

Fannie Mae Progress Report

FIRST QUARTER 2013

As of May 9, 2013

OUR PURPOSE

- We are focused on supporting the housing market recovery and helping to lay the foundation for a better housing finance system going forward.
- Our priorities are aligned with the public interest.
- We are committed to providing liquidity to the mortgage market; assisting troubled borrowers; enabling families to buy, refinance, or rent a home; and building a book of business that will help return taxpayers' investment in the company.

OUR RESULTS FIRST QUARTER 2013

- Strong credit results and increased revenue resulted in pre-tax income of \$8.1 billion for the first quarter, the fifth consecutive quarterly profit and the largest quarterly pre-tax income in the company's history.
- Improvement in our financial results, the strong credit profile of our new book of business, and other factors enabled us to release a \$50.6 billion valuation allowance on deferred tax assets, resulting in net income of \$58.7 billion for the first quarter.

Pre-tax income for Q1 2013

\$8.1
billion

Net income for Q1 2013

\$58.7
billion

SINGLE-FAMILY BOOK OF BUSINESS AS OF MARCH 31, 2013



- Single-Family Loans prior to 2009
- Single-Family Loans 2009 through March 31, 2013

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

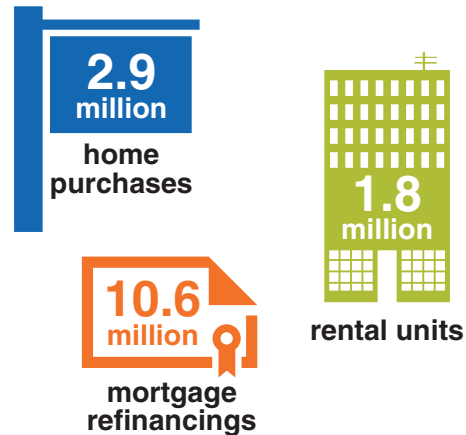
FANNIE MAE PERFORMANCE SNAPSHOT*

- High-quality new book of business accounted for 69 percent of single-family guaranty book of business as of March 31, 2013.
- Remained the largest single issuer of single-family mortgage-related securities in the secondary market in the first quarter of 2013 and remained a constant source of liquidity in the multifamily market.
- Funded the mortgage market with approximately \$3.5 trillion in liquidity, which enabled borrowers to complete 10.6 million mortgage refinancings and 2.9 million home purchases, and provided financing for 1.8 million units of multifamily housing.
- Refinanced approximately 3.2 million mortgages through the company's Refi Plus™ initiative, including loans refinanced under the Administration's Home Affordable Refinance Program (HARP). As a result of Refi Plus, borrowers' monthly payments were reduced by an average of \$246 in the first quarter of 2013.
- Helped 1.3 million families retain their homes or avoid foreclosure through workout solutions, including approximately 922,000 loan modifications.

* Fannie Mae data for the period January 1, 2009 through March 31, 2013, unless otherwise noted.

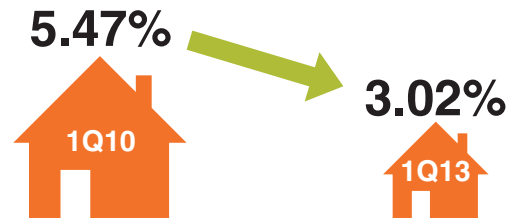
LIQUIDITY AND SUPPORT TO THE MARKET

- We funded the mortgage market with approximately \$3.5 trillion in liquidity since 2009, enabling families to buy, refinance, or rent a home:



DRIVING DOWN THE SERIOUS DELINQUENCY (SDQ) RATE

- Our single-family SDQ rate has declined 12 consecutive quarters.

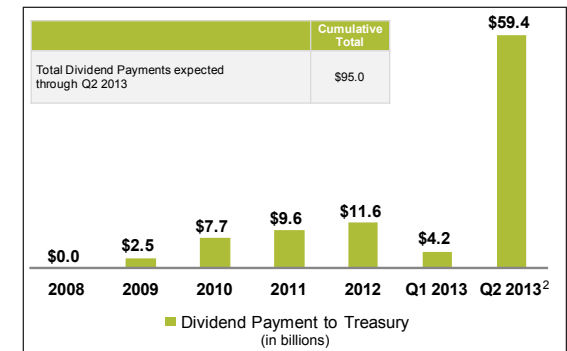
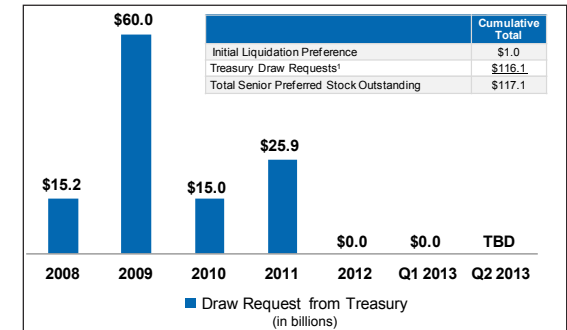


- Fannie Mae's single-family SDQ rate was 3.02 percent.
- Our single-family SDQ rate is substantially lower than private market levels.
- 95 percent of Fannie Mae's 17.4 million single-family conventional loans are current.

Data as of March 31, 2013

TREASURY DRAWS AND DIVIDEND PAYMENTS

- Through June 30, 2013, Fannie Mae will have paid taxpayers \$95.0 billion in dividends. We expect to remain profitable for the foreseeable future.



⁽¹⁾ Treasury draw requests are shown in the period for which requested and do not include the initial \$1.0 billion liquidation preference of Fannie Mae's senior preferred stock, for which Fannie Mae did not receive any cash proceeds. The payment of dividends cannot be used to offset prior Treasury draws.

⁽²⁾ Our dividend for the second quarter of 2013 is calculated based on our net worth of \$62.4 billion as of March 31, 2013 less the applicable capital reserve amount of \$3.0 billion.

This report includes our expectations regarding our future financial results, profitability, our ability to pay taxpayers, our future dividend payments to Treasury, and the growth, profitability, and caliber of the loans in our new single-family book of business. These expectations are forward-looking statements based on our current assumptions regarding numerous factors, including future home prices. Our actual results and future expectations may differ materially from our current expectations as a result of home price changes, unemployment rates, other macroeconomic and housing market variables, future legislative or regulatory requirements, borrower behavior, and many other factors, including those discussed in the "Risk Factors" section of and elsewhere in our annual report on Form 10-K for the year ended December 31, 2012 and our quarterly report on Form 10-Q for the quarter ended March 31, 2013. These forward-looking statements are representative only as of the date they are made, and we undertake no obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under the federal securities laws.