

Fannie Mae Progress Report

SECOND QUARTER 2013

As of June 30, 2013

OUR PURPOSE

- We are focused on supporting the housing market recovery and building a sustainable housing finance system for the future.
- 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 SECOND QUARTER 2013

- Continued stable revenues and a significant increase in home prices, which resulted in a reduction in our loss reserves, resulted in net income of \$10.1 billion for the second quarter, the company's sixth consecutive quarterly profit.

Net income for Q2 2013	Comprehensive income for Q2 2013
\$10.1	\$10.3
BILLION	BILLION

SINGLE-FAMILY BOOK OF BUSINESS AS OF JUNE 30, 2013



■ Single-Family Loans prior to 2009
■ Single-Family Loans 2009 through June 30, 2013

- We have established 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 72 percent of single-family guaranty book of business as of June 30, 2013.
- Remained the largest single issuer of single-family mortgage-related securities in the secondary market in the second quarter of 2013 and remained a constant source of liquidity in the multifamily market.
- Funded the mortgage market with approximately \$3.7 trillion in liquidity, which enabled borrowers to complete 11.4 million mortgage refinancings and 3.1 million home purchases, and provided financing for 1.9 million units of multifamily housing.
- Refinanced approximately 3.5 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 \$234 in the second quarter of 2013.
- Helped 1.3 million families retain their homes or avoid foreclosure through workout solutions, including approximately 962,000 loan modifications.

* Fannie Mae data for the period January 1, 2009 through June 30, 2013, unless otherwise noted.



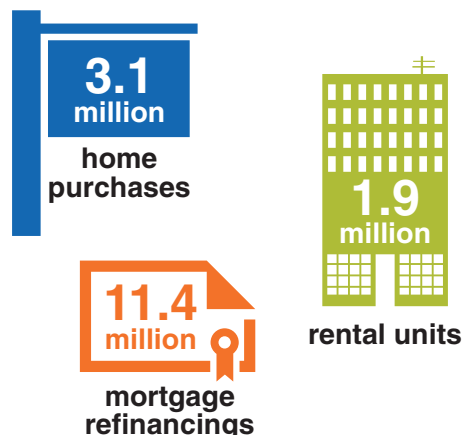
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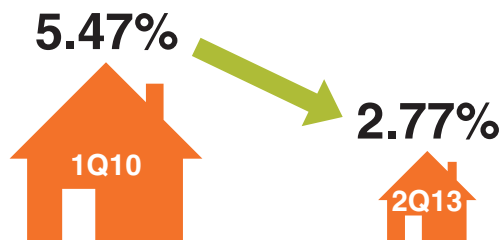
LIQUIDITY AND SUPPORT TO THE MARKET

- We funded the mortgage market with approximately \$3.7 trillion in liquidity since 2009, enabling families to buy, refinance, or rent a home:



DRIVING DOWN THE SERIOUS DELINQUENCY (SDQ) RATE

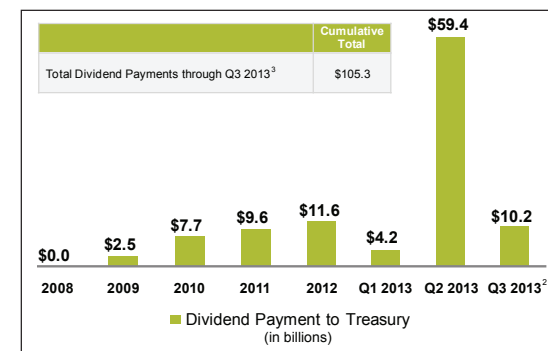
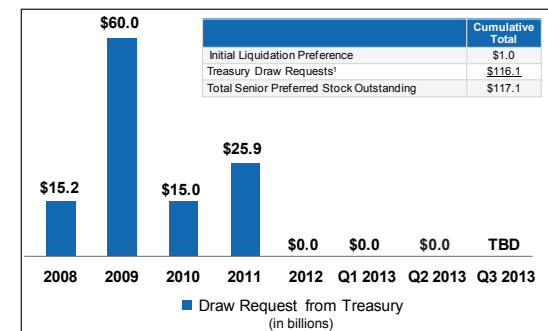
- Our single-family SDQ rate has declined 13 consecutive quarters.



- Fannie Mae's single-family SDQ rate was 2.77 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.

TREASURY DRAWS AND DIVIDEND PAYMENTS

- As of September 30, 2013, Fannie Mae will have paid taxpayers approximately \$105 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 third quarter of 2013 is calculated based on our net worth of \$13.2 billion as of June 30, 2013 less the applicable capital reserve amount of \$3.0 billion.
- (3) Amounts may not sum due to rounding.

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 June 30, 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.

Data as of June 30, 2013