Fannie Mae

TABLE 1. GUARANTY BOOK OF BUSINESS ($ in Millions)[1]

	Fannie Mae MBS, excluding the portion backed by Freddie Mac securities, and Other Guarantees [Table 4]	+ Mortgage Loans [Table 3]	= Fannie Mae Guaranty Book of Business	Compounded Growth Rate	New Business Acquisitions
December 2022	$ 4,046,353	$ 55,717	$ 4,102,070	0.8 %	$ 30,456
Full Year 2022	**$ 4,046,353**	**$ 55,717**	**$ 4,102,070**	**3.2 %**	**$ 684,538**
January 2023	$ 4,047,493	$ 53,292	$ 4,100,785	(0.4)%	$ 25,479
February 2023	4,045,460	50,824	4,096,284	(1.3)%	21,627
March 2023	4,048,648	53,418	4,102,066	1.7 %	30,768
April 2023	4,050,831	52,970	4,103,801	0.5 %	31,561
May 2023	4,057,197	52,212	4,109,409	1.7 %	33,760
June 2023	4,064,183	51,827	4,116,010	1.9 %	38,973
July 2023	4,069,360	50,313	4,119,673	1.1 %	35,761
August 2023	4,071,135	53,114	4,124,249	1.3 %	34,611
September 2023	4,073,092	54,583	4,127,675	1.0 %	35,307
October 2023	4,076,573	52,449	4,129,022	0.4 %	30,342
November 2023	4,075,479	52,167	4,127,646	(0.4)%	25,115
December 2023	4,075,112	52,465	4,127,577	(0.0)%	25,870
Full Year 2023	**$ 4,075,112**	**$ 52,465**	**$ 4,127,577**	**0.6 %**	**$ 369,174**

MONTHLY SUMMARY HIGHLIGHTS

December 2023

- Fannie Mae's *Guaranty Book of Business* remained relatively flat in December.
- The *Conventional Single-Family Serious Delinquency Rate* increased 1 basis point to 0.55% in December.
- The *Multifamily Serious Delinquency Rate* decreased 1 basis point to 0.46% in December.
- As of December 31, 2023, Fannie Mae's maximum exposure to Freddie Mac collateral that was included in outstanding Fannie Mae resecuritizations was $215.6 billion.

IMPORTANT NOTE:

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

TABLE 2. RETAINED MORTGAGE PORTFOLIO ACTIVITY ($ in Millions)[1,8]

	Purchases	Sales	Liquidations	Retained Mortgage Portfolio End Balance
December 2022	$ 10,733	$ (6,929)	$ (858)	$ 77,742
Full Year 2022	**$ 277,640**	**$ (296,596)**	**$ (12,523)**	**$ 77,742**
January 2023	$ 10,398	$ (9,438)	$ (922)	$ 77,780
February 2023	9,092	(15,519)	(1,042)	70,311
March 2023	11,791	(9,226)	(1,053)	71,823
April 2023	12,291	(8,216)	(1,137)	74,761
May 2023	12,248	(11,271)	(1,170)	74,568
June 2023	14,803	(8,483)	(1,404)	79,484
July 2023	14,197	(14,951)	(1,153)	77,577
August 2023	18,389	(17,516)	(1,224)	77,226
September 2023	12,488	(12,733)	(1,019)	75,962
October 2023	11,900	(10,588)	(906)	76,368
November 2023	11,721	(10,161)	(848)	77,080
December 2023	14,444	(7,323)	(1,007)	83,194
Full Year 2023	**$ 153,762**	**$ (135,425)**	**$ (12,885)**	**$ 83,194**

TABLE 3. RETAINED MORTGAGE PORTFOLIO COMPOSITION ($ in Millions)[1,8]

	Fannie Mae MBS in Portfolio	Mortgage Loans	Non-Fannie Mae Mortgage Securities		Retained Mortgage Portfolio End Balance
			Agency	Non-Agency	
December 2022	$ 19,577	$ 55,717	$ 2,044	$ 404	$ 77,742
Full Year 2022	**$ 19,577**	**$ 55,717**	**$ 2,044**	**$ 404**	**$ 77,742**
January 2023	$ 22,140	$ 53,292	$ 1,946	$ 402	$ 77,780
February 2023	17,248	50,824	1,842	397	70,311
March 2023	16,274	53,418	1,743	388	71,823
April 2023	19,782	52,970	1,631	378	74,761
May 2023	20,463	52,212	1,522	371	74,568
June 2023	25,926	51,827	1,424	307	79,484
July 2023	25,661	50,313	1,314	289	77,577
August 2023	22,050	53,114	1,784	278	77,226
September 2023	19,435	54,583	1,673	271	75,962
October 2023	22,102	52,449	1,553	264	76,368
November 2023	23,147	52,167	1,511	255	77,080
December 2023	26,740	52,465	3,742	247	83,194
Full Year 2023	**$ 26,740**	**$ 52,465**	**$ 3,742**	**$ 247**	**$ 83,194**

TABLE 4. FANNIE MAE MBS AND OTHER GUARANTEES ($ in Millions)[1]

	Fannie Mae MBS, excluding the portion backed by Freddie Mac securities				+ Other Fannie Mae Guarantees	= Fannie Mae MBS, excluding the portion backed by Freddie Mac securities, and Other Guarantees	Compounded Growth Rate
	Issuances	Liquidations	End Balance	Liquidation Rate			
December 2022	$ 30,132	$ (27,888)	$ 4,036,780	(8.3)%	$ 9,573	$ 4,046,353	0.6 %
Full Year 2022	**$ 697,218**	**$ (555,949)**	**$ 4,036,780**	**(14.3)%**	**$ 9,573**	**$ 4,046,353**	**3.6 %**
January 2023	$ 27,916	$ (26,756)	$ 4,037,940	(8.0)%	$ 9,553	$ 4,047,493	0.3 %
February 2023	22,344	(24,321)	4,035,963	(7.2)%	9,497	4,045,460	(0.6)%
March 2023	28,183	(24,957)	4,039,189	(7.4)%	9,459	4,048,648	0.9 %
April 2023	32,677	(30,462)	4,041,404	(9.0)%	9,427	4,050,831	0.6 %
May 2023	34,614	(28,208)	4,047,810	(8.4)%	9,387	4,057,197	1.9 %
June 2023	39,417	(32,402)	4,054,825	(9.6)%	9,358	4,064,183	2.1 %
July 2023	37,506	(32,313)	4,060,018	(9.6)%	9,342	4,069,360	1.5 %
August 2023	32,011	(30,187)	4,061,842	(8.9)%	9,293	4,071,135	0.5 %
September 2023	34,461	(32,523)	4,063,780	(9.6)%	9,312	4,073,092	0.6 %
October 2023	32,204	(28,578)	4,067,406	(8.4)%	9,167	4,076,573	1.0 %
November 2023	26,069	(27,178)	4,066,297	(8.0)%	9,182	4,075,479	(0.3)%
December 2023	25,951	(26,290)	4,065,958	(7.8)%	9,154	4,075,112	(0.1)%
Full Year 2023	**$ 373,353**	**$ (344,175)**	**$ 4,065,958**	**(8.5)%**	**$ 9,154**	**$ 4,075,112**	**0.7 %**

TABLE 5. CORPORATE LIQUIDITY PORTFOLIO ($ in Millions) [1]

	Corporate Liquidity Portfolio End Balance
December 2022	$ 121,091
Full Year 2022	**$ 121,091**
January 2023	$ 124,010
February 2023	132,430
March 2023	133,584
April 2023	135,736
May 2023	132,131
June 2023	127,931
July 2023	126,827
August 2023	130,533
September 2023	124,253
October 2023	127,082
November 2023	125,777
December 2023	117,985
Full Year 2023	**$ 117,985**

TABLE 6. DEBT ACTIVITY ($ in Millions) [2]

	Original Maturity < 1 Year	Original Maturity > 1 Year				Total Debt Outstanding
	End Balance	Issuances	Maturities, Redemptions and Repurchases	Foreign Exchange Adjustments	End Balance	
December 2022	$ 10,229	$ 231	$ (1,570)	$ —	$ 129,023	$ 139,252
Full Year 2022	**$ 10,229**	**$ 1,961**	**$ (72,570)**	**$ (37)**	**$ 129,023**	**$ 139,252**
January 2023	$ 11,664	$ 730	$ (2,037)	$ 5	$ 127,721	$ 139,385
February 2023	11,557	1,390	(37)	(7)	129,067	140,624
March 2023	14,029	748	(31)	8	129,792	143,821
April 2023	15,308	1,315	(35)	6	131,078	146,386
May 2023	16,149	600	(5,539)	(3)	126,136	142,285
June 2023	15,669	1,178	(208)	6	127,112	142,781
July 2023	16,626	1,515	(7,085)	3	121,545	138,171
August 2023	21,675	—	(3,059)	(4)	118,482	140,157
September 2023	14,285	—	(2,063)	(12)	116,407	130,692
October 2023	15,525	390	(1,243)	—	115,554	131,079
November 2023	17,069	260	(3,875)	12	111,951	129,020
December 2023	17,370	510	(1,706)	3	110,758	128,128
Full Year 2023	**$ 17,370**	**$ 8,636**	**$ (26,918)**	**$ 17**	**$ 110,758**	**$ 128,128**

TABLE 7. SERIOUS DELINQUENCY RATES[4]

	Conventional Single-Family[3]								
	Vintage by Origination Year					Credit Enhanced			
	2004 and Prior	2005 - 2008	2009 - 2023	Overall	Non-Credit Enhanced	Primary MI and Other[5]	Credit Risk Transfer[6]	Overall	Multifamily[7]
December 2022	2.16 %	3.49 %	0.53 %	0.65 %	0.55 %	1.19 %	0.66 %	0.65 %	0.24 %
January 2023	2.11 %	3.40 %	0.52 %	0.64 %	0.55 %	1.17 %	0.65 %	0.64 %	0.24 %
February 2023	2.04 %	3.31 %	0.51 %	0.62 %	0.53 %	1.14 %	0.63 %	0.62 %	0.35 %
March 2023	1.93 %	3.11 %	0.48 %	0.59 %	0.50 %	1.07 %	0.58 %	0.59 %	0.35 %
April 2023	1.92 %	3.07 %	0.48 %	0.58 %	0.50 %	1.06 %	0.57 %	0.58 %	0.38 %
May 2023	1.85 %	2.95 %	0.46 %	0.56 %	0.48 %	1.02 %	0.52 %	0.56 %	0.40 %
June 2023	1.82 %	2.86 %	0.45 %	0.55 %	0.47 %	1.01 %	0.51 %	0.55 %	0.37 %
July 2023	1.78 %	2.82 %	0.45 %	0.54 %	0.47 %	1.01 %	0.51 %	0.54 %	0.47 %
August 2023	1.74 %	2.72 %	0.45 %	0.53 %	0.46 %	1.01 %	0.51 %	0.53 %	0.47 %
September 2023	1.74 %	2.68 %	0.45 %	0.54 %	0.46 %	1.03 %	0.51 %	0.54 %	0.54 %
October 2023	1.68 %	2.60 %	0.45 %	0.53 %	0.45 %	1.03 %	0.51 %	0.53 %	0.44 %
November 2023	1.70 %	2.58 %	0.46 %	0.54 %	0.46 %	1.05 %	0.52 %	0.54 %	0.47 %
December 2023	1.67 %	2.53 %	0.47 %	0.55 %	0.46 %	1.08 %	0.54 %	0.55 %	0.46 %
December 2023 % of Book Outstanding	1 %	1 %	98 %		55 %	21 %	36 %		

Table 8. INTEREST RATE RISK DISCLOSURES

	Market Value Sensitivity ($ in Millions)		
	Rate Level Shock (50 bp)	Rate Slope Shock (25 bp)	Duration Gap (in years)
December 2022	$ (15)	$ (7)	0.01
Full Year 2022	**$ (36)**	**$ (6)**	
January 2023	$ (27)	$ (12)	0.02
February 2023	(36)	(17)	0.04
March 2023	(17)	(13)	0.01
April 2023	(15)	(10)	—
May 2023	(11)	(6)	—
June 2023	(22)	(11)	0.02
July 2023	(30)	(8)	0.03
August 2023	(40)	(6)	0.04
September 2023	(29)	(13)	0.03
October 2023	(26)	(14)	0.03
November 2023	(29)	(12)	0.03
December 2023	(24)	(7)	0.02
Full Year 2023	**$ (25)**	**$ (11)**	

GLOSSARY & OTHER INFORMATION

General

Fannie Mae's maximum exposure to Freddie Mac collateral. Fannie Mae and Freddie Mac began issuing uniform mortgage-backed securities ("UMBS") in June 2019. Fannie Mae also began issuing commingled resecuritizations backed in whole or in part by Freddie Mac securities. Fannie Mae excludes the portion of Fannie Mae MBS outstanding ultimately backed by Freddie Mac securities from its guaranty book of business and reports its maximum exposure to Freddie Mac collateral in its Monthly Summary Highlights. This amount represents the maximum amount of Freddie Mac securities that Fannie Mae guarantees.

Risk Disclosures. In addition to the interest rate risk disclosures provided in Table 8, Fannie Mae's most recent available information relating to debt, liquidity management and credit risk 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 growth rate.

Table 1

Guaranty Book of Business. Consists of (1) Fannie Mae MBS outstanding (excluding the portions of any structured securities Fannie Mae issues that are backed by Freddie Mac securities), (2) other credit enhancements that Fannie Mae provides on mortgage assets, and (3) mortgage loans of Fannie Mae held in its retained mortgage portfolio.

New Business Acquisitions. Single-family and multifamily mortgage loans purchased during the period and single-family and multifamily mortgage loans underlying Fannie Mae MBS issued pursuant to lender swaps.

Table 2

Retained Mortgage Portfolio Activity. Ending balance represents the unpaid principal balance ("UPB") of Fannie Mae's retained mortgage portfolio. Excludes certain matched trades and certain early funding activities.

Purchases. Acquisition of mortgage loans and mortgage securities for the retained mortgage portfolio.

Sales. Sales of mortgage securities and mortgage loans from the retained mortgage portfolio.

Liquidations. Represents the total amount of repayments, curtailments, payoffs, and foreclosures on mortgage loans and mortgages underlying securities held in the retained mortgage portfolio.

Table 3

Retained Mortgage Portfolio Composition. Shows the primary components of Fannie Mae's retained mortgage portfolio.

Fannie Mae MBS in portfolio. Includes Fannie Mae commingled securities, which may be backed in whole or in part by Freddie Mac securities.

Non-Fannie Mae Agency Securities. Represents mortgage-related securities issued by Freddie Mac and Ginnie Mae. May include commingled Freddie Mac securities backed in whole or in part by Fannie Mae MBS.

Table 4

Fannie Mae MBS, excluding the portion backed by Freddie Mac securities. Includes Fannie Mae MBS, private-label wraps, whole loan real estate mortgage investment conduit securities (REMICs), and Ginnie Mae wraps. 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 retained mortgage portfolio.

Liquidation Rate. The liquidation rate is calculated as liquidations divided by the prior period ending balance of total Fannie Mae MBS, annualized.

Other Fannie Mae Guarantees. Outstanding balance of Fannie Mae guaranty arrangements that are not Fannie Mae MBS. This primarily includes credit enhancements Fannie Mae has provided and long-term standby commitments it has issued.

Table 5

Corporate Liquidity Portfolio. Primarily consists of cash and readily marketable instruments such as certificates of deposit, securities purchased under agreements to resell and Treasury bills. In previous reports, we referred to our corporate liquidity portfolio as "other investments."

Table 6

Debt Activity. Debt is classified in the table based on its original maturity. For debt with an original term of more than one year, the portion of that long-term debt that is due within one year is not reclassified to "Original Maturity < 1 Year." For more information about Fannie Mae's debt activity, please visit www.fanniemae.com/debtreports.

Table 7

Serious Delinquency Rates. A measure of credit performance and indicator of potential future defaults for the single-family and multifamily guaranty books. Single-family seriously delinquent loans are loans that are 90 days or more past due or in the foreclosure process. Multifamily seriously delinquent loans are 60 days or more past due. Fannie Mae includes in its single-family delinquency rate conventional single-family loans that it owns and that back Fannie Mae MBS and excludes Freddie Mac-acquired mortgage loans underlying Freddie Mac securities that Fannie Mae has resecuritized.

GLOSSARY & OTHER INFORMATION (Continued)

Table 8

The interest rate risk measures provide useful estimates of interest-rate risk and include the impact of Fannie Mae's purchases and sales of derivative instruments, which Fannie Mae uses to limit its exposure to changes in interest rates. While we believe that our market value sensitivity and duration gap metrics are useful risk management tools, they should be understood as estimates rather than precise measurements. Methodologies employed to calculate interest-rate risk sensitivity disclosures are periodically changed on a prospective basis to reflect improvements in the underlying estimation processes. Effective April 2023, we transitioned from LIBOR to SOFR in measuring the company's interest-rate risk. Prior periods were not revised.

Market Value Sensitivity to Rate Level Shock (50bp). This measurement shows the most adverse pre-tax impact on the market value of Fannie Mae's on-balance sheet assets and liabilities from an immediate adverse 50 basis point shift in the level of the applicable 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 most adverse pre-tax impact on the market value of Fannie Mae's on-balance sheet assets and liabilities from an immediate adverse 25 basis point change in the slope of the applicable yield curve. To calculate the adverse change in the slope of the yield curve, the company calculates the effect of a 25 basis point change in slope that results in a steeper LIBOR or SOFR yield curve, as applicable, and the effect of a 25 basis point change in slope that results in a flatter LIBOR or SOFR yield curve, as applicable, 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 on-balance sheet assets and liabilities to movements in interest rates. This statistic is expressed as a number of years, 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.

ENDNOTES

Note:

1. The end balances and business activity in this report represent UPB, which does not reflect market valuation adjustments, allowance for loan losses, impairments, unamortized premiums and discounts, and the impact of consolidation of variable interest entities.
2. Reported amounts represent the UPB at each reporting period or, in the case of long-term zero coupon bonds, at maturity. Also includes credit risk-sharing securities that were issued as Connecticut Avenue Securities® prior to November 2018. UPB does not reflect the effect of debt basis adjustments, including discounts, premiums, and issuance costs.
3. Delinquency rates represent seriously delinquent conventional single-family loans as a percentage 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 Fannie Mae's portfolio. The credit-enhanced categories are not mutually exclusive. A loan with primary mortgage insurance that is also covered by a credit risk transfer transaction will be included in both the "Primary MI and Other" category and the "Credit Risk Transfer" category. The percentage of book outstanding is calculated based on the aggregate UPB of conventional single-family loans for each category, divided by the aggregate UPB of loans in Fannie Mae's single-family conventional book of business.
4. Single-family and multifamily serious delinquency rates in this report may be based on preliminary information that is subject to change.
5. Refers to loans included in an agreement used to reduce credit risk by requiring primary mortgage insurance, collateral, letters of credit, corporate guarantees, or other agreements to provide an entity with some assurance that it will be compensated to some degree in the event of a financial loss. Excludes loans covered by credit risk transfer transactions unless such loans are also covered by primary mortgage insurance.
6. Refers to loans included in reference pools for credit risk transfer transactions, including loans in these transactions that are also covered by primary mortgage insurance. For Connecticut Avenue Securities and some lender risk-sharing transactions, this represents the outstanding UPB of the underlying loans on the single-family mortgage credit book, not the outstanding reference pool, as of the specified date.
7. 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.
8. The amount of mortgage assets that we may own in our retained mortgage portfolio is capped at $225 billion under the terms of our senior preferred stock purchase agreement with the U.S. Department of Treasury. We are currently managing our business to a $202.5 billion mortgage asset cap pursuant to instructions from FHFA. For this purpose, the balance of our retained mortgage portfolio was $84.8 billion as of December 31, 2023, which includes $1.6 billion representing 10% of the notional amount of the interest-only securities we held as of December 31, 2023.