

**TABLE 1. TOTAL BOOK OF BUSINESS COMPONENTS (\$ in Millions) <sup>1</sup>**

|                       | Gross Mortgage Portfolio<br>[Table 3] | + | Total Fannie Mae MBS and Other Guarantees<br>[Table 4] | - | Fannie Mae MBS in Portfolio<br>[Table 5] | = | Total Book of Business | Compounded Growth Rate | New Business Acquisitions |
|-----------------------|---------------------------------------|---|--|---|--|---|------------------------|------------------------|---------------------------|
| November 2007         | \$ 722,032                            |   | \$ 2,373,652   |   | \$ 258,679                               |   | \$ 2,837,005           | 15.4%                  | \$ 63,724                 |
| December 2007         | 723,976                               |   | 2,421,566  |   | 255,947                                  |   | 2,889,595              | 24.7%                  | 73,383                    |
| <b>Full Year 2007</b> | <b>\$ 723,976</b>                     |   | <b>\$ 2,421,566</b>                                    |   | <b>\$ 255,947</b>                        |   | <b>\$ 2,889,595</b>    | <b>14.3%</b>           | <b>\$ 746,119</b>         |
| January 2008          | \$ 720,985                            |   | \$ 2,442,947   |   | \$ 253,404                               |   | \$ 2,910,528           | 9.0%                   | \$ 53,986                 |
| February 2008         | 721,579                               |   | 2,482,790  |   | 250,332                                  |   | 2,954,037              | 19.5%                  | 78,372                    |
| March 2008            | 722,768                               |   | 2,494,670  |   | 247,620                                  |   | 2,969,818              | 6.6%                   | 59,667                    |
| April 2008            | 728,414                               |   | 2,509,223  |   | 251,673                                  |   | 2,985,964              | 6.7%                   | 65,891                    |
| 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                    |
| <b>YTD 2008</b>       | <b>\$ 782,878</b>                     |   | <b>\$ 2,595,108</b>                                    |   | <b>\$ 290,711</b>                        |   | <b>\$ 3,087,275</b>    | <b>7.5%</b>            | <b>\$ 582,979</b>         |

**TABLE 2. PORTFOLIO COMMITMENTS (\$ in Millions) <sup>1,2</sup>**

|                       | Commitments to Purchase, Net | Commitments to Sell | Net Retained Commitments |
|-----------------------|------------------------------|---------------------|--------------------------|
| November 2007         | \$ 28,874                    | \$ (33,423)         | \$ (4,549)               |
| December 2007         | 20,759                       | (9,444)             | 11,315                   |
| <b>Full Year 2007</b> | <b>\$ 351,723</b>            | <b>\$ (225,670)</b> | <b>\$ 126,053</b>        |
| January 2008          | \$ 24,764                    | \$ (19,171)         | \$ 5,593                 |
| February 2008         | 25,230                       | (17,191)            | 8,039                    |
| March 2008            | 35,702                       | (28,628)            | 7,074                    |
| April 2008            | 42,178                       | (15,188)            | 26,990                   |
| 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                    |
| <b>YTD 2008</b>       | <b>\$ 375,877</b>            | <b>\$ (237,568)</b> | <b>\$ 138,309</b>        |

**TABLE 3. GROSS MORTGAGE PORTFOLIO (\$ in Millions) <sup>1</sup>**

|                       | Purchases         | Sales              | Liquidations        | End Balance       | Compounded Growth Rate | Annualized Liquidation Rate |
|-----------------------|-------------------|--------------------|---------------------|-------------------|------------------------|-----------------------------|
| November 2007         | \$ 13,997         | \$ (16,279)        | \$ (7,977)          | \$ 722,032        | (15.6%)                | (13.07%)                    |
| December 2007         | 12,796            | (3,550)            | (7,302)             | 723,976           | 3.3%                   | (12.14%)                    |
| <b>Full Year 2007</b> | <b>\$ 182,471</b> | <b>\$ (69,034)</b> | <b>\$ (113,860)</b> | <b>\$ 723,976</b> | <b>(0.1%)</b>          | <b>(15.72%)</b>             |
| January 2008          | \$ 8,913          | \$ (4,541)         | \$ (7,363)          | \$ 720,985        | (4.8%)                 | (12.20%)                    |
| February 2008         | 11,593            | (3,347)            | (7,652)             | 721,579           | 1.0%                   | (12.74%)                    |
| March 2008            | 15,817            | (5,648)            | (8,980)             | 722,768           | 2.0%                   | (14.93%)                    |
| April 2008            | 17,961            | (3,425)            | (8,890)             | 728,414           | 9.8%                   | (14.76%)                    |
| 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%)                    |
| <b>YTD 2008</b>       | <b>\$ 182,665</b> | <b>\$ (39,631)</b> | <b>\$ (84,132)</b>  | <b>\$ 782,878</b> | <b>8.9%</b>            | <b>(12.68%)</b>             |

**TABLE 4. FANNIE MAE GUARANTEED SECURITIES AND MORTGAGE LOANS (\$ in Millions) <sup>1</sup>**

|                       | Total Fannie Mae MBS   |                     |                     | Fannie Mae MBS Annualized Liquidation Rate | Other Fannie Mae Guarantees | Total Fannie Mae MBS and Other Guarantees | Compounded Growth Rate | Fannie Mae Guaranteed Securities and Mortgage Loans |  |
|-----------------------|------------------------|---------------------|---------------------|--|-----------------------------|---|------------------------|---|--|
|                       | Issuances <sup>4</sup> | Liquidations        | End Balance         |  |                             |   |                        | Mortgage Loans                                      | Guaranteed Securities and Mortgage Loans |
| November 2007         | \$ 62,582              | \$ (24,762)         | \$ 2,339,517        | (12.91%)                                   | \$ 34,135                   | \$ 2,373,652                              | 21.1%                  | \$ 317,579  | \$ 2,691,231                             |
| December 2007         | 64,015                 | (23,541)            | 2,379,991           | (12.07%)                                   | 41,575                      | 2,421,566                                 | 27.1%                  | 323,016   | 2,744,582                                |
| <b>Full Year 2007</b> | <b>\$ 629,527</b>      | <b>\$ (328,365)</b> | <b>\$ 2,379,991</b> | <b>(15.80%)</b>                            | <b>\$ 41,575</b>            | <b>\$ 2,421,566</b>                       | <b>15.2%</b>           | <b>\$ 323,016</b>                                   | <b>\$ 2,744,582</b>                      |
| January 2008          | \$ 49,081              | \$ (25,910)         | \$ 2,403,162        | (13.06%)                                   | \$ 39,785                   | \$ 2,442,947                              | 11.1%                  | \$ 324,100  | \$ 2,767,047                             |
| February 2008         | 69,376                 | (27,023)            | 2,445,515           | (13.49%)                                   | 37,275                      | 2,482,790                                 | 21.4%                  | 328,328   | 2,811,118                                |
| March 2008            | 50,135                 | (41,787)            | 2,453,863           | (20.50%)                                   | 40,807                      | 2,494,670                                 | 5.9%                   | 333,226   | 2,827,896                                |
| April 2008            | 58,637                 | (38,470)            | 2,474,030           | (18.81%)                                   | 35,193                      | 2,509,223                                 | 7.2%                   | 334,921   | 2,844,144                                |
| 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                                |
| <b>YTD 2008</b>       | <b>\$ 505,749</b>      | <b>\$ (320,534)</b> | <b>\$ 2,565,206</b> | <b>(14.69%)</b>                            | <b>\$ 29,902</b>            | <b>\$ 2,595,108</b>                       | <b>7.8%</b>            | <b>\$ 356,608</b>                                   | <b>\$ 2,951,716</b>                      |

**MONTHLY SUMMARY HIGHLIGHTS**
**NOVEMBER 2008**

- In November, Fannie Mae provided \$31.7 billion in liquidity to the market through *Net Retained Commitments* of \$7.9 billion and \$23.8 billion in *MBS Issuances*.
- Fannie Mae's *Book of Business* growth was roughly flat in November, with a compound annualized growth rate of (0.2) percent. Year to date, Fannie Mae's *Total Book of Business* has grown 7.5% on a compound annualized basis.
- The company's *Gross Mortgage Portfolio* grew by 9.3 percent, while *Total Fannie Mae MBS and Other Guarantees* declined by 1.3 percent, on a compound annualized basis.
- The *Conventional Single-Family Delinquency Rate* rose seventeen basis points in October to 1.89 percent (latest data available). The *Multifamily Serious Delinquency Rate* rose five basis points to 0.21 percent in October.
- The *Effective Duration Gap* on Fannie Mae's portfolio averaged zero months in November.
- A covenant in the senior preferred stock purchase agreement with the U.S. Treasury Department prohibits Fannie Mae from exceeding 110 percent of its aggregate indebtedness as of June 30, 2008, which the company estimates to be \$892 billion. As of November 2008, Fannie Mae estimated that its aggregate indebtedness under the senior preferred stock purchase agreement totaled \$885.6 billion.
- On September 6, The Federal Housing Finance Agency 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 quarterly report on Form 10-Q for the third quarter of 2008, as filed with the SEC on November 10, 2008, a copy of which is available on Fannie Mae's Web site at [www.fanniemae.com](http://www.fanniemae.com).

**TABLE 5. MORTGAGE PORTFOLIO COMPOSITION (\$ in Millions) <sup>1</sup>**

|                       | Fannie Mae MBS in Portfolio |                    |                    |                              |                   | Mortgage Loans    | Non-Fannie Mae Mortgage Securities |                   | Mortgage Portfolio End Balance |
|-----------------------|-----------------------------|--------------------|--------------------|------------------------------|-------------------|-------------------|------------------------------------|-------------------|--------------------------------|
|                       | Purchases                   | Sales              | Liquidations       | Securitizations <sup>6</sup> | End Balance       |                   | Agency                             | Non-Agency        |                                |
| November 2007         | \$ 1,108                    | \$ (16,213)        | \$ (2,922)         | \$ 11,747                    | \$ 258,679        | \$ 317,579        | \$ 33,032                          | \$ 112,742        | \$ 722,032                     |
| December 2007         | 785                         | (3,550)            | (2,610)            | 2,643                        | 255,947           | 323,016           | 32,983                             | 112,030           | 723,976                        |
| <b>Full Year 2007</b> | <b>\$ 24,909</b>            | <b>\$ (68,402)</b> | <b>\$ (40,283)</b> | <b>\$ 40,967</b>             | <b>\$ 255,947</b> | <b>\$ 323,016</b> | <b>\$ 32,983</b>                   | <b>\$ 112,030</b> | <b>\$ 723,976</b>              |
| January 2008          | \$ 699                      | \$ (3,908)         | \$ (2,643)         | \$ 3,309                     | \$ 253,404        | \$ 324,100        | \$ 32,805                          | \$ 110,676        | \$ 720,985                     |
| February 2008         | 59                          | (3,160)            | (2,509)            | 2,538                        | 250,332           | 328,328           | 32,651                             | 110,268           | 721,579                        |
| March 2008            | 1,683                       | (5,646)            | (3,351)            | 4,602                        | 247,620           | 333,226           | 32,711                             | 109,211           | 722,768                        |
| April 2008            | 6,012                       | (3,316)            | (3,338)            | 4,695                        | 251,673           | 334,921           | 34,029                             | 107,791           | 728,414                        |
| 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                        |
| <b>YTD 2008</b>       | <b>\$ 67,360</b>            | <b>\$ (37,906)</b> | <b>\$ (32,765)</b> | <b>\$ 38,075</b>             | <b>\$ 290,711</b> | <b>\$ 356,608</b> | <b>\$ 35,185</b>                   | <b>\$ 100,374</b> | <b>\$ 782,878</b>              |

**TABLE 6. OTHER INVESTMENTS (\$ in Millions) <sup>1</sup>**

|                       | Other Investments End Balance | Original Maturity < 1 Year End Balance |
|-----------------------|-------------------------------|--|
| November 2007         | \$ 35,478                     | \$ 151,599                             |
| December 2007         | 89,164                        | 236,267                                |
| <b>Full Year 2007</b> | <b>\$ 89,164</b>              | <b>\$ 236,267</b>                      |
| January 2008          | \$ 95,249                     | \$ 257,986                             |
| February 2008         | 71,324                        | 239,469                                |
| March 2008            | 53,979                        | 217,267                                |
| April 2008            | 58,742                        | 221,480                                |
| May 2008              | 64,290                        | 223,171                                |
| June 2008             | 72,509                        | 241,553                                |
| July 2008             | 103,574                       | 272,977                                |
| August 2008           | 88,509                        | 262,600                                |
| September 2008        | 85,619                        | 281,894                                |
| October 2008          | 105,069                       | 325,662                                |
| November 2008         | 105,984                       | 336,354                                |
| <b>YTD 2008</b>       | <b>\$ 105,984</b>             | <b>\$ 336,354</b>                      |

**TABLE 7. DEBT ACTIVITY (\$ in Millions) <sup>7</sup>**

|                       | Issuances         | Maturities and Redemptions | Original Maturity > 1 Year |                              | End Balance       | Total Debt Outstanding |
|-----------------------|-------------------|----------------------------|----------------------------|------------------------------|-------------------|------------------------|
|                       |                   |                            | Repurchases                | Foreign Exchange Adjustments |                   |                        |
| November 2007         | \$ 16,245         | \$ (24,136)                | \$ (1,240)                 | \$ 18                        | \$ 599,752        | \$ 751,351             |
| December 2007         | 12,606            | (38,625)                   | (4,564)                    | (35)                         | 569,134           | 805,401                |
| <b>Full Year 2007</b> | <b>\$ 193,913</b> | <b>\$ (217,897)</b>        | <b>\$ (15,217)</b>         | <b>\$ 2,575</b>              | <b>\$ 569,134</b> | <b>\$ 805,401</b>      |
| January 2008          | \$ 29,086         | \$ (50,961)                | \$ (1,094)                 | \$ 58                        | \$ 546,223        | \$ 804,209             |
| February 2008         | 30,046            | (36,254)                   | -                          | 31                           | 540,046           | 779,515                |
| March 2008            | 29,231            | (17,829)                   | -                          | 48                           | 551,496           | 768,763                |
| April 2008            | 27,812            | (18,055)                   | (1,093)                    | 6                            | 560,166           | 781,646                |
| May 2008              | 24,930            | (25,960)                   | (582)                      | (2)                          | 558,552           | 781,723                |
| June 2008             | 30,906            | (19,046)                   | (993)                      | 6                            | 569,425           | 810,978                |
| July 2008             | 18,123            | (13,053)                   | (1,630)                    | (16)                         | 572,849           | 845,826                |
| August 2008           | 19,039            | (16,838)                   | (2,784)                    | (128)                        | 572,138           | 834,738                |
| September 2008        | 12,632            | (22,426)                   | (1,181)                    | (52)                         | 561,111           | 843,005                |
| October 2008          | 3,322             | (9,551)                    | (439)                      | (137)                        | 554,306           | 879,968                |
| November 2008         | 3,674             | (8,470)                    | (206)                      | (42)                         | 549,262           | 885,616                |
| <b>YTD 2008</b>       | <b>\$ 228,801</b> | <b>\$ (238,443)</b>        | <b>\$ (10,002)</b>         | <b>\$ (228)</b>              | <b>\$ 549,262</b> | <b>\$ 885,616</b>      |

**TABLE 8. INTEREST RATE RISK DISCLOSURES (\$ in Billions)**

|                 | Market Value Sensitivity |                          | Effective Duration Gap (in months) |
|-----------------|--------------------------|--------------------------|------------------------------------|
|                 | Rate Level Shock (50 bp) | Rate Slope Shock (25 bp) |                                    |
| November 2007   | \$ (0.7)                 | \$ (0.2)                 | 1                                  |
| December 2007   | (0.9)                    | (0.2)                    | 2                                  |
| January 2008    | \$ (0.9)                 | \$ (0.2)                 | 1                                  |
| February 2008   | (1.1)                    | (0.2)                    | 2                                  |
| March 2008      | (1.1)                    | (0.1)                    | 3                                  |
| April 2008      | (1.0)                    | (0.1)                    | 2                                  |
| 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                                  |
| <b>YTD 2008</b> | <b>(0.8)</b>             | <b>(0.1)</b>             |                                    |

**TABLE 9. SERIOUS DELINQUENCY RATES**

|                | Conventional Single-Family <sup>9</sup> |                               |                     | Multifamily Total <sup>13</sup> |
|----------------|---|-------------------------------|---------------------|---------------------------------|
|                | Non-Credit Enhanced <sup>10</sup>       | Credit Enhanced <sup>11</sup> | Total <sup>12</sup> |                                 |
| October 2007   | 0.45%                                   | 2.31%                         | 0.83%               | 0.07%                           |
| November 2007  | 0.49%                                   | 2.51%                         | 0.90%               | 0.08%                           |
| December 2007  | 0.53%                                   | 2.75%                         | 0.98%               | 0.08%                           |
| January 2008   | 0.57%                                   | 2.95%                         | 1.06%               | 0.10%                           |
| February 2008  | 0.60%                                   | 3.04%                         | 1.10%               | 0.10%                           |
| March 2008     | 0.62%                                   | 3.15%                         | 1.15%               | 0.09%                           |
| 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%                           |

## 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. Amounts and rates shown for the periods after September 2007 reflect definitional changes and may, therefore, not be comparable to amounts and rates shown for prior periods. Please see notes 3, 5, and 8 and the Glossary below for more information about these changes.
2. 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 January 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.
3. For full year 2007, liquidations have been increased by \$890 million, primarily to exclude from October 2007 end balance amounts that Fannie Mae now classifies as advances to lenders.
4. 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.
5. For full year 2007, "Total Fannie Mae MBS Liquidations" have been reduced by \$3.2 billion, primarily to reflect Fannie Mae's reclassification of Ginnie Mae wraps from "Other Fannie Mae Guarantees" to "Fannie Mae MBS" in October 2007.
6. Represents new Fannie Mae MBS created from mortgage loans or non-Fannie Mae mortgage securities previously held in the mortgage portfolio. These amounts, included in the issuance balance in table 4, have been transferred from mortgage loans or non-Fannie Mae mortgage securities to Fannie Mae securities, and may be included in sales.
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. Reflects the reclassification of \$2.2 billion from "Original Maturity  $\leq$  1 Year" to "Original Maturity  $>$  1 Year" in October 2007, which is reflected in "Foreign Exchange Adjustments."
9. Includes conventional single-family loans three months or more past due or in foreclosure process 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.
10. Loans without primary mortgage insurance and/or other credit enhancements.
11. Loans with primary mortgage insurance and/or other credit enhancements.
12. Total conventional single-family serious delinquency rate includes non-credit enhanced and credit enhanced loans.
13. Includes multifamily loans and securities 60 days or more past due and is calculated based on the UPB of 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 for periods after September 2007, 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 \$106 billion total as of November 30, 2008 includes \$85.9 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 \$12.2 billion of non-governmental asset-backed securities and \$7.9 billion of unsecured corporate notes. Prior to August 2008 this table was called "Liquid Investments."

### Table 7

**Debt Activity.** For more information about Fannie Mae's debt activity, please visit [www.fanniemae.com/markets/debt/debt\\_activity](http://www.fanniemae.com/markets/debt/debt_activity).

### Table 8

**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 classify single-family loans as seriously delinquent when a borrower has missed three or more consecutive monthly payments, and the loan has not been brought current or extinguished through foreclosure, payoff, or other resolution. A loan referred to foreclosure but not yet foreclosed is also considered seriously delinquent. We include all of the 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. We classify multifamily loans as seriously delinquent when payment is 60 days or more past due.

For more information about Fannie Mae, please visit [www.fanniemae.com](http://www.fanniemae.com)