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### **Fannie Mae Monthly Summary: December 2014**

Federal National Mortgage Association (Fannie Mae)

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

	Gross Mortgage Portfolio [Table 3]	Total Fannie Mae MBS and Other Guarantees [Table 4]	Fannie Mae MBS in Portfolio [Table 5]	Total Book of Business	Compounded Growth Rate	New Business Acquisitions
December 2013	\$ 490,701	\$ 2,803,849	\$ 129,841	\$ 3,164,709	(0.4%)	\$ 39,695
<b>Full Year 2013</b>	<b>\$ 490,701</b>	<b>\$ 2,803,849</b>	<b>\$ 129,841</b>	<b>\$ 3,164,709</b>	<b>(0.8%)</b>	<b>\$ 796,562</b>
January 2014	\$ 480,705	\$ 2,798,928	\$ 124,354	\$ 3,155,279	(3.5%)	\$ 30,734
February 2014	471,379	2,798,723	118,403	3,151,699	(1.4%)	29,331
March 2014	467,712	2,796,591	117,293	3,147,020	(1.8%)	26,539
April 2014	461,731	2,794,025	115,876	3,130,880	(2.7%)	30,018
May 2014	456,613	2,790,733	113,760	3,133,586	(2.4%)	30,411
June 2014	452,772	2,790,709	114,396	3,129,085	(1.7%)	35,631
July 2014	449,878	2,792,181	114,627	3,127,432	(0.6%)	39,899
August 2014	443,078	2,784,982	111,159	3,116,901	(4.0%)	37,670
September 2014	438,100	2,791,097	108,460	3,120,737	1.5%	45,599
October 2014	436,225	2,793,388	111,330	3,118,283	(0.9%)	42,302
November 2014	423,992	2,791,123	95,125	3,119,990	0.7%	42,457
December 2014	413,313	2,803,564	92,819	3,124,058	1.6%	43,247
<b>Full Year 2014</b>	<b>\$ 413,313</b>	<b>\$ 2,803,564</b>	<b>\$ 92,819</b>	<b>\$ 3,124,058</b>	<b>(1.3%)</b>	<b>\$ 433,838</b>

**MONTHLY SUMMARY HIGHLIGHTS**
**December 2014**

- Fannie Mae's *Book of Business* increased at a compound annualized rate of 1.6 percent in December.
- Fannie Mae's *Gross Mortgage Portfolio* declined at a compound annualized rate of 26.4 percent in December.
- The *Conventional Single-Family Serious Delinquency Rate* fell two basis points to 1.89 percent in December; the *Multifamily Serious Delinquency Rate* remained flat at 0.05 percent in December.

**TABLE 2. PORTFOLIO COMMITMENTS (\$ in Millions)**<sup>1,2,3</sup>

	Commitments to Purchase, Net	Commitments to Sell	Net Retained Commitments	Purchases <sup>3</sup>	Sales <sup>3</sup>	Liquidations	End Balance <sup>3</sup>	Compounded Growth Rate <sup>3</sup>	Annualized Liquidation Rate
December 2013	\$ 37,706	\$ (34,899)	\$ 2,807	\$ 15,612	\$ (11,999)	\$ (8,566)	\$ 490,701	(11.4%)	(20.74%)
<b>Full Year 2013</b>	<b>\$ 801,291</b>	<b>\$ (802,693)</b>	<b>\$ (1,402)</b>	<b>\$ 269,430</b>	<b>\$ (279,667)</b>	<b>\$ (132,116)</b>	<b>\$ 490,701</b>	<b>(22.5%)</b>	<b>(20.87%)</b>
January 2014	\$ 39,501	\$ (38,729)	\$ 772	\$ 12,634	\$ (15,434)	\$ (7,196)	\$ 480,705	(21.9%)	(17.60%)
February 2014	36,191	(35,059)	1,132	10,199	(13,647)	(5,878)	471,379	(21.0%)	(14.67%)
March 2014	40,053	(42,192)	(2,139)	11,597	(9,178)	(6,086)	467,712	(8.9%)	(15.49%)
April 2014	39,300	(38,484)	816	12,144	(11,826)	(6,299)	461,731	(14.3%)	(16.16%)
May 2014	48,656	(48,059)	597	13,147	(11,769)	(6,496)	456,613	(12.5%)	(16.88%)
June 2014	47,746	(48,228)	(482)	15,571	(13,109)	(6,303)	452,772	(9.6%)	(16.56%)
July 2014	62,754	(62,962)	(208)	17,251	(13,803)	(6,342)	449,878	(7.4%)	(16.81%)
August 2014	61,911	(62,351)	(440)	16,827	(17,552)	(6,075)	443,078	(16.7%)	(16.20%)
September 2014	48,912	(49,062)	(150)	16,761	(14,637)	(7,102)	438,100	(12.7%)	(19.24%)
October 2014	73,954	(74,384)	(430)	18,741	(13,863)	(6,753)	436,225	(5.0%)	(18.50%)
November 2014	56,080	(59,445)	(3,365)	14,988	(22,014)	(5,207)	423,992	(28.9%)	(14.32%)
December 2014	69,796	(68,034)	1,762	18,455	(22,928)	(6,206)	413,313	(26.4%)	(17.56%)
<b>Full Year 2014</b>	<b>\$ 624,854</b>	<b>\$ (626,989)</b>	<b>\$ (2,135)</b>	<b>\$ 178,315</b>	<b>\$ (179,760)</b>	<b>\$ (75,943)</b>	<b>\$ 413,313</b>	<b>(15.8%)</b>	<b>(15.48%)</b>

- The *Effective Duration Gap* on Fannie Mae's portfolio averaged zero months in December.

- Fannie Mae completed 8,951 loan modifications in December for a total of 122,823 loan modifications for the year ended December 31, 2014.

**IMPORTANT NOTE:**

Fannie Mae has been under conservatorship, with the Federal Housing Finance Agency (FHFA) acting as conservator, since September 6, 2008.

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

	Total Fannie Mae MBS Issuances <sup>4</sup>		Fannie Mae MBS Annualized Liquidation Rate	Other Fannie Mae Guarantees	Total Fannie Mae MBS and Other Guarantees	Compounded Growth Rate	Mortgage Loans	Fannie Mae Guaranteed Securities and Mortgage Loans	
December 2013	\$ 38,439	\$ (32,948)	\$ 2,773,252	(14.29%)	\$ 30,597	\$ 2,803,849	2.2%	\$ 314,664	\$ 3,118,513
<b>Full Year 2013</b>	<b>\$ 764,514</b>	<b>\$ (696,311)</b>	<b>\$ 2,773,252</b>	<b>(25.74%)</b>	<b>\$ 30,597</b>	<b>\$ 2,803,849</b>	<b>2.3%</b>	<b>\$ 314,664</b>	<b>\$ 3,118,513</b>
January 2014	\$ 29,089	\$ (33,836)	\$ 2,768,505	(14.64%)	\$ 30,423	\$ 2,798,928	(2.1%)	\$ 310,992	\$ 3,109,920
February 2014	28,300	(28,180)	2,768,625	(12.21%)	30,097	2,798,723	(0.1%)	308,076	3,106,799
March 2014	24,462	(26,341)	2,766,746	(11.42%)	29,845	2,796,591	(0.9%)	305,989	3,102,580
April 2014	27,930	(30,245)	2,764,431	(13.12%)	29,594	2,794,025	(1.1%)	303,860	3,097,885
May 2014	28,551	(31,428)	2,761,554	(13.64%)	29,179	2,790,733	(1.4%)	301,471	3,092,204
June 2014	33,134	(32,930)	2,761,758	(14.31%)	28,951	2,790,709	(0.0%)	298,683	3,089,392
July 2014	37,918	(36,087)	2,763,589	(15.68%)	28,592	2,792,181	0.6%	296,017	3,088,198
August 2014	35,419	(37,031)	2,761,977	(16.08%)	23,005	2,784,982	(3.1%)	294,134	3,079,116
September 2014	41,515	(35,601)	2,768,291	(15.47%)	22,806	2,791,097	2.7%	292,543	3,083,640
October 2014	41,269	(34,981)	2,774,579	(15.16%)	18,909	2,793,388	1.0%	287,949	3,081,337
November 2014	33,628	(35,732)	2,772,475	(15.45%)	18,648	2,791,123	(1.0%)	293,491	3,084,614
December 2014	46,058	(33,749)	2,784,784	(14.61%)	18,780	2,803,564	5.5%	285,610	3,089,174
<b>Full Year 2014</b>	<b>\$ 407,673</b>	<b>\$ (396,141)</b>	<b>\$ 2,784,784</b>	<b>(14.28%)</b>	<b>\$ 18,780</b>	<b>\$ 2,803,564</b>	<b>(0.0%)</b>	<b>\$ 285,610</b>	<b>\$ 3,089,174</b>

Numbers may not sum due to rounding

See Endnotes and Glossary on Page 3 and 4

**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	Securitized <sup>5</sup>	End Balance		Agency	Non-Agency	
December 2013	\$ 1,895	\$ (11,019)	\$ (2,143)	\$ 12,461	\$ 129,841	\$ 314,664	\$ 9,023	\$ 37,173	\$ 490,701
<b>Full Year 2013</b>	<b>\$ 29,945</b>	<b>\$ (251,045)</b>	<b>\$ (40,460)</b>	<b>\$ 207,437</b>	<b>\$ 129,841</b>	<b>\$ 314,664</b>	<b>\$ 9,023</b>	<b>\$ 37,173</b>	<b>\$ 490,701</b>
January 2014	\$ 1,227	\$ (14,159)	\$ (2,317)	\$ 9,762	\$ 124,354	\$ 310,992	\$ 8,601	\$ 36,758	\$ 480,705
February 2014	1,001	(13,310)	(1,809)	8,167	118,403	308,076	8,454	36,446	471,379
March 2014	906	(9,094)	(1,546)	8,614	117,283	305,989	8,335	36,105	467,712
April 2014	847	(9,708)	(1,755)	9,209	115,876	303,860	8,153	33,842	461,731
May 2014	1,201	(11,564)	(1,839)	10,086	113,760	301,471	8,024	33,358	456,613
June 2014	1,771	(10,765)	(1,673)	11,303	114,396	298,683	8,067	31,626	452,772
July 2014	2,155	(13,263)	(1,776)	13,115	114,627	296,017	7,941	31,293	449,878
August 2014	2,514	(16,183)	(1,861)	12,062	111,159	294,134	7,798	29,987	443,078
September 2014	2,773	(14,133)	(1,643)	10,304	108,460	292,543	7,507	29,590	438,100
October 2014	2,558	(13,173)	(1,665)	15,150	111,330	287,949	7,650	29,296	436,225
November 2014	1,659	(20,664)	(1,700)	4,500	95,125	293,491	7,047	26,329	423,992
December 2014	1,982	(22,250)	(1,312)	19,304	92,819	285,610	6,940	27,944	413,313
<b>Full Year 2014</b>	<b>\$ 20,574</b>	<b>\$ (168,276)</b>	<b>\$ (20,896)</b>	<b>\$ 131,576</b>	<b>\$ 92,819</b>	<b>\$ 285,610</b>	<b>\$ 6,940</b>	<b>\$ 27,944</b>	<b>\$ 413,313</b>

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

	Other Investments End Balance
December 2013	\$ 74,445
<b>Full Year 2013</b>	<b>\$ 74,445</b>
January 2014	\$ 66,947
February 2014	60,165
March 2014	44,322
April 2014	54,869
May 2014	61,997
June 2014	50,554
July 2014	68,736
August 2014	75,012
September 2014	63,465
October 2014	62,749
November 2014	69,169
December 2014	72,389
<b>Full Year 2014</b>	<b>\$ 72,389</b>

**TABLE 7. DEBT ACTIVITY (\$ in Millions) <sup>8</sup>**

	Original Maturity < 1 Year End Balance	Original Maturity > 1 Year				Total Debt Outstanding
		Issuances	Maturities and Redemptions	Repurchases	Foreign Exchange Adjustments	
December 2013	\$ 72,325	\$ 1,702	\$ (19,890)	\$ -	\$ 9	\$ 461,886
<b>Full Year 2013</b>	<b>\$ 72,325</b>	<b>\$ 138,482</b>	<b>\$ (190,309)</b>	<b>\$ (2,815)</b>	<b>\$ 15</b>	<b>\$ 461,886</b>
January 2014	\$ 57,426	\$ 4,098	\$ (5,650)	\$ (15)	\$ (6)	\$ 460,313
February 2014	62,632	76	(24,167)	(24)	14	436,212
March 2014	65,470	3,892	(19,203)	(74)	(5)	420,822
April 2014	78,588	831	(11,428)	(618)	9	409,616
May 2014	87,003	4,271	(9,505)	(55)	(5)	404,322
June 2014	90,944	1	(12,190)	(1,525)	14	390,622
July 2014	104,165	5,581	(4,401)	(21)	(9)	391,772
August 2014	106,839	4,673	(9,267)	-	(13)	387,165
September 2014	97,430	8,575	(14,105)	(2)	(14)	381,619
October 2014	104,726	4,486	(13,167)	-	(8)	372,930
November 2014	104,512	7,381	(15,051)	(210)	(15)	365,035
December 2014	105,042	1,960	(7,573)	-	-	359,422
<b>Full Year 2014</b>	<b>\$ 105,042</b>	<b>\$ 45,825</b>	<b>\$ (145,707)</b>	<b>\$ (2,544)</b>	<b>\$ (38)</b>	<b>\$ 359,422</b>

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

	Market Value Sensitivity		Effective Duration Gap (in months)
	Rate Level Rate Level Shock (50 bp)	Rate Slope Rate Slope Shock (25 bp)	
December 2013	\$ (0.1)	\$ (0.1)	0
<b>Full Year 2013</b>	<b>\$ (0.1)</b>	<b>\$ 0.0</b>	
January 2014	\$ (0.1)	\$ 0.0	0
February 2014	(0.1)	0.0	0
March 2014	(0.1)	0.0	0
April 2014	0.0	0.0	0
May 2014	0.0	0.0	0
June 2014	(0.1)	0.0	0
July 2014	(0.1)	0.0	0
August 2014	(0.1)	(0.1)	0
September 2014	(0.1)	0.0	0
October 2014	0.0	(0.1)	0
November 2014	0.0	(0.1)	0
December 2014	(0.1)	(0.1)	0
<b>Full Year 2014</b>	<b>\$ (0.1)</b>	<b>\$ 0.0</b>	

**TABLE 9. SERIOUS DELINQUENCY RATES**

	Conventional Single-Family <sup>1</sup>			Multifamily Total <sup>8</sup>
	Non-Credit Non-Credit Enhanced	Credit Credit Enhanced	Total	
December 2013	2.00%	4.75%	2.38%	0.10%
January 2014	1.96%	4.63%	2.33%	0.10%
February 2014	1.92%	4.48%	2.27%	0.11%
March 2014	1.85%	4.27%	2.19%	0.10%
April 2014	1.80%	4.13%	2.13%	0.11%
May 2014	1.77%	4.01%	2.08%	0.10%
June 2014	1.74%	3.91%	2.05%	0.10%
July 2014	1.71%	3.81%	2.00%	0.10%
August 2014	1.70%	3.73%	1.99%	0.09%
September 2014	1.68%	3.66%	1.96%	0.09%
October 2014	1.65%	3.56%	1.92%	0.06%
November 2014	1.64%	3.56%	1.91%	0.05%
December 2014	1.62%	3.47%	1.89%	0.05%

Numbers may not sum due to rounding

See Endnotes and Glossary on Page 3 and 4

**ENDNOTES**

1. The end balances and business activity in this report represent unpaid principal balances ("UPB"), which do not reflect market valuation adjustments, allowances for loan losses, impairments, nonaccrual premiums and discounts, and the impact of consolidation of variable interest entities.
2. As of December 31, 2014, our gross mortgage portfolio end balance, after taking into account not outstanding commitments to sell of \$5.8 billion, was \$407.5 billion.
3. Gross commitments in Table 2 include dollar roll transactions (purchase commitments with concurrent agreements to re-sell later, or sale commitments with concurrent agreements to repurchase later) in the month in which we enter into them. Table 3 reflects activity from settlements of dollar rolls that are accounted for as purchases and sales of securities, but does not include activity from settlements of dollar rolls that are accounted for as secured mortgages. Dollar roll activity may result in volatility on a month-to-month basis in our reported portfolio commitments, purchases, sales, end balances, and compounded growth rate.
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. Securitizations in Table 5 represent new Fannie Mae MBS created from mortgage assets held in the mortgage portfolio, including whole loans. These amounts are included in issuances in Table 4 and, if sold during the month, will be included in sales in Table 5. Our securitizations of loans we held in our portfolio the prior month will reduce the mortgage loans reported in Table 5.
6. 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.
7. Includes seriously delinquent conventional single-family loans 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. Credit enhanced refers to loans that have primary mortgage insurance and/or other credit enhancements.
8. Calculated based on the UPB of seriously 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.

