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Fannie Mae 2008 Credit Supplement



February 26, 2009

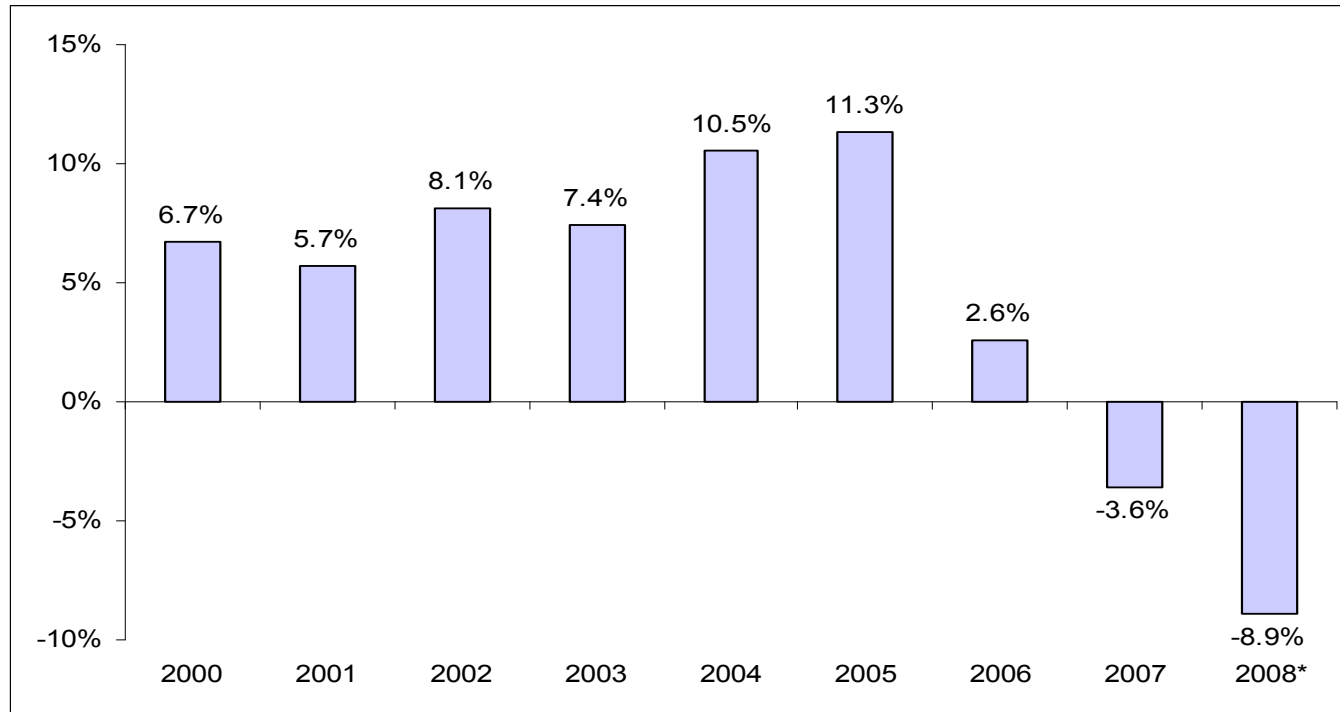
- **These materials present tables and other information about Fannie Mae, including information contained in Fannie Mae’s Annual Report on Form 10-K for the year ended December 31, 2008, the “2008 Form 10-K.” Some of the terms used in these materials are defined and discussed more fully in the 2008 Form 10-K. These materials should be reviewed together with the 2008 Form 10-K, a copy of which is available on Fannie Mae’s Web site at www.fanniemae.com under the “Investor Relations” section of the Web site.**
- **This presentation includes forward-looking statements relating to future home price declines. These statements are based on our opinions, analyses, estimates, forecasts and other views on a variety of economic and other information, and changes in the assumptions and other information underlying these views could produce materially different results. The impact of future home price declines on our business, results or financial condition will depend on many other factors.**

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Home Price Growth/Decline Rates in the U.S.

Fannie Mae Home Price Index



S&P/Case-Shiller Index	9.8%	7.7%	10.6%	10.7%	14.6%	14.7%	-0.3%	-8.7%	-18.2%
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Growth rates are from period-end to period-end.

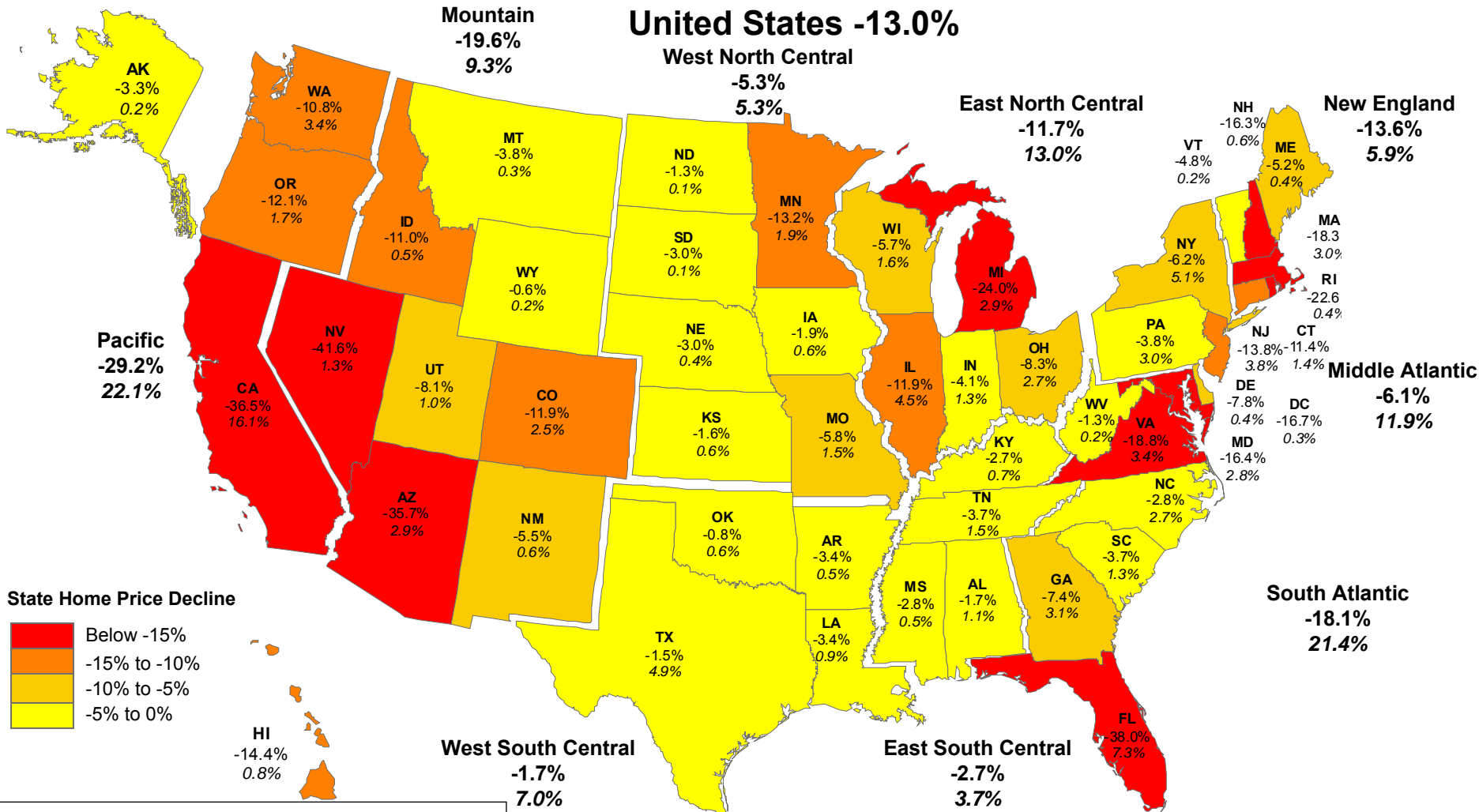
*Initial estimate based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of December 2008, supplemented by preliminary data available for January and February 2009. Including subsequent data may lead to materially different results.

- We expect 2009 home price declines to be in the 7% to 12% range, based upon the Fannie Mae Home Price Index. This 7% to 12% range is comparable to a 12% to 18% range using the S&P/Case-Shiller index method.
- We expect peak-to-trough declines in home prices to be in the 20% to 30% range (33% to 46% using the S&P/Case-Shiller index method.)

Note: Our estimates differ from the S&P/Case-Shiller index in two principal ways: (1) our estimates weight expectations for each individual property by number of properties, whereas the S&P/Case-Shiller index weights expectations of home price declines based on property value, such that declines in home prices on higher priced homes will have a greater effect on the overall result; and (2) our estimates do not include sales of foreclosed homes because we believe that differing maintenance practices and the forced nature of the sales make them less representative of market values, whereas the S&P/Case-Shiller index includes foreclosed property sales. The S&P/Case Shiller comparison numbers shown above are calculated using our models and assumptions, but modified to use these two factors (weighting of expectations based on property value and the inclusion of foreclosed property sales). In addition to these differences, our estimates are based on our own internally available data combined with publicly available data, and are therefore based on data collected nationwide, whereas the S&P/Case-Shiller index is based only on publicly available data, which may be limited in certain geographies. Our comparative calculations to the S&P/Case-Shiller index provided above are not modified to account for this data pool difference.

Home Price Declines Peak-to-Current (by State) as of 2008 Q4

Percentage of Fannie Mae's Single-Family Conventional Mortgage Credit Book of Business



- Top %: State/Region Home Price Decline Rate % from applicable peak in that state through December 31, 2008
 - Bottom %: % of Single-Family Conventional Mortgage Credit Book of Business by Unpaid Principal Balance as of December 31, 2008

Note: Regional home price growth percentages are a housing stock unit-weighted average of home price growth percentages of states within each region.

Source: Fannie Mae. Initial estimate based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of December 2008, supplemented by preliminary data available for January and February 2009. Including subsequent data may lead to materially different results.

Fannie Mae Credit Profile by Key Product Features

Credit Characteristics of Single-Family Conventional Mortgage Credit Book of Business

As of December 31, 2008	Overall Book	Negative-Amortizing Loans	Interest-Only Loans	Loans with FICO < 620	Loans with FICO ≥ 620 and < 660	Loans with Original LTV Ratio > 90%	Loans with FICO < 620 and Original LTV Ratio > 90%	Alt-A Loans ⁽¹⁾	Subprime Loans ⁽¹⁾	Jumbo Conforming Loans ⁽¹⁾
Unpaid Principal Balance (billions) *	\$2,730.9	\$17.3	\$212.9	\$123.0	\$256.1	\$278.3	\$27.3	\$292.4	\$8.4	\$19.9
Share of Single-Family Conventional Credit Book ⁽¹⁾	100.0%	0.6%	7.8%	4.5%	9.4%	10.2%	1.0%	10.1%	0.3%	0.7%
Average Unpaid Principal Balance	\$148,824	\$142,502	\$241,943	\$126,604	\$141,748	\$141,569	\$119,607	\$170,250	\$150,445	\$579,528
Serious Delinquency Rate	2.42%	5.61%	8.42%	9.03%	5.64%	6.33%	15.97%	7.03%	14.29%	0.12%
Origination Years 2005-2007	46.5%	62.0%	80.9%	56.3%	55.0%	58.8%	69.8%	72.7%	80.7%	1.4%
Weighted Average Original Loan-to-Value (Original LTV) Ratio	71.8%	71.1%	75.4%	76.7%	77.5%	97.3%	98.1%	72.6%	77.2%	68.4%
Original Loan-to-Value Ratio > 90	10.2%	0.3%	9.1%	22.2%	21.1%	100.0%	100.0%	5.3%	6.8%	0.0%
Weighted Average Mark-to-Market Loan-to-Value Ratio	70.0%	87.2%	93.4%	76.3%	77.5%	97.6%	97.7%	81.0%	87.3%	69.9%
Mark-to-Market Loan-to-Value Ratio > 100	11.6%	42.8%	35.6%	15.9%	17.6%	38.2%	38.5%	23.2%	24.5%	0.4%
Weighted Average FICO	724	698	725	588	641	694	592	719	623	762
FICO < 620	4.5%	10.7%	1.3%	100.0%	0.0%	9.8%	100.0%	0.7%	47.6%	0.6%
FICO ≥ 620 and < 660	9.4%	10.1%	7.7%	0.0%	100.0%	19.4%	0.0%	8.7%	27.8%	0.2%
Fixed-rate	90.0%	0.1%	39.6%	93.6%	92.3%	94.2%	96.5%	72.3%	73.1%	95.2%
Principal Residence	89.7%	70.4%	84.9%	96.8%	94.4%	97.1%	99.4%	77.8%	96.6%	98.2%
Condo/Co-op	9.4%	13.5%	16.2%	4.9%	6.6%	9.8%	5.9%	10.8%	4.7%	11.5%
Credit Enhanced ⁽²⁾	20.9%	76.3%	35.0%	35.0%	36.3%	92.5%	94.1%	38.6%	63.4%	11.3%
% of 2007 Credit Losses ⁽³⁾	100.0%	0.9%	15.0%	18.8%	21.9%	17.4%	6.4%	29.2%	1.0%	0.0%
% of 2008 Q3 Credit Losses ⁽³⁾	100.0%	3.8%	36.2%	11.3%	16.8%	21.5%	5.4%	47.6%	2.1%	0.2%
% of 2008 Q4 Credit Losses ⁽³⁾	100.0%	2.2%	33.1%	11.5%	17.2%	23.1%	5.2%	43.2%	2.0%	1.1%
% of 2008 Credit Losses ⁽³⁾	100.0%	2.9%	34.2%	11.8%	17.4%	21.3%	5.4%	45.6%	2.0%	0.4%

⁽¹⁾ Alt-A, Subprime, and Jumbo Conforming Loans are calculated as a percentage of the single-family mortgage credit book of business, which includes government loans. Government loans are guaranteed or insured by the U.S. Government or its agencies, such as the Department of Veterans Affairs (VA), the Federal Housing Administration (FHA) or the Rural Housing and Community Facilities Program of the Department of Agriculture.

⁽²⁾ Unpaid principal balance of all loans with credit enhancement as a percentage of unpaid principal balance of single-family conventional mortgage credit book of business. Includes primary mortgage insurance, pool insurance, lender recourse and other credit enhancement.

⁽³⁾ Expressed as a percentage of credit losses for the single-family mortgage credit book of business. For information on total credit losses, refer to Fannie Mae's 2008 Form 10-K.

Note: Categories are not mutually exclusive; numbers are not additive across columns. FICO scores reflected in the table are those provided by the Sellers of the mortgage loans at time of delivery.

* **Excludes non-Fannie Mae securities held in portfolio and Alt-A and subprime wraps, for which Fannie Mae does not have loan-level information. Fannie Mae has access to detailed loan-level information on approximately 96% of our conventional single-family mortgage credit book of business. Certain data contained in this presentation are based upon information that Fannie Mae receives from third-party sources. Although Fannie Mae generally considers this information reliable, it does not guarantee that it is accurate or suitable for any particular purpose.**

Fannie Mae Credit Profile by Vintage and Key Product Features

Credit Characteristics of Single-Family Conventional Mortgage Credit Book of Business by Vintage

As of December 31, 2008	Overall Book	Vintages				
		2008	2007	2006	2005	2004 and Earlier
Unpaid Principal Balance (billions) *	\$2,730.9	\$436.6	\$540.8	\$375.1	\$353.8	\$1,024.6
Share of Single-Family Conventional Credit Book	100.0%	16.0%	19.8%	13.7%	13.0%	37.5%
Average Unpaid Principal Balance	\$148,824	\$209,741	\$191,066	\$174,856	\$163,265	\$112,278
Serious Delinquency Rate	2.42%	0.67%	4.70%	5.11%	2.99%	1.35%
Weighted Average Original Loan-to-Value Ratio	71.8%	72.1%	76.2%	73.8%	71.7%	68.8%
Original Loan-to-Value Ratio > 90	10.2%	9.5%	17.7%	10.7%	8.0%	7.1%
Weighted Average Mark-to-Market Loan-to-Value Ratio	70.0%	75.9%	87.3%	84.8%	75.4%	51.0%
Mark-to-Market Loan-to-Value Ratio > 100	11.6%	7.3%	24.9%	22.7%	13.9%	1.4%
Weighted Average FICO	724	740	716	717	723	725
FICO < 620	4.5%	2.2%	6.4%	5.3%	4.2%	4.3%
FICO ≥ 620 and < 660	9.4%	5.2%	11.9%	11.3%	9.7%	9.0%
Interest Only	7.8%	5.3%	14.1%	16.1%	10.1%	1.7%
Negative-Amortizing	0.6%	0.0%	0.1%	1.3%	1.5%	0.6%
Fixed-rate	90.0%	93.0%	91.5%	86.7%	83.5%	91.5%
Principal Residence	89.7%	89.2%	88.8%	87.2%	88.1%	91.8%
Condo/Co-op	9.4%	11.0%	10.8%	11.0%	10.0%	7.0%
Credit Enhanced ⁽¹⁾	20.9%	21.5%	30.3%	27.6%	20.7%	13.2%
% of 2007 Credit Losses ⁽²⁾	100.0%	0.0%	1.9%	21.3%	23.6%	53.2%
% of 2008 Q3 Credit Losses ⁽²⁾	100.0%	0.4%	31.3%	35.2%	18.3%	14.9%
% of 2008 Q4 Credit Losses ⁽²⁾	100.0%	1.3%	32.0%	34.2%	17.7%	14.9%
% of 2008 Credit Losses ⁽²⁾	100.0%	0.5%	27.9%	34.9%	19.3%	17.3%
Cumulative Default Rate ⁽³⁾	—	0.02%	0.79%	1.49%	1.15%	—

⁽¹⁾ Unpaid principal balance of all loans with credit enhancement as a percentage of unpaid principal balance of single-family conventional mortgage credit book of business. Includes primary mortgage insurance, pool insurance, lender recourse and other credit enhancement.

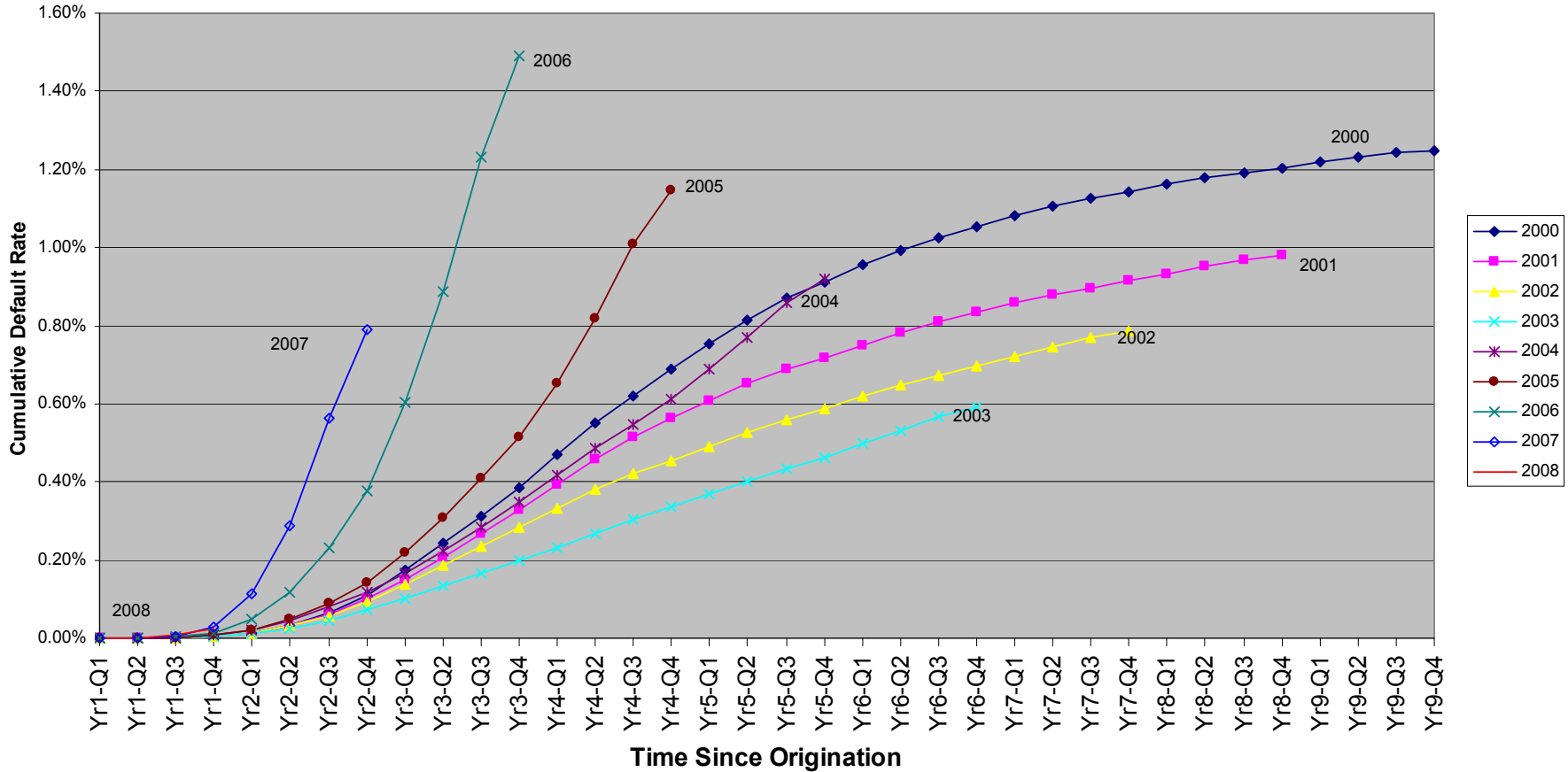
⁽²⁾ Expressed as a percentage of credit losses for the single-family mortgage credit book of business. For more information on total credit losses, refer to Fannie Mae's 2008 Form 10-K.

⁽³⁾ Default means loan was terminated without full satisfaction. Cumulative Default Rate is total number of defaulted loans since origination divided by total originated loans. As of December 31, 2008, 2004 vintage cumulative default rate was 0.92% and 2003 vintage cumulative default rate was 0.59%.

Note: FICO scores reflected in the table are those provided by the Sellers of the mortgage loans at time of delivery.

* **Excludes non-Fannie Mae securities held in portfolio and Alt-A and subprime wraps, for which Fannie Mae does not have loan-level information. Fannie Mae has access to detailed loan-level information on approximately 96% of our conventional single-family mortgage credit book of business. Certain data contained in this presentation are based upon information that Fannie Mae receives from third-party sources. Although Fannie Mae generally considers this information reliable, it does not guarantee that it is accurate or suitable for any particular purpose.**

Single-Family Cumulative Default Rate Originations from 2000 through 2008



Note: Cumulative default rates include loans that have been liquidated other than through voluntary pay-off or repurchase by lenders and include loan foreclosures, pre-foreclosure sales, sales to third parties and deeds in lieu of foreclosure.

Fannie Mae Credit Profile by State

Credit Characteristics of Single-Family Conventional Mortgage Credit Book of Business by State

As of December 31, 2008	Overall Book	AZ	CA	FL	MI	NV	OH
Unpaid Principal Balance (billions) *	\$2,730.9	\$78.2	\$438.8	\$200.7	\$79.5	\$35.9	\$73.1
Share of Single-Family Conventional Credit Book	100.0%	2.9%	16.1%	7.3%	2.9%	1.3%	2.7%
Average Unpaid Principal Balance	\$148,824	\$160,250	\$202,894	\$145,482	\$117,919	\$179,566	\$106,540
Serious Delinquency Rate	2.42%	3.41%	2.30%	6.14%	2.64%	4.74%	2.68%
Origination Years 2005-2007	46.5%	60.8%	41.2%	59.1%	37.8%	60.1%	40.7%
Weighted Average Original Loan-to-Value Ratio	71.8%	73.7%	62.8%	73.3%	73.9%	74.5%	77.2%
Original Loan-to-Value Ratio > 90	10.2%	10.0%	3.0%	10.8%	10.0%	9.4%	15.5%
Weighted Average Mark-to-Market Loan-to-Value Ratio	70.0%	85.7%	71.4%	87.1%	80.1%	97.5%	71.6%
Mark-to-Market Loan-to-Value Ratio >100	11.6%	32.6%	21.0%	36.0%	18.6%	49.3%	6.9%
Weighted Average FICO	724	725	732	718	721	724	720
FICO < 620	4.5%	3.6%	2.9%	5.3%	5.4%	3.2%	5.7%
FICO ≥ 620 and < 660	9.4%	9.3%	7.0%	10.8%	10.4%	9.3%	10.7%
Interest Only	7.8%	15.7%	13.0%	11.7%	4.8%	20.9%	3.1%
Negative Amortizing	0.6%	0.7%	2.4%	1.2%	0.2%	1.8%	0.1%
Fixed-rate	90.0%	84.9%	84.0%	87.0%	89.8%	77.1%	93.8%
Principal Residence	89.7%	83.4%	88.3%	81.7%	92.7%	80.3%	94.1%
Condo/Co-op	9.4%	5.5%	12.0%	15.7%	9.3%	7.7%	4.4%
Credit Enhanced ⁽¹⁾	20.9%	22.5%	12.1%	23.7%	19.6%	27.3%	27.2%
% of 2007 Credit Losses ⁽²⁾	100.0%	1.8%	7.2%	4.7%	26.1%	1.2%	13.1%
% of 2008 Q3 Credit Losses ⁽²⁾	100.0%	8.6%	31.1%	10.2%	10.9%	4.8%	3.1%
% of 2008 Q4 Credit Losses ⁽²⁾	100.0%	9.9%	19.5%	15.0%	9.1%	5.8%	3.2%
% of 2008 Credit Losses ⁽²⁾	100.0%	8.0%	25.2%	10.9%	12.5%	4.9%	3.7%
⁽¹⁾ Unpaid principal balance of all loans with credit enhancement as a percentage of unpaid principal balance of single-family conventional mortgage credit book of business. Includes primary mortgage insurance, pool insurance, lender recourse and other credit enhancement.							
⁽²⁾ Expressed as a percentage of credit losses for the single-family mortgage credit book of business. Refer to Fannie Mae's 2008 Form 10-K for more information on total credit losses.							

Note: FICO scores reflected in the table are those provided by the Sellers of the mortgage loans at time of delivery.

* **Excludes non-Fannie Mae securities held in portfolio and Alt-A and subprime wraps, for which Fannie Mae does not have loan-level information. Fannie Mae has access to detailed loan-level information on approximately 96% of our conventional single-family mortgage credit book of business. Certain data contained in this presentation are based upon information that Fannie Mae receives from third-party sources. Although Fannie Mae generally considers this information reliable, it does not guarantee that it is accurate or suitable for any particular purpose.**

Single-Family Serious Delinquency Rates by State and Region

	December 31, 2007	March 31, 2008	June 30, 2008	September 30, 2008	December 31, 2008
Arizona	0.75%	1.12%	1.51%	2.14%	3.41%
California	0.50%	0.76%	1.05%	1.44%	2.30%
Florida	1.59%	2.32%	3.21%	4.37%	6.14%
Michigan	1.43%	1.46%	1.57%	1.86%	2.64%
Nevada	1.20%	1.69%	2.25%	3.08%	4.74%
Ohio	1.78%	1.87%	1.95%	2.19%	2.68%
Total conventional single-family loans	0.98%	1.15%	1.36%	1.72%	2.42%
Serious Delinquency Rates by Region ⁽¹⁾					
Midwest	1.35%	1.44%	1.57%	1.86%	2.44%
Northeast	0.94%	1.05%	1.21%	1.47%	1.97%
Southeast	1.18%	1.44%	1.80%	2.34%	3.27%
Southwest	0.86%	0.94%	1.08%	1.35%	1.98%
West	0.50%	0.72%	0.97%	1.33%	2.10%
Total conventional single-family loans	0.98%	1.15%	1.36%	1.72%	2.42%

⁽¹⁾ For information on which states are contained within each region, please see the 2008 Form 10-K. Regional SDQ rate is the number of seriously delinquent loans in a region divided by the total number of loans in our conventional single-family book in that region.

Home Price Growth/Decline and Fannie Mae Single-Family Real Estate Owned (REO) in Selected States

State	REO Acquisitions (Number of Properties)								REO Inventory as of December 31, 2008	1-Year HP Growth January 2008 to December 2008*	5-Year Annualized HP Growth January 2004 to December 2008*
	2005	2006	2007	2008	2008 Q1	2008 Q2	2008 Q3	2008 Q4			
Arizona	146	56	751	5,532	632	1,315	1,887	1,698	3,929	-25.2%	2.0%
California	18	93	1,681	10,624	1,477	2,918	4,399	1,830	7,454	-24.3%	-0.6%
Florida	334	282	1,714	6,159	966	1,404	1,874	1,915	4,227	-23.9%	0.8%
Michigan	3,633	5,691	8,067	11,749	3,259	3,035	3,418	2,037	10,077	-10.6%	-4.0%
Nevada	27	62	530	2,906	403	686	1,005	812	2,094	-29.7%	-0.9%
Ohio	3,113	4,041	4,433	5,289	1,239	1,424	1,485	1,141	3,388	-4.1%	-0.3%
Other	25,289	26,355	31,945	52,393	12,132	13,181	15,515	11,565	32,369	-4.4%	3.1%
Total	32,560	36,580	49,121	94,652	20,108	23,963	29,583	20,998	63,538	-8.9%	2.1%

* Initial estimate based on purchase transactions in Fannie-Freddie acquisition and public deed data available through the end of December 2008, supplemented by preliminary data available for January and February 2009. Including subsequent data may lead to materially different results.

On a national basis, REO net sales prices compared with unpaid principal balances of mortgage loans have decreased as follows, driving increases in loss severities:

- 93% in 2005
- 89% in 2006
- 78% in 2007
- 74% in 2008 Q1
- 74% in 2008 Q2
- 70% in 2008 Q3
- 61% in 2008 Q4

Fannie Mae Alt-A Credit Profile by Key Product Features

Credit Characteristics of Alt-A Loans in Single-Family Mortgage Credit Book of Business by Vintage

As of December 31, 2008	Alt-A ⁽¹⁾	Vintage				
		2008	2007	2006	2005	2004 and Earlier
Unpaid principal balance (billions) *	\$292.4	\$6.9	\$75.3	\$82.4	\$55.0	\$72.8
Share of Alt-A	100.0%	2.4%	25.7%	28.2%	18.8%	24.9%
Weighted Average Original Loan-to-Value Ratio	72.6%	66.2%	74.8%	73.9%	72.5%	69.7%
Original Loan-to-Value Ratio > 90	5.3%	2.2%	8.9%	4.8%	3.2%	4.2%
Weighted Average Mark-to-Market Loan-to-Value Ratio	81.0%	72.4%	92.4%	91.8%	83.4%	56.1%
Mark-to-Market Loan-to-Value Ratio > 100	23.2%	7.7%	32.6%	32.5%	24.2%	3.6%
Weighted Average FICO	719	729	714	715	725	723
FICO < 620	0.7%	0.2%	0.5%	0.5%	0.4%	1.3%
FICO ≥ 620 and < 660	8.7%	2.1%	10.6%	10.5%	6.5%	7.1%
Adjustable-rate	27.7%	10.2%	22.2%	30.0%	40.4%	23.0%
Interest Only	29.6%	7.2%	38.2%	38.8%	30.1%	12.0%
Negative Amortizing	2.8%	0.0%	0.0%	3.8%	6.6%	1.9%
Investor	17.1%	17.5%	19.3%	16.9%	19.1%	13.5%
Condo/Co-op	10.8%	6.7%	10.0%	11.7%	13.0%	9.2%
California	21.7%	19.9%	21.9%	19.7%	20.6%	24.7%
Florida	11.0%	8.5%	11.7%	12.7%	12.1%	7.7%
Credit Enhanced ⁽²⁾	38.6%	13.1%	35.8%	53.0%	46.4%	21.5%
2008 Q1 Serious Delinquency Rate	2.96%	0.00%	2.85%	4.34%	3.23%	1.79%
2008 Q2 Serious Delinquency Rate	3.79%	0.19%	4.37%	5.60%	3.94%	1.97%
2008 Q3 Serious Delinquency Rate	4.92%	0.94%	6.29%	7.27%	4.79%	2.30%
2008 Q4 Serious Delinquency Rate	7.03%	2.14%	9.61%	10.24%	6.64%	3.06%
% of 2007 Credit Losses ⁽³⁾	27.8%	0.0%	0.7%	9.8%	9.7%	7.7%
% of 2008 Q3 Credit Losses ⁽³⁾	47.6%	0.0%	14.0%	20.9%	9.7%	3.1%
% of 2008 Q4 Credit Losses ⁽³⁾	43.2%	0.1%	13.1%	18.8%	8.2%	2.9%
% of 2008 Credit Losses ⁽³⁾	45.6%	0.0%	12.4%	20.2%	9.7%	3.4%
Cumulative Default Rate ⁽⁴⁾	—	0.06%	1.87%	2.99%	2.26%	—

⁽¹⁾ "Alt-A mortgage loan" generally refers to a mortgage loan that can be underwritten with reduced or alternative documentation than that required for a full documentation mortgage loan but may also include other alternative product features. As a result, Alt-A mortgage loans generally have a higher risk of default than non-Alt-A mortgage loans. In reporting our Alt-A exposure, we have classified mortgage loans as Alt-A if the lenders that deliver the mortgage loans to us have classified the loans as Alt-A based on documentation or other product features. We have classified private-label mortgage-related securities held in our investment portfolio as Alt-A if the securities were labeled as such when issued.

⁽²⁾ Defined as unpaid principal balance of Alt-A loans with credit enhancement as a percentage of unpaid principal balance of all Alt-A loans. At December 31, 2008, 8.7% of unpaid principal balance of Alt-A loans carried only primary mortgage insurance (no deductible), 26.2% had only pool insurance (which is generally subject to a deductible), 3.1% had primary mortgage insurance and pool insurance, and 0.6% carried other credit enhancement such as lender recourse.

⁽³⁾ Expressed as a percentage of credit losses for the single-family mortgage credit book of business. Refer to Fannie Mae's 2008 Form 10-K for more information on total credit losses.

⁽⁴⁾ Default means loan was terminated without full satisfaction. Cumulative Default Rate is total number of defaulted loans since origination divided by total originated loans.

Note: FICO scores reflected in the table are those provided by the Sellers of the mortgage loans at time of delivery.

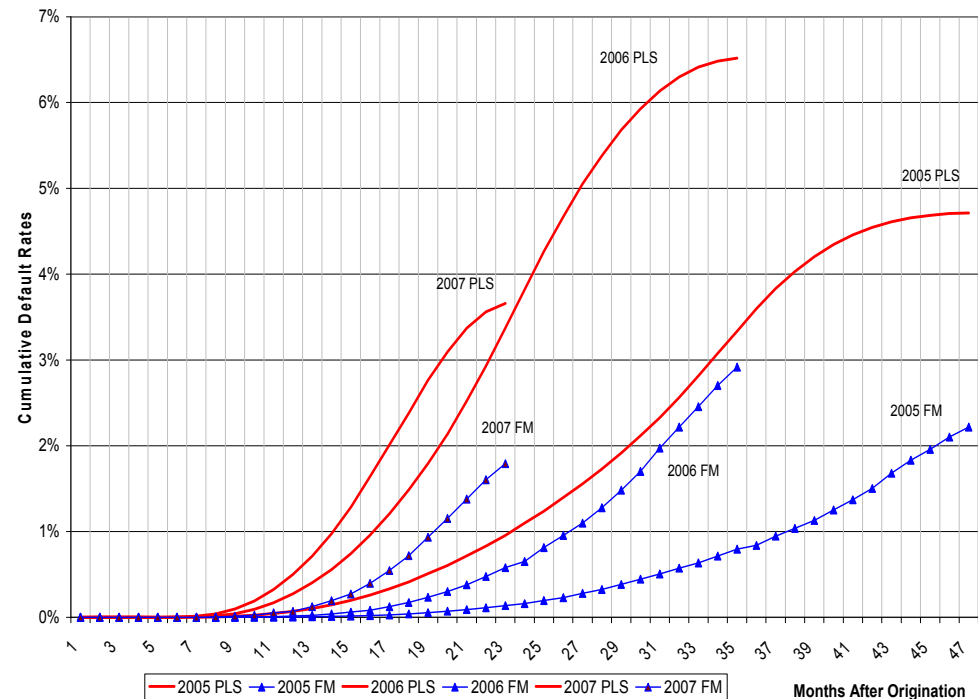
* Excludes non-Fannie Mae securities held in portfolio and Alt-A and subprime wraps, for which Fannie Mae does not have loan-level information. Fannie Mae has access to detailed loan-level information on approximately 96% of our conventional single-family mortgage credit book of business. Certain data contained in this presentation are based upon information that Fannie Mae receives from third-party sources. Although Fannie Mae generally considers this information reliable, it does not guarantee that it is accurate or suitable for any particular purpose.

Fannie Mae Alt-A Loans Versus Loans Underlying Private-Label Alt-A Securities

Fannie Mae Alt-A Versus Private Label Security Conforming Alt-A		
	<u>Fannie Mae Alt-A</u> Outstanding Alt-A loans in Fannie Mae's Single- Family Guaranty Book of Business as of November 2008	<u>PLS Market Alt-A</u> Outstanding loans backing non-agency Conforming Alt-A MBS as of November 2008
FICO	719	710
Original Loan-to-Value Ratio	73%	75%
Combined Loan-to-Value Ratio at Origination ⁽¹⁾	77%	81%
Geography		
California	22%	27%
Florida	11%	13%
Product Type		
Fixed Rate	72%	51%
Adjustable Rate	28%	49%
Interest Only	20%	25%
Negative-Amortizing	3%	19%
Investor	17%	21%

⁽¹⁾ Includes first liens and any subordinate liens present at origination.

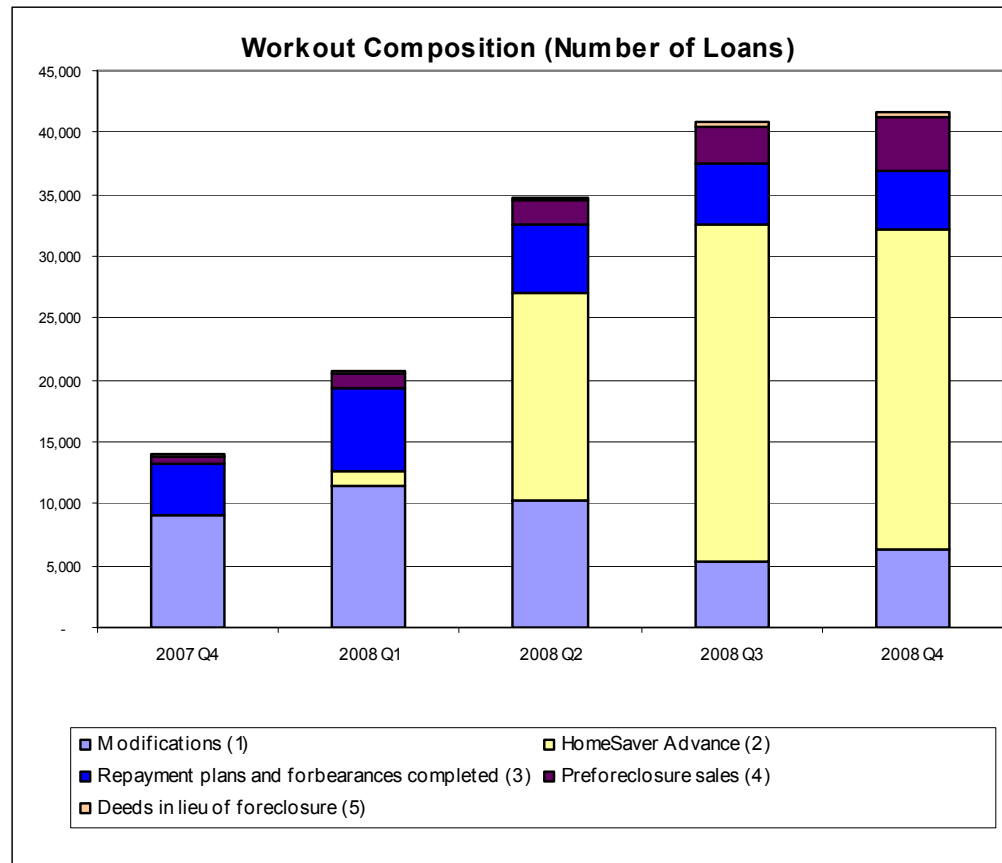
Cumulative Default Rates For Fannie Mae Alt-A And Private Label Alt-A For 2005, 2006 and 2007 Cohorts



Notes: Data as of November 30, 2008 is not necessarily indicative of the ultimate performance and are likely to change, perhaps materially, in future periods. Private label security data is from LoanPerformance.

Private-label securities data source are from First American CoreLogic, LoanPerformance data, which estimates it captures 97 percent of Alt-A private-label securities. The private-label securities data include some loans that Fannie Mae holds in its Alt-A securities portfolio.

Workouts by Type



- (1) Modifications: involve changes to the original mortgage terms, that may include a change to the product type, interest rate, amortization term, maturity date and/or unpaid principal balance. Includes modifications of conventional and government (FHA/VA) loans.
- (2) HomeSaver Advance™: an unsecured, personal loan provided to qualified borrowers to cure a payment default on a mortgage loan that we own or guarantee. Borrowers must demonstrate the ability to resume regular monthly payments on their mortgage.
- (3) Repayment plans: borrowers repay past due principal and interest over a reasonable period of time through temporarily higher monthly payments. Loans with repayment plans are included for loans that were at least 60 days delinquent. Our 2008 Form 10-K reports loans with repayment plans only for loans that were at least 90 days delinquent. Forbearances: lender agrees to suspend or reduce borrower payments for a period of time.
- (4) Preforeclosure sales: borrowers, working with servicers, sell their homes prior to foreclosure and pay off all or part of the outstanding loan, accrued interest and other expenses from the sale proceeds.
- (5) Deeds in lieu of foreclosure: borrowers voluntarily sign over title of their property to servicers to satisfy the first lien mortgage obligation and avoid foreclosure.

Loan Modifications by Type

