

Fannie Mae Progress Report

SECOND QUARTER 2012

OUR PURPOSE

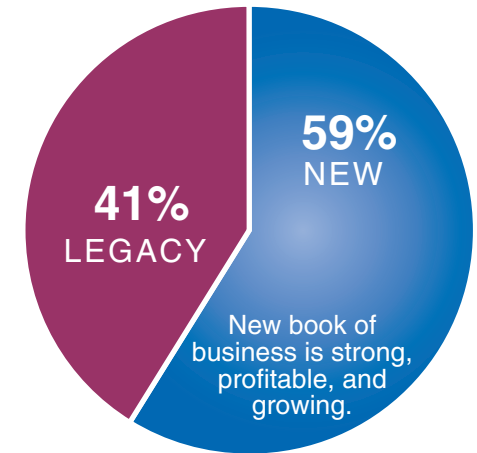
- We provide mortgage credit that enables people to obtain good, affordable housing.
- We are returning value to taxpayers, strengthening housing finance, and improving our company.

OUR RESULTS SECOND QUARTER 2012

- We reported net income of \$5.1 billion.
- The company's continued improvement in financial results was due almost entirely to credit-related income, resulting primarily from an improvement in home prices, improved sales prices on the company's real-estate owned (REO) properties, and lower single-family serious delinquency rates.
- We reported net income of \$7.8 billion for the first half of 2012.

This report includes our expectations regarding 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 variables, government policy, social behaviors, and many other factors, including those discussed in the "Risk Factors" section of and elsewhere in our quarterly report on Form 10-Q for the quarter ended June 30, 2012 and our annual report on Form 10-K for the year ended December 31, 2011.

SINGLE-FAMILY BOOK OF BUSINESS



- Single-Family Loans 2009 through June 30, 2012
- Single-Family Loans prior to 2009

- We expect that the loans in our new single-family book of business will be profitable over their lifetime.
- We strengthened our underwriting and eligibility standards to support sustainable homeownership.
 - The single-family loans we acquired in the first half of 2012 had a weighted average FICO credit score at origination of 762 and an average original loan-to-value ratio of 73 percent.
- 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 accounts for 59 percent of single-family guaranty book of business.
- Funded the mortgage market with approximately \$2.7 trillion in liquidity, providing access to financing for 2.2 million home purchases and 8.1 million mortgage refinancings, and financing for 1.3 million units of quality rental housing.
- Refinanced approximately 2.2 million mortgages through Refi Plus™, including loans refinanced under the Administration's Home Affordable Refinance Program (HARP).
 - Refi Plus™ refinances in the second quarter of 2012 reduced borrowers' monthly mortgage payments by an average of \$208.
- Enabled homeowners in distress to retain their homes or avoid foreclosure by completing approximately 1.2 million loan workouts, including more than 797,000 modifications.

* Fannie Mae data since January 1, 2009, unless otherwise noted.



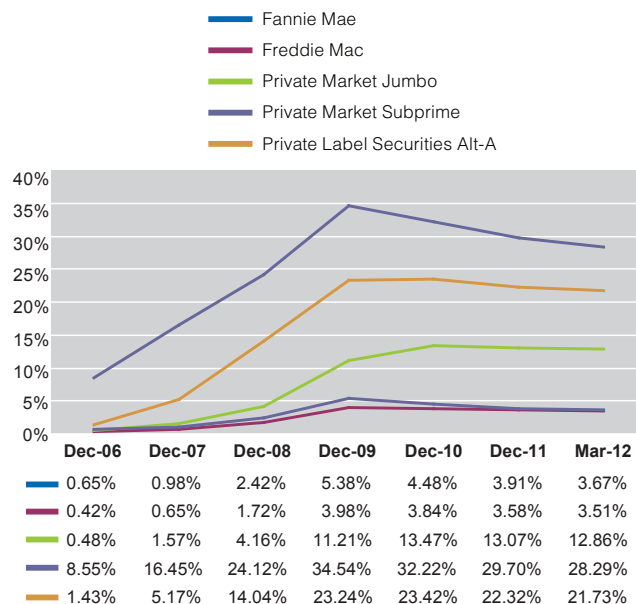
www.fanniemae.com

3900 Wisconsin Avenue, NW
Washington, DC 20016-2892

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DRIVING DOWN THE SERIOUS DELINQUENCY (SDQ) RATE

Single-Family SDQ Rates



Data as of March 31, 2012

Source: CoreLogic/LoanPerformance and Fannie Mae.

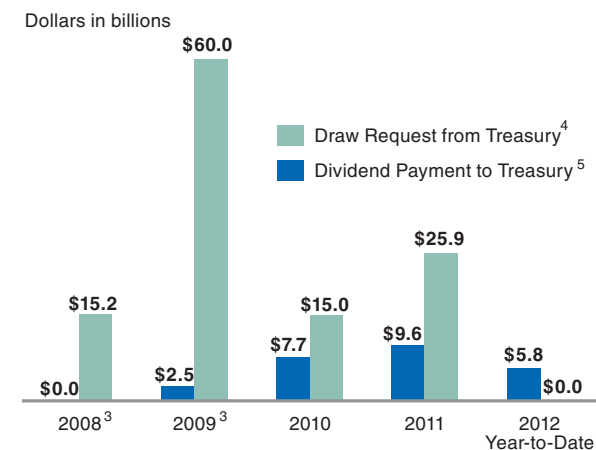
SDQ Through Second Quarter 2012

- Fannie Mae's single-family SDQ rate was 3.53 percent as of June 30, 2012.
- Fannie Mae's single-family SDQ rate declined nine consecutive quarters and our SDQ rate is substantially lower than private market levels.
- 94 percent of Fannie Mae's 17.6 million loans are current.

Data as of June 30, 2012

PAYING DIVIDENDS TO TAXPAYERS

| | Cumulative Total as of | |
|--|------------------------|------------|
| | 6/30/2012 | 12/31/2011 |
| Treasury Draw Requests ¹ | \$116.1 | \$116.1 |
| Dividend Payments | \$25.6 | \$19.8 |
| Cumulative Net Treasury Draws ² | \$90.5 | \$96.3 |
| Cumulative Percentage of Dividends to Treasury Draws | 22.0% | 17.1% |



- ¹ Treasury draw requests 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.
- ² Represents cumulative Treasury draws less senior preferred stock dividend payments to Treasury.
- ³ Fannie Mae paid dividends to Treasury of \$31 million in the fourth quarter of 2008 and \$25 million in the first quarter of 2009.
- ⁴ Represents the draw required and requested based on Fannie Mae's net worth deficit for the quarters presented. Draw requests were funded in the quarter following each quarterly net worth deficit.
- ⁵ Represents quarterly cash dividends paid during the quarters presented by Fannie Mae to Treasury, based on an annual rate of 10% per year on the aggregate liquidation preference of the senior preferred stock.