Fannie Mae
Progress Report
Q4 AND FULL YEAR 2014
As of Dec. 31, 2014

OUR PURPOSE

- We continue to focus on supporting the housing market recovery and helping to build a sustainable housing finance system.
- 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 homes; and building a book of business that will help protect Americans’ investment in the company.

OUR RESULTS

Q4 AND FULL YEAR 2014

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<th>Net income for 2014</th>
<th>Comprehensive income for 2014</th>
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<tr>
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<td>$14.2 BILLION</td>
<td>$14.7 BILLION</td>
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- Primary drivers of our 2014 results were strong revenues from net interest income and income from settlement agreements related to private-label mortgage-related securities sold to us.
- We also recognized credit-related income due primarily to increasing home prices during the year.
- These results were partially offset by a provision for federal income taxes and fair value losses due to declines in longer-term interest rates in 2014.

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<th>Net income for Q4 2014</th>
<th>Comprehensive income for Q4 2014</th>
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<td>$1.3 BILLION</td>
<td>$1.3 BILLION</td>
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- Key drivers of our fourth quarter 2014 results were net interest income, partially offset by fair value losses due to declines in longer-term interest rates in the quarter.

SINGLE-FAMILY BOOK OF BUSINESS
AS OF DECEMBER 31, 2014

- We maintain responsible credit standards while making it possible for families to purchase, refinance, or rent homes.
- Beginning in 2008, 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, the credit quality of our book of business has improved.

- Single-Family loans acquired prior to 2009 = 19%
- Single-Family loans acquired 2009 through 2014 = 81%

- 62% Excluding HARP and other Refi Plus loans
- 11% HARP loans
- 8% Other Refi Plus loans
LIQUIDITY AND SUPPORT TO THE MARKET

- We funded the mortgage market with approximately $434 billion in liquidity in 2014, including approximately $128 billion in liquidity in the fourth quarter of 2014.

DRIVING DOWN THE SERIOUS DELINQUENCY (SDQ) RATE

- Our single-family SDQ rate has declined 19 consecutive quarters.

Fannie Mae’s single-family SDQ rate was 1.89 percent.

- Our single-family SDQ rate is substantially lower than private market levels.

- Approximately 96 percent of Fannie Mae's 17.4 million single-family conventional loans are current.

Fannie Mae expects to have paid Treasury approximately $136.4 billion in dividends as of March 31, 2015.

TREASURY DRAWS AND DIVIDEND PAYMENTS

For more information, see our 2014 Form 10-K Report, filed with the SEC on February 20, 2015.

This report includes our expectations regarding our future dividend payments to Treasury. These expectations are forward-looking statements based on our current assumptions regarding numerous factors. Our actual results and future expectations may differ materially from our current expectations as a result of many 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, 2014. 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.