

**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 <sup>4</sup>	Compounded Growth Rate <sup>4</sup>	New Business Acquisitions <sup>4</sup>
March 2011	\$ 757,618		\$ 2,706,799		\$ 238,330		\$ 3,226,087	2.6%	\$ 57,840
April 2011	746,814		2,698,607		231,116		3,214,305	(4.3%)	39,278
May 2011	737,850		2,700,939		234,674		3,204,115	(3.7%)	36,136
June 2011	731,801		2,701,116		231,541		3,201,376	(1.0%)	41,431
July 2011	727,953		2,691,626		227,530		3,192,049	(3.4%)	39,426
August 2011	725,464		2,689,342		227,823		3,186,983	(1.9%)	44,306
September 2011	722,158		2,689,915		224,687		3,187,386	0.2%	55,336
October 2011	720,895		2,684,585		225,695		3,179,785	(2.8%)	58,438
November 2011	713,495		2,684,305		220,354		3,177,446	(0.9%)	69,097
December 2011	708,414		2,696,151		220,061		3,184,504	2.7%	79,907
<b>Full Year 2011</b>	<b>\$ 708,414</b>		<b>\$ 2,696,151</b>		<b>\$ 220,061</b>		<b>\$ 3,184,504</b>	<b>(1.2%)</b>	<b>\$ 652,848</b>
January 2012	\$ 699,342		\$ 2,696,409		\$ 214,483		\$ 3,181,268	(1.3%)	\$ 63,876
February 2012	696,018		2,696,939		212,773		3,180,184	(0.4%)	62,187
March 2012	691,663		2,721,901		209,834		3,203,730	9.3%	95,310
<b>YTD 2012</b>	<b>\$ 691,663</b>		<b>\$ 2,721,901</b>		<b>\$ 209,834</b>		<b>\$ 3,203,730</b>	<b>2.4%</b>	<b>\$ 221,373</b>

**TABLE 2. PORTFOLIO COMMITMENTS (\$ in Millions) <sup>1,2,3,4</sup>**

	Commitments to Purchase, Net	Commitments to Sell	Net Retained Commitments
March 2011	\$ 44,387	\$ (39,939)	\$ 4,448
April 2011	34,709	(31,369)	3,340
May 2011	35,996	(31,544)	4,452
June 2011	37,421	(31,627)	5,794
July 2011	43,071	(38,303)	4,768
August 2011	59,990	(52,795)	7,195
September 2011	54,057	(48,963)	5,094
October 2011	54,764	(49,461)	5,303
November 2011	61,280	(59,195)	2,085
December 2011	51,361	(45,065)	6,296
<b>Full Year 2011</b>	<b>\$ 575,620</b>	<b>\$ (516,238)</b>	<b>\$ 59,382</b>
January 2012	\$ 66,502	\$ (61,882)	\$ 4,620
February 2012	64,682	(60,992)	3,690
March 2012	68,308	(64,540)	3,768
<b>YTD 2012</b>	<b>\$ 199,492</b>	<b>\$ (187,414)</b>	<b>\$ 12,078</b>

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

	Purchases <sup>3,4</sup>	Sales <sup>3</sup>	Liquidations <sup>4</sup>	End Balance <sup>3,4</sup>	Compounded Growth Rate <sup>3,4</sup>	Annualized Liquidation Rate <sup>4</sup>
March 2011	\$ 12,855	\$ (8,512)	\$ (13,151)	\$ 757,618	(13.0%)	(20.59%)
April 2011	10,633	(8,626)	(12,811)	746,814	(15.8%)	(20.29%)
May 2011	9,909	(6,942)	(11,931)	737,850	(13.5%)	(19.17%)
June 2011	12,281	(6,067)	(12,263)	731,801	(9.4%)	(19.94%)
July 2011	13,627	(5,983)	(11,492)	727,953	(6.1%)	(18.85%)
August 2011	13,225	(4,888)	(10,826)	725,464	(4.0%)	(17.85%)
September 2011	15,281	(7,065)	(11,522)	722,158	(5.3%)	(19.06%)
October 2011	18,015	(7,686)	(11,592)	720,895	(2.1%)	(19.26%)
November 2011	17,857	(13,499)	(11,758)	713,495	(11.6%)	(19.57%)
December 2011	19,986	(12,248)	(12,819)	708,414	(8.2%)	(21.56%)
<b>Full Year 2011</b>	<b>\$ 173,978</b>	<b>\$ (108,430)</b>	<b>\$ (145,905)</b>	<b>\$ 708,414</b>	<b>(10.2%)</b>	<b>(18.50%)</b>
January 2012	\$ 17,313	\$ (14,442)	\$ (11,943)	\$ 699,342	(14.3%)	(20.23%)
February 2012	19,908	(12,487)	(10,745)	696,018	(5.6%)	(18.44%)
March 2012	21,675	(14,317)	(11,713)	691,663	(7.3%)	(20.19%)
<b>YTD 2012</b>	<b>\$ 58,896</b>	<b>\$ (41,246)</b>	<b>\$ (34,401)</b>	<b>\$ 691,663</b>	<b>(9.1%)</b>	<b>(19.42%)</b>

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

	Total Fannie Mae MBS Issuances <sup>5</sup>	Liquidations <sup>4</sup>	End Balance <sup>4</sup>	Fannie Mae MBS Annualized Liquidation Rate <sup>4</sup>	Other Fannie Mae Guarantees	Total Fannie Mae MBS and Other Guarantees <sup>4</sup>	Compounded Growth Rate <sup>4</sup>	Mortgage Loans <sup>4</sup>	Fannie Mae Guaranteed Securities and Mortgage Loans <sup>4</sup>
March 2011	\$ 54,252	\$ (42,121)	\$ 2,670,697	(19.01%)	\$ 36,102	\$ 2,706,799	5.5%	\$ 421,856	\$ 3,128,655
April 2011	34,516	(42,458)	2,662,755	(19.08%)	35,852	2,698,607	(3.6%)	419,334	3,117,941
May 2011	40,535	(38,146)	2,665,144	(17.19%)	35,795	2,700,939	1.0%	407,758	3,108,697
June 2011	35,732	(36,682)	2,664,194	(16.52%)	36,922	2,701,116	0.1%	405,417	3,106,533
July 2011	31,753	(42,121)	2,653,826	(18.97%)	37,800	2,691,626	(4.1%)	405,403	3,097,029
August 2011	39,918	(43,040)	2,650,704	(19.46%)	38,638	2,689,342	(1.0%)	403,480	3,092,822
September 2011	47,893	(47,964)	2,650,633	(21.71%)	39,282	2,689,915	0.3%	403,805	3,093,720
October 2011	53,022	(59,605)	2,644,050	(26.98%)	40,535	2,684,585	(2.4%)	402,628	3,087,213
November 2011	63,703	(64,809)	2,642,944	(29.41%)	41,361	2,684,305	(0.1%)	401,669	3,085,974
December 2011	76,346	(65,545)	2,653,745	(29.76%)	42,406	2,696,151	5.4%	398,271	3,094,422
<b>Full Year 2011</b>	<b>\$ 598,672</b>	<b>\$ (604,969)</b>	<b>\$ 2,653,745</b>	<b>(22.74%)</b>	<b>\$ 42,406</b>	<b>\$ 2,696,151</b>	<b>0.0%</b>	<b>\$ 398,271</b>	<b>\$ 3,094,422</b>
January 2012	\$ 59,734	\$ (60,862)	\$ 2,652,617	(27.52%)	\$ 43,792	\$ 2,696,409	0.1%	\$ 395,880	\$ 3,092,289
February 2012	56,723	(55,515)	2,653,825	(25.11%)	43,114	2,696,939	0.2%	395,188	3,092,127
March 2012	89,149	(63,634)	2,679,340	(28.77%)	42,561	2,721,901	11.7%	394,777	3,116,678
<b>YTD 2012</b>	<b>\$ 205,606</b>	<b>\$ (180,011)</b>	<b>\$ 2,679,340</b>	<b>(27.13%)</b>	<b>\$ 42,561</b>	<b>\$ 2,721,901</b>	<b>3.9%</b>	<b>\$ 394,777</b>	<b>\$ 3,116,678</b>

**MONTHLY SUMMARY HIGHLIGHTS**
**MARCH 2012**

- Fannie Mae's *Book of Business* increased at a compound annualized rate of 9.3 percent in March.
- Fannie Mae's *Gross Mortgage Portfolio* declined at a compound annualized rate of 7.3 percent in March.
- The *Conventional Single-Family Serious Delinquency Rate* fell fifteen basis points to 3.67 percent in March; the *Multifamily Serious Delinquency Rate* fell six basis points to 0.37 percent in March.
- The *Effective Duration Gap* on Fannie Mae's portfolio averaged zero months in March.
- Fannie Mae completed 18,703 loan modifications in March, for a total of 46,671 loan modifications in the three months ended March 31, 2012.

**IMPORTANT NOTE:**

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

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

	Fannie Mae MBS in Portfolio					Mortgage Loans <sup>4</sup>	Non-Fannie Mae Mortgage Securities		Mortgage Portfolio End Balance <sup>4</sup>
	Purchases	Sales	Liquidations	Securitized <sup>5</sup>	End Balance		Agency	Non-Agency	
March 2011	\$ 1,054	\$ (8,474)	\$ (4,412)	\$ 8,213	\$ 238,330	\$ 421,856	\$ 16,829	\$ 80,603	\$ 757,618
April 2011	1,167	(8,540)	(4,545)	4,704	231,116	419,334	16,433	79,931	746,814
May 2011	739	(6,895)	(3,855)	13,569	234,674	407,758	16,117	79,301	737,850
June 2011	2,296	(6,001)	(3,714)	4,286	231,541	405,417	16,078	78,765	731,801
July 2011	1,392	(5,983)	(3,982)	4,562	227,530	405,403	16,859	78,161	727,953
August 2011	1,464	(4,737)	(3,807)	7,373	227,823	403,480	16,562	77,599	725,464
September 2011	1,353	(6,943)	(4,031)	6,485	224,687	403,805	16,603	77,063	722,158
October 2011	1,409	(7,589)	(4,002)	11,190	225,695	402,628	16,351	76,221	720,895
November 2011	1,204	(13,402)	(4,402)	11,259	220,354	401,669	15,939	75,533	713,495
December 2011	2,131	(12,020)	(4,698)	14,294	220,061	398,271	15,552	74,530	708,414
<b>Full Year 2011</b>	<b>\$ 18,097</b>	<b>\$ (106,940)</b>	<b>\$ (53,230)</b>	<b>\$ 101,705</b>	<b>\$ 220,061</b>	<b>\$ 398,271</b>	<b>\$ 15,552</b>	<b>\$ 74,530</b>	<b>\$ 708,414</b>
January 2012	\$ 1,675	\$ (14,379)	\$ (4,370)	\$ 11,496	\$ 214,483	\$ 395,880	\$ 15,229	\$ 73,750	\$ 699,342
February 2012	1,711	(12,291)	(3,863)	12,733	212,773	395,188	14,869	73,188	696,018
March 2012	1,371	(14,276)	(4,177)	14,143	209,834	394,777	14,519	72,533	691,663
<b>YTD 2012</b>	<b>\$ 4,757</b>	<b>\$ (40,946)</b>	<b>\$ (12,410)</b>	<b>\$ 38,372</b>	<b>\$ 209,834</b>	<b>\$ 394,777</b>	<b>\$ 14,519</b>	<b>\$ 72,533</b>	<b>\$ 691,663</b>

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

	Other Investments End Balance
March 2011	\$ 76,707
April 2011	98,193
May 2011	68,815
June 2011	68,809
July 2011	78,940
August 2011	87,757
September 2011	95,330
October 2011	94,942
November 2011	101,460
December 2011	113,342
<b>Full Year 2011</b>	<b>\$ 113,342</b>
January 2012	\$ 117,542
February 2012	101,597
March 2012	88,945
<b>YTD 2012</b>	<b>\$ 88,945</b>

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

	Original Maturity < 1 Year End Balance
March 2011	\$ 147,159
April 2011	175,061
May 2011	158,118
June 2011	162,072
July 2011	175,225
August 2011	189,371
September 2011	193,795
October 2011	166,199
November 2011	150,644
December 2011	146,805
<b>Full Year 2011</b>	<b>\$ 146,805</b>
January 2012	\$ 151,348
February 2012	128,288
March 2012	110,892
<b>YTD 2012</b>	<b>\$ 110,892</b>

Original Maturity > 1 Year					Total Debt Outstanding
Maturities and		Foreign Exchange		End Balance	
Issuances	Redemptions	Repurchases	Adjustments		
\$ 12,894	\$ (33,758)	\$ (628)	\$ -	\$ 626,832	\$ 773,991
6,924	(23,897)	(185)	58	609,732	784,793
7,366	(27,766)	(50)	(27)	589,255	747,373
15,520	(31,080)	(63)	(13)	573,619	735,691
16,669	(24,135)	(543)	22	565,632	740,857
25,826	(38,522)	-	(8)	552,928	742,299
38,847	(30,335)	(20)	(26)	561,394	755,189
33,515	(22,957)	-	22	571,974	738,173
41,152	(26,665)	-	(19)	586,442	737,086
19,411	(10,357)	-	(8)	595,488	742,293
<b>\$ 257,085</b>	<b>\$ (300,628)</b>	<b>\$ (2,862)</b>	<b>\$ 28</b>	<b>\$ 595,488</b>	<b>\$ 742,293</b>
\$ 15,995	\$ (25,150)	\$ -	\$ 10	\$ 586,343	\$ 737,691
18,080	(16,928)	-	8	587,503	715,791
25,409	(29,282)	-	3	583,633	694,525
<b>\$ 59,484</b>	<b>\$ (71,360)</b>	<b>\$ -</b>	<b>\$ 21</b>	<b>\$ 583,633</b>	<b>\$ 694,525</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)	
March 2011	\$ (0.2)	\$ (0.1)	0
April 2011	(0.1)	0.0	0
May 2011	(0.1)	(0.1)	0
June 2011	(0.2)	(0.1)	0
July 2011	(0.2)	(0.1)	0
August 2011	(0.2)	(0.2)	0
September 2011	(0.1)	(0.1)	0
October 2011	0.0	0.0	0
November 2011	(0.1)	0.0	0
December 2011	0.0	0.0	0
<b>Full Year 2011</b>	<b>\$ (0.1)</b>	<b>\$ (0.1)</b>	
January 2012	\$ (0.1)	\$ 0.0	0
February 2012	0.0	0.0	0
March 2012	0.0	0.0	0
<b>YTD 2012</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	

**TABLE 9. SERIOUS DELINQUENCY RATES**

	Conventional Single-Family <sup>8</sup>			Multifamily Total <sup>9</sup>
	Non-Credit Enhanced	Credit Enhanced	Total	
March 2011	3.26%	10.13%	4.27%	0.64%
April 2011	3.21%	9.95%	4.19%	0.57%
May 2011	3.17%	9.84%	4.14%	0.52%
June 2011	3.14%	9.72%	4.08%	0.46%
July 2011	3.14%	9.69%	4.08%	0.45%
August 2011	3.10%	9.57%	4.03%	0.43%
September 2011	3.10%	9.43%	4.00%	0.57%
October 2011	3.11%	9.41%	4.00%	0.58%
November 2011	3.13%	9.32%	4.00%	0.60%
December 2011	3.07%	9.10%	3.91%	0.59%
January 2012	3.08%	9.03%	3.90%	0.52%
February 2012	3.03%	8.77%	3.82%	0.43%
March 2012	2.93%	8.35%	3.67%	0.37%

## 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.
2. As of March 31, 2012, our gross mortgage portfolio end balance, after taking into account net outstanding commitments to sell of \$12.9 billion, was \$678.8 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 financings. 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. Initiatives to repurchase delinquent loans out of MBS trusts may result in additional volatility on a month-to-month basis.
5. 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.
6. 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.
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. 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.
9. 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.

## 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 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 \$88.9 billion total as of March 31, 2012 consists of \$87.0 billion of cash and readily marketable instruments such as certificates of deposit, federal funds sold, securities purchased under agreements to resell and Treasury bills and \$1.9 billion of non-governmental asset-backed securities. We began including cash in these amounts with the balance as of October 31, 2011. The \$95.3 billion balance as of September 30, 2011 would have been \$103.5 billion if we had included cash.

### Table 7

**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." The \$694.5 billion of total debt outstanding as of March 31, 2012 excludes \$7.8 billion of debt securities issued to MBS trusts. For more information about Fannie Mae's debt activity, please visit

<http://www.fanniemae.com/portal/funding-the-market/debt/debt-activity/index.html?>

### Table 8

Our interest rate risk measures provide useful estimates of key interest-rate risk and include the impact of our purchases and sales of derivative instruments, which we use to limit our 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.

**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 include single-family loans that are three months or more past due or in the foreclosure process, and multifamily loans that are 60 days or more past due. We include 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.