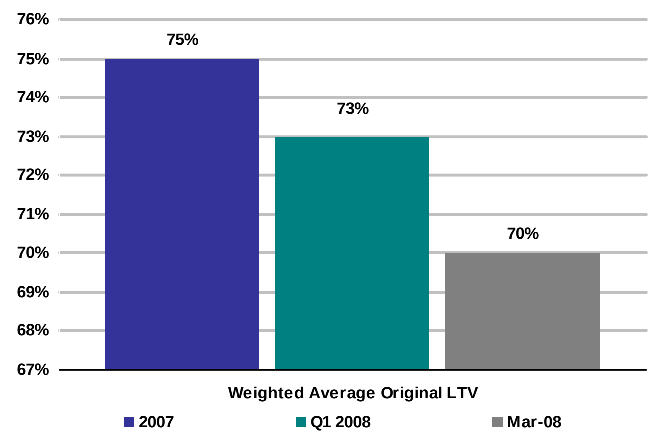


Note: Figures are for Fannie Mae “flow” business only.

Credit Score – All Products

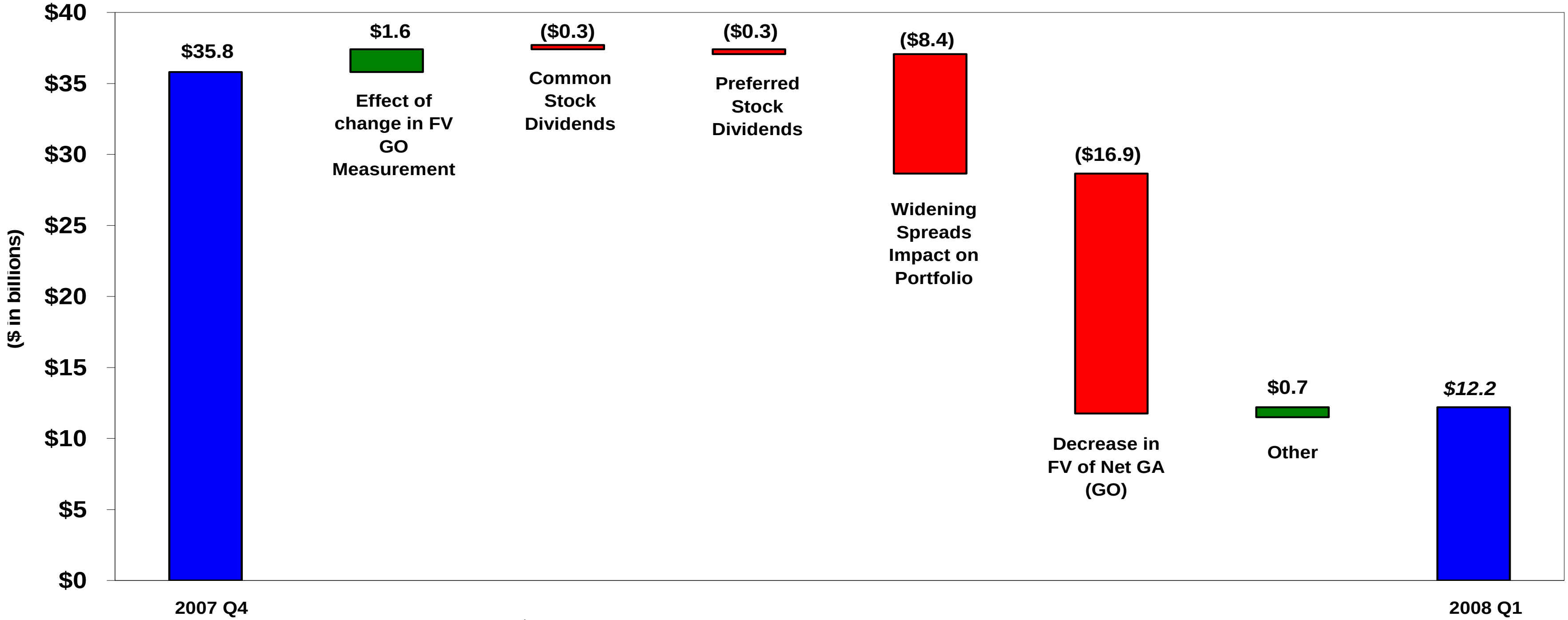


LTV Ratio – All Products



Improved credit and pricing metrics on new acquisitions, at the same time market share increases.

Change in Estimated After-Tax Fair Value of Net Assets (Non-GAAP)



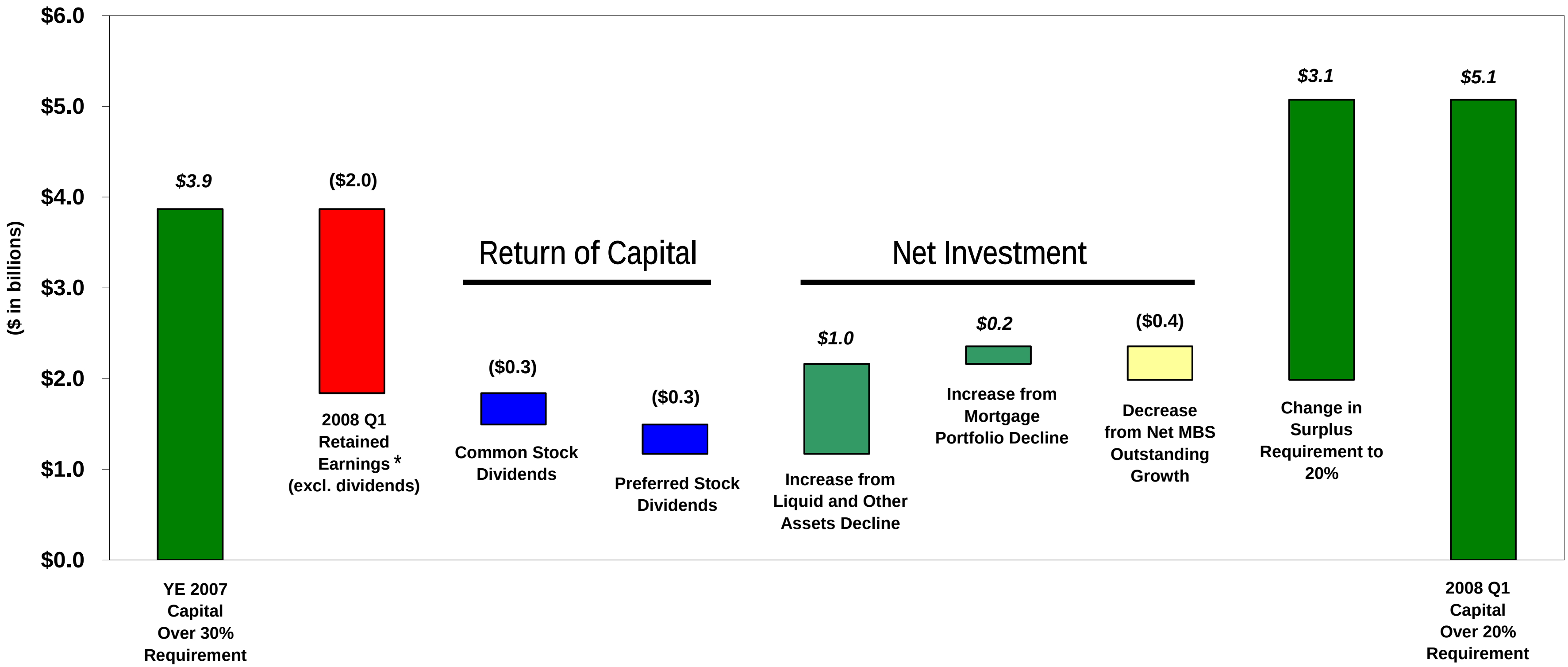
- Fair value of net assets decreased by $24.5 billion, excluding the effect of the change in measuring the fair value of the GO and capital transactions, driven by change in GO and widening spreads.
- Under our new methodology, the GO value is estimated based on our most recent pricing for issuance of our guaranty.
- Approximately 40% of the increase in the fair value of our net guaranty obligation resulted from an increase in the underlying risk in our credit guaranty book as delinquencies increased and home prices declined; the remaining approximately 60% of the increase resulted from an increase in the risk premium required to take mortgage credit risk in the current market, as indicated by the pricing of our new guaranty business.

Increase in guaranty obligation and wider credit spreads reduced the fair value of net assets.

The estimated fair value of our net assets (non-GAAP) represents the estimated fair value of total assets less the estimated fair value of total liabilities. We reconcile the estimated fair value of our net assets (non-GAAP) to total stockholders' equity (GAAP) in Appendix II (pg 49) and Table 32 of our 2008 Q1 Form 10-Q.

This slide replaces the copy of Slide 16 originally posted to Fannie Mae's Web site on May 6, 2008 in order to correct an arithmetical error. As a result of the correction, the effect of the change in measuring the fair value of our GO is $1.6 billion, instead of $(1.6) billion; "other" is $0.7 billion, instead of $3.9 billion; and the decrease in the fair value of net assets, excluding the effect of the change in measuring the fair value of the GO and capital transactions, is $24.5 billion, instead of $21.4 billion.

2008 Q1 Capital Surplus - Sources and Uses of Excess Capital



Note: 2008 Q1 capital surplus is a Fannie Mae estimate, and has not been certified by OFHEO

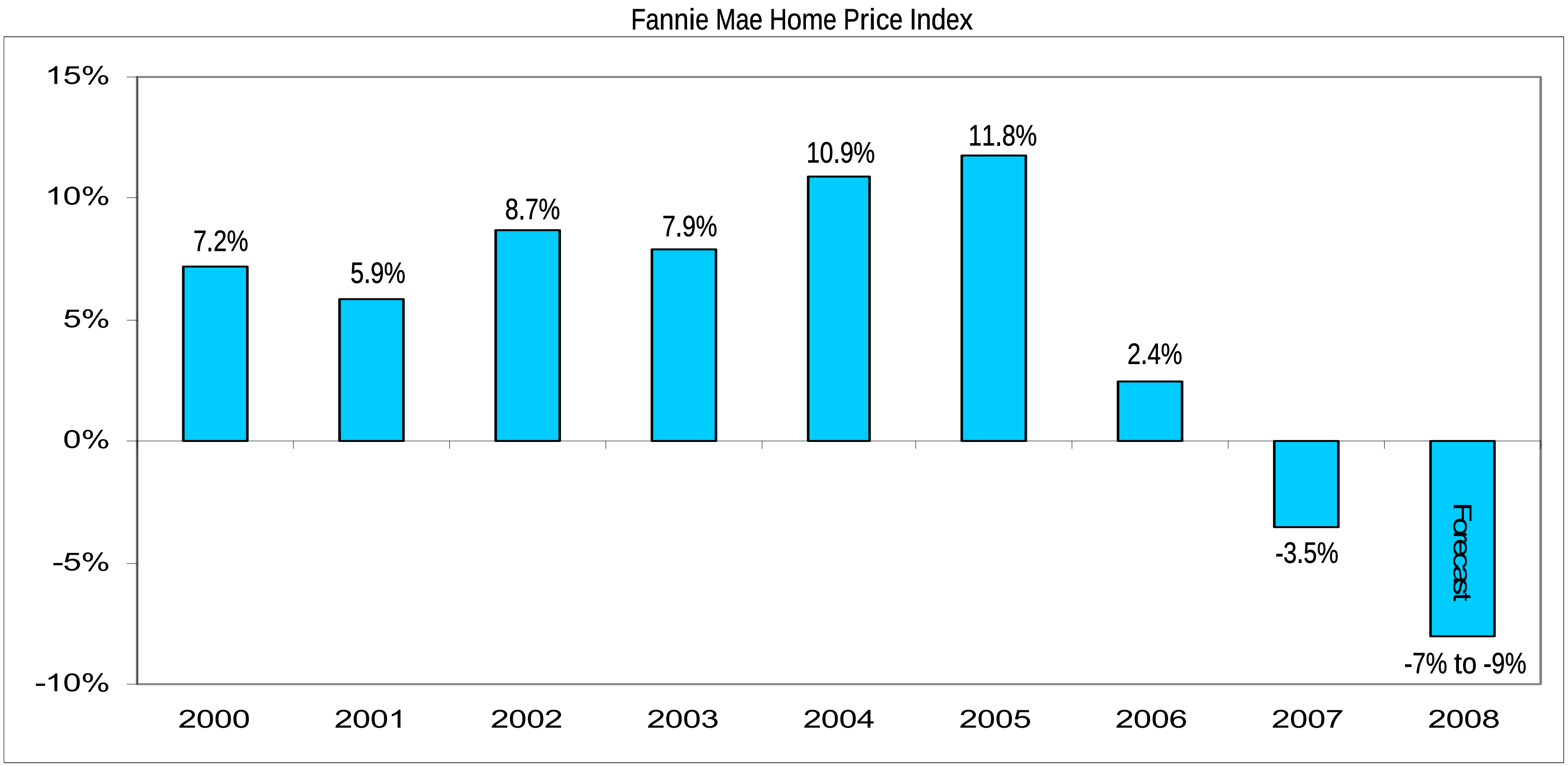
* Includes impact of adopting SFAS 157 and SFAS 159 effective January 1, 2008.

At March 31, 2008, Fannie Mae had $42.7 billion of core capital and a $5.1 billion capital surplus.

Numbers may not foot due to rounding

APPENDIX I – Credit

Home Price Growth Rate in the U.S.

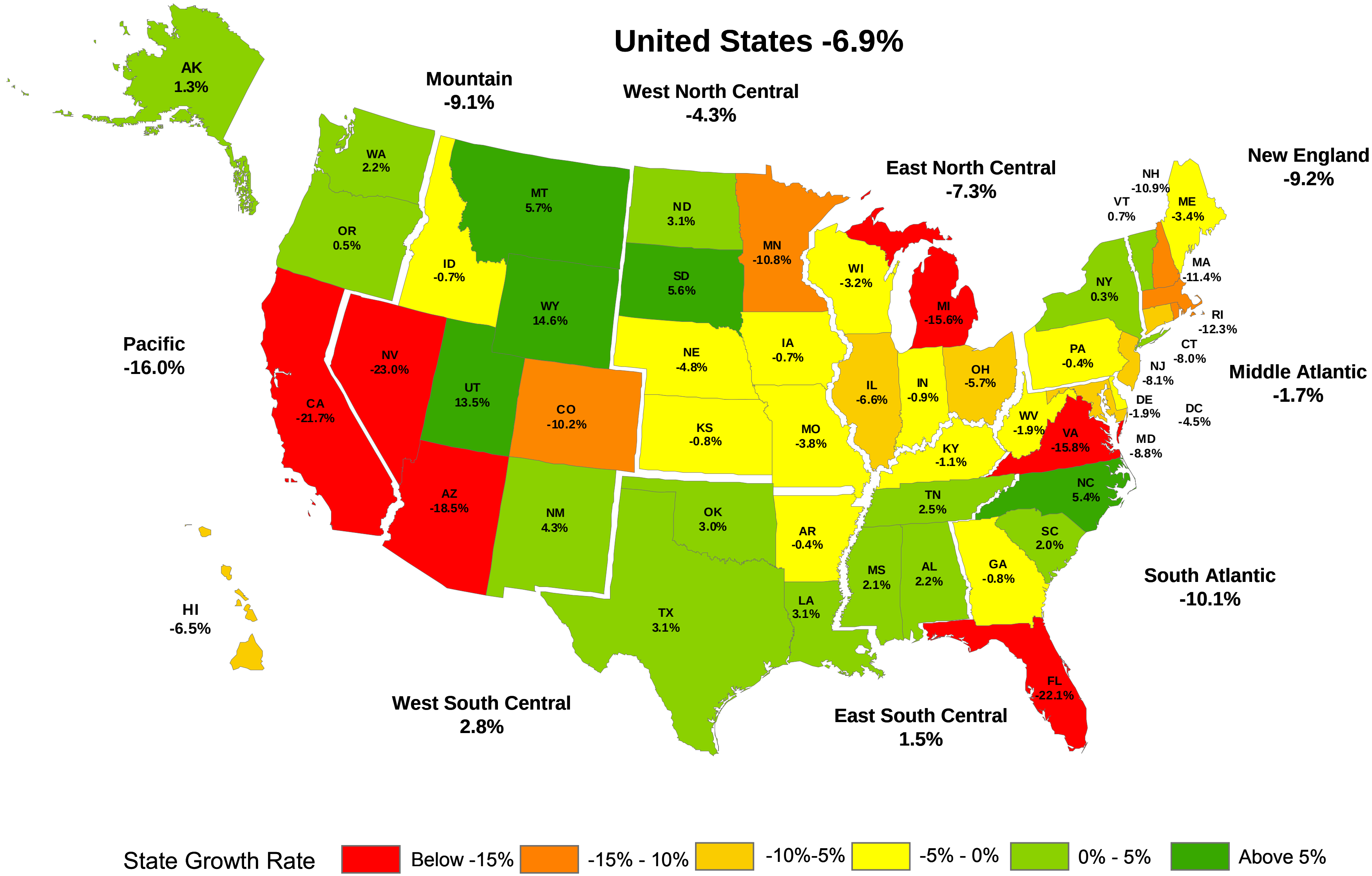


	2000	2001	2002	2003	2004	2005	2006	2007
S&P/Case Shiller Index	9.8%	7.7%	10.6%	10.7%	14.6%	14.7%	0.2%	-8.9%

Growth rates are from period-end to period-end.

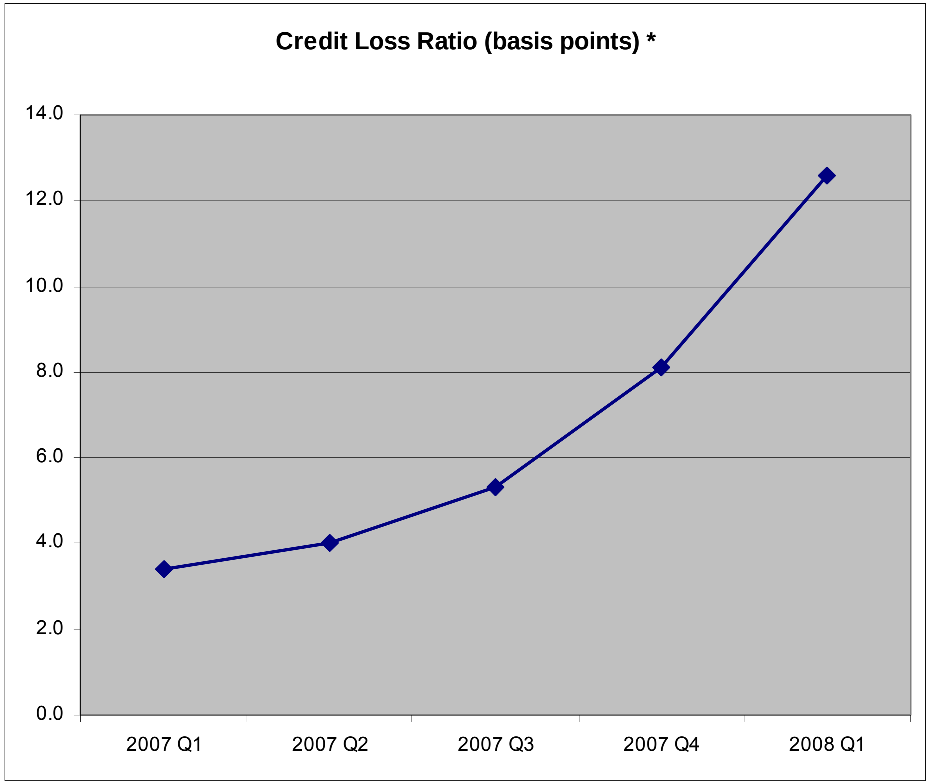
Note: Using the S&P/Case-Shiller weighting method, but excluding the increased impact of foreclosure sales on that index, our 2008 expected home price decline would be 10-13% (vs. 7-9%); our expected peak-to-trough decline would be 20-25% (vs. 15-19%). The S&P/Case-Shiller Index is value-weighted, whereas the Fannie Mae index is unit-weighted; hence the S&P/Case-Shiller index places greater weight on higher cost metropolitan areas. In addition, the S&P/Case Shiller index includes foreclosure sales; foreclosure sales are excluded from the Fannie Mae index and from this forecast. Foreclosure sales tend to depress the S&P/Case Shiller index relative to the Fannie Mae index.

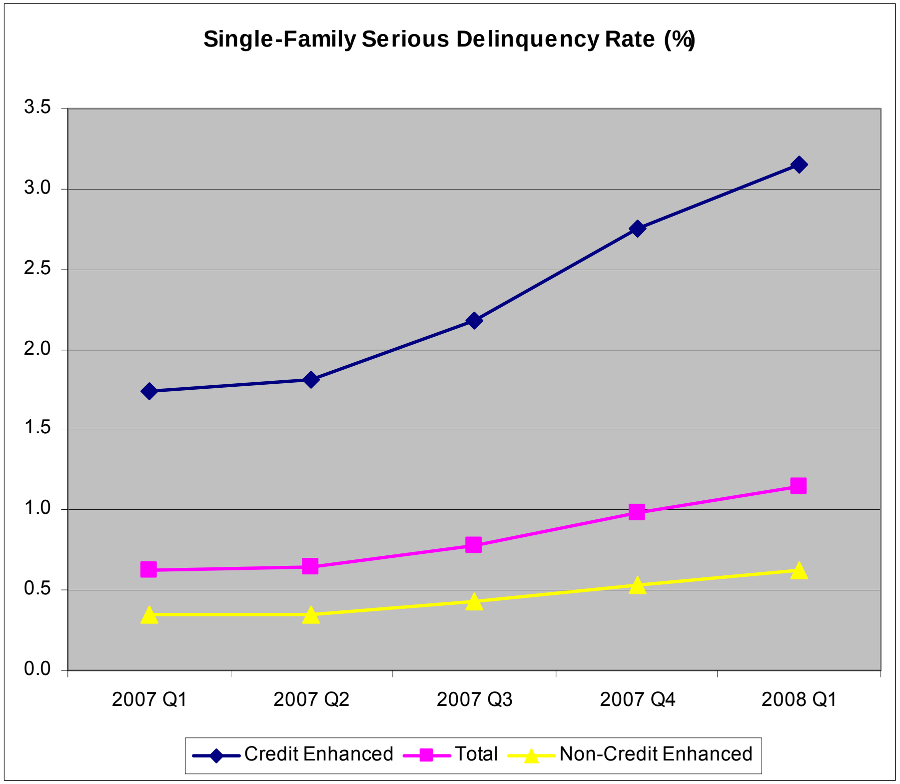
Home Price Changes from 2006 Q2 to 2008 Q1



Source: Fannie Mae. Based on data as of March 31, 2008. Including subsequent data may lead to materially different results.

Credit Loss Ratio/Delinquency Rates





Note: As of 3/31/08, 21% of Fannie Mae's Single-Family guaranty book of business was credit enhanced.

Higher credit loss ratio primarily due to worsening decline in home prices, particularly in the Midwest, California, Florida, Nevada, and Arizona, economic weakness in the Midwest, and rising delinquencies in our Alt-A book and 2006-2007 vintages. Our credit loss ratio excludes the impact of SOP 03-3

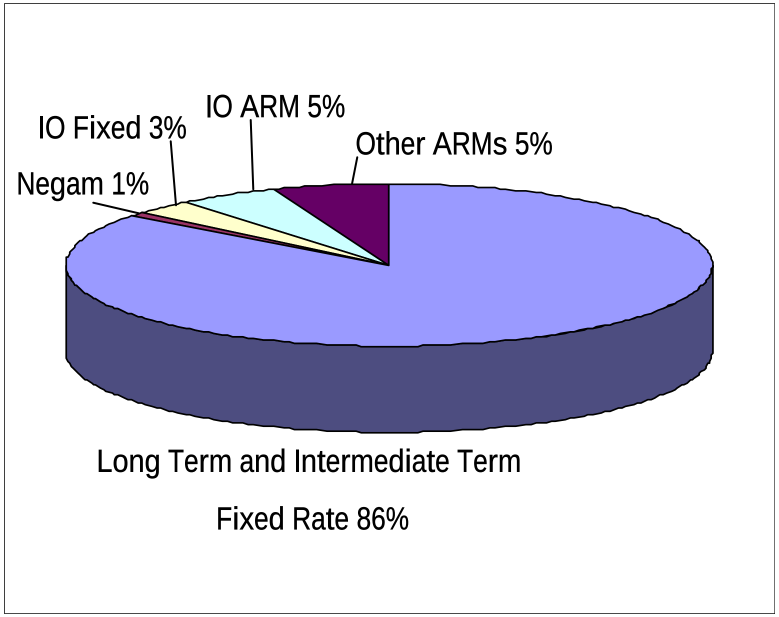
Fannie Mae expects its 2008 credit loss ratio to be within a range of 13-17 bps, factoring in a significant increase in loan default and severity rates, and a significant increase in acquisitions of foreclosed properties, as well as a 7 to 9% nationwide decline in home prices

* Note: Credit loss ratio is defined as [Net charge-offs (excluding impact of SOP 03-3) + Foreclosed Property Expense (excluding impact of SOP 03-3)]/Average Guaranty Book of Business

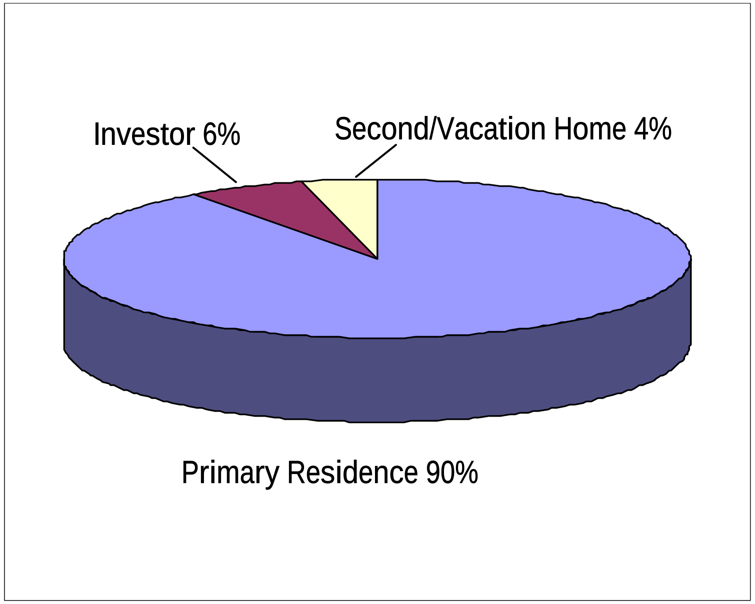
Characteristics of Fannie Mae Single-Family Conventional Mortgage Credit Book of Business

March 31, 2008	
Single-Family Conventional Mortgage Credit Book of Business	$2.7 Trillion
Weighted Average FICO	721
Weighted Average Original LTV	72%
Weighted Average MTM LTV	62%

Product Types*



Occupancy*



* Data as of March 31, 2008

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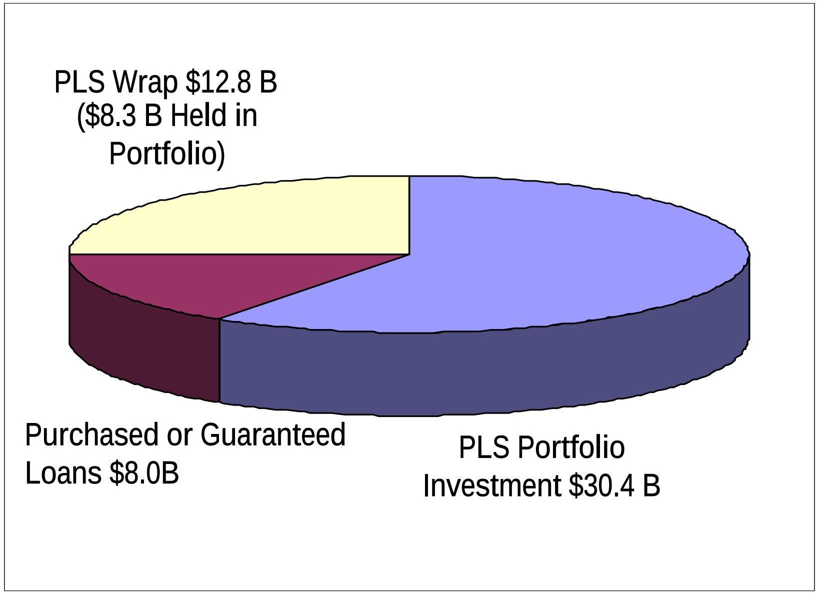
Fannie Mae Subprime and Alt-A Exposure

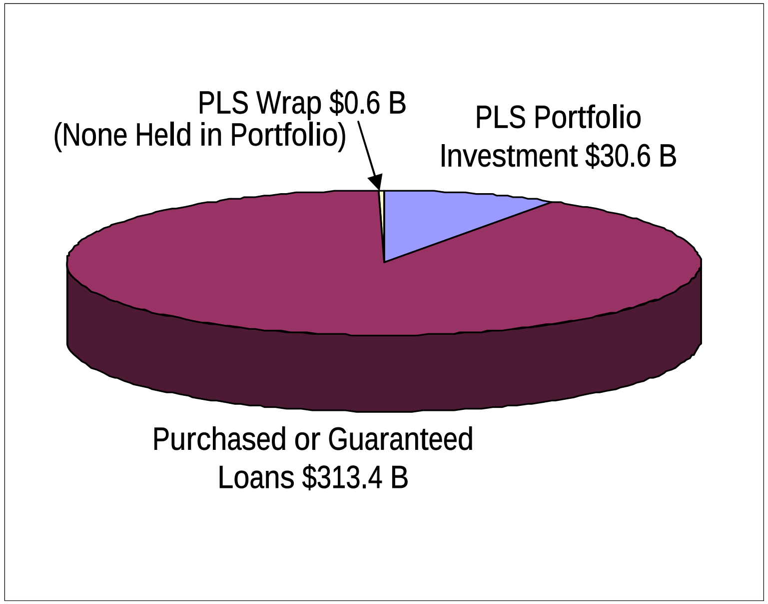
Subprime

Total Exposure of $51.2 Billion



Alt-A

Total Exposure of $344.6 Billion



"Alt-A mortgage loan" generally refers to a mortgage loan that can be underwritten with reduced or alternative documentation than that required for a full documentation mortgage loan but may also include other alternative product features. As a result, Alt-A mortgage loans generally have a higher risk of default than non-Alt-A mortgage loans. In reporting our Alt-A exposure, we have classified mortgage loans as Alt-A if the lenders that deliver the mortgage loans to us have classified the loans as Alt-A based on documentation or other product features. We have classified private-label mortgage-related securities held in our investment portfolio as Alt-A if the securities were labeled as such when issued.

"Subprime mortgage loan" generally refers to a mortgage loan made to a borrower with a weaker credit profile than that of a prime borrower. As a result of the weaker credit profile, subprime borrowers have a higher likelihood of default than prime borrowers. Subprime mortgage loans are typically originated by lenders specializing in this type of business or by subprime divisions of large lenders, using processes unique to subprime loans. In reporting our subprime exposure, we have classified mortgage loans as subprime if the mortgage loans are originated by one of these specialty lenders or a subprime division of a large lender. We have classified private-label mortgage-related securities held in our investment portfolio as subprime if the securities were labeled as such when issued.

*** Data as of March 31, 2008**

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Fannie Mae Credit Profile by Key Product Features

Credit Characteristics of Single-Family Conventional Mortgage Credit Book of Business

as of March 31, 2008	Overall Book	NegAm	Interest Only	FICO < 620	OLTV > 90%	FICO < 620 and OLTV > 90%	Subprime	Alt-A
UPB (billions) *	$2,605.6	$20.6	$214.9	$128.1	$268.5	$30.0	$8.0	$310.5
Share of SF Conv Credit Book(1)	100.0%	0.8%	8.2%	4.9%	10.3%	1.2%	0.3%	11.2%
Average UPB	$144,657	$148,474	$238,793	$127,332	$138,035	$120,629	$152,967	$173,098
SDQ Rate All Loans	1.15%	2.27%	3.07%	4.86%	3.23%	8.99%	7.42%	2.96%
Origination Year 2005-2007	53.0%	62.0%	87.5%	59.4%	65.8%	70.8%	83.1%	73.9%
Weighted Average OLTV	71.7%	70.9%	75.6%	77.2%	97.4%	98.1%	78.4%	73.0%
OLTV > 90	10.3%	0.3%	9.1%	23.4%	100.0%	100.0%	7.9%	5.6%
Weighted Average MTMLTV	61.8%	66.1%	77.9%	68.7%	88.5%	90.3%	76.2%	69.4%
Weighted Average FICO	721	695	724	588	690	592	622	718
FICO < 620	4.9%	12.0%	1.3%	100.0%	11.2%	100.0%	48.5%	0.7%
Fixed-rate	89.1%	0.1%	40.1%	92.9%	93.8%	96.6%	58.9%	71.2%
Principal Residence	89.8%	71.5%	84.9%	96.9%	97.0%	99.5%	96.4%	77.8%
Condo/Coop	9.1%	13.0%	16.0%	4.8%	9.7%	5.8%	4.9%	10.9%
Credit Enhanced (2) (3)	21.2%	77.3%	36.4%	37.5%	92.7%	94.9%	71.7%	40.0%
% of 2007 Credit Losses (4)	100.0%	0.9%	15.3%	18.9%	16.9%	6.2%	1.0%	31.4%
% of 2008 Q1 Credit Losses (4)	100.0%	1.1%	29.5%	14.0%	17.4%	6.0%	1.4%	42.7%

(1) Subprime and Alt-A are calculated as a percentage of the Single-Family Mortgage Credit Book

(2) Total UPB of loans with credit enhancement/Total UPB of Book (%)

(3) Includes primary mortgage insurance, pool insurance, lender recourse and other credit enhancement

(4) Calculated as a percentage of the Single-Family Mortgage Guaranty Book of Business credit losses

Note: Categories are not mutually exclusive, so numbers are not additive across columns

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Fannie Mae Credit Profile by Vintage and Key Product Features

Credit Characteristics of Single-Family Conventional Mortgage Credit Book of Business by Vintage

as of March 31, 2008	Overall Book	2008 Vintage	2007 Vintage	2006 Vintage	2005 Vintage	2004 and Earlier Vintages
UPB (billions) *	$2,605.6	$97.5	$582.9	$415.5	$383.2	$1,126.4
Share of SF Conv Credit Book	100.0%	3.7%	22.4%	15.9%	14.7%	43.2%
Average UPB	$144,657	$213,187	$194,477	$177,608	$165,689	$113,723
SDQ Rate All Loans	1.15%	0.00%	1.19%	2.21%	1.49%	0.85%
Origination Year 2005-2007	53.0%	0.0%	100.0%	100.0%	100.0%	0.0%
Weighted Average OLTV	71.7%	72.5%	76.0%	73.7%	71.7%	68.8%
OLTV > 90	10.3%	11.2%	17.4%	10.6%	8.0%	7.2%
Weighted Average MTMLTV	61.8%	72.5%	77.4%	74.2%	66.5%	46.7%
Weighted Average FICO	721	731	716	717	723	725
FICO < 620	4.9%	3.7%	6.4%	5.4%	4.2%	4.3%
Fixed-rate	89.1%	93.0%	91.4%	86.4%	82.8%	90.6%
Principal Residence	89.8%	90.3%	88.8%	87.3%	88.1%	91.8%
Condo/Coop	9.1%	9.7%	10.8%	10.9%	9.9%	7.1%
Credit Enhanced (1) (2)	21.2%	23.0%	30.4%	27.9%	21.3%	13.8%
% of 2007 Credit Losses (3)	100.0%	0.0%	1.6%	20.8%	24.1%	53.5%
% of 2008 Q1 Credit Losses (3)	100.0%	0.0%	13.5%	35.3%	24.0%	27.2%
Cumulative Default Rate (4)		0.000%	0.081%	0.530%	0.614%	

(1) Total UPB of loans with credit enhancement/Total UPB of Book (%)

(2) Includes primary mortgage insurance, pool insurance, lender recourse and other credit enhancement

(3) Calculated as a percentage of the Single-Family Mortgage Guaranty Book of Business credit losses

(4) 2004 vintage cumulative default rate was 0.672%; 2003 cumulative default rate was 0.492% as of March 31, 2008

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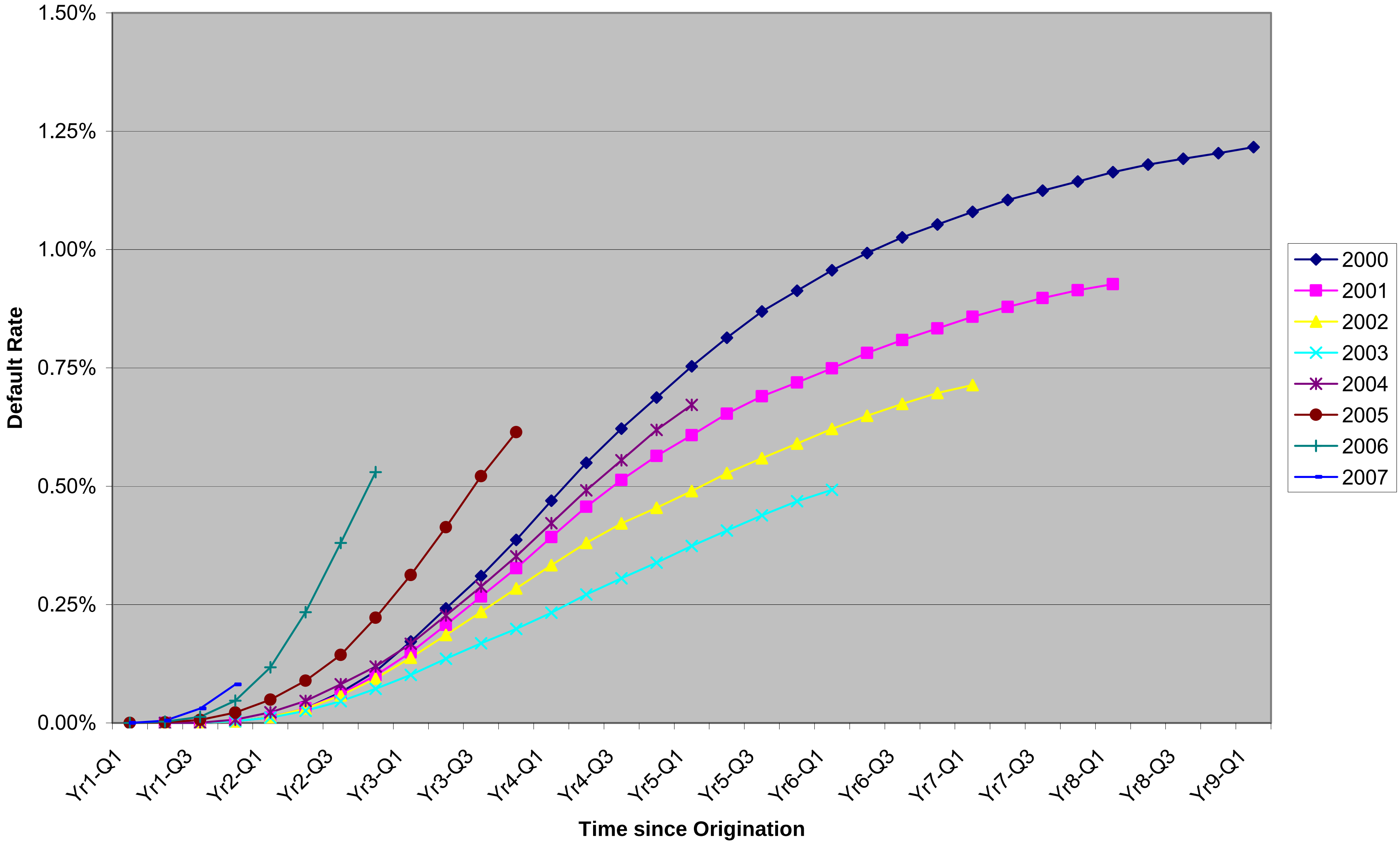
Cumulative Default Rates Overall Originations from 2000 thru 2007



Consistent with industry trends, 2006 and 2007 vintages performing poorly.

Data as of March 31, 2008 is not necessarily indicative of the ultimate performance and are likely to change, perhaps materially, in future periods.

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Fannie Mae Credit Profile by State

Credit Characteristics of Single-Family Conventional Mortgage Credit Book of Business by State

as of March 31, 2008	Overall Book	MI	OH	IN	FL	CA	AZ	NV
UPB (billions) *	$2,605.6	$80.2	$72.2	$36.3	$195.8	$399.9	$76.4	$35.2
Share of SF Conv Credit Book	100.0%	3.1%	2.8%	1.4%	7.5%	15.3%	2.9%	1.4%
Average UPB	$144,657	$117,763	$105,533	$102,415	$144,135	$193,652	$158,774	$179,324
SDQ Rate All Loans	1.15%	1.46%	1.87%	2.00%	2.32%	0.76%	1.12%	1.69%
Origination Year 2005-2007	53.0%	41.0%	44.0%	47.8%	63.8%	48.7%	67.7%	65.2%
Weighted Average OLTV	71.7%	73.7%	77.1%	78.6%	73.3%	61.9%	73.7%	74.3%
OLTV > 90	10.3%	10.1%	15.4%	18.7%	11.2%	2.8%	10.3%	9.6%
Weighted Average MTMLTV	61.8%	69.3%	67.9%	68.5%	68.6%	54.8%	67.4%	72.5%
Weighted Average FICO	721	719	718	714	716	728	723	722
FICO < 620	4.9%	5.7%	6.1%	6.9%	5.6%	3.3%	3.9%	3.3%
Fixed-rate	89.1%	88.9%	93.5%	94.0%	85.9%	82.0%	83.7%	75.1%
Principal Residence	89.8%	93.0%	94.3%	93.7%	81.9%	88.3%	83.8%	80.6%
Condo/Coop	9.1%	9.1%	4.3%	2.5%	15.6%	11.8%	5.4%	7.9%
Credit Enhanced (1) (2)	21.2%	19.8%	27.3%	32.1%	24.4%	12.2%	23.2%	27.9%
% of 2007 Credit Losses (3)	100.0%	27.1%	13.6%	4.3%	4.7%	7.4%	1.8%	1.3%
% of 2008 Q1 Credit Losses (3)	100.0%	22.9%	6.5%	2.5%	7.2%	18.6%	3.8%	3.0%

(1) Total UPB of loans with credit enhancement/Total UPB of Book (%)

(2) Includes primary mortgage insurance, pool insurance, lender recourse and other credit enhancement

(3) Calculated as a percentage of the Single-Family Guaranty Book of Business credit losses

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Single-Family Delinquency Rates by State and Region

Single-Family serious delinquency rates	March 2008	March 2007
Arizona	1.12%	0.22%
California	0.76%	0.17%
Florida	2.32%	0.49%
Nevada	1.69%	0.39%
Total conventional single-family loans	1.15%	0.62%

Single-Family serious delinquency rates	March 2008	March 2007
Midwest	1.44%	0.96%
Northeast	1.05%	0.67%
Southeast	1.44%	0.63%
Southwest	0.94%	0.62%
West	0.72%	0.21%

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Home Price Growth/Decline and Fannie Mae Real Estate Owned (REO) in Key States

Single-family REO and Home Price Statistics[1] for Selected States

	REO Acquisitions				REO Inventory		
State	2005	2006	2007	2008 Q1	As of 3/31/08	Annualized HP Growth as of 3/31/08 (Prior 1 yr) (1)	Annualized HP Growth as of 3/31/08 (Prior 5 yrs) (1)
Michigan	3,633	5,691	8,067	3,259	9,125	-9.5%	-1.8%
Ohio	3,113	4,041	4,433	1,239	3,084	-3.7%	1.0%
Indiana	2,099	2,572	2,457	743	1,149	-0.2%	1.8%
Florida	334	282	1,714	966	1,887	-18.3%	7.4%
California	18	93	1,681	1,477	2,575	-17.0%	6.7%
Arizona	146	56	751	632	990	-14.9%	8.8%
Nevada	27	62	530	403	711	-19.1%	7.4%
Other	23,190	23,783	29,488	11,389	23,646	N/A	N/A
Total	32,560	36,580	49,121	20,108	43,167	-5.9%	4.9%

[1] Based on Fannie Mae Home Price Index

On a national basis, REO net sales price compared with unpaid principal balance of mortgage loan has decreased from 93% in 2005 to 89% in 2006 to 78% in 2007 to 74% in Q1 2008 driving an increase in loss severity.

Fannie Mae Alt-A Credit Profile by Key Product Features

Credit Characteristics of Single-Family Mortgage Credit Book of Business by Vintage

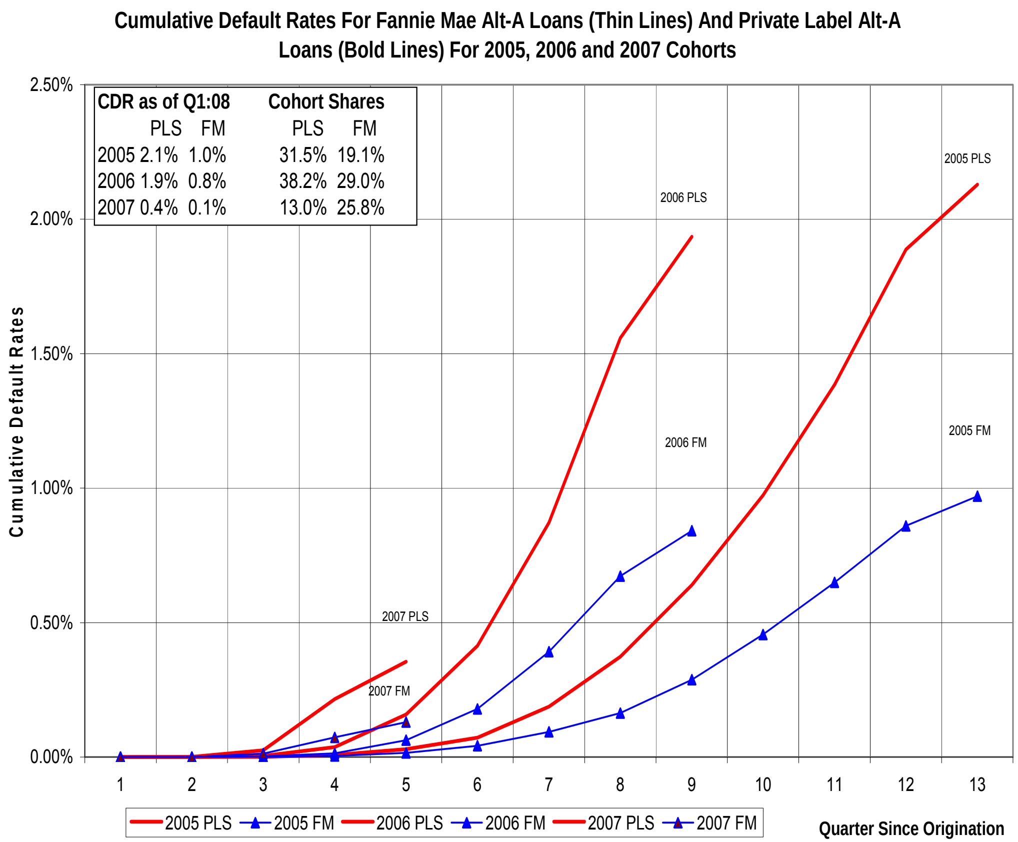
as of March 31, 2008	Alt-A	2008 Vintage	2007 Vintage	2006 Vintage	2005 Vintage	2004 and Earlier Vintages
UPB (billions)	$310.5	$2.1	$80.2	$90.0	$59.4	$78.8
Share of Alt-A	100.0%	0.7%	25.8%	29.0%	19.1%	25.4%
Weighted Average OLTV	73.0%	70.9%	75.2%	74.1%	72.7%	69.8%
OLTV > 90	5.6%	3.4%	9.3%	5.0%	3.3%	4.3%
Weighted Average MTMLTV	69.4%	71.2%	78.4%	77.2%	70.7%	50.0%
MTMLTV > 100	4.7%	1.0%	6.6%	7.0%	4.4%	0.2%
Weighted Average FICO	718	718	713	715	724	723
FICO < 620	0.7%	0.2%	0.5%	0.5%	0.4%	1.4%
Adjustable-rate	28.8%	13.4%	22.5%	30.2%	41.3%	24.8%
Interest Only	30.6%	11.5%	38.7%	39.3%	30.8%	12.9%
Investor	17.1%	21.1%	19.4%	16.7%	19.0%	13.7%
Condo/Coop	10.9%	7.9%	10.1%	11.7%	13.1%	9.4%
Geography						
California	21.6%	22.5%	21.9%	19.7%	20.6%	24.2%
Florida	10.7%	8.6%	11.3%	12.1%	11.8%	7.7%
Credit Enhanced (1)	40.0%	21.2%	36.6%	53.7%	47.7%	22.6%
SDQ Rate All Loans	2.96%	0.00%	2.85%	4.34%	3.23%	1.79%
% of 2007 Credit Losses	31.4%	n.a.	0.6%	10.2%	10.5%	10.0%
% of 2008 Q1 Credit Losses	42.7%	0.0%	6.6%	19.4%	11.6%	5.1%

"Alt-A mortgage loan" generally refers to a mortgage loan that can be underwritten with reduced or alternative documentation than that required for a full documentation mortgage loan but may also include other alternative product features. As a result, Alt-A mortgage loans generally have a higher risk of default than non-Alt-A mortgage loans. In reporting our Alt-A exposure, we have classified mortgage loans as Alt-A if the lenders that deliver the mortgage loans to us have classified the loans as Alt-A.

(1) Defined as UPB of Alt-A loans with credit enhancement as a percent of UPB of all Alt-A loans. At 3/31/08, 8.9% of UPB of Alt-A loans carried only primary MI (no deductible), 27.1% had only pool insurance (which is generally subject to a deductible), 3.3% had primary MI and pool insurance, and 0.7% carried other credit enhancement such as lender recourse.

Fannie Mae Alt-A Loans Versus Loans Underlying Private Label Alt-A Securities

Summary Collateral Characteristics		
	Fannie Mae Alt-A	Private Label Alt-A
FICO	718	709
OLTV	73%	76%
CLTV at Origination	77%	82%
Product Type		
Fixed Rate	71%	43%
Adjustable Rate	29%	57%
Interest Only	21%	26%
Negatively Amortizing	3%	25%
Investor	17%	20%

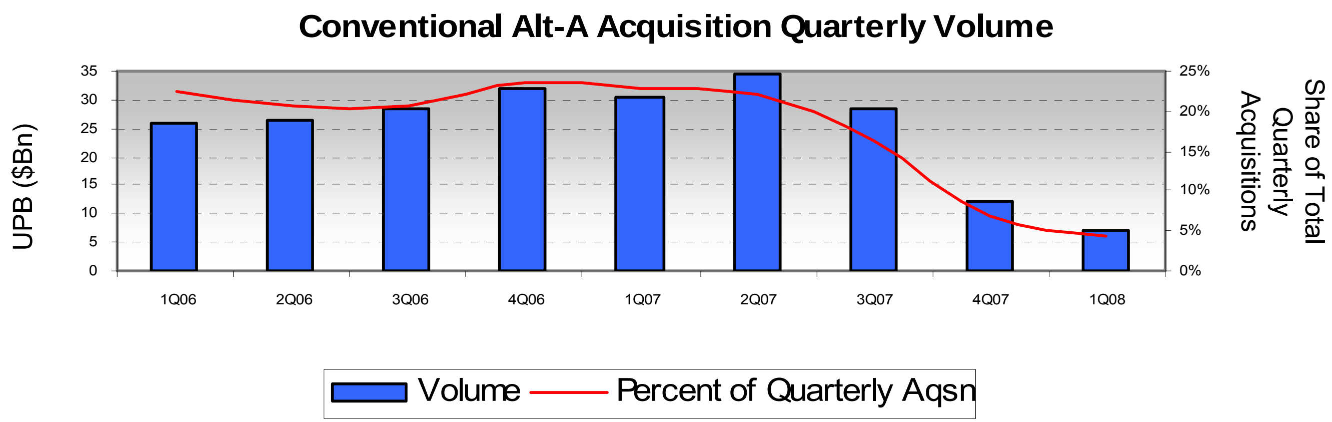


Fannie Mae's Alt-A guaranteed book of business has more favorable credit characteristics than the loans backing Alt-A Private Label Securities (PLS).

All data and CDRs for Q1:08 are based on Jan-08 data. Private Label Security data are from First American CoreLogic, LoanPerformance. LoanPerformance estimates it captures 96 percent of Alt-A PLS. The PLS data includes some loans that Fannie Mae holds in its Alt-A securities portfolio. All summary collateral characteristics are weighted averages using current loan balances. Certain amounts have been calculated by Fannie Mae.

Alt-A Risk Management

- New Business:
  - Reduction in Alt-A acquisition volume reflects eligibility and pricing changes



  - Eligibility:
    - Deliveries after January 1, 2008:
      - Reduced maximum LTV/CLTV to 90%
    - Deliveries after March 1, 2008:
      - Raised minimum FICO score to 660 regardless of LTV/CLTV
      - Will no longer purchase No Income/No Asset documentation loans
      - Will no longer purchase No Income/Verified Asset documentation type loans
      - The maximum LTV/CLTV for cash-out refinance loans reduced to 75% for majority of property types
    - Deliveries after June 1, 2008:
      - Discontinuing the purchase of Interest-Only mortgage loans
    - Deliveries after August 1, 2008 (announced early May):
      - Reduced maximum LTV/CLTV to 75% and raised minimum FICO score to 680 regardless of LTV/CLTV for all reduced-documentation Alt-A mortgages
  - Pricing:
    - Beginning in 2007, we made several guaranty fee changes as a result of the turmoil in the market, resulting in higher guaranty fees for Alt-A mortgages
    - For deliveries after August 1, 2008, we are making additional adjustments to guaranty fees for Alt-A mortgages that are focused on realigning our risk-based pricing with our tighter eligibility and credit standards

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Fannie Mae Subprime and Alt-A Private Label Security (PLS) Exposure – Securities/Wraps

	Subprime		Alt-A	
	Securities	Wraps	Securities	Wraps
UPB @ 3/31/08 ($bn)	30.4	12.8	30.6	0.6
% AAA	42.3%	100.0%	100.0%	100.0%
% AA or below	57.7%	0.0%	0.0%	0.0%
% 2007 Vintage	19.0%	67.3%	12.4%	56.9%
% 2006 Vintage	67.8%	0.0%	27.3%	0.0%

Wtd Average Credit Enhancement	36.7%	33.5%	23.3%	8.1%

As of April 30, 2008, all of our private-label mortgage-related securities backed by Alt-A mortgage loans were rated AAA and none had been downgraded. However, approximately $4.5 billion or 15% of our Alt-A private-label mortgage-related securities had been placed under review for possible credit downgrade or on negative watch as of April 30, 2008.

The percentages of our subprime private-label mortgage securities rated AAA and AA to BBB- were 42% and 48%, respectively, as of April 30, 2008, compared with 97% and 3% respectively as of December 31, 2007. The percentage of these securities rated below investment grade rose to 10% as of April 30, 2008. None of these securities were rated below investment grade as of December 31, 2007. Approximately $6.4 billion or 21% of our subprime private-label mortgage-related securities had been placed under review for possible credit downgrade or on negative watch as of April 30, 2008.

Investments in Alt-A Mortgage-Related Securities (Option ARM)

	Unpaid Principal Balance				Credit Enhancement Statistics				Stress Test Scenarios		
	Trading Securities	AFS Securities	Average Price	Fair Value	Average Current	Original	Minimum Current	Monoline Financial Guaranteed Amount	20d/40s NPV Rounded	20d/50s NPV Rounded	30d/40s NPV Rounded
Investments in Alt-A securities:											
Option ARM Alt-A securities:											
2004 and prior	$ -	$ 769	$ 81.05	$ 623	22%	9%	16%	$ -	$ -	$ -	$ -
2005-1 (1)	-	109	78.83	86	18%	7%	17%	-	-	-	-
2005-1 (2)	-	180	78.67	142	19%	8%	19%	-	-	-	-
2005-1 (3)	-	167	78.22	131	24%	13%	20%	-	-	-	-
2005-1 (4)	-	176	77.44	136	55%	39%	33%	-	-	-	-
2005-1 subtotal	-	632	78.23	495	30%	18%	17%	-	-	-	-
2005-2 (1)	-	278	78.36	218	30%	21%	24%	-	-	-	-
2005-2 (2)	-	126	78.19	99	35%	28%	35%	-	-	-	-
2005-2 (3)	-	505	78.58	396	45%	39%	39%	-	-	-	-
2005-2 (4)	-	351	82.86	291	100%	100%	100%	351	-	-	-
2005-2 subtotal	-	1,260	79.68	1,004	56%	51%	24%	351	-	-	-
2006-1 (1)	-	136	75.84	103	21%	19%	11%	-	-	-	-
2006-1 (2)	-	429	76.66	329	41%	38%	40%	-	-	-	-
2006-1 (3)	-	403	76.54	308	45%	42%	45%	-	-	-	-
2006-1 (4)	-	444	75.74	337	89%	88%	49%	345	-	-	-
2006-1 subtotal	-	1,412	76.26	1,077	55%	53%	11%	345	-	-	-
2006-2 (1)	-	-	-	-	-	-	-	-	-	-	-
2006-2 (2)	-	219	76.66	168	37%	35%	37%	-	-	-	-
2006-2 (3)	-	101	76.79	78	41%	40%	41%	-	-	-	-
2006-2 (4)	-	228	80.67	183	69%	68%	47%	94	-	-	-
2006-2 subtotal	-	548	78.35	429	51%	50%	37%	94	-	-	-
2007-1 (1)	216	-	71.33	154	24%	24%	24%	-	-	-	-
2007-1 (2)	379	-	75.83	288	46%	45%	45%	-	-	-	-
2007-1 (3)	271	-	75.81	205	48%	47%	48%	-	-	-	-
2007-1 (4)	544	-	75.98	413	100%	100%	100%	544	-	-	-
2007-1 subtotal	1,410	-	75.19	1,060	64%	64%	24%	544	-	-	-
2007-2 (1)	302	-	75.98	229	33%	32%	25%	-	-	-	-
2007-2 (2)	219	-	76.78	168	47%	47%	47%	-	-	-	-
2007-2 (3)	317	-	77.35	245	48%	47%	48%	-	-	-	-
2007-2 (4)	429	-	73.58	316	100%	100%	100%	429	-	-	-
2007-2 subtotal	1,267	-	75.65	958	62%	62%	25%	429	-	-	-
Total	$ 2,677	$ 4,621	$ 77.37	$ 5,646	52%	48%	11%	$ 1,763	$ -	$ -	$ -

Data as of March 31, 2008

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Investments in Alt-A Mortgage-Related Securities (Other)

	Unpaid Principal Balance				Credit Enhancement Statistics				Stress Test Scenarios		
	Trading Securities	AFS Securities	Average Price	Fair Value	Average Current	Original	Minimum Current	Monoline Financial Guaranteed Amount	20d/40s NPV Rounded	20d/50s NPV Rounded	30d/40s NPV Rounded
Other Alt-A securities:											
2004 and prior	$ -	$ 9,611	$ 88.85	$ 8,539	11%	6%	4%	$ 31	$ 27	$ 90	$ 196
2005-1 (1)	-	411	87.44	359	9%	5%	6%	-	2	4	11
2005-1 (2)	-	454	88.26	401	12%	7%	11%	-	-	1	3
2005-1 (3)	-	458	90.33	414	14%	10%	13%	-	-	2	6
2005-1 (4)	-	537	87.32	469	17%	10%	15%	-	-	1	4
2005-1 subtotal	-	1,860	88.32	1,643	13%	9%	6%	-	2	8	24
2005-2 (1)	-	1,057	89.71	948	6%	5%	4%	-	18	38	58
2005-2 (2)	-	1,038	89.17	926	10%	8%	8%	-	-	12	15
2005-2 (3)	-	1,134	82.18	932	16%	14%	14%	-	-	-	3
2005-2 (4)	-	1,086	84.44	917	22%	17%	19%	-	-	-	-
2005-2 subtotal	-	4,315	86.27	3,723	14%	11%	4%	-	18	50	76
2006-1 (1)	35	1,246	90.60	1,160	5%	4%	4%	-	32	56	81
2006-1 (2)	-	1,057	91.57	968	9%	8%	9%	-	6	17	30
2006-1 (3)	53	1,376	87.59	1,251	15%	12%	12%	-	-	0	2
2006-1 (4)	-	1,432	78.88	1,130	22%	17%	19%	-	-	-	-
2006-1 subtotal	88	5,111	86.74	4,509	13%	11%	4%	-	38	73	113
2006-2 (1)	-	-	-	-	-	-	-	-	-	-	-
2006-2 (2)	-	537	76.64	411	11%	10%	6%	-	-	-	2
2006-2 (3)	-	-	-	-	-	-	-	-	-	-	-
2006-2 (4)	-	640	75.12	481	17%	16%	17%	-	-	-	-
2006-2 subtotal	-	1,177	75.82	892	14%	13%	6%	-	-	-	2
2007-1 (1)	79	-	76.41	60	6%	5%	6%	-	-	-	-
2007-1 (2)	194	-	78.48	152	8%	7%	7%	-	2	3	4
2007-1 (3)	115	-	75.32	87	11%	11%	8%	-	-	-	-
2007-1 (4)	240	-	76.54	184	17%	16%	16%	-	-	-	-
2007-1 subtotal	628	-	76.89	483	12%	11%	6%	-	2	3	4
2007-2 (1)	-	-	-	-	-	-	-	-	-	-	-
2007-2 (2)	-	-	-	-	-	-	-	-	-	-	-
2007-2 (3)	-	-	-	-	-	-	-	-	-	-	-
2007-2 (4)	475	-	86.03	409	100%	100%	100%	475	-	-	-
2007-2 subtotal	475	-	86.03	409	100%	100%	100%	475	-	-	-
Total	1,191	22,074	86.82	20,198	14%	10%	4%	506	87	224	415
Total Alt-A securities	$ 3,868	$ 26,695	$ 84.56	$ 25,844	23%	19%	4%	$ 2,269	$ 87	$ 224	$ 415

Data as of March 31, 2008

Investments in Subprime Mortgage-Related Securities

	Unpaid Principal Balance				Credit Enhancement Statistics				Stress Test Scenarios		
	Trading Securities	AFS Securities	Average Price	Fair Value	Average Current	Original	Minimum Current	Monoline Financial Guaranteed Amount	50d/50s NPV	50d/60s NPV	60d/50s NPV
Investments in subprime securities:											
2004 and prior	$ -	$ 3,271	$ 87.57	$ 2,864	75%	55%	13%	$ 1,514	$ 2	$ 5	$ 6
2005-1 (1)	-	-	-	-	-	-	-	-	-	-	-
2005-1 (2)	-	31	89.16	27	66%	36%	66%	-	-	-	-
2005-1 (3)	-	-	-	-	0%	-	-	-	-	-	-
2005-1 (4)	-	44	87.08	39	79%	29%	79%	-	-	-	-
2005-1 subtotal	-	75	87.93	66	74%	32%	66%	-	-	-	-
2005-2 (1)	-	107	94.96	101	41%	23%	37%	-	-	-	-
2005-2 (2)	-	107	91.61	98	52%	32%	52%	-	-	-	-
2005-2 (3)	-	253	92.06	234	58%	32%	55%	-	-	-	-
2005-2 (4)	-	185	90.22	167	77%	60%	63%	69	-	-	-
2005-2 subtotal	-	652	91.94	600	59%	39%	37%	69	-	-	-
2006-1 (1)	-	1,440	83.52	1,202	26%	19%	25%	-	-	-	-
2006-1 (2)	-	2,281	86.16	1,965	29%	20%	28%	-	-	-	-
2006-1 (3)	-	1,834	87.67	1,608	35%	22%	32%	-	-	-	-
2006-1 (4)	-	1,928	87.95	1,696	47%	31%	38%	52	-	-	-
2006-1 subtotal	-	7,483	86.48	6,471	34%	23%	25%	52	-	-	-
2006-2 (1)	-	3,080	81.35	2,506	21%	18%	19%	-	-	-	7
2006-2 (2)	-	3,423	79.58	2,724	25%	19%	24%	-	-	-	-
2006-2 (3)	-	3,336	78.75	2,626	29%	23%	27%	-	-	-	-
2006-2 (4)	-	3,284	81.62	2,681	35%	28%	30%	-	-	-	-
2006-2 subtotal	-	13,123	80.29	10,537	28%	22%	19%	-	-	-	7
2007-1 (1)	719	-	59.31	427	18%	17%	9%	-	76	176	224
2007-1 (2)	667	-	84.22	562	26%	23%	24%	-	-	-	-
2007-1 (3)	771	-	78.70	606	28%	24%	27%	-	-	-	-
2007-1 (4)	786	-	82.69	650	51%	48%	29%	237	-	-	-
2007-1 subtotal	2,943	-	76.28	2,245	31%	29%	9%	237	76	176	224
2007-2 (1)	707	-	76.81	543	25%	24%	13%	-	8	40	64
2007-2 (2)	214	411	87.46	547	30%	28%	29%	-	-	-	-
2007-2 (3)	-	539	89.03	480	34%	33%	33%	-	-	-	-
2007-2 (4)	965	-	88.42	853	62%	61%	41%	350	-	-	-
2007-2 subtotal	1,886	950	85.43	2,423	41%	39%	13%	350	8	40	64
Total subprime securities	$ 4,829	$ 25,554	$ 82.96	$ 25,206	37%	28%	9%	$ 2,222	$ 86	$ 221	$ 301

Data as of March 31, 2008

Counterparty Exposure

Counterparty Type	Exposure as of March 31, 2008	Notes [1]
Mortgage Insurers	$111.5 billion of primary and pool mortgage insurance coverage ("risk in force").	8 mortgage insurance companies provided over 99% of our mortgage insurance; 4 are rated AA- or higher, 3 are rated A, and 1 is rated BB.
Financial Guarantors	Beneficiary of financial guaranties of $11.1 billion on securities held in investment portfolio or securities guaranteed and sold to third parties.	Manage exposure through in-depth analyses of their financial position and stress analyses of their financial guaranties and available capital. On a case-by-case basis, may restrict types of business we will do with a company, or suspend the company as an acceptable counterparty.
Custodial Depository Institutions	A total of $51 billion in deposits for scheduled single-family MBS payments were received in March 2008 and held by 317 custodial depository institutions.	97% were held by institutions rated as investment grade by S&P, Moody's, and Fitch as of March 31, 2008.
Derivatives Counterparties	Credit exposure on risk management derivatives net of collateral we held was $500 million. [2]	$332 million of exposure to firms with AA+/AA/AA- ratings and $50 million to firms with A+/A/A- ratings.

[1] Ratings are as of May 2, 2008 unless otherwise noted.

[2] Exposure is defined as the cost to replace outstanding derivatives contracts in gain positions taking into account netting arrangements where applicable.

Counterparty Exposure – Mortgage Insurers

Counterparty Name [1]	As of May 2, 2008 Insurer Financial Strength Ratings			As of March 31, 2008 Maximum Coverage [2]		
	Moody's	S&P	Fitch	Primary	Pool	Total
Mortgage Guaranty Insurance Corporation	Aa2	A	AA	$ 23,835	$ 2,804	$ 26,639
PMI Mortgage Insurance Co.	Aa2	A+	AA	14,392	2,524	16,916
Genworth Mortgage Insurance Corporation	Aa2	AA	AA	16,045	442	16,487
United Guaranty Residential Insurance Company	Aa2	AA+	AA+	15,396	334	15,730
Radian Guaranty, Inc.	Aa3	A	Not rated	13,970	923	14,893
Republic Mortgage Insurance Company	Aa3	AA-	AA	11,226	1,720	12,946
Triad Guaranty Insurance Corporation	Baa3	BBB	BB	4,387	1,487	5,874
CMG Mortgage Insurance Company[3]	Not rated	AA-	AA	1,901	-	1,901

(1) Insurance coverage amounts provided for each counterparty may include coverage provided by consolidated subsidiaries of the counterparty.

(2) Maximum coverage refers to the aggregate dollar amount of insurance coverage (i.e. "risk in force") on single-family loans in our guaranty book of business and represents our maximum potential loss recovery under the applicable mortgage insurance policies.

(3) CMG Mortgage Insurance Company is a joint venture owned by PMI Mortgage Insurance Co. and CUNA Mutual Investment Corporation.

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APPENDIX II – Other

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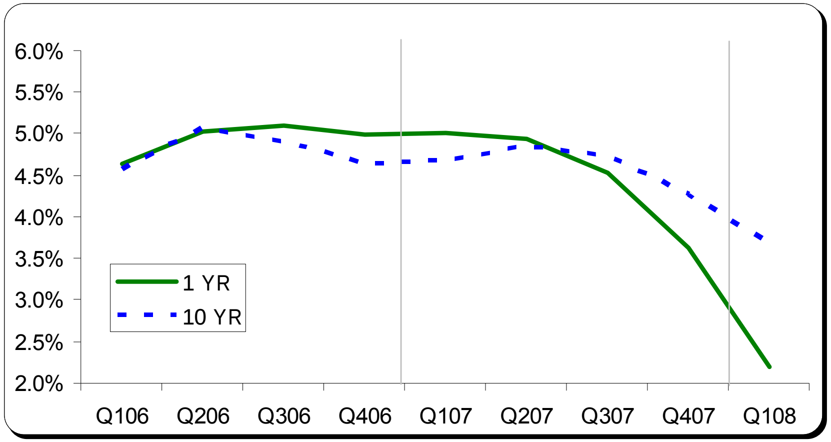
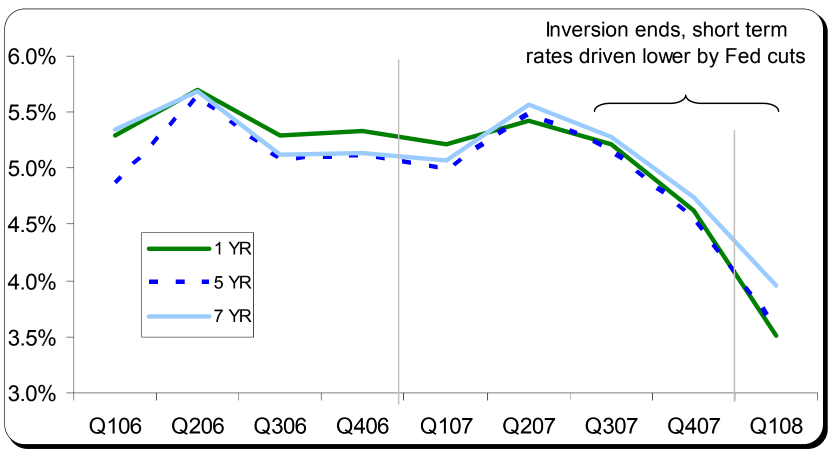
Economic Environment – Interest Rates

1-Year and 10-Year Treasuries

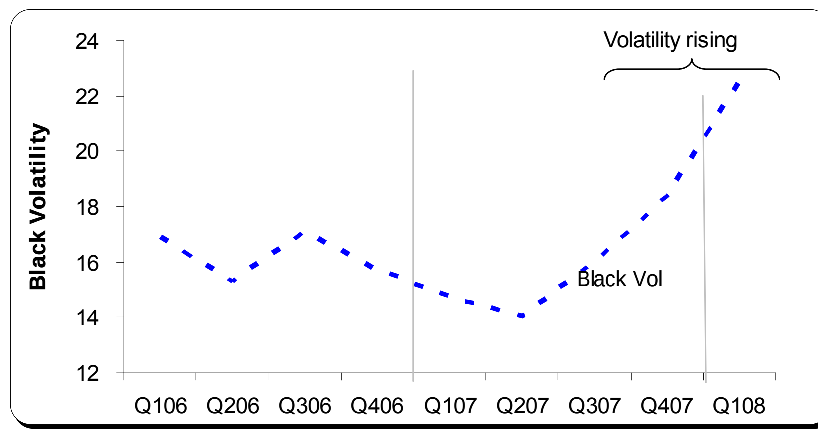


- Net interest yield increased due to reduced funding costs and the retirement of step rate debt in 2008 Q1.
- Swap rate declines triggered net losses on derivatives.
- Widening credit spreads caused overall fair value losses on trading securities, more than offsetting the positive impact of falling rates.

Swap Rates



Volatility (3x7 Swaption Volatilty)



Treasury information: FNM Economic Forecast, March 2008. Swap and Volatility: Capital Markets group.

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Statements of Operations by Segment

2008 Q1 Statement of Operations (dollars in millions)	Single-Family	HCD	Capital Markets	Total
Net interest income (expense)	$ 134	$ (103)	$ 1,659	$ 1,690
Guaranty fee income (expense)	1,942	148	(338)	1,752
Trust management income	105	2	-	107
Fee and other income	102	62	63	227
Net revenues	2,283	109	1,384	3,776
Fair value losses, net	-	-	(4,377)	(4,377)
Investment losses, net	(48)	-	(63)	(111)
Losses from partnership investments	-	(141)	-	(141)
Losses on certain guaranty contracts	-	-	-	-
Credit-related expenses	(3,254)	11	-	(3,243)
Administrative expenses	(286)	(108)	(118)	(512)
Other expenses, net	(247)	(43)	(215)	(505)
Losses and expenses	(3,835)	(281)	(4,773)	(8,889)
Loss before federal income taxes and extraordinary losses	(1,552)	(172)	(3,389)	(5,113)
Benefit for federal income taxes	(544)	(322)	(2,062)	(2,928)
Extraordinary losses, net of tax effect	-	-	(1)	(1)
Net income (loss)	$ (1,008)	$ 150	$ (1,328)	$ (2,186)

2007 Q4 Statement of Operations [1] (dollars in millions)	Single-Family	HCD	Capital Markets	Total
Net interest income (expense)	$ 72	$ (101)	$ 1,165	$ 1,136
Guaranty fee income (expense)	1,801	144	(324)	1,621
Trust management income	120	8	-	128
Fee and other income	82	73	59	214
Net revenues	2,075	124	900	3,099
Fair value losses, net	-	-	(3,439)	(3,439)
Investment losses, net	(18)	-	(897)	(915)
Losses from partnership investments	-	(478)	-	(478)
Losses on certain guaranty contracts	(364)	(22)	-	(386)
Credit-related expenses	(2,963)	(10)	-	(2,973)
Administrative expenses	(370)	(128)	(153)	(651)
Other expenses, net	(144)	(161)	(122)	(427)
Losses and expenses	(3,859)	(799)	(4,611)	(9,269)
Loss before federal income taxes and extraordinary losses	(1,784)	(675)	(3,711)	(6,170)
Benefit for federal income taxes	(621)	(462)	(1,540)	(2,623)
Extraordinary losses, net of tax effect	-	-	(12)	(12)
Net loss	$ (1,163)	$ (213)	$ (2,183)	$ (3,559)

[1] Certain amounts have been reclassified to conform to the current period presentation.

Net Revenues and Net Income (Loss) by Segment

(dollars in millions)	2008 Q1	2007 Q4 [1]	2007 Q3 [1]	2007 Q2 [1]	2007 Q1 [1]
Net Revenues [2]					
Single-Family Credit Guaranty	$ 2,283	$ 2,075	$ 1,742	$ 1,636	$ 1,609
Housing and Community Development	109	124	87	113	101
Capital Markets	1,384	900	824	971	1,023
Total	$ 3,776	$ 3,099	$ 2,653	$ 2,720	$ 2,733
Net Income (Loss)					
Single-Family Credit Guaranty	$ (1,008)	$ (1,163)	$ (186)	$ 136	$ 355
Housing and Community Development	150	(213)	97	110	163
Capital Markets	(1,328)	(2,183)	(1,310)	1,701	443
Total	$ (2,186)	$ (3,559)	$ (1,399)	$ 1,947	$ 961

[1] Certain amounts have been reclassified to conform to the current period presentation.

[2] Net revenues is comprised of net interest income, guaranty fee income, trust management income and fee and other income.

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Changes in Risk Management Derivative Assets (Liabilities) at Fair Value, Net

(dollars in millions)	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1
Beginning net derivative asset (liability) [1][2]	$ (1,321)	$ (233)	$ 1,007	$ 378	$ 1,865
Effect of cash payments:					
Fair value at inception of contracts entered into during the period	173	30	(6)	162	(1)
Fair value at date of termination of contracts settled during the period	(426)	44	(40)	(30)	112
Net collateral posted	2,461	1,332	2,202	(2,110)	(276)
Periodic net cash contractual interest payments (receipts)	(1,148)	744	(1,183)	771	(779)
Total cash payments (receipts)	1,060	2,150	973	(1,207)	(944)
Income statement impact of recognized amounts:					
Periodic net contractual interest income (expense) accruals on interest rate swaps	(26)	68	95	64	34
Net change in fair value during period	(2,779)	(3,306)	(2,308)	1,772	(577)
Derivatives fair value gains (losses), net [3]	(2,805)	(3,238)	(2,213)	1,836	(543)
Ending net derivative asset (liability) [1][2]	$ (3,066)	$ (1,321)	$ (233)	$ 1,007	$ 378

[1] Reflects the net amount of "Derivative assets at fair value" and "Derivative liabilities at fair value" recorded in our consolidated balance sheets, excluding mortgage commitments.

[2] Pursuant to adoption of FASB Staff Position No. FIN 39-1, *Amendment of FASB Interpretation No. 39*, we reclassified amounts related to cash collateral receivables and payables to offset derivative positions with the same counterparty under a master netting arrangement.

[3] Reflects the net derivatives fair value gains (losses) recorded in our consolidated statements of operations, excluding mortgage commitments.

Purchased Options Premiums

(dollars in millions)	Original Premium Payments	Original Weighted Average Life to Expiration	Remaining Weighted Average Life
Outstanding options as of December 31, 2006	$ 8,769	9.2 years	5.7 years
Purchases	198		
Exercises	(487)		
Terminations	(212)		
Expirations	(425)		
Outstanding options as of December 31, 2007	$ 7,843	8.4 years	4.6 years
Purchases	180		
Exercises	(1,388)		
Terminations	(23)		
Expirations	(70)		
Outstanding options as of March 31, 2008	$ 6,542	6.7 years	3.6 years

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Fee and Other Income

(dollars in millions)	2008 Q1	2007 Q4 [1]	2007 Q3 [1]	2007 Q2 [1]	2007 Q1 [1]
Technology fees	$ 82	$ 66	$ 66	$ 70	$ 63
Multifamily fees	42	79	59	81	88
Transaction fees	34	17	31	34	35
Other	69	52	61	72	91
Fee and other income	$ 227	$ 214	$ 217	$ 257	$ 277

[1] Certain amounts have been reclassified to conform to the current period presentation.

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Selected Financial and Operating Statistics

	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1
Ratios:[1]					
Return on assets ratio[2]	-1.16%	-1.72%	-0.72%	0.87%	0.39%
Return on equity ratio	-40.9	-51.0	-19.4	22.6	10.1
Equity to assets ratio[2]	4.8	4.9	4.7	4.8	4.9
Dividend payout ratio	N/A	N/A	N/A	26.8	47.2
Average effective guaranty fee rate (bps)	29.5	28.5	22.8	21.5	21.8
Credit loss ratio (bps)[3]	12.6	8.1	5.3	4.0	3.4

(1) Definitions of ratios are provided in Item 2 MD&A - Selected Financial Data in the 2008 Q1 Form 10-Q.

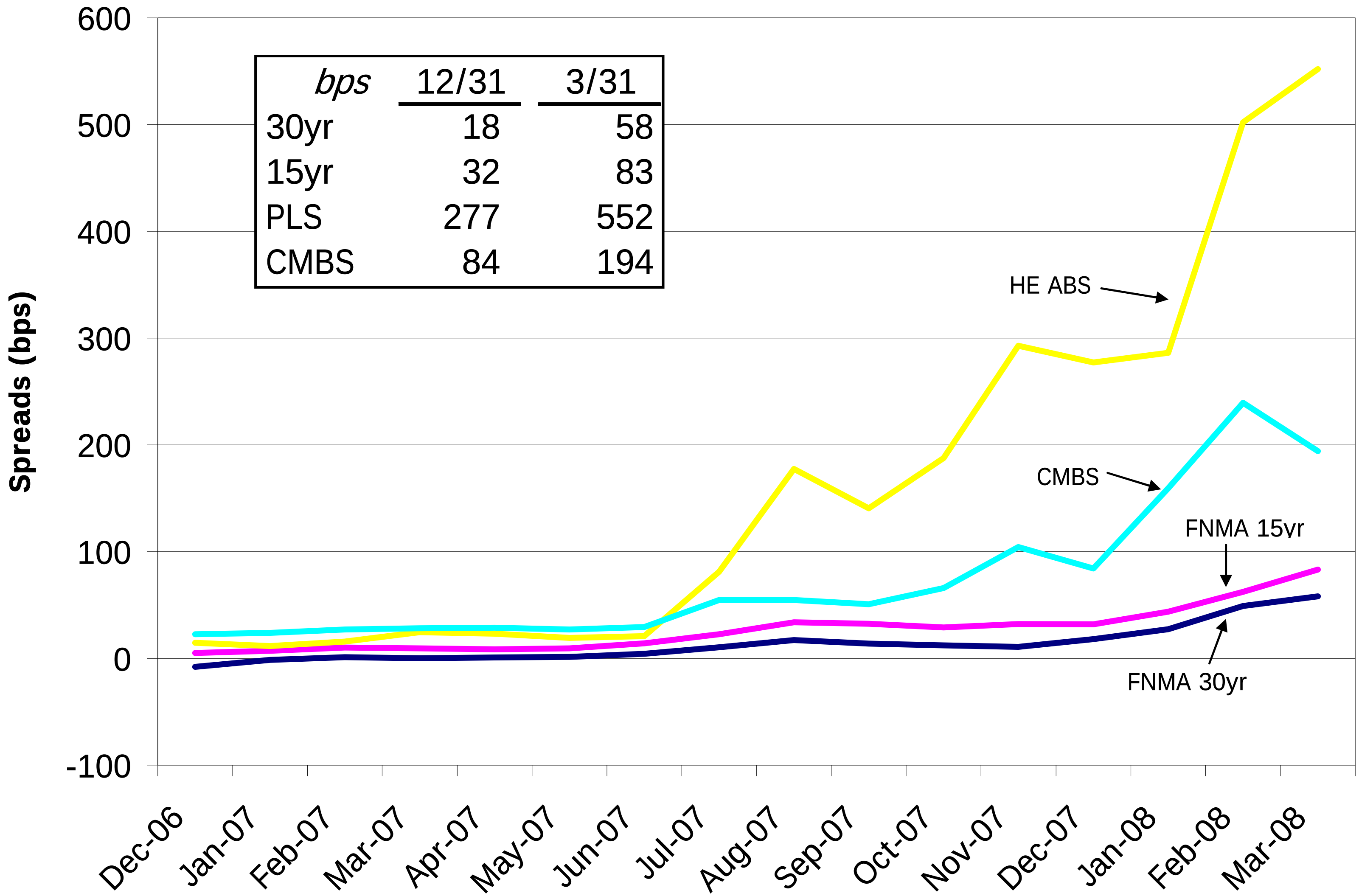
(2) Ratios reflect impact on total assets from reclassification of cash collateral receivables and payables pursuant to FIN No. 39-1.

(3) Credit loss ratio excludes the impact of SOP 03-3, which requires that loans purchased from MBS trusts be recorded at fair value at aquisition.

Income Exposures Due to Changes in Interest Rates

- Overall effect – Addressing market-related volatility impact on capital
- Anticipate significant reduction in rate driven income statement volatility as a result of adoption of SFAS 159 (Fair Value Option) and implementation of hedge accounting in April 2008.
- Ongoing interest rate exposure to net income is balanced
- Fair Value Hedge Accounting - The change in the FV of the hedged assets, due to interest rates, will be included in net income.
- Continue to have income statement exposure to changes in interest rates, although significantly reduced, and spread risk on our trading assets.

Option Adjusted Spreads (OAS) – Lehman



bps	12/31	3/31
30yr	18	58
15yr	32	83
PLS	277	552
CMBS	84	194

Source: LehmanLive®

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The following sets forth a reconciliation of the estimated fair value of our net assets (non-GAAP) to total stockholders' equity (GAAP). A more detailed reconciliation is contained in Table 32 of the 2008 Q1 Form 10-Q.

(dollars in millions)	As of End of Quarter	
	2008 Q1	**2007 Q4**
Total Stockholders' Equity (GAAP)	$ 38,836	$ 44,011
Fair value adjustments	(26,626) [1]	(8,212) [2]
Estimated Fair Value of Net Assets, net of tax effect (non-GAAP)	$ 12,210	$ 35,799

[1] Represents fair value increase of $23.5 billion to total assets of $843.2 billion less a fair value increase of $50.1 billion to total liabilities of $804.2 billion.

[2] Represents fair value increase of $11.0 billion to total assets of $879.4 billion less a fair value increase of $19.2 billion to total liabilities of $835.3 billion.

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Impairment Summary

(dollars in millions)	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1
Liquid investment portfolio	$ -	$ (388)	$ (55)	$ -	$ -
Private-label securities - subprime	(52)	(146)	(20)	-	-
Agency MBS	(1)	(200)	-	-	(1)
Agency REMICS	(2)	-	-	-	(2)
Other [1]	-	(2)	-	-	-
Total impairments [2]	$ (55)	$ (736)	$ (75)	$ -	$ (3)

[1] Includes impairments on consolidated structured transactions, manufactured housing bonds, interest-only strips, mortgage revenue bonds, and other special transactions.

[2] Includes SFAS 115 and EITF 99-20 impairments of AFS securities.

- Impairments are recorded at fair value and not the value we expect to recover. At current market prices, the value we expect to recover is generally greater than fair value.
- In 2008 Q1, we recorded $52 million of other-than-temporary impairment on $750.6 million of unpaid principal balance of subprime private-label securities classified as AFS because we concluded that we did not have the intent to hold to recovery ($12 million) or it was no longer probable that we would collect all of the contractual principal and interest amounts due ($40 million).
- Beginning in 2008 Q1, securities in the liquid investment portfolio were re-designated as trading and marked to market through fair value gains (losses).

Additional Disclosure Items

- For April 2008, Fannie Mae's average duration gap was 2 months.
- For April 2008, Fannie Mae's net portfolio purchase commitments were approximately $28 billion.
- The serious delinquency rate in the single family book as of March 31, 2008, increased to 1.15%, from 0.98% as of December 31, 2007.