FEDERAL HOUSING FINANCE AGENCY

FHFA

2017 REPORT TO CONGRESS


FEDERAL HOUSING
FHFA
FINANCE AGENCY

Federal Housing Finance Agency
Constitution Center
400 7th Street, S.W.
Washington, D.C. 20219
Telephone: (202) 649-3800
Facsimile: (202) 649-1071
www.fhfa.gov

May 23, 2018

Honorable Michael D. Crapo Chairman Committee on Banking, Housing, and Urban Affairs United States Senate Washington, D.C. 20510	Honorable Sherrod Brown Ranking Member Committee on Banking, Housing, and Urban Affairs United States Senate Washington, D.C. 20510
Honorable Jeb Hensarling Chairman Committee on Financial Services United States House of Representatives Washington, D.C. 20515	Honorable Maxine Waters Ranking Member Committee on Financial Services United States House of Representatives Washington, D.C. 20515

Dear Chairmen and Ranking Members:

I am pleased to enclose the Federal Housing Finance Agency's (FHFA's) 2017 Report to Congress. This Report meets the requirement of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended by the Housing and Economic Recovery Act of 2008 (HERA), that FHFA submit a report to Congress describing the actions undertaken by FHFA to carry out its statutory responsibilities, including a description of the financial safety and soundness of the entities the Agency regulates. It also meets FHFA's obligation under Section 1305 of the Dodd-Frank Wall Street Reform and Consumer Protection Act to report to Congress on the Agency's plans to "continue to support and maintain the nation's vital housing industry, while at the same time guaranteeing that the American taxpayer will not suffer unnecessary losses."

During 2017, FHFA continued to serve as regulator of the 11 Federal Home Loan Banks (FHLBanks) and the FHLBanks' joint Office of Finance and as regulator and conservator of Fannie Mae and Freddie Mac. The enclosed Report summarizes the findings of the Agency's 2017 examinations of these entities as well as FHFA's actions as conservator of Fannie Mae and Freddie Mac during 2017. It also describes FHFA's regulatory activities, research, and publications issued during the year.

As required by HERA, this Report also includes the Federal Housing Finance Oversight Board's assessment of the matters set out in Section 1103 of that Act.

Sincerely,

Melvin L. Watt
Director, Federal Housing Finance Agency

LIST OF ABBREVIATIONS

AB – Advisory Bulletin
AFS – Available-for-Sale
AHP – Affordable Housing Program
AMA – Acquired Member Assets
ASMB – American Survey of Mortgage Borrowers
Bank Act – Federal Home Loan Bank Act
CDFI – Community Development Financial Institution
CEAR – Certificate for Excellence in Accountability Reporting
CFI – Community Financial Institution
CFPB – Consumer Financial Protection Bureau
CICA – Community Investment Cash Advance Program
CIP – Community Investment Program
CMA – Core Mission Activities
COs – Consolidated Obligations
CRS – Call Report System
CRT – Credit Risk Transfer
CSP – Common Securitization Platform
CSS – Common Securitization Solutions, LLC
DBR – Division of Bank Regulation
DER – Division of Enterprise Regulation
D&I – Diversity and Inclusion
Dodd-Frank Act – Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010
DTI – Debt-to-Income
DTS – Duty to Serve
DUS – Delegated Underwriting and Servicing Program
eMortgage – Electronic Mortgage
eNote – Electronic Promissory Note
Enterprises – Fannie Mae and Freddie Mac
FAST – Fixing America's Surface Transportation Act
Fannie Mae – Federal National Mortgage Association
Federal Reserve Board – Board of Governors of the Federal Reserve System
FHFA – Federal Housing Finance Agency
FHA – Federal Housing Administration
FHLBank – Federal Home Loan Bank
FISMA – Federal Information Security Management Act
FMS – Financial Management System
FPM – Federal Property Managers
Freddie Mac – Federal Home Loan Mortgage Corporation
FY – Fiscal Year
GAAP – Generally Accepted Accounting Principles
GAO – U.S. Government Accountability Office
HAMP – Home Affordable Modification Program
HARP – Home Affordable Refinance Program
HERA – Housing and Economic Recovery Act of 2008
HMDA – Home Mortgage Disclosure Act
HUD – U.S. Department of Housing and Urban Development
KT – Multifamily Aggregation Risk Transfer
LEP – Limited English Proficiency
LIHTC – Low-Income Housing Tax Credit
LTV – Loan-to-Value
MAAp – Mortgage Assistance Application
MBS – Mortgage-Backed Securities
MI – Mortgage Insurer
MIRS – Monthly Interest Rate Survey
MISMO – Mortgage Industry Standards Maintenance Organization
MPF – Mortgage Partnership Finance
MPP – Mortgage Purchase Program
MRAs – Matters Requiring Attention
MSA – Metropolitan Statistical Area
NPL – Non-performing Loans
NMDB – National Mortgage Database
No Fear Act – Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002
NSI – Neighborhood Stabilization Initiative
NSMO – National Survey of Mortgage Originations
OF – Office of Finance
OIG – Office of Inspector General
OMB – Office of Management and Budget
OMWI – Office of Minority and Women Inclusion
PAR – Performance and Accountability Report
PC – Participation Certificate
PLMBS – Private-Label MBS
PMIERs – Private Mortgage Insurer Eligibility Requirements
PRISM – Procurement Request Information System Management
PSPA – Senior Preferred Stock Purchase Agreement
RAD – HUD Rental Assistance Demonstration Program
Regulated Entities – Fannie Mae, Freddie Mac, and the FHLBanks
REO – Real Estate Owned
RFI – Request for Input
RIF – Risk in Force
RPL – Re-performing Loan
Safety and Soundness Act – Federal Housing Enterprises Financial Safety and Soundness Act of 1992
SCR – Structured Credit Risk
SDQ – Seriously Delinquent
SSI – Single Security Initiative
Tax Act – Tax Cuts and Jobs Act
Treasury Department – U.S. Department of the Treasury
UBAF – Uniform Borrower Assistance Form
UCD – Uniform Closing Disclosure Dataset
UMBS – Uniform Mortgage-Backed Security
UMDP – Uniform Mortgage Data Program
UPB – Unpaid Principal Balance
URLA – Uniform Residential Loan Application
USDA – U.S. Department of Agriculture
VA – Veterans Administration

REPORT TO CONGRESS

CONTENTS

SUPERVISION AND OVERSIGHT

- Examination Authority for Regulated Entities
- Reports of Annual Examinations of Fannie Mae and Freddie Mac
- Reports of Annual Examinations of the Federal Home Loan Banks
- Results of Stress Tests under the Dodd-Frank Wall Street Reform and Consumer Protection Act
- Enterprise Housing Goals and Duty to Serve
- Federal Home Loan Bank Mission and Affordable Housing Program
- Regulatory Activities

The Federal Housing Finance Agency (FHFA) was established by the Housing and Economic Recovery Act of 2008 (HERA) and is responsible for the effective supervision, regulation, and housing mission oversight of the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), and the Federal Home Loan Bank System, which includes the 11 Federal Home Loan Banks (FHLBanks) and the Office of Finance (OF). The Agency's mission is to ensure that Fannie Mae and Freddie Mac (the Enterprises) and the FHLBanks (together, "the regulated entities") operate in a safe and sound manner so that they serve as a reliable source of liquidity and funding for housing finance and community investment. Since 2008, FHFA has also served as conservator of Fannie Mae and Freddie Mac.

EXAMINATION AUTHORITY FOR REGULATED ENTITIES

Section 1317(a) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act), as amended, 12 U.S.C. § 4517(a), requires FHFA to conduct annual on-site examinations of the Enterprises and the FHLBanks. Examination of the FHLBanks is also performed pursuant to section 20 of the Federal Home Loan Bank Act (Bank Act), as amended, 12 U.S.C. § 1440. The FHLBank System includes the 11 FHLBanks and the OF, a joint office of the FHLBanks.

For each regulated entity, FHFA prepares an annual report of examination, which identifies weaknesses and assigns examination ratings. FHFA communicates deficiencies and violations at regulated entities as adverse findings. The 2017 reports of examination were delivered to the directors and management of the Enterprises in March and April and to the FHLBanks periodically throughout the year based on FHFA's examination schedule.

Scope of Examination

FHFA conducts supervision using a risk-based approach to identify existing and emerging risks to the regulated entities, to evaluate the overall effectiveness of each regulated entity's risk management systems and controls, and to assess compliance with laws and regulations applicable to the regulated entity. In 2017[1], FHFA's examination activities included targeted risk-based examinations and ongoing monitoring, including assessing the remediation of previously issued Matters Requiring Attention (MRAs). FHFA also assessed the responses of the regulated entities' boards of directors and management to deficiencies and weaknesses identified by the regulated entities' internal audit departments and external auditors.

Rating System

Pursuant to FHFA's Advisory Bulletin AB 2012-03, *FHFA Examination Rating System* (AB 2012-03), FHFA applies the "CAMELSO" rating system to report its supervisory views. The CAMELSO framework includes ratings for: (1) the overall condition of the regulated entity (the composite rating), and (2) seven individual component ratings for financial condition and risk management: **C**apital; **A**sset quality; **M**anagement; **E**arnings; **L**iquidity; **S**ensitivity to market risk; and **O**perational risk.

Supervision of Fannie Mae and Freddie Mac

FHFA's Division of Enterprise Regulation (DER) is responsible for carrying out on-site examinations and ongoing supervision of the Enterprises. In 2017, FHFA performed examination activities in the areas of credit, market, model, and operational risk, as well as governance, compliance, accounting, auditing, and financial disclosure. Enterprise examinations included assessment of the safety and soundness of each Enterprise (*e.g.*, financial performance, condition, and overall risk management practices), as well as compliance with regulations.

Examination activity at each Enterprise is led by an Examiner-in-Charge and is carried out by an on-site team with support from offsite subject-matter experts. Following completion of examination activity, DER communicates any adverse findings in writing to the Enterprise and

[1] Unless otherwise specified, all dates in this report refer to 2017.

obtains a commitment, including a corrective action plan, from the Enterprise to remediate the findings. Following execution of the remediation plan, the Enterprise's internal audit function or an independent third party validates the completion of remediation, and DER reviews corrective action through examination activities.

FHFA issues a report of examination that identifies supervisory concerns and contains examination ratings reflecting FHFA's view of the regulated entity's financial safety and soundness and risk management practices. The annual Report of Examination is signed by the Examiner-in-Charge and issued to the Enterprise's board of directors.

Supervision of the Federal Home Loan Banks

FHFA's Division of Bank Regulation (DBR) is responsible for carrying out on-site examinations and ongoing supervision of the FHLBanks. Oversight of the FHLBanks promotes both safe and sound operation and achievement of their housing finance and community investment mission. In 2017, FHFA examined all of the FHLBanks and the OF. An Examiner-in-Charge and a team of examiners conduct each annual examination with support from financial analysts, economists, accountants, and attorneys. In addition, FHFA examiners visits each of the FHLBanks between examinations to follow up on examination findings and to discuss emerging issues.

Examiners communicate all adverse findings to FHLBank management and any MRAs to the FHLBank's board of directors and management. In addition, examiners obtain a commitment to correct deficiencies in a timely manner and then verify the effectiveness of those corrective actions.

DBR maintains an off-site monitoring program that reviews monthly and quarterly financial reports and other information, such as data on FHLBank investments and information related to member activity. DBR monitors debt issuances by the OF and tracks financial market trends. DBR and other FHFA offices also review FHLBank documents and analyze responses to a number of periodic and *ad hoc* information requests, including data and information on FHLBank collateral, unsecured credit exposure, liquidity, advances, and certain FHLBank investment holdings.

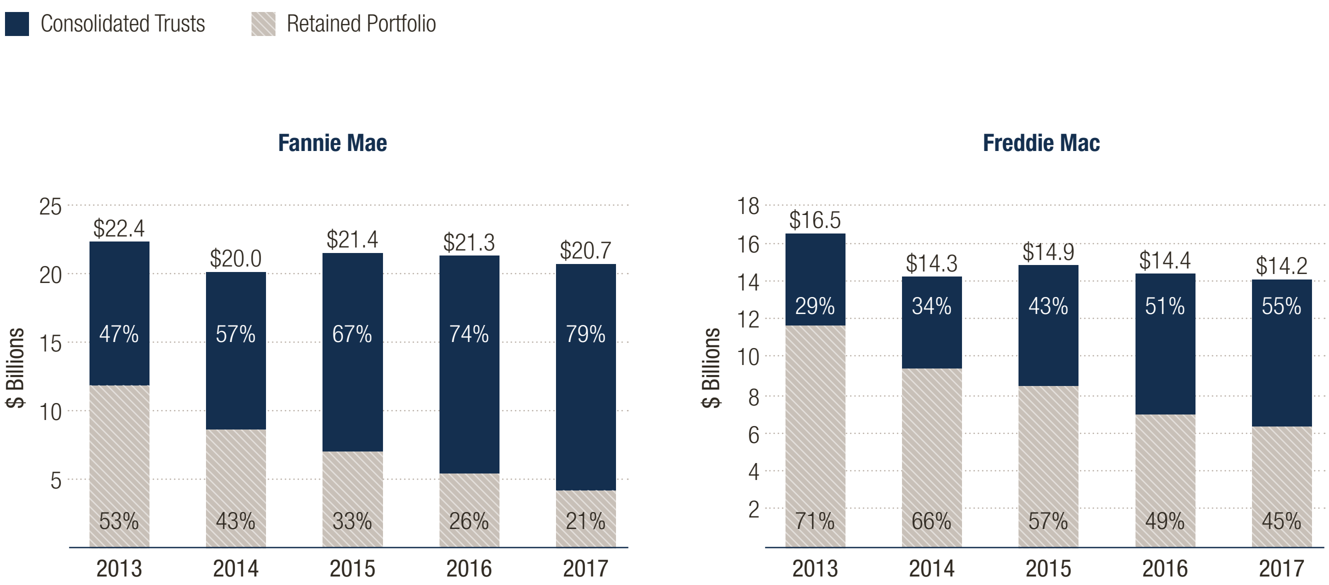
REPORTS OF ANNUAL EXAMINATIONS OF FANNIE MAE AND FREDDIE MAC

Financial Overview of the Enterprises

The Enterprises were created by Congress to provide stability and liquidity in the secondary housing finance market. They purchase single-family mortgages that lenders have already made to borrowers, pool these mortgages into mortgage-backed securities (MBS), and sell them to investors. The Enterprises guarantee the payment of principal and interest on the underlying mortgages and charge lenders a guarantee fee for taking on the credit risk associated with the purchased mortgages. The Enterprises also purchase multifamily mortgages.

Enterprise Income – Fannie Mae reported annual net income of $2.5 billion and annual comprehensive income of $2.3 billion for 2017, compared to annual net income of $12.3 billion and annual comprehensive income of $11.7 billion for 2016.

Figure 1: Enterprises' Net Interest Income 2013-2017



Freddie Mac reported annual net income of $5.6 billion and annual comprehensive income of $5.6 billion for 2017, compared to annual net income of $7.8 billion and annual comprehensive income of $7.1 billion for 2016.

On December 22, 2017, the Tax Cuts and Jobs Act (TCJA) was enacted into law reducing the statutory corporate tax rate from 35 percent to 21 percent. While the TCJA was not effective until January 1, 2018, generally accepted accounting principles (GAAP) accounting rules require companies to re-measure their deferred tax assets (DTA) at the reduced rate in the period in which the legislation is enacted. As a result, Fannie Mae and Freddie Mac recorded one-time federal income tax provision expenses of approximately $9.9 billion and $5.4 billion, respectively, in the fourth quarter of 2017. Although the tax provision expense resulted in a large reduction of net income in 2017, the Enterprises expect their future earnings to benefit from the lower federal corporate income tax rate.

The Enterprises have two primary sources of revenue: 1) guarantee fees on mortgages held by consolidated trusts holding Enterprise MBS; and 2) the difference between the interest income earned on the assets in the Enterprises' retained mortgage portfolios[2] and the interest expense paid on the debt that funds those assets. In 2017, as in prior years, the Enterprises earned a greater proportion of net income from guarantee fees than from interest income. This shift is primarily driven by the impact of guarantee fee increases and the reduction of the retained portfolios in accordance with the requirements of the Senior Preferred Stock Purchase Agreements (PSPAs) between the U.S. Department of the Treasury (Treasury Department) and the Enterprises. Figure 1 shows changes since 2013 in the level and composition of the Enterprises' net interest income.

[2] Fannie Mae defines this as the mortgage-related assets it owns and Freddie Mac as its mortgage-related investments portfolio.

Enterprise Mortgage Portfolios – The Enterprises' mortgage portfolios have been relatively stable over the past few years. Decreases in retained portfolio balances have generally been offset by increases in guarantee portfolio balances.

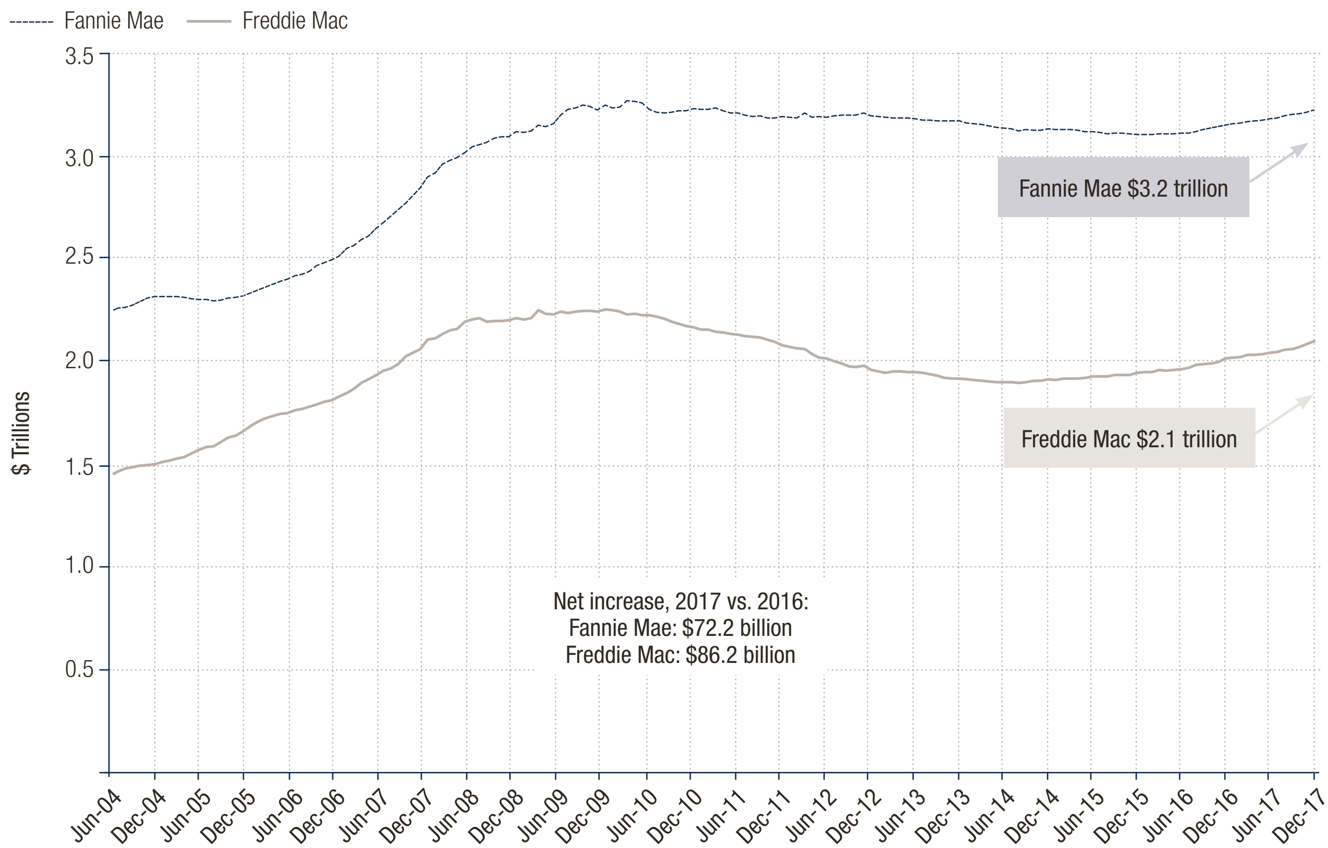
Fannie Mae purchased $502 billion of single-family mortgages in 2017, a decrease of approximately 14 percent from $581 billion in 2016. Freddie Mac purchased $344 billion of single-family mortgages in 2017, a decrease of approximately 12 percent from $393 billion in 2016. Multifamily purchase volumes increased year-over-year for both Enterprises, primarily driven by substantial growth in the overall multifamily market in 2017. Fannie Mae's multifamily purchase volume in 2017 was $66 billion, an increase of approximately $11 billion from 2016. Freddie Mac's multifamily new purchase volume in 2017 was $73 billion, an increase of $16 billion from 2016. The Enterprises' total mortgages and guarantees are shown in Figure 2.

Historically, The Enterprises' investment portfolios exposed them to a significant amount of interest rate risk that was mitigated using derivatives, such as swaps and swaptions.

Accounting differences for these financial assets and liabilities, including derivatives, rendered the Enterprises vulnerable to earnings volatility when interest rates fluctuate because the derivatives were marked-to-market. To minimize the impact of interest rate fluctuation and mitigate the accounting volatility in its financial results, Freddie Mac implemented hedge accounting in 2017. While Fannie Mae does not currently use hedge accounting, it is considering implementing hedge accounting in the future.

Conservatorships and the Senior Preferred Stock Purchase Agreements – As part of HERA, Congress granted the Director of FHFA the discretionary authority to appoint FHFA as conservator or receiver of Fannie Mae, Freddie Mac, or any of the Federal Home Loan Banks,

Figure 2: Enterprise Mortgage Portfolio (2004-2017)[3]



Source: Enterprise Monthly Volume Summaries

3 Mortgage portfolio includes mortgages and mortgage-related securities held as investments and mortgages that are pooled into mortgage backed securities issued by the Enterprises for which the Enterprise guarantees payment of principal and interest.

upon determining that specified criteria had been met. On September 6, 2008, FHFA exercised this authority and placed Fannie Mae and Freddie Mac into conservatorships. Since the Enterprises were placed into conservatorships, the Treasury Department has provided essential financial commitments of taxpayer funding under the PSPAs. As of December 31, 2017, Fannie Mae and Freddie Mac have drawn a combined total of $187.4 billion in taxpayer support under the PSPAs and have paid the Treasury Department a total of $278.8 billion in dividends on senior preferred stock. Under the terms of the PSPAs, the Enterprises' dividend payments do not offset the amounts drawn from the Treasury Department. The terms of the PSPAs also require the Enterprises to reduce their retained portfolios, and the Enterprises are constrained by the PSPAs from building capital while they remain in conservatorship.

Pursuant to the third amendment to the PSPAs on August 17, 2012, the fixed 10 percent dividend on senior preferred stock was replaced, effective January 1, 2013, with a sweep of net worth that exceeded a "Capital Reserve Amount," which was established at $3.0 billion in 2013 with mandated declines of $600 million each subsequent year. Accordingly, the capital reserve for 2017 was $600 million and would have declined to zero on January 1, 2018. However, in December 2017, FHFA entered into a letter agreement with the Treasury Department on behalf of the Enterprises to reinstate a $3.0 billion Capital Reserve Amount under the PSPA for each Enterprise, beginning in the fourth quarter of 2017. Under the terms of the letter agreement, each Enterprise will only declare and make dividend payment amounts beyond the $3.0 billion Capital Reserve Amount.

As previously noted, each Enterprise had to re-measure its DTA due to the TCJA's reduction in the statutory corporate tax rate and record a one-time federal income tax provision expense in the fourth quarter of 2017. As a result of the income tax provision expense, each Enterprise had a net worth deficit as of December 31, 2017. Consequently, in the first quarter of 2018, FHFA submitted a request to the Treasury Department on behalf of Fannie Mae for $3.7 billion and on behalf of Freddie Mac for $0.3 billion to eliminate their net worth deficits. Prior to the draws in the first quarter of 2018, Fannie Mae's last Treasury Department draw was made in the first quarter of 2012 and Freddie Mac's last Treasury Department draw was made in the second quarter of 2012. As both Enterprises entered 2018, they had insufficient capital reserves to absorb losses due to the deficit at the end of 2017. However, pursuant to the December 2017 letter agreement each Enterprise is permitted to retain up to $3.0 billion of future earnings as capital reserves.

Reductions in income from the Enterprises' shrinking mortgage investment portfolio and diminished income from non-recurring sources, combined with mark-to-market volatility from the Enterprises' derivatives portfolio, could increase the likelihood of negative net worth in future quarters. Moreover, initiatives such as credit risk transfer transactions confer risk management benefits but impose costs that could reduce Enterprise earnings.

Overview of Annual Examination Results

The term CAMELSO refers to the seven components of the examination framework that FHFA uses to report its examination findings to its regulated entities. Those components are **C**apital; **A**sset quality; **M**anagement; **E**arnings; **L**iquidity; **S**ensitivity to market risk; and **O**perational risk.

Capital – Pursuant to the PSPAs, the Enterprises are unable to retain capital, therefore, the capital levels are not linked to risk profiles and the Enterprises do not have independent ability to augment capital levels. FHFA has suspended the Enterprises' capital classifications and regulatory capital requirements during their conservatorships.

Asset Quality – When reviewing asset quality, FHFA examiners evaluate the quantity of existing and potential credit risk associated with loan and investment portfolios and management's ability to identify, measure, monitor, and control credit risk. In 2017, the Enterprises had generally positive trends in the levels of adversely classified assets, serious delinquencies, and real estate owned (REO) properties. Both Enterprises reduced credit risk exposure by executing different types of credit risk transfer.

Each Enterprises' single-family mortgage portfolio experienced modest growth in 2017. Both Enterprises increased the acquisition of loans with high debt-to-income and loan-to-value ratios and will therefore need to maintain diligence in underwriting, credit administration, and risk management practices to ensure identification, monitoring, and management of related credit risks. Further, both Enterprises' single-family portfolios experienced temporary negative consequences in certain geographical areas associated with the 2017 hurricanes.

Counterparties, including seller/servicers and mortgage insurers, expose the Enterprises to credit risks. In addition, certain counterparties experienced challenges in 2017 due to deterioration in financial condition, regulatory issues, or weather-related impacts. Ongoing Enterprise counterparty risk management included the application of eligibility requirements, implementation of quality control functions and other oversight processes, and contingency planning in accordance with FHFA supervisory guidance.

The Enterprises' multifamily portfolios grew in 2017, in line with limits set by FHFA as conservator. While the 2017 hurricanes resulted in increases in estimated losses, risk management of multifamily credit exposures was generally satisfactory.

Management – FHFA examiners assess the effectiveness of each Enterprise's efforts to identify, measure, monitor, and control the risks of the Enterprise's activities, and to evaluate the safety and soundness of the Enterprise's operations and its compliance with applicable laws and regulations.

In recent years, Fannie Mae has improved its governance structure and processes by establishing and operationalizing its management framework. Certain key elements of the framework, however, have either not yet been fully operationalized or require further improvement. The structure and design of the management framework could affect management's ability to ensure that significant risks are subject to heightened executive level oversight and escalated to appropriate parties in a timely manner. The level of changes in Fannie Mae's organizational structure, policies, processes, and systems also heightens risk.

Freddie Mac senior management promoted an effective risk management culture and the board approved certain quantitative measures for financial risk management. Management continued efforts to formalize compliance roles and responsibilities across the Enterprise. Although the remediation of model governance concerns has made some progress, the framework and governance for stress testing still needs certain improvements.

Earnings, Liquidity, and Sensitivity to Market Risk – When reviewing Enterprise earnings, FHFA examiners consider the quantity, trend, sustainability, and quality of earnings (*e.g.*, the adequacy of provisions to maintain the allowance for loan losses and other valuation allowance accounts). Review of liquidity includes assessing the current level and prospective sources of liquidity compared to funding needs, as well as the adequacy of funds management practices relative to the Enterprise's size, complexity, and risk profile. Examination of sensitivity to market risk includes assessing the ability of management to identify, measure, monitor, and control exposure to market risk given the Enterprise's size, complexity and risk profile.

Fannie Mae's 2017 comprehensive income of $2.3 billion declined from $11.7 billion in 2016. This decline was due substantially to a one-time income tax provision in the fourth quarter of $9.9 billion, reflecting the decrease in the value of DTA due to the reduction in the corporate tax following the passage of the TCJA. It is expected that Fannie Mae will benefit from lower tax provisions going forward. Pre-tax income of $18.4 billion in 2017 compares with pre-tax income of $18.3 billion in 2016. The need for additional credit provisions related to the 2017 hurricanes also remains uncertain.

Fannie Mae has access to a variety of liquidity sources and maintains the ability to meet its cash requirements without adverse consequences to its daily operations. Market value-based interest rate exposures remained low throughout the year as duration, convexity, and volatility risk metrics were managed within board- and management-approved limits. Fannie Mae reduced exposure limits in 2017, in line with the declining balance of the retained mortgage portfolio.

In 2017, Freddie Mac's comprehensive income was $5.6 billion. The below-plan performance was primarily driven by the $5.4 billion write-down of DTA resulting from the TCJA. The quality of earnings improved as GAAP earnings exposure to interest-rate movements was reduced by fair value hedge accounting. Hedge accounting, while operationally complex, has been effective in creating closer alignment between GAAP accounting results and the economics of the Enterprise's business.

Freddie Mac continues to carry a sufficient volume of liquid assets and is able to reliably access funds at acceptable terms to meet both current and anticipated funding needs. Portfolio duration gap, convexity, and volatility measures indicate low sensitivity to rate changes; however, spread risk, which cannot be cost-effectively hedged, remains a significant factor. Exposure to adverse spread movements on mortgage-related securities has declined with the reduction in the size of the mortgage investment portfolio.

Operational Risk – When assessing operational risk management, FHFA examiners consider exposures to loss from inadequate or failed internal processes, people, and systems, including internal controls and information technology. The Enterprises' inherent operational risk is high, largely as a result of complex business processes and financial operations; heavy reliance on information technology to manage and process large amounts of data; and reliance on counterparties, vendors, and other third parties. Business resiliency and disaster recovery remain key management and supervisory concerns for both Enterprises, and both Enterprises continue to enhance information security consistent with recent FHFA guidance.

Fannie Mae operated in an environment of continuing change resulting from strategic initiatives that target business transformation and workforce and organizational improvements, as well as ongoing legacy technology upgrades. The Enterprise made progress on initiatives to retire legacy systems and applications and to transform the data management infrastructure. The Enterprise also faced operational challenges from employing newer processes and tools which present different types of risk exposure, and from developing system enhancements to integrate with the Common Securitization Platform.

In 2017, Freddie Mac continued to enhance information technology infrastructure and data management processes. Challenges included significant turnover in key information technology positions. The Enterprise worked to address supervisory concerns on the assessment of operational risk and evaluation of related controls. The Enterprise also made progress on addressing issues to be resolved prior to full integration with the Common Securitization Platform.

Diversity & Inclusion – FHFA's Office of Minority & Women Inclusion (OMWI) performed its first comprehensive review of Fannie Mae and Freddie Mac's Diversity and Inclusion (D&I) program. Fannie Mae demonstrated initiative and allocated resources to its D&I program, included hiring D&I officers and developing a D&I strategic plan. Going forward, OMWI expects Fannie Mae to develop a more comprehensive, formalized D&I program with a well-defined framework and corporate governance structure.

Freddie Mac has appointed D&I officers, adopted a workforce strategy, and has begun the process of formalizing its strategic planning process, to include identification of D&I goals and objectives. FHFA expects that Freddie Mac's current initiatives will lead to a well-defined framework and comprehensive governance structure.

REPORTS OF ANNUAL EXAMINATIONS OF THE FEDERAL HOME LOAN BANKS

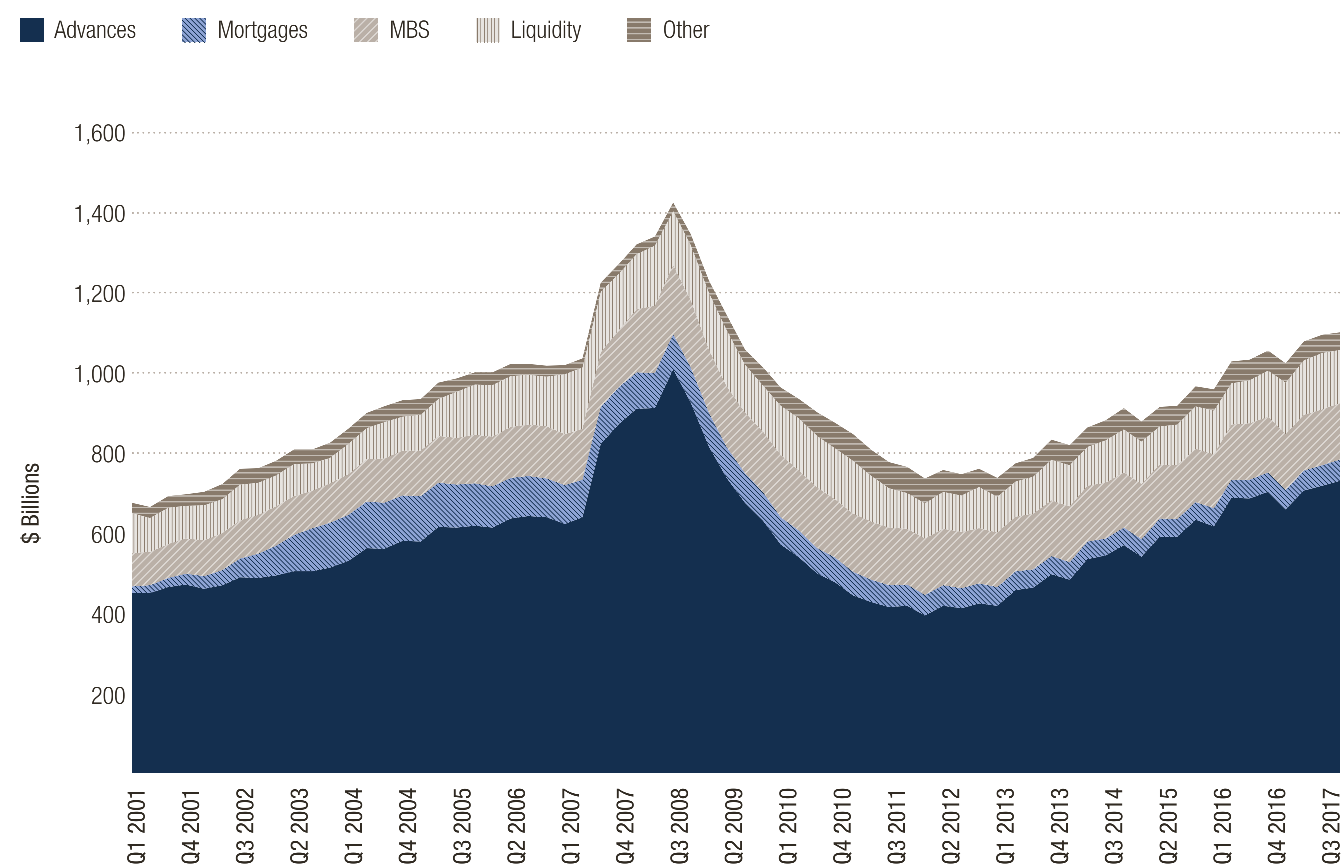
Congress passed the Federal Home Loan Bank Act in 1932 to establish the Federal Home Loan Bank System and reinvigorate a housing market devastated by the Great Depression. The current system includes 11 district FHLBanks, each serving a designated geographic area of the United States, and the OF, which issues consolidated obligations to fund the FHLBanks. The FHLBanks are member-owned cooperatives that provide a reliable source of liquidity to member financial institutions by making loans, known as advances, to member institutions and housing associates. The FHLBanks secure these advances with eligible collateral, which consists primarily of single-family mortgages, multifamily mortgages, government and agency securities, and commercial real estate loans.

Financial Overview

Total FHLBank assets grew in 2017 driven by increases in major asset classes. The FHLBanks reported aggregate net income of $3.4 billion in 2017, unchanged from 2016. Net interest income improved in 2017 but was offset by declines in other income, primarily due to fewer gains on litigation settlements.

Total assets increased by $45.9 billion, or 4.2 percent, to $1.10 trillion in 2017. At year-end, aggregate assets reached their highest quarter-end level since June 30, 2009 (Figure 3). Advances increased by 3.7 percent, cash and investments increased by 4.7 percent, and mortgages increased by 11.1 percent. The FHLBanks held 66.3 percent of total assets in advances, 28.5 percent in cash and investments, and 4.9 percent in mortgages.

Figure 3: Historical Portfolio of the FHLBank System



The FHLBanks provide short- and long-term advances (loans) to their members. Advances are primarily collateralized by residential mortgage loans, commercial real estate loans, and government and agency securities. Community Financial Institutions may pledge small business, small farm, and small agri-business loans as collateral for advances.[4] In 2017, FHLBank advances increased by $26.3 billion, to $731.5 billion. The increase marked the sixth consecutive year of advance growth. Although advances increased in recent years, reaching their highest quarter-end level since June 30, 2009, demand for advances is below the levels experienced during the height of the financial crisis. Eight FHLBanks reported increases in advances in 2017 and three reported decreases. FHLBank members use advances for various reasons, including to fund mortgage portfolios, meet operational liquidity needs, or meet other funding requirements. In recent years, some larger members may have used advances to meet regulatory liquidity requirements.

The FHLBanks operate both on-balance sheet and off-balance sheet programs through which members can sell mortgage loans. Acquired Member Assets (AMA) programs allow the FHLBanks to acquire and hold (on their balance sheet) conforming and government-guaranteed or insured loans. The AMA programs are structured such that the FHLBanks manage the interest-rate risk and the participating member manages a substantial portion of the risks associated with originating the mortgage, including much of the credit risk. Through the two existing AMA programs, Mortgage Partnership Finance (MPF) and Mortgage Purchase Program (MPP), FHLBanks offer various products to members with differing credit risk-sharing structures.

The FHLBanks held $53.9 billion of mortgages on their balance sheets at December 31, 2017, up from $48.5 billion at year-end 2016. According to the statement of cash flows, this change includes mortgage purchases of $12.5 billion and mortgage principal payments of $7.0 billion.

FHFA has also authorized off-balance sheet mortgage programs. Under the off-balance sheet programs in operation through 2017, members of FHLBanks participating in off-balance sheet mortgage programs sell mortgages to the FHLBank of Chicago, which either concurrently sells the loan to either Fannie Mae (MPF Xtra) or an investor (MPF Direct), or pools the loans into securities guaranteed by the Government National Mortgage Association (MPF Government MBS). FHLBank members delivered $2.6 billion of mortgages under MPF Xtra and $297 million of jumbo mortgages under MPF Direct. Members also delivered $675 million of mortgages to the FHLBank of Chicago to securitize through the MPF Government MBS program.

The aggregate investment portfolio of the FHLBanks consists of 44.8 percent MBS, 42.3 percent cash and liquidity, 12.8 percent other investments (principally agency debt securities and, for the FHLBank of Chicago, federally-backed student loan asset-backed securities). The FHLBanks held $141.3 billion of MBS, primarily made up of MBS securitized by Freddie Mac and Fannie Mae. At year-end 2017, the FHLBanks held $133.5 billion of cash and liquidity investments. The aggregate liquidity portfolio of the FHLBanks consisted of 49.1 percent federal funds sold, 39.4 percent reverse repurchase agreements, 5.4 percent cash, and the rest in certificates of deposit, loans to other FHLBanks, and interest bearing deposits.

The FHLBanks' letters of credit have increased substantially over the last few years. At $149.4 billion, the amount of letters of credit was up $14.8 billion year-over-year and $94.9 billion since the first quarter of 2011. Letters of credit are typically used by members to secure public unit deposits. If drawn on, a letter of credit can be converted to an advance; however, they are rarely drawn.

Consolidated obligations totaled $1.03 trillion and consisted of $641.7 billion of bonds and $391.5 billion of discount notes. To address FHFA's supervisory concern regarding maturity gaps, the FHLBanks changed their funding mix, with discount notes decreasing from 41.4 percent of consolidated obligations to 37.9 percent year-over-year.[5] The FHLBanks have primarily turned to floating-rate bonds in replacing the discount notes, though in many cases the

---

4 As defined in the Bank Act, the term Community Financial Institution (CFI) means a member, the deposits of which are insured under the Federal Deposit Insurance Act, that has average total assets over the last three years at or below an established threshold. For calendar year 2017, the CFI asset threshold is $1.148 billion. FHLBank members that are CFIs may pledge small business loans, small farm loans, small agri-business loans, and, for 2013 and thereafter, community development loans, all of which may be fully secured by collateral other than real estate, and securities representing a whole interest in such loans.

5 The term "maturity gap" refers to the difference between assets and liabilities maturing within a certain time interval. The FHLBanks monitor their maturity gaps at 3- and 12-months.

bonds are short-term. Short-term funding (funding with a remaining maturity of less than one year) made up 75.8 percent of consolidated obligations at year-end 2017.

The FHLBanks reported 2017 net income of $3.4 billion in 2017, only $37 million less than in 2016. All FHLBanks were profitable over the year, and the quality of earnings increased as profitability was derived from more recurring sources in 2017 than in 2016. Net interest income increased $646 million year-over-year while other income decreased $533 million (most of which was due to litigation gains received in 2016). See Figure 4. Operating expenses increased by $41 million over the same time period.

Figure 4: FHLBank's Net Interest Income and Net Income

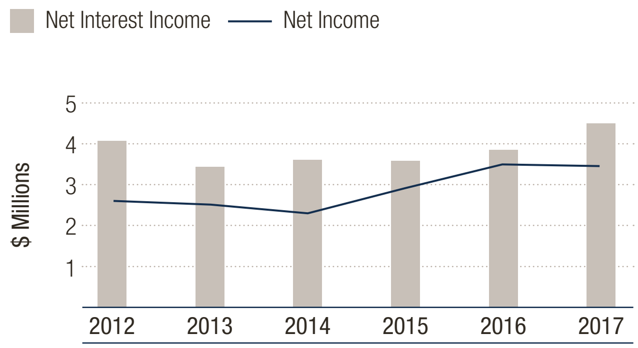
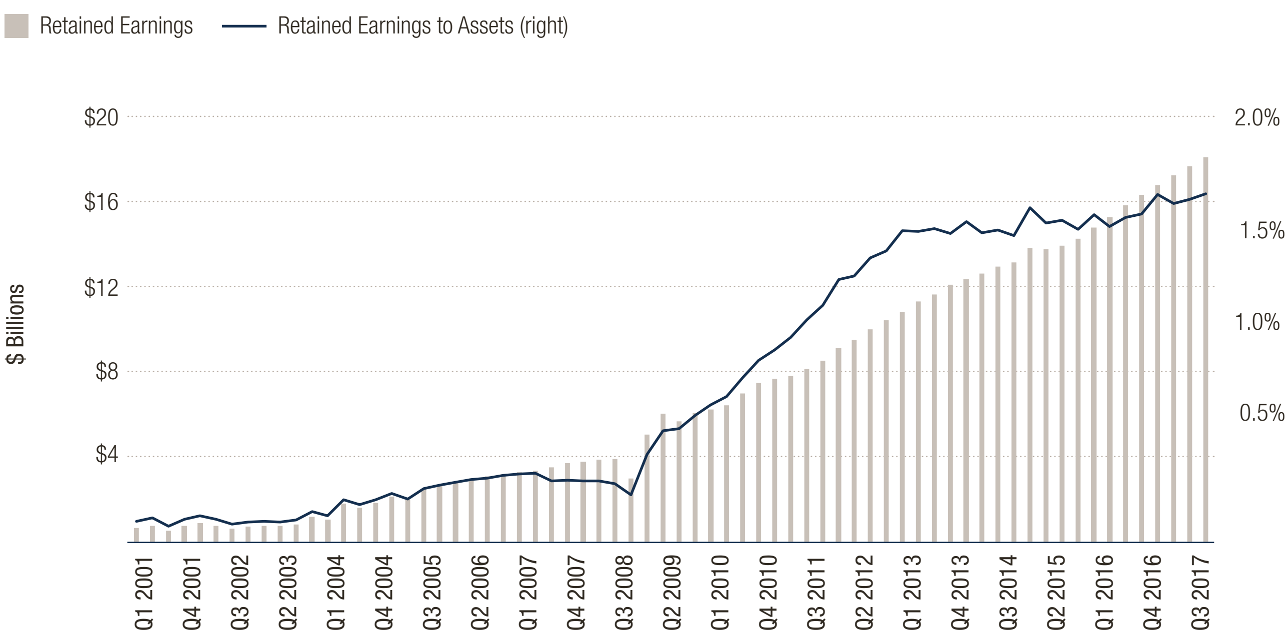


Figure 5: Retained Earnings of the FHLBanks



Aggregate return on assets was 0.31 percent in 2017, down from 0.34 percent in 2016, while return on equity was 6.27 percent, down from 6.93 percent.

Sound profitability allowed the FHLBanks to continue to build retained earnings in 2017. Aggregate retained earnings totaled $18.1 billion, or 1.6 percent of assets, at the end of 2017. At year-end 2008, during the financial crisis, the FHLBanks held only $3.0 billion of aggregate retained earnings, representing 0.2 percent of assets (Figure 5).

Aggregate regulatory capital consisted of $37.7 billion paid-in Generally Accepted Accounting Principles (GAAP) capital stock, $18.1 billion in retained earnings, and $1.3 billion of mandatorily redeemable capital stock as of December 31, 2017.[6] At year-end 2017, all FHLBanks met both the minimum regulatory capital ratio of 4 percent of assets and their individual risk-based capital requirements.

[6] Banks reclassify capital stock subject to redemption from capital to the mandatorily redeemable capital stock liability generally after a member exercises a written redemption right, gives notice of intent to withdraw from membership, or attains non-member status by merger or acquisition, relocation, charter termination, or involuntary termination from membership.

FHLBank Financial Comparisons

The size and composition of FHLBank assets varies across the System. Individual FHLBanks ranged from total assets of $48.1 billion to $158.9 billion as of December 31, 2017. The ratio of advances to assets ranged from 53.2 percent to 77.1 percent. The ratio of mortgage loans to assets was 4.9 percent overall, with two FHLBanks having ratios above 15 percent. The market value to par value of capital stock ratio was comfortably above 100 percent at each FHLBank.

Figure 6: FHLBank Selected Balance Sheet Items and Ratios

($billions)	SYS	BOS	NYK	PIT	ATL	CIN	IND	CHI	DSM	DAL	TOP	SFR
Total Assets - $	$1,104.2	$60.4	$158.9	$99.7	$146.6	$106.9	$62.3	$84.4	$145.1	$68.5	$48.1	$123.4
Advances - % of Assets	66.3%	62.2%	77.1%	74.5%	69.9%	65.4%	54.6%	57.0%	70.7%	53.2%	54.7%	62.7%
% of Advances maturity < 1 year	55.8%	57.1%	69.5%	42.5%	59.5%	57.8%	49.6%	46.2%	44.1%	65.0%	54.6%	59.9%
Mortgages - % of Assets	4.9%	6.6%	1.8%	3.9%	0.3%	9.1%	16.6%	6.2%	4.9%	1.3%	15.2%	1.7%
Cash and Investments - % of Assets	28.5%	30.8%	20.9%	21.2%	29.3%	25.3%	28.3%	36.4%	24.1%	45.3%	29.7%	35.3%
MBS Investments - % of Assets	12.8%	13.5%	10.8%	7.6%	14.3%	13.8%	13.8%	13.2%	12.7%	13.9%	15.0%	14.5%
MBS to regulatory capital ratio	2.54	2.30	2.07	1.55	2.90	2.83	2.85	2.98	2.52	2.88	2.88	2.57
Liquidity - % of Assets	12.1%	15.7%	8.3%	10.0%	11.3%	11.5%	7.4%	15.9%	6.4%	21.3%	11.7%	19.8%
Consolidated Obligations - $	$1,033.2	$56.1	$148.9	$93.7	$137.7	$100.4	$58.4	$78.3	$135.6	$63.9	$44.9	$115.5
Discount Notes - % of COs	37.9%	49.5%	33.3%	38.6%	36.4%	46.1%	34.9%	52.6%	27.1%	50.9%	45.4%	26.4%
% of COs maturity < 1 year	75.8%	71.2%	88.7%	68.8%	80.3%	74.9%	59.0%	73.6%	63.9%	78.9%	70.2%	86.7%
Regulatory Capital Ratio	5.2%	6.0%	5.2%	4.8%	4.9%	4.9%	4.8%	6.0%	5.0%	4.8%	5.2%	5.5%
Retained Earnings - $	$18.1	$1.3	$1.5	$1.2	$2.0	$0.9	$1.0	$3.3	$1.8	$0.9	$0.8	$3.2
Market Value of Equity to PVCS[a]	152%	156%	124%	136%	143%	121%	153%	315%	136%	153%	168%	207%

[a] Par value of capital stock.

While generally sound, financial performance was not uniform across the FHLBanks in 2017. Net income ranged from $150 million to $518 million in 2017. Return on equity ranged from 4.75 percent to 8.18 percent. At the aggregate level, FHLBanks operating expenses made up 23.8 percent of net interest income.

Figure 7: Selected Income Statement Items and Ratios

($ in millions)	SYS	BOS	NYK	PIT	ATL	CIN	IND	CHI	DSM	DAL	TOP	SFR
Net Income - $	$3,387	$190	$479	$340	$349	$314	$156	$317	$518	$150	$197	$376
Return on Assets	0.31%	0.32%	0.32%	0.35%	0.25%	0.31%	0.26%	0.38%	0.31%	0.25%	0.37%	0.36%
Return on Equity	6.27%	5.83%	6.30%	7.17%	4.97%	6.15%	5.88%	6.84%	7.01%	4.75%	8.18%	6.21%
Net Interest Income (NII) - $	$4,491	$277	$721	$435	$157	$429	$263	$483	$650	$237	$270	$567
Net Interest Spread	0.37%	0.40%	0.43%	0.41%	0.07%	0.35%	0.38%	0.51%	0.34%	0.33%	0.46%	0.49%
Yield on Advances	1.26%	1.39%	1.43%	1.36%	0.83%	1.34%	1.30%	1.19%	1.33%	1.21%	1.27%	1.25%
Yield on Investments	1.76%	1.63%	1.62%	1.72%	1.67%	1.65%	1.66%	2.57%	1.50%	1.47%	1.50%	2.12%
Yield of Mortgage Loans	3.39%	3.27%	3.32%	3.69%	5.21%	3.14%	3.17%	4.26%	3.38%	3.70%	3.11%	3.74%
Cost of Funds on COs	1.13%	1.19%	1.08%	1.11%	1.02%	1.23%	1.34%	1.37%	1.12%	1.00%	1.12%	1.03%
Operating Expenses to NII	23.8%	26.2%	16.1%	18.2%	75.5%	15.0%	28.1%	33.5%	15.8%	32.2%	20.8%	25.6%

FHLBank Membership – At the end of 2017, the FHLBanks had a total of 6,990 members, down from 7,131 in 2016. Membership at each FHLBank ranged from 298 to 1,404 members. The aggregate membership consisted of 4,368 commercial banks, 1,436 credit unions, 732 thrifts, 406 insurance companies, and 48 non-depository community development financial institutions. Approximately 57 percent of FHLBank members were active borrowers. The top-10 largest borrowers made up more than 70 percent of all advances at the FHLBanks of New York, Pittsburgh, Cincinnati, Chicago, and San Francisco.

Figure 8: FHLBank Membership at December 31, 2017

	SYS	BOS	NYK	PIT	ATL	CIN	IND	CHI	DSM	DAL	TOP	SFR
Total Members	6,990	443	330	298	866	660	382	720	1,404	821	738	328
Commercial Banks	4,368	63	134	155	535	385	168	508	1,040	607	606	167
Credit Unions	1,436	161	93	53	217	132	123	88	237	114	84	134
Thrifts	732	164	81	60	74	92	33	77	55	59	26	11
Insurance Companies	406	51	19	28	33	46	55	43	66	35	20	10
CDFIs	48	4	3	2	7	5	3	4	6	6	2	6
Ten Largest Borrowers - % of Advances		40.2%	77.0%	84.7%	69.9%	75.0%	64.4%	71.7%	68.8%	44.4%	61.4%	79.1%

Rating Component Overview

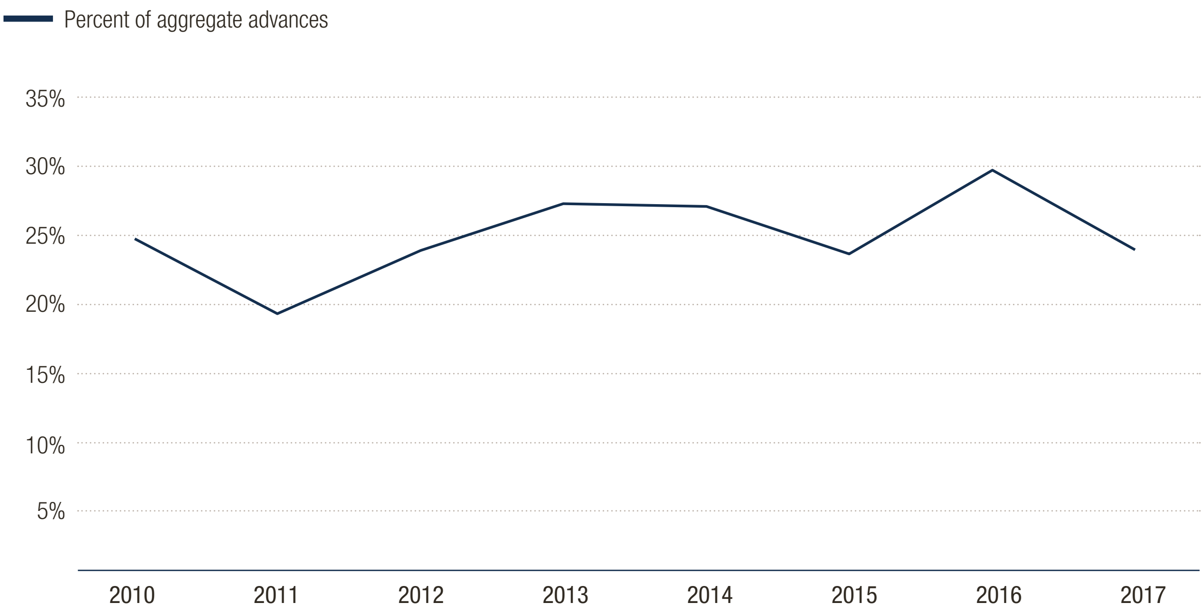
Capital – Capital management practices were strong or satisfactory at all of the FHLBanks in 2017. The FHLBanks have generally adequate levels of capital, including retained earnings, relative to their risk profiles. Examiners recommended changes to calculating the minimum retained earnings targets at a couple of the FHLBanks.

Asset Quality – Asset quality at the FHLBanks was strong or satisfactory, although examiners identified areas for improvement of risk management practices at nearly all of the FHLBanks. These areas include managing risks of business concentration to large borrowers; AMA governance; and modeling and documenting advance pricing, member credit risk, and collateral haircuts.

While the overall risk of advances is low, concentration of advances to subsidiaries of large bank holding companies remains elevated. The top four companies as of the end of 2017 – J.P. Morgan Chase & Co, Wells Fargo & Company, Citigroup Inc., and Bank of America Corporation – accounted for 23.9 percent of aggregate advances (Figure 9). Combined, total year-end advances to subsidiaries of these four holding companies fell in 2017, with decreases from J.P. Morgan Chase & Co and Wells Fargo & Company of $18.9 billion and $27.3 billion, respectively.[7] Citigroup Inc. and Bank of America Corporation increased their borrowings by $9.6 billion and $9.5 billion, respectively.

[7] All advance metrics for the four largest borrowers are expressed as par values and may not match previous advance data expressed as book values.

Figure 9: Top 4 companies with advances outstanding[8]



Management – FHFA indicated increased supervisory concern about the management of one FHLBank in 2017 and while FHFA concluded that management of the other ten FHLBanks was satisfactory or effective in 2017, examiners identified areas of specific concern at most of the FHLBanks. These included concerns about aspects of the internal audit and enterprise risk management functions and compliance with FHFA regulations.

Earnings – While earnings and earnings quality continue to be strong or satisfactory at nearly all FHLBanks, a few FHLBanks continued to rely on non-mission assets to support their earnings. Examiners also continue to monitor the potential effect of operating expenses on long-term profitability at several FHLBanks.

Liquidity – Liquidity risk management was strong or satisfactory at all of the FHLBanks, and all FHLBanks met their liquidity requirements in 2017. Although examiners reported general improvements in the FHLBanks' maturity gaps since 2016, they also identified processes that several FHLBanks should enhance, including governance of debt issuance.

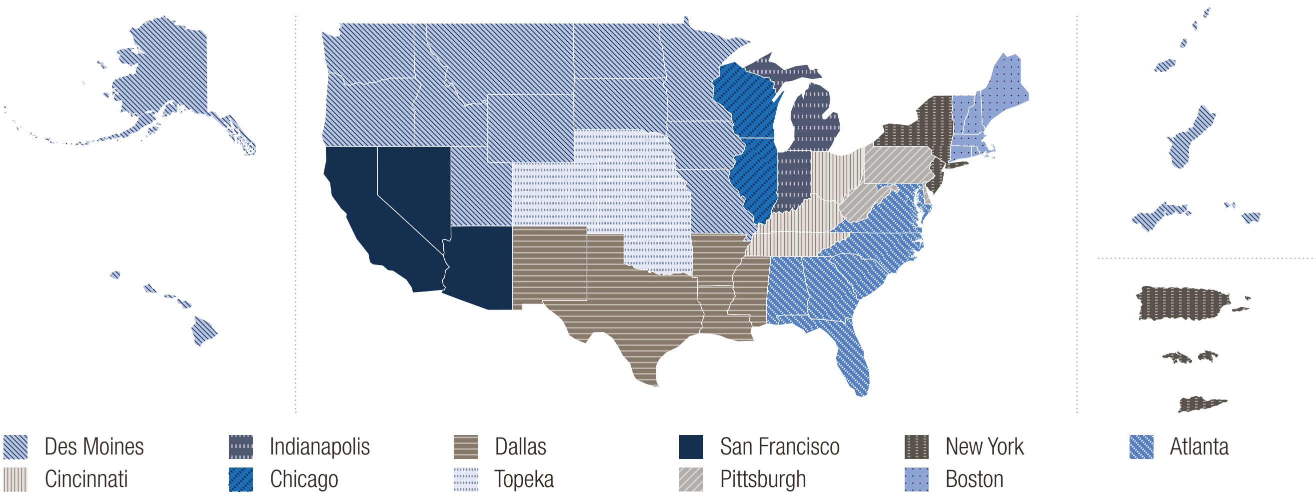
Sensitivity to Market Risk – The FHLBanks overall have moderate levels of market risk exposure. Mortgage assets continue to be the greatest source of market risk, but the FHLBanks are also exposed to "basis risk," which arises when the index for a floating-rate asset does not move identically with the index for the supporting floating-rate liability. Even though market risk management was satisfactory at each of the FHLBanks, examiners identified enhancements several FHLBanks should make to their market risk models, documentation, and reports.

Operational Risk – While operational risk management was generally satisfactory, FHFA expressed supervisory concerns at two FHLBanks. Examiners identified areas that exhibited or could exhibit unacceptable operational risks in information security, vendor management, and business continuity. The internal control of user-developed applications, such as spreadsheets, continues to be a concern at some FHLBanks.

---

[8] The composition of the top four companies with advances outstanding at year-end changed over time. Since 2010, Bank of America Corporation, Capital One, Citigroup Inc., Hudson City Bancorp, JP Morgan Chase & Company, Metlife Inc., PNC Financial Services Group, and Wells Fargo & Company have been one of the top four borrowers at year-end.

11 Federal Home Loan Bank Districts



Overview of Annual Examination Results

DISTRICT 1 THE FEDERAL HOME LOAN BANK OF BOSTON

At the time of its 2017 examination in April, FHFA concluded the FHLBank's overall condition and operations were satisfactory. The FHLBank had strong capital and liquidity positions and sufficient earnings to cover operations. Further, the examination observed that credit risk exposure to the private-label MBS (PLMBS) portfolio continued to decrease. Primary examination concerns related to information technology governance and programs, credit model validation and controls, and the FHLBank's diversity and inclusion program.

DISTRICT 2 THE FEDERAL HOME LOAN BANK OF NEW YORK

At the time of its 2017 examination in April, FHFA concluded the FHLBank's overall condition and operations were satisfactory. The FHLBank had strong capital and liquidity positions and sound earnings to support operations and contribute to retained earnings. Further, the FHLBank remained advance-centric with advances representing a substantial portion of assets. Primary examination concerns related to model governance practices, processes for establishing and validating collateral haircuts, cloud computing vendor dependency, business application oversight, Affordable Housing Program (AHP) initial monitoring reviews, and the FHLBank's diversity and inclusion program.

DISTRICT 3 THE FEDERAL HOME LOAN BANK OF PITTSBURGH

At the time of the 2017 examination in July, FHFA concluded the FHLBank's overall condition and operations were satisfactory. The FHLBank had strong capital and liquidity positions and sound earnings to support operations. Further, the FHLBank maintained a strong mission orientation, and an experienced senior management team. Primary examination concerns related to business continuity planning, second line oversight of information technology areas, advance portfolio concentration among large borrowers, and the FHLBank's diversity and inclusion program.

DISTRICT 4 THE FEDERAL HOME LOAN BANK OF ATLANTA

At the time of its 2017 examination in January, FHFA concluded the FHLBank's overall condition and operations were sound. The FHLBank had strong asset quality, capital, and liquidity positions, sufficient earnings to support operations, and effective board and management oversight. Further, the FHLBank maintained an advance-oriented mission focus, and credit risk exposure to the PLMBS portfolio continued to decrease. Primary examination concerns related to methodologies used to determine lendable collateral values, and the FHLBank's diversity and inclusion program.

DISTRICT 5 THE FEDERAL HOME LOAN BANK OF CINCINNATI

At the time of its 2017 examination in January, FHFA concluded the FHLBank's overall condition and operations were satisfactory. The FHLBank had experienced and stable senior management; a strong mission focus; adequate capital and liquidity; sufficient earnings; and moderate sensitivity to market risk. Primary examination concerns related to credit risk management issues; the lack of a meaningful limit for large member advance levels; the need to formalize a process to review mortgage loan servicers; inadequate review of resale counterparty financial statements; incomplete evaluation and reporting of the FHLBank's swaption hedge strategy; and the FHLBank's diversity and inclusion program.

DISTRICT 6 THE FEDERAL HOME LOAN BANK OF INDIANAPOLIS

At the time of its 2017 examination in October, FHFA concluded the FHLBank's overall condition and operations were satisfactory. The FHLBank had adequate capital and liquidity positions and sufficient earnings to support operations and ensure retained earnings growth. Further, the examination observed satisfactory oversight by the FHLBank's board and management. Primary examination concerns related to information technology risk management, disaster recovery readiness, mortgage credit risk management practices, and the FHLBank's diversity and inclusion program.

DISTRICT 7 THE FEDERAL HOME LOAN BANK OF CHICAGO

At the time of its 2017 examination in July, FHFA concluded the FHLBank's overall condition and operations were satisfactory. The FHLBank had strong capital; satisfactory earnings, asset quality, liquidity, operational risk management, and sensitivity to market risk; and adequate Mortgage Finance Partnership (MPF) provider operations. Primary examination concerns related to credit administration, information technology controls, metrics to gauge compliance with diversity and inclusion objectives, and hedge accounting policies and practices.

DISTRICT 8 THE FEDERAL HOME LOAN BANK OF DES MOINES

At the time of its 2017 examination in September, FHFA had supervisory concern about the FHLBank. Operational risk was high and operational risk management practices needed improvement. Close oversight by FHFA and the FHLBank's board of directors was warranted because of concerns and issues identified by both the FHLBank and the examination, including the level of operational risk; a significant credit concentration to a member; and deficiencies in the FHLBank's information technology controls, business continuity planning, project management, and secured credit risk management. In addition, the FHLBank needed to expand its diversity and inclusion governance framework and practices.

DISTRICT 9 THE FEDERAL HOME LOAN BANK OF DALLAS

At the time of its 2017 examination in April, FHFA concluded the FHLBank's overall condition and operations were satisfactory. Board and senior management oversight of the FHLBank remained effective, and financial condition remained adequate, as indicated by strong capitalization, ample liquidity, and improving, albeit uncertain, earnings prospects. Primary examination concerns related to business continuity plan testing, information technology controls, demonstrating regulatory compliance of advance pricing, and diversity and inclusion oversight and performance metrics. Long-term FHLBank initiatives, including an ambitious information technology transition and gradual restructuring of the balance sheet, required ongoing monitoring.

DISTRICT 10 THE FEDERAL HOME LOAN BANK OF TOPEKA

At the time of its 2017 examination in September, FHFA concluded the FHLBank's overall condition and operations were satisfactory. The FHLBank had strong earnings, asset quality, and liquidity positions. Primary examination concerns related to the FHLBank's disaster recovery site, information technology controls, demonstrating regulatory compliance for advances pricing, lack of a comprehensive program for complying with FHLBank System debt issuance guidance, market risk model documentation and procedures, and the FHLBank's diversity and inclusion program.

DISTRICT 11 THE FEDERAL HOME LOAN BANK OF SAN FRANCISCO

At the time of its 2017 examination in January, FHFA concluded the FHLBank's overall condition and operations were satisfactory. The FHLBank had strong capital, adequate earnings, strong liquidity, and low sensitivity to market risk. Primary examination concerns related to information technology compliance governance and testing, as well as to the FHLBank's diversity and inclusion program and structure. Significant ongoing senior management turnover and changes in the organizational structure merited careful monitoring.

OFFICE OF FINANCE

At the time of its 2017 examination in July, FHFA concluded that the OF overall condition and operations were satisfactory. Governance and operational risk management were generally effective. Primary examination concerns related to debt issuance analytics, debt retirement oversight, and the organization's diversity and inclusion framework. In addition, the examination recommended an assessment of the benefits of implementing formal governance control over debt issuance and management practices.

FHLBank Directors' Compensation and Expenses

The FHLBanks are governed by boards of directors ranging in size from 14 to 25. The majority of directors for the FHLBanks are officers or directors of member institutions with the remaining (at least 40 percent) being independent directors. Independent directors must reside in the FHLBank district for which they serve. They cannot be officers of an FHLBank, or directors, officers, or employees of a member of the FHLBank on which they serve as directors.

The OF has a different structure, with five independent directors plus the FHLBank Presidents serving on its Board. The FHLBank Presidents do not receive compensation for their service on the OF board.

Before HERA, FHLBank directors' compensation had statutory caps. In 2009, with the implementation of HERA, the caps were lifted, and the FHLBanks are permitted to pay reasonable compensation for the time required of their board of directors and necessary expenses, subject to FHFA review.

Each of the 11 FHLBanks and the OF provides FHFA with its Directors Compensation Policy (Policy), which establishes the maximum compensation for each director, the criteria each director needs to meet in order to receive that compensation, and the timing of payments for the upcoming year. FHFA assesses the maximum compensation using third-party market data. FHFA reviews each Policy to ensure that it contains provisions specifying that the board reduce compensation of any director who does not participate in a sufficient number of meetings or is not a contributing member of the board. All of the FHLBanks and the OF have provisions for withholding compensation if a director's attendance falls below a certain level. Based on the attendance reports and compensation paid reports submitted by each of the regulated entities for 2017, FHFA found that all of the FHLBanks and the OF adhered to their Policies and reduced director compensation when required.

Figure 10 shows the maximum compensation available to the directors at each FHLBank and the OF for 2017. The figures in the table represent the approved maximum compensation amounts for the listed board positions.

Figure 10: 2017 Annual Maximum Compensation for Federal Home Loan Bank Directors

	Chair	Vice Chair	Audit Committee Chair	Other Committee Chairs	Directors
Atlanta	$100,000	$95,000	$95,000	$ 90,000	$80,000
Boston	$125,000	$105,000	$105,000	$105,000	$95,000
Chicago	$130,000	$115,000	$115,000	$105,000	$95,000
Cincinnati	$135,000	$120,000	$117,000	$114,000	$100,000
Dallas	$125,000	$110,000	$110,000	$105,000	$95,000
Des Moines	$129,000	$118,500	$113,500	$108,500	$98,000
Indianapolis	$129,000	$109,000	$108,000	$108,000	$98,000
New York[a]	$120,000	$105,000	$105,000	$105,000	$95,000
Office of Finance[b]	$130,000	N/A	$110,000	$105,000	$95,000
Pittsburgh	$137,500	$115,000	$115,000	$115,000	$102,500
San Francisco[c]	$125,000	$120,000	$110,000	$105,000	$95,000
Topeka[d]	$130,000	$115,000	$110,000	$110,000	$100,000
Average	$126,292	$111,591	$109,458	$106,292	$95,708
Median	$129,000	$115,000	$110,000	$105,000	$95,000

[a] Chairman Horn also received $10,000 as Chair of Council of FHLBanks in 2017.

[b] The Vice Chair at the OF, when filled by one of the FHLBank Presidents, does not receive compensation for these responsibilities.

[c] The Chair of the Risk Committee and members of the audit committee receive an additional $5,000.

[d] The compensation of the Vice Chair for Topeka is $110,000 with an additional $5,000 if he or she also served as chair of a committee.

FHFA includes certain spousal and guest payments as compensation. Spouse/guest payments include travel expenses reimbursed to the director and the cost of group events offered to directors and their guests in conjunction with a meeting such as banquets, meals, and entertainment, allocated based on attendance. Where spouse/guest expenses are treated as perquisites, the director is required to pay taxes on these expenses. The FHLBanks reported perquisites consistent with FHFA's treatment in 2017.

Figure 11 reflects director compensation paid (and deferred) in 2017, in addition to amounts paid for spouse/guest travel in 2017.

Figure 11: Federal Home Loan Banks Director Compensation for 2017

Federal Home Loan Bank	Director Compensation Paid in Cash		Director Deferred Compensation		Spouse/Guest Expenses		Total Director Compensation Paid (Cash + Deferred + Spouse/Guest Expenses)	
	Average	Total	Average	Total	Average	Total	Average	Total
Atlanta	$66,739	$934,350	$20,404	$285,650	$2,284	$31,975	$89,427	$1,251,975
Boston	$66,026	$1,122,450	$35,444	$602,550	$0	$0	$101,471	$1,725,000
Chicago	$91,885	$1,653,933	$7,911	$142,406	$1,621	$29,185	$101,418	$1,825,525
Cincinnati	$106,717	$1,920,900	$0	$0	$1,875	$33,743	$108,591	$1,954,643
Dallas	$73,903	$1,330,250	$21,986	$395,750	$666	$11,984	$96,555	$1,737,984
Des Moines	$86,585	$2,164,630	$16,615	$415,370	$283	$7,085	$103,483	$2,587,085
Indianapolis	$72,371	$1,230,300	$31,629	$537,700	$1,009	$17,154	$105,009	$1,785,154
New York[a]	$92,414	$1,755,875	$0	$0	$826	$15,690	$93,240	$1,771,565
Office of Finance	$107,000	$535,000	$0	$0	$20	$101	$107,020	$535,101
Pittsburgh	$88,508	$1,681,646	$6,985	$132,707	$0	$0	$95,492	$1,814,353
San Francisco	$57,750	$866,250	$47,583	$713,750	$545	$8,172	$105,878	$1,588,172
Topeka	$104,722	$1,885,000	$0	$0	$2,736	$49,245	$107,458	$1,934,245
Total (all directors)	$1,014,621	$17,080,584	$188,557	$3,225,884	$11,865	$204,335	$1,215,043	$20,510,802
Average	$84,552	$1,423,382	$15,713	$268,824	$989	$17,028	$101,254	$1,709,234
Median	$87,546	$1,492,092	$12,263	$214,028	$746	$13,837	$102,477	$1,778,359

[a] The FHLBank of New York had 19 directors in 2017; one director declined compensation of $95,000 for his duties as director. One director was inadvertently paid $250 over the maximum; reimbursement will occur in 2018.

In addition to information about director compensation, the FHLBanks and the OF are required to submit to FHFA for review the expenses paid or reimbursed to their boards of directors each year. In 2017, FHFA continued to require the FHLBanks to submit directors' expenses in detail. Figure 12 shows the expense per director and the total expense for the FHLBank for each category requested.

Figure 12: Federal Home Loan Banks Director Expenses for 2017

Federal Home Loan Bank	Board Expenses Attributable to Directors		Director Training Expenses		Other Director Expenses (if any)		Group Expenses	
	Average	Total	Average	Total	Average	Total	Average	Total
Atlanta	$12,333	$172,661	$4,120	$57,682	$1,176	$16,463	$7,958	$111,411
Boston	$4,581	$77,883	$796	$13,536	$506	$8,609	$3,290	$55,937
Chicago	$11,289	$203,204	$1,849	$33,280	$810	$14,577	$6,601	$118,824
Cincinnati	$10,140	$182,529	$1,566	$28,185	$372	$6,692	$2,370	$42,664
Dallas	$4,676	$84,174	$1,808	$32,552	$346	$6,236	$3,606	$64,916
Des Moines	$9,288	$232,206	$4,724	$118,103	$999	$24,972	$5,888	$147,193
Indianapolis	$5,596	$95,134	$2,341	$39,791	$947	$16,092	$4,663	$79,266
New York	$6,091	$115,732	$411	$7,818	$484	$9,192	$3,881	$73,743
Office of Finance[a]	$7,386	$36,932	$3,942	$19,712	$908	$4,540	$12,701	$63,507
Pittsburgh	$6,302	$119,736	$1,990	$37,802	$2,046	$38,866	$3,377	$64,164
San Francisco	$8,173	$122,595	$4,356	$65,339	$1,500	$22,494	$3,816	$57,246
Topeka	$8,680	$156,232	$1,260	$22,679	$364	$6,551	$2,475	$44,549
Total (all directors)	$94,537	$1,599,018	$29,164	$476,479	$10,457	$175,283	$60,628	$923,421
Average	$7,878	$133,252	$2,430	$39,707	$871	$14,607	$5,052	$76,952
Median	$7,780	$121,166	$1,919	$32,916	$859	$11,884	$3,849	$64,540

[a] Group expenses for the OF covers the full board including the 11 FHLBank Presidents.

Board expenses attributable to directors include all items reimbursed to the director for travel, including transportation and lodging, rental car, mileage, and meals while traveling. Board training expenses include expenses to pay for external speakers to address boards of directors meetings, board members to attend training conferences, and educational materials. The "other director expense" category includes expenses, whether reimbursed to the director or paid directly by the FHLBank, for attendance at FHLBank-related events such as annual member meetings, Chair/Vice Chair meetings, and Council of FHLBanks meetings. Group expenses include expenses not directly attributable to individuals, such as food and beverage service while meetings are in progress, audio-visual services, and meeting space.

Figure 13 is a summary table of the compensation and total expenses shown as an average per director and a total expenditure for each FHLBank.

Figure 13: Federal Home Loan Banks Director Compensation and Expenses for 2017

Federal Home Loan Bank	Total Director Compensation Paid (Cash + Deferred + Spouse/Guest Expenses)		Total Director Expenses (All expenses including board expenses, training, group and other expenses)		Total Director Cost (Total Compensation + Total Expenses)	
	Average	Total	Average	Total	Average	Total
Atlanta	$89,427	$1,251,975	$25,587	$358,217	$115,014	$1,610,192
Boston	$101,471	$1,725,000	$9,174	$155,965	$110,645	$1,880,965
Chicago	$101,418	$1,825,525	$20,549	$369,884	$121,967	$2,195,409
Cincinnati	$108,591	$1,954,643	$14,448	$260,070	$123,040	$2,214,713
Dallas	$96,555	$1,737,984	$10,438	$187,878	$106,992	$1,925,862
Des Moines	$103,483	$2,587,085	$20,899	$522,475	$124,382	$3,109,560
Indianapolis	$105,009	$1,785,154	$13,546	$230,283	$118,555	$2,015,436
New York[a]	$93,240	$1,771,565	$10,868	$206,485	$104,108	$1,978,051
Office of Finance	$107,020	$535,101	$24,938	$124,691	$131,958	$659,792
Pittsburgh	$95,492	$1,814,353	$13,714	$260,568	$109,206	$2,074,921
San Francisco	$105,878	$1,588,172	$17,845	$267,674	$123,723	$1,855,846
Topeka	$107,458	$1,934,245	$12,778	$230,011	$120,236	$2,164,256
Total (all directors)	$1,215,043	$20,510,802	$194,785	$3,174,200	$1,409,827	$23,685,003
Average	$101,254	$1,709,234	$16,232	$264,517	$117,486	$1,973,750
Median	$102,477	$1,778,359	$14,081	$245,176	$119,396	$1,996,744

[a] The FHLBank of New York had 19 directors in 2017; one director declined compensation. His expenses were less than the average shown. One director also received $250 over the maximum in error with reimbursement in 2018.

RESULTS OF STRESS TESTS UNDER THE DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT

Summary

Section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) requires certain financial companies with total consolidated assets of more than $10 billion, and which have a primary federal financial regulator, to conduct annual stress tests to determine whether the companies have sufficient capital to absorb losses and support operations during adverse economic conditions. Dodd-Frank Act stress testing is a forward-looking exercise that assesses the impact on capital levels that would result from immediate financial shocks and nine quarters of adverse economic conditions.

Beginning in 2014, FHFA required the Enterprises and the FHLBanks to conduct stress tests pursuant to the Dodd-Frank Act. The 2017 stress tests were based on the regulated entities' portfolios as of December 31, 2016. The assessment period for the Dodd-Frank Act annual stress tests covered nine quarters, beginning with the first calendar quarter of 2017 through the first calendar quarter of 2019. The regulated entities were required to submit the results of stress tests based on three scenarios: a Baseline scenario, an Adverse scenario, and a Severely Adverse scenario.

The Baseline scenario reflects moderate expansion in economic activity in the United States, with average nominal house price appreciation of 2.75 percent per year over the planning horizon, an initial modest decline in unemployment before rising slightly in the latter part of the scenario period, and a moderate rise in mortgage interest rates. The Adverse scenario reflects a moderate recession in the U.S., with a 12 percent decline in house prices, a steady rise in unemployment, an initial deflationary period which is then followed by a steady increase in consumer prices, and rising mortgage interest rates. The Severely Adverse scenario reflects a severe global recession, with a 25 percent decline in U.S. house prices, a significant rise in unemployment, and a declining short term interest rate environment accompanied by an initial decline then gradual rise in long term Treasury rates. Mortgage interest rates increase in the first half of the scenario period before gradually falling.

FHFA aligned the stress test scenario variables and assumptions with those used by the Board of Governors of the Federal Reserve System (Federal Reserve Board) in its annual Dodd-Frank Act stress tests. Similar to the stress testing assumptions used by the Federal Reserve Board for the Adverse and Severely Adverse scenarios, FHFA required the regulated entities to apply a global market shock to securities and other assets held at fair value. The assumed result of the global market shock was an instantaneous loss and reduction of capital in the first quarter of the planning horizon with no recovery of such losses during the scenario period.

The regulated entities were also required to incorporate a counterparty default scenario involving an instantaneous and unexpected default of their largest counterparty across securities lending, repurchase/reverse repurchase agreements, and derivative exposures, as well as a default of single-family mortgage insurance providers and providers of multifamily credit enhancements. The result of the counterparty default scenario was reflected in the stress test as an instantaneous loss and reduction of capital.

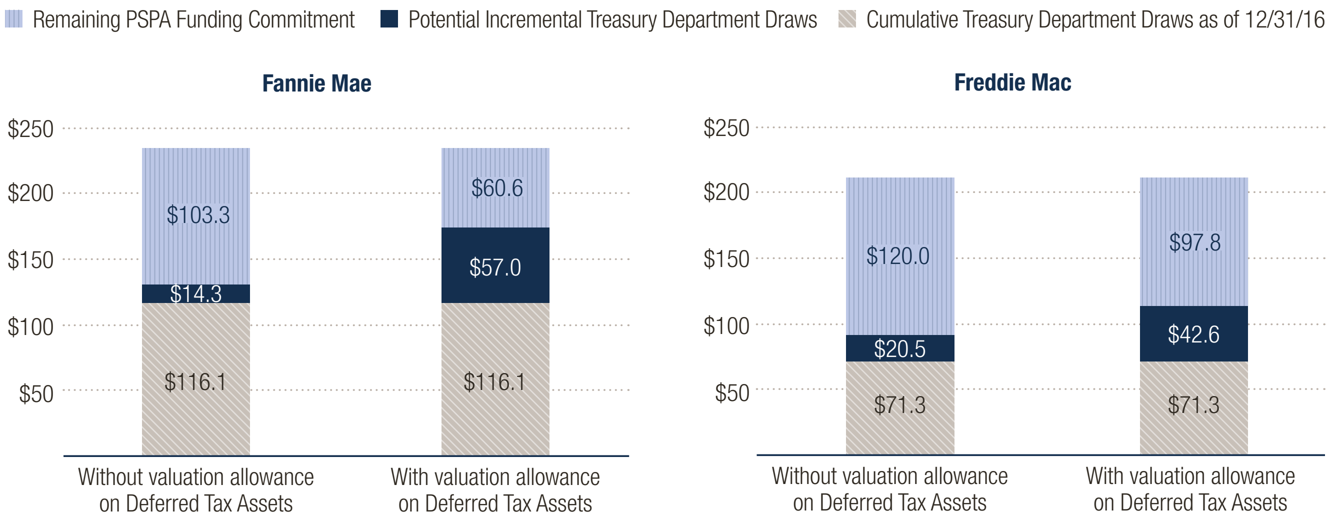
2017 Stress Test Results for the Severely Adverse Scenario

FHFA, in its capacity as conservator, published the results of the Severely Adverse stress tests of Fannie Mae and Freddie Mac on August 7. The FHLBanks published their results between November 15 and November 30.

Fannie Mae – In the Severely Adverse scenario, Fannie Mae projected additional draws from the Treasury Department of between $14.3 billion and $57.0 billion, depending on the treatment of DTAs. As of December 31, 2016, Fannie Mae had drawn $116.1 billion from the Treasury Department under the terms of the PSPA, with $117.6 billion of remaining funding commitment. Fannie Mae projected that the remaining funding commitment under the PSPA at the end of the Severely Adverse scenario would range between $60.6 billion and $103.3 billion. (Figure 14)

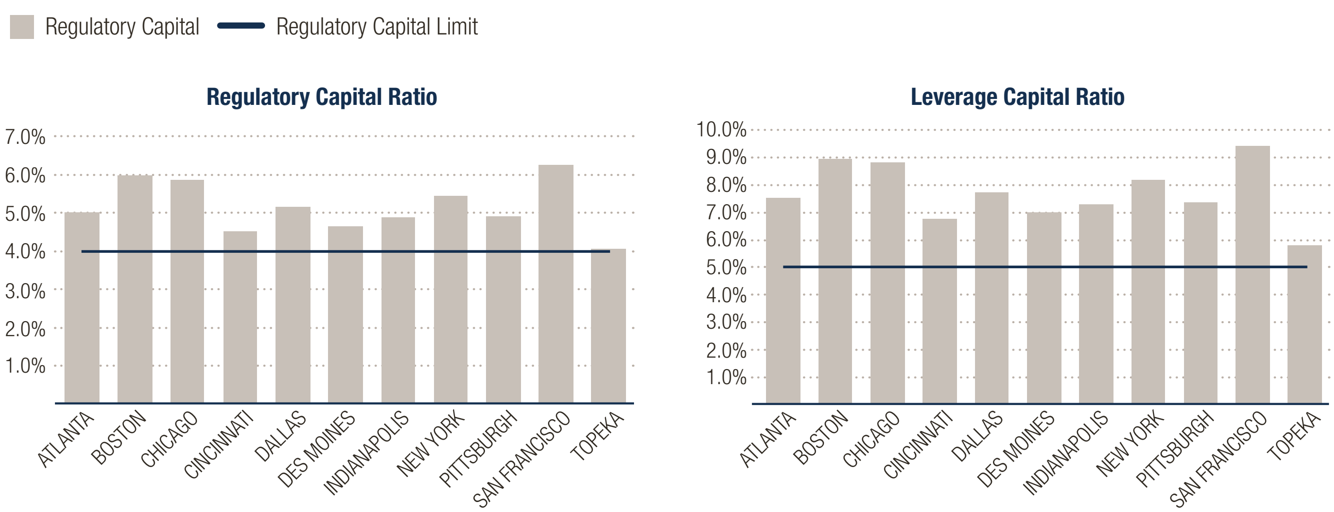
Freddie Mac – In the Severely Adverse scenario, Freddie Mac projected additional draws from the Treasury Department of between $20.5 billion and $42.6 billion, depending on the treatment of DTAs. As of December 31, 2016, Freddie Mac had drawn $71.3 billion from the Treasury Department under the terms of the PSPA, with $140.5 billion of remaining funding commitment. Freddie Mac projected that the remaining funding commitment under the PSPA at the end of the Severely Adverse scenario would range between $97.8 billion and $120.0 billion.

Figure 14: Severely Adverse Scenario Projections



Federal Home Loan Banks – All of the FHLBanks maintained compliance with regulatory capital and leverage capital requirements over the nine quarters of the stress test. While some variables caused negative net income or other reductions in capital under the severely adverse scenarios, these losses were lower than the cushion the FHLBanks held above their capital requirements at the start of the stress test (Figures 15).

Figure 15: FHLBank's Regulatory and Leverage Capital Ratios



Nine FHLBanks projected negative net income in the first quarter under the Severely Adverse scenario, and three banks projected cumulative losses over the nine quarters. The losses occurred entirely in the first quarter of the projection period and were primarily due to Counterparty Default Exposure.

Several FHLBanks projected significant declines in GAAP capital in the Severely Adverse scenario. The declines were mainly a function of declines in the market value of Available-for-Sale (AFS) securities related to the global market shock assumptions. Declines in the value of AFS securities directly reduced GAAP capital but did not flow through net income. The level of decline in values was primarily a function of the size and rating of the FHLBank's private-label MBS portfolio held as AFS.

ENTERPRISE HOUSING GOALS AND DUTY TO SERVE

Background

The Safety and Soundness Act requires FHFA to establish annual housing goals for mortgages purchased by the Enterprises. FHFA established housing goals levels for the Enterprises for 2012 through 2014 in a final rule published on November 13, 2012, for 2015 through 2017 in a final rule published on September 3, 2015.[9]

Under FHFA's rule, the Enterprises were subject to housing goals in the following categories for 2015 through 2017:

1. **Low-income home purchase goal**, for home purchase mortgages to families with incomes no greater than 80 percent of area median income;
2. **Very low-income home purchase goal**, for home purchase mortgages to families with incomes no greater than 50 percent of area median income;
3. **Low-income areas home purchase subgoal**, for home purchase mortgages to families living in census tracts with tract median incomes no greater than 80 percent of area median income, or families with incomes no greater than 100 percent of area median income who live in census tracts with a minority population of 30 percent or more and a tract median income less than 100 percent of area median income;
4. **Low-income areas home purchase goal**, for home purchase mortgages that meet the criteria under the low-income areas home purchase subgoal as well as home purchase mortgages to families with incomes no greater than 100 percent of area median income who live in designated disaster areas;
5. **Low-income refinance goal**, for refinance mortgages to families with incomes no greater than 80 percent of area median income;
6. **Low-income multifamily goal**, for rental units in multifamily properties which are affordable to families with incomes no greater than 80 percent of area median income (or rental proxy);
7. **Very low-income multifamily subgoal**, for rental units in multifamily properties which are affordable to families with incomes no greater than 50 percent of area median income; and
8. **Small multifamily low-income subgoal**, for rental units in multifamily properties with 5-50 units which are affordable to families with incomes no greater than 80 percent of area median income.

FHFA evaluates whether an Enterprise has met a single-family goal by comparing its performance to both a benchmark level that is established in advance and a market level that is determined retrospectively using Home Mortgage Disclosure Act (HMDA) data.

FHFA evaluates whether an Enterprise has met a multifamily housing goal by comparing its performance to a benchmark level that is established in advance. The multifamily goals do not include a retrospective market comparison.

[9] Housing goals levels for the Enterprises for 2018 through 2020 were established in a final rule published on February 6, 2018 (12 CFR Part 1282).

Figure 16: 2016-2017 Enterprise Housing Goals Performance

Category	2016 Benchmarks	2016 Market[b]	2016 Performance[a]	FHFA Goals Determination	2017 Benchmarks	2017 Performance[c]
Single-Family Goals[d]						
Low-income home purchase goal	24%	22.87%	Fannie Mae: 22.92% Freddie Mac: 23.8%	Fannie Mae: Met Freddie Mac: Met	24%	Fannie Mae: 25.5% Freddie Mac: 23.2%
Very low-income home purchase goal	6%	5.4%	Fannie Mae: 5.2% Freddie Mac: 5.7%	Fannie Mae: Did Not Meet Freddie Mac: Met	6%	Fannie Mae: 5.9% Freddie Mac: 5.7%
Low-income areas home purchase subgoal	14%	15.9%	Fannie Mae: 16.2% Freddie Mac: 15.6%	Fannie Mae: Met Freddie Mac: Met	14%	Fannie Mae: 18.3% Freddie Mac: 16.4%
Low-income areas home purchase goal	17%	19.7%	Fannie Mae: 20.2% Freddie Mac: 19.9%	Fannie Mae: Met Freddie Mac: Met	18%	Fannie Mae: 22.9% Freddie Mac: 20.9%
Low-income refinance goal	21%	19.8%	Fannie Mae: 19.5% Freddie Mac: 21.0%	Fannie Mae: Did Not Meet Freddie Mac: Met	21%	Fannie Mae: 24.8% Freddie Mac: 24.8%
Multifamily Goals (units)						
Low-income multifamily goal	300,000	NA	Fannie Mae: 352,368 Freddie Mac: 406,958	Fannie Mae: Met Freddie Mac: Met	300,000	Fannie Mae: 401,145 Freddie Mac: 408,096
Very low-income multifamily subgoal	60,000	NA	Fannie Mae: 65,910 Freddie Mac: 73,030	Fannie Mae: Met Freddie Mac: Met	60,000	Fannie Mae: 82,674 Freddie Mac: 92,274
Small multifamily low-income subgoal	8,000	NA	Fannie Mae: 9,312 Freddie Mac: 22,101	Fannie Mae: Met Freddie Mac: Met	10,000	Fannie Mae: 12,043 Freddie Mac: 39,473

Source: Federal Housing Finance Agency, Fannie Mae, Freddie Mac.

[a] Official performance in 2016 as determined by FHFA, based on analysis of Enterprise loan-level data.

[b] Goal-qualifying shares of single-family home purchase or refinance conventional conforming mortgages originated in the primary mortgage market, based on FHFA analysis of 2016 HMDA data. Market performance for 2017 will be determined by FHFA later in 2018.

[c] Performance as reported by the Enterprises in their March 2018 Annual Housing Activities Reports. Official performance on all goals in 2017 will be determined by FHFA after analysis of Enterprise loan-level data. Low-income refinance goal performance for 2014-2017 included credit for qualifying permanent HAMP loan modifications.

[d] Minimum percentages of all mortgages financed by Enterprise acquisitions of home purchase or refinance mortgages on owner-occupied properties.

Figure 16 reflects Enterprise housing goals performance for 2016 and 2017. The official figures on Enterprise goal performance in 2016 are based on analysis of loan-level data the Enterprises provided to FHFA in 2017. In addition, FHFA completed its retrospective comparison of the market for 2016 using HMDA data. In December 2017, FHFA sent final determination letters to the Enterprises on their 2016 goal performance and FHFA's calculation of the market level for 2016; these determinations are reflected in Figure 16.

Freddie Mac's performance on the low-income and very low-income home purchase goals fell short of both the benchmark and market levels in 2014 for the second consecutive year. As a result, in 2015 FHFA required Freddie Mac to submit a housing plan outlining steps it would take to achieve these goals in 2016-17. Freddie Mac delivered a plan as required, and FHFA approved the plan in March 2016.

Freddie Mac's performance on these two goals improved in 2015, in both absolute terms and relative to the market levels, but again fell short of both the benchmark and market levels. For that reason, FHFA required Freddie Mac to submit a revised housing plan, covering 2017 and 2018. Freddie Mac submitted its revised plan, which FHFA approved in April 2017. FHFA continues to monitor Freddie Mac's performance on these goals on a regular basis. Because Freddie Mac met all of the goals in 2016, its plan has not been extended beyond 2018.

Fannie Mae's performance also fell short of both the benchmark and market levels for the low-income and very low-income home purchase goals in 2015. The shortfalls compared to the market levels were relatively small and FHFA did not require Fannie Mae to submit a housing plan. FHFA continued to monitor Fannie Mae's performance on these goals on a regular basis.

As indicated in Figure 16, Fannie Mae fell short of both the benchmark and market levels on the very low-income home purchase goal and the low-income refinance goal in 2016. While FHFA determined that achieving the single-family very low-income home purchase goal and the low-income refinance goal by Fannie Mae was feasible for 2016, FHFA did not require Fannie Mae to submit a formal housing plan because of the small shortfall. However, FHFA communicated to Fannie Mae that it would continue to expect that Fannie Mae may make improvements in serving this market in line with both the housing goal requirements and FHFA's conservatorship expectations.

FHFA's process for assessing the Enterprises' housing goals performance in 2017 is still underway. Figure 16 shows the goal levels and preliminary figures on Enterprise housing goals performance in 2017, based on information the Enterprises submitted in their March 2018 *Annual Housing Activities Reports for 2017*. FHFA will make final determinations on the Enterprise housing goals performance for 2017 later this year.

Duty to Serve

The Safety and Soundness Act requires FHFA to issue a regulation to implement the Duty to Serve requirements specified in the statute. The statute requires the Enterprises to serve three specified underserved markets – manufactured housing, affordable housing preservation, and rural housing – by improving the distribution and availability of mortgage financing in a safe and sound manner for residential properties that serve very low-, low-, and moderate-income families in these markets. The statute further requires that FHFA establish a process for annually evaluating and rating the Enterprises' compliance with their Duty to Serve obligations.

In December 2016, FHFA issued a final rule implementing the Duty to Serve statutory requirements. Under the final rule, each Enterprise is required to submit to FHFA an Underserved Markets Plan that covers a three-year period and describes the activities and objectives the Enterprise will undertake to meet its Duty to Serve obligations in each underserved market. The final rule sets forth specific activities that the Enterprises may consider undertaking to receive Duty to Serve credit and provides that the Enterprises may propose additional activities. The final rule does not mandate any particular activities, but requires the Enterprises to consider ways to better serve families in the three underserved markets.

Underserved Markets Plans – FHFA and the Enterprises released proposed Underserved Markets Plans (Plans) on May 8, 2017, after which stakeholders had until July 10, 2017 to submit input. From July through December of 2017, FHFA engaged in an iterative feedback process with the Enterprises, helping to ensure that their Plans incorporated public input and were adequate to serve each underserved market. On December 18, 2017, FHFA issued a Non-Objection for both Enterprises' Plans, which became effective on January 1, 2018.[10]

For the **manufactured housing** market, both Fannie Mae's Plan and Freddie Mac's Plan include conducting a bulk purchase pilot of manufactured housing loans titled as chattel. Both Enterprises also plan to purchase loans that support manufactured homes titled as real property and to support resident-owned manufactured housing communities. Fannie Mae's Plan includes exploring whether it may invest in community development financial institutions (CDFIs) that support manufactured housing communities owned by government entities, nonprofit organizations, or residents.

For the **affordable housing preservation** market, both Enterprises' Plans include objectives that seek to support U.S. Department of Housing and Urban Development (HUD) Section 8 properties, the HUD Rental Assistance Demonstration (RAD) program, U.S. Department of Agriculture (USDA) Section 515 multifamily properties, properties with Low-Income Housing Tax Credit (LIHTC) debt, small multifamily properties, shared equity programs, energy efficiency for single-family and multifamily properties, and residential economic diversity. Fannie Mae also plans to support housing for the elderly, other state and local affordable housing programs, the rehabilitation of distressed properties, and workforce housing.

For the **rural housing** market, both Fannie Mae and Freddie Mac seek to make loan purchases in high-needs rural regions.[11] Fannie Mae plans to work toward purchasing loans that support high-needs rural populations[12] and to explore making entity-level investments in organizations like CDFIs that support Native American populations.

---

[10] The Enterprises final 2018-2020 Duty to Serve Underserved Markets Plans can be found here for Fannie Mae and here for Freddie Mac.

[11] The Duty to Serve regulation defines "high-needs rural regions" as Middle Appalachia, the Lower Mississippi Delta, colonias, or tracts outside of these three regions that are located in a persistent poverty county. See 81 Fed. Reg. 96242, 96293.

[12] The Duty to Serve regulation defines "high-needs rural populations" as members of a Federally recognized Indian tribe located in an Indian area or agricultural workers. See 81 Fed. Reg. 96242, 96293.

Freddie Mac's Plan includes conducting research, providing technical expertise, and facilitating homebuyer education for the high-needs rural populations, as well as purchasing single-family rental loans in rural areas. Both Enterprises plan to undertake LIHTC equity investments, purchase loans from small financial institutions, and support small multifamily rental housing in rural areas.

The final rule establishes a framework for evaluating and rating the Enterprises' compliance with the Duty to Serve each underserved market through a three-part process: 1) a quantitative assessment, 2) a qualitative assessment, and 3) an assessment of extra credit-eligible activities.

FHFA will evaluate the Enterprises' compliance with their Underserved Markets Plans under this three-part process, considering the following factors required by the statute for each underserved market:

- Development by the Enterprises of loan products, more flexible underwriting guidelines, and other innovative approaches;
- The extent of the Enterprises' outreach to qualified loan sellers and other market participants;
- The volume of loans purchased by the Enterprises relative to available market opportunities; and
- The amount of investments by the Enterprises in eligible projects.

In 2018, FHFA will monitor the execution of the Enterprises' Underserved Markets Plans through quarterly reports that the FHFA regulation requires the Enterprises to submit. FHFA will evaluate and rate the Enterprises' performance under their Underserved Markets Plans in 2019, after the conclusion of the 2018 calendar year.

Affordable Housing Allocations

As amended in 2008, the Safety and Soundness Act requires each Enterprise to set aside in each fiscal year an amount equal to 4.2 basis points (0.042 percent) for each dollar of the unpaid principal balance of its total new business purchases,[13] and to allocate or otherwise transfer 65 percent of the amount set aside to the Secretary of the Department of Housing and Urban Development (HUD) to fund the Housing Trust Fund, and 35 percent to the Secretary of the Treasury Department to fund the Capital Magnet Fund. The Housing Trust Fund is designed to assist states in meeting the housing needs of the lowest income families, and the Capital Magnet Fund is a special account within the CDFI Fund designed to increase investment in affordable housing, economic development, and community development facilities in low-income or underserved rural areas.[14]

FHFA is statutorily authorized to temporarily suspend an Enterprise's affordable housing allocations, generally based on the financial condition of the Enterprise.[15] In November 2008, FHFA directed each Enterprise to suspend the allocations until further notice. That suspension was lifted in December 2014, when FHFA directed each Enterprise, commencing with the Enterprise's fiscal (calendar) year 2015, to set aside amounts for allocation to the affordable housing funds. The 2014 directive instructed the Enterprises to transfer allocated amounts to HUD or the Treasury Department, as appropriate, within 60 days after the end of the Enterprise's fiscal year, unless the set aside and allocation would contribute to the financial instability of the Enterprise.[16]

Fannie Mae's total business volume in 2017 was $569.6 billion and, as a result, total affordable housing allocation payments of $239 million were made in February 2018.[17] Freddie Mac's total business volume in 2017 was $416.2 billion and, as a result, total affordable housing allocation payments of $174.8 million were made in February 2018.[18]

---

13 *See* 12 U.S.C. § 4567(a).

14 *Id.*; *see also* 12 U.S.C. §§ 4568 and 4569.

15 *Id.*, § 4567(b).

16 See FHFA Statement on the Housing Trust Fund and Capital Magnet Fund.

17 Fannie Mae's Form 10-K for 2017, 2/14/18, pp.24, 194, F-10.

18 Freddie Mac's Form 10-K for 2017, 2/15/18, pp. 185-186.

FEDERAL HOME LOAN BANK MISSION AND AFFORDABLE HOUSING PROGRAM

In 2017, FHFA continued its supervision and oversight to ensure that the FHLBanks are focused on their statutory housing finance and community development mission.

Core Mission of the Federal Home Loan Banks

FHFA's Core Mission Activities (CMA) regulation (12 CFR Part 1265.2) describes the mission of the FHLBanks as providing financial products and services to members and housing associates that assist and enhance those institutions' financing of housing and community lending. Short- and long-term advances (loans) to their members (primarily collateralized by residential mortgage loans and government and agency securities) have historically been the primary mission asset of the FHLBanks. The CMA regulation includes other types of assets, such as mortgage loans that qualify as AMA, in the definition of core mission activities. The CMA regulation does not establish core mission levels, but FHFA's regulation on strategic business plans (12 CFR 1239.31) requires each Bank's board of directors to adopt, maintain, and periodically review a strategic business plan that "describes how the business activities of the Bank will achieve the mission of the Bank consistent with" the core mission activities provisions.

FHFA provided further guidance on core mission activities in Advisory Bulletin AB 2015-05, "FHLBank Core Mission Achievement." As described in the AB, FHFA measures each FHLBank's core mission achievement by calculating the ratio of its Primary Mission Assets (advances plus AMA) relative to consolidated obligations (COs). The AB established two threshold ratios (55 percent and 70 percent), creating three general categories:

1. Ratios at or above 70 percent indicate that an FHLBank's activities are achieving core mission;
2. Ratios between 55 and 70 percent indicate that an FHLBank's ratio is "evolving" and FHFA will undertake further evaluation in assessing mission achievement; and
3. Ratios below 55 percent indicate that more fundamental questions about the activities of the FHLBank need to be addressed.

FHFA calculates these ratios using annual average par values, as reported by the FHLBanks in FHFA's Call Report System (CRS). FHFA assesses each FHLBank's core mission achievement on an annual basis and expects that each FHLBank's strategic plan will address mission achievement, but expects a more thorough plan for increasing the core mission ratio for any FHLBank that is markedly below the 70 percent level.

At year-end 2017, the 2017 System core mission ratio overall exceeded 70 percent. Nine of the FHLBanks had ratios of 70 percent or higher, and the remaining two FHLBanks had core mission ratios between 60 and 70 percent.

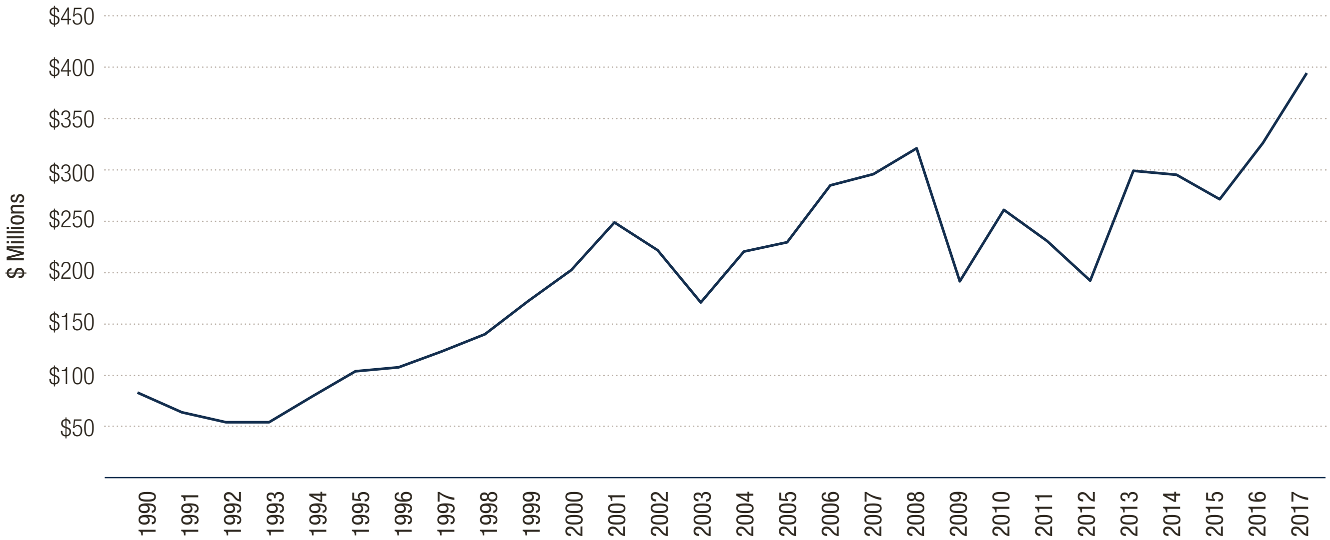
FHLBank Affordable Housing Program

The Bank Act requires each of the 11 FHLBanks to establish an Affordable Housing Program (AHP) to provide financing for the construction, purchase, or rehabilitation of affordable housing for very low- and low- or moderate-income households. AHP applicants are FHLBank member financial institutions that support an eligible beneficiary by providing subsidized advances or grants. Each FHLBank annually funds its AHP with 10 percent of its preceding year's net earnings, subject to a minimum $100 million contribution by the FHLBank System as a whole. In 2017, the FHLBanks made more than $398 million in AHP subsidies available nationwide (Figure 17). From 1990, when AHP funds were first awarded, through 2017, the FHLBanks awarded approximately $5.8 billion in AHP subsidies and assisted over 865,000 households.

AHP subsidies must be used either to finance homeownership by households with incomes at or below 80 percent of the area median income or to finance the purchase, construction, or rehabilitation of rental housing in which at least 20 percent of the units will be occupied by, and affordable to, households with incomes at or below 50 percent of the area median income.

The FHLBanks under the AHP regulation (12 CFR Part 1291) offer AHP subsidies through two FHLBank programs. The first program is the mandatory competitive application program, under which the FHLBanks provide subsidized advances or grants to members on behalf of project sponsors for eligible projects. The second program is an optional homeownership set-aside program under which the FHLBanks disburse grants to members to provide assistance to homebuyers or homeowners.

Figure 17: FHLBanks AHP Statutory Contributions



Source: Federal Housing Finance Agency. Data as of December 31, 2017.

AHP Competitive Application Program – For the AHP competitive application program, the FHLBanks accept applications from members on behalf of project sponsors, typically nonprofit organizations or housing finance agencies. In 2017, approximately 92 percent of all units funded under the competitive application program were rental housing units, a decrease from 94 percent in 2016 (Figure 18).

Figure 18: 2017 AHP Competitive Application Overview

AHP Competitive Application Program	Rental Housing Projects	Owner Occupied Housing Projects	Total Housing Projects
Total Number of Awarded Projects	440	95	535
Subsidy Awarded ($ in Millions)	$269.7	$30.2	$299.9
Number of Housing Units	23,521	1,967	25,488
Average Subsidy per Unit	$11,464	$15,340	$11,763
Number of Very Low-Income Housing Units[a]	16,695	939	17,634

Source: Federal Housing Finance Agency. Data are current as of December 31, 2017 excluding AHP competitive application withdrawn projects. Dollars have been rounded.

[a] Very low-income is defined as households with incomes at or below 50 percent of the area median income.

AHP Homeownership Set-Aside Program – In addition to its competitive application program, an FHLBank may annually set aside up to the greater of $4.5 million or 35 percent of its statutorily-required AHP annual contribution to fund homeownership programs. All 11 FHLBanks offered homeownership set-aside programs for their members in 2017, with total funding of approximately $99 million.

At least one-third of an FHLBank's annual aggregate set-aside allocation must be designated to assist low- or moderate-income first-time homebuyers. FHLBank members may also use set-aside funds to assist other low- or moderate-income households to purchase or rehabilitate a home.

The maximum permissible amount of set-aside subsidy per household is $15,000. In 2017, the average subsidy for all households participating in the set-aside program was $6,433. The most common use of set-aside assistance has been for down payment and closing cost assistance to borrowers. The number of set-aside grants used for owner-occupied home rehabilitation (such as lead-based paint removal, weather proofing, and accessibility retrofits) had consistently increased since 2007 from 215 to a high of 1,642 in 2012. In 2017, the number of grants used for rehabilitation increased to 1,135 from 916 in 2016 (Figure 19).

AHP Used in Conjunction with Other Sources of Financing – The AHP is designed to work with a variety of other funding sources and is frequently used in conjunction with funding from federal, state, or local housing programs and charitable organizations. Unlike other housing programs, in which the developer is typically the applicant for the subsidy, under the AHP a financial institution (an FHLBank member) is the applicant for funding. Depending on the proposed use of the subsidy, the member might provide a construction or permanent loan to a project or a mortgage to a homebuyer, or the member might pass through the FHLBank subsidy to a homeowner as a home repair grant. In all cases, the Bank Act requires that the AHP subsidy be passed on to the lower-income beneficiary.

In 2017, approximately 63 percent of AHP projects received additional funding from federal programs (Figure 20). The most frequently used source of funding was the Low-Income Housing Tax Credit Program, which supported about 62 percent of all approved rental housing applications. The HOME Investment Partnerships Program and the Community Development Block Grant Program were among the other programs used in conjunction with AHP funds.

Figure 19: Number of AHP Homeownership Set-Aside Grants Used for Rehabilitation Assistance (2007-2017)

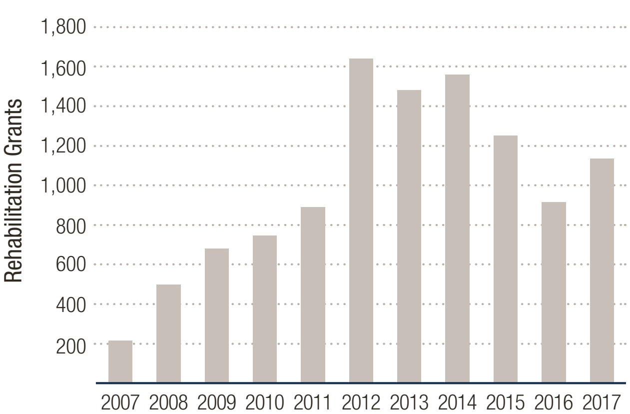


Figure 20: Number of AHP Projects Approved in 2017 Receiving Federal Funds

Community Development Block Grant Program	41
HOME Investment Partnerships Program	131
Low-Income Housing Tax Credit Program	271
Federal Housing Administration Programs	9
Other Federal Housing Programs	49
Projects Not Receiving Funding from Federal Sources	196

Source: Federal Housing Finance Agency. Data are current as of December 31, 2017 excluding AHP competitive application withdrawn projects. Some projects receive federal funding from more than one source.

FHLBank Community Investment and Community Investment Cash Advance Programs

The FHLBanks' Community Investment Program (CIP) offers advances to FHLBank members at the cost of the FHLBanks' consolidated obligations of comparable maturities, taking into account reasonable administrative costs. CIP funds may assist the financing of housing for households with incomes at or below 115 percent of area median income. CIP funds also may be used for economic development projects in low- and moderate-income neighborhoods or for other projects that benefit low- and moderate-income households. In 2017, the FHLBanks issued approximately $4.6 billion in CIP advances for housing projects and approximately $97 million for economic development projects.

The FHLBanks' Community Investment Cash Advance Program (CICA) offers low-cost, long-term advances or grants for members and housing associates, such as state and local housing finance agencies and economic development finance authorities, to finance targeted economic development projects. In 2017, the FHLBanks issued approximately $3.8 billion in CICA advances for community development projects such as commercial, industrial, and manufacturing projects, social services, and public facilities.

Community Development Financial Institutions – Two types of Community Development Financial Institutions (CDFIs) are eligible for membership in an FHLBank: federally insured depositories and non-depository CDFIs. Federally insured depositories, such as CDFI banks, have long been eligible for membership. More recently, HERA allowed FHLBank membership to include non-depository CDFIs, such as community development loan funds, certified by the Treasury Department's CDFI Fund.

At the end of 2017, 48 non-depository CDFIs[19] were members of the FHLBank System.

FHLBank Housing Goals

Under FHFA's regulation (12 CFR Part 1281), the FHLBanks are subject to housing goals requirements for single-family loans purchased by the FHLBanks from their members through their Acquired Member Assets (AMA) programs. The housing goals measure the extent to which FHLBanks' AMA programs serve low- and very low-income families and families residing in low-income areas. The housing goals are generally consistent with the single-family housing goals for Fannie Mae and Freddie Mac, but they take into account the unique mission and ownership structure of the FHLBanks.

Under FHFA's regulation, in order for an FHLBank to be subject to these housing goals, the total unpaid principal balance of loans purchased through the AMA programs by the FHLBank must exceed $2.5 billion in a given year. For any FHLBank that is subject to the housing goals in a given year, FHFA undergoes an evaluation to determine FHLBank's housing goals performance in four housing goal categories. The categories are: low-income home purchase, very low-income home purchase, low-income areas home purchase, and low-income refinance. For each category, FHFA evaluates whether the percentage share of the FHLBank's applicable AMA mortgage purchases meets or exceeds a retrospective market comparison level using Home Mortgage Disclosure Act (HMDA) data available the next year.

In 2016, the FHLBank of Indianapolis and the FHLBank of Cincinnati exceeded the $2.5 billion threshold and FHFA determined that both FHLBanks' AMA mortgage purchases fell below the FHLBank's housing goal level for all four goal categories in 2016. Because FHFA is in the process of evaluating changes to the current FHLBank housing goals requirements to provide FHLBanks greater certainty about each year's housing goals expectations, FHFA has informed both FHLBanks that FHFA will not require the submission of a housing plan based on their performance in 2016.

[19] See list of all FHLBank members, including CDFIs.

REGULATORY ACTIVITIES

In 2017, FHFA issued 17 proposed rules, final rules, policy guidance documents, and regulatory orders. These regulatory activities support FHFA's mission as regulator of the FHLBanks, Fannie Mae, and Freddie Mac.

The following tables summarize the proposed rules, final rules, policy guidance, and regulatory orders. The tables also indicate if a proposed rule has been adopted in final form since the proposal was published.

More extensive information about each of these items can be found on the Agency's website at **www.FHFA.gov.** FHFA has also published the listed regulations in the Federal Register.

Proposed Regulations:
Regulated Entities (Enterprises and/or FHLBanks)

Rule/Regulation Title	Reference	Date (2017)	Description/Explanation/Comments
2018-2020 Enterprise Housing Goals Proposed Rule-Corrected	82 FR 31514; 12 CFR Part 1282	July 7	Would implement the Safety and Soundness Act's requirement that FHFA establish annual housing goals for mortgages purchased by the Enterprises. The housing goals include separate categories for single-family and multifamily mortgages on housing that is affordable to low-income and very low-income families, among other categories. The existing housing goals for the Enterprises include benchmark levels for each housing goal through the end of 2017. This proposed rule would also establish benchmark levels for each of the housing goals and subgoals for 2018 through 2020. In addition, the proposed rule would make a number of clarifying and conforming changes, including revisions to the requirements for the housing plan that an Enterprise may be required to submit in response to a failure to achieve one or more of the housing goals. A final rule was published on February 12, 2018 and went into effect on March 14, 2018 (83 FR 5878).
Federal Home Loan Bank Capital Requirements	82 FR 30776; 12 CFR Part 1277	July 3	Would adopt, with amendments, the regulations of the Finance Board pertaining to the capital requirements for the FHLBanks. The proposed rule would carry over most of the existing regulations without material change, but would substantively revise the credit risk component of the risk-based capital requirement, as well as the limitations on extensions of unsecured credit. The principal revisions to those provisions would remove requirements that the Banks calculate credit risk capital charges and unsecured credit limits based on ratings issued by a Nationally Recognized Statistical Rating Organization, and would instead require that the Banks use their own internal rating methodology. The proposed rule also would revise the percentages used in the tables to calculate the credit risk capital charges for advances and non-mortgage assets. FHFA would retain the percentages used in the existing table to calculate the capital charges for mortgage-related assets.

Final Regulations: Federal Housing Finance Agency			
Rule/Regulation Title	**Reference**	**Date (2017)**	**Description/Explanation/Comments**
Minority and Women Outreach Program	82 FR 14992; 12 CFR Part 1207	March 24	This regulation established FHFA's minority and women outreach program, pursuant to the Financial Institutions Reform, Recovery, and Enforcement Act of 1989; the Safety and Soundness Act of 1992; and the Dodd-Frank Act. This final rule also re-designated the current Minority and Women Inclusion regulation in the Code of Federal Regulations to subchapter B of FHFA's regulations. The regulation went into effect on March 24.
Freedom of Information Act Implementation	82 FR 13743; 12 CFR Part 1202	March 15	This regulation, an interim final rule, was adopted to amend FHFA's existing Freedom of Information Act regulation. The amendments incorporate the requirements of the FOIA Improvement Act of 2016 by giving notice of the circumstances under which FHFA may extend the time limit for responding to a FOIA request due to unusual circumstance; notifying a requester of their right to seek dispute resolution services; affording a requester a minimum of 90 days to file an administrative appeal; and clarifying and updating the existing regulation. The interim regulation went into effect on March 15, 2017 and the final rule was published and went into effect on February 9, 2018 (83 FR 5681).

Final Regulations: Regulated Entities (Enterprises and/or FHLBanks)			
Rule/Regulation Title	**Reference**	**Date (2017)**	**Description/Explanation/Comments**
Minority and Women Inclusion Amendments	82 FR 34388; 12 CFR Part 1223	July 25	Amended FHFA's regulations requiring the regulated entities and the FHLBank System's OF to: adopt strategic plans to promote the inclusion of minorities, women, and disabled individuals, and the businesses they own; amend their policies on equal employment opportunity to include sexual orientation, gender identity, and status as a parent; and enhance the usefulness of information the regulated entities report to FHFA on their efforts to advance diversity and inclusion. The regulation went into effect on August 24.
Federal Home Loan Bank Membership for Non-Federally-Insured Credit Unions	82 FR 25716; 12 CFR Part 1263	June 5	Implemented section 82001 of the Fixing America's Surface Transportation Act (FAST), which authorized certain credit unions without Federal share insurance to become FHLBank members, by making appropriate conforming changes to FHFA's membership regulations. The rule also streamlined the application process for credit unions applying for Bank membership pursuant to the FAST Act provision. The regulation went into effect on July 5.

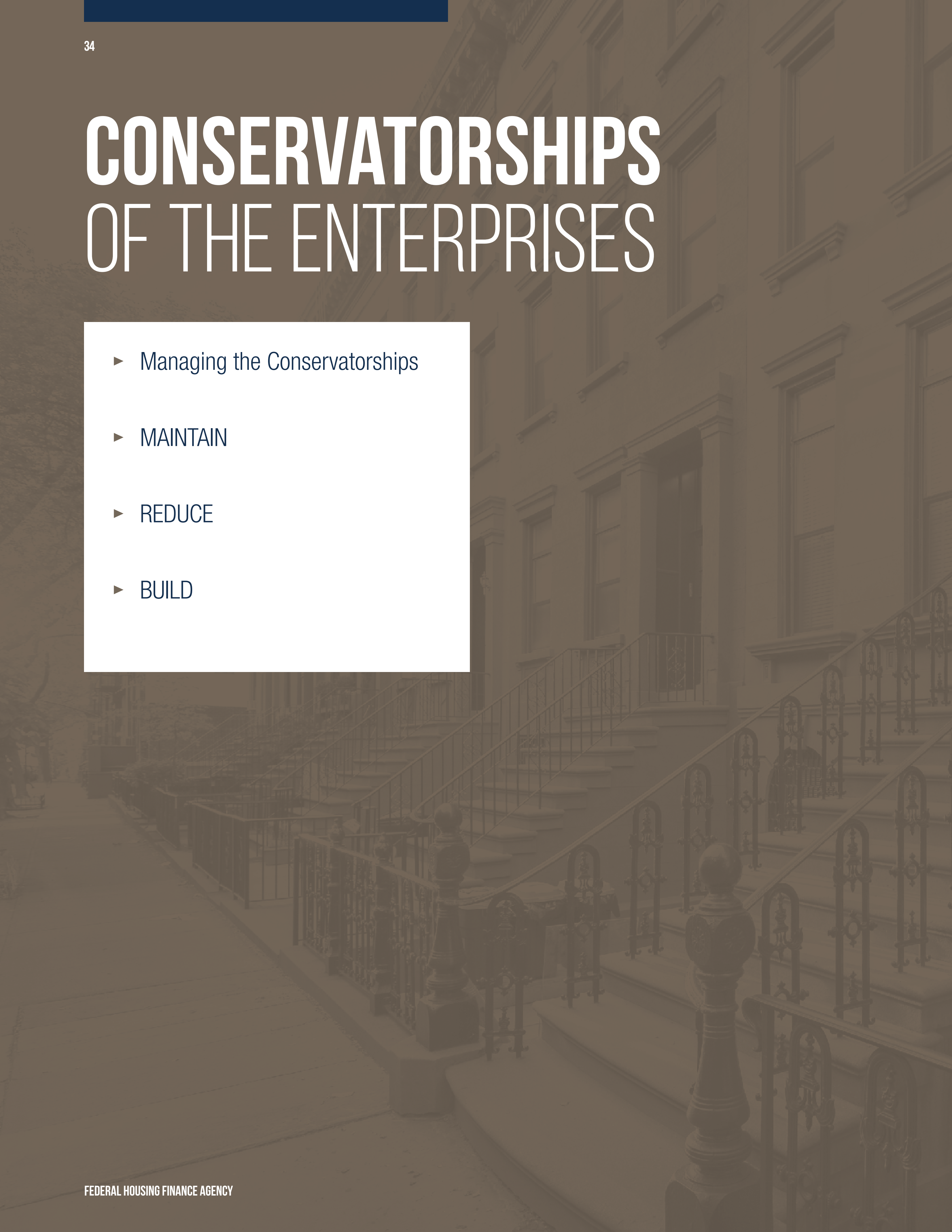
Policy Guidance: Regulated Entities (Enterprises and/or FHLBanks) and the OF			
Policy Subject	Reference	Date (2017)	Description/Explanation/Comments
Duty to Serve Evaluation Guidance 2018-2020 Plan Cycle	Guidance 2017-1	November 29	From January 13 until June 7, 2017, FHFA posted for public input a proposed Evaluation Guidance for the Duty to Serve (DTS) Program under FHFA's Duty to Serve regulation (12 CFR Part 1282). The public comments were considered in developing the final Evaluation Guidance which was published on November 29, 2017, and communicates FHFA's expectations about the process for developing the Enterprises' Underserved Markets Plans (Plans) and the standard for FHFA to issue a "Non-Objection" to the proposed Plans. The Evaluation Guidance also sets forth the process and standards by which FHFA will evaluate, and report annually to Congress, the Enterprises' performance and achievements under their Plans. On December 18, 2017, FHFA published the Enterprises' Underserved Markets Plans, in which the Enterprises proposed the activities they will undertake over a three-year period, beginning January 1, 2018, to support housing finance in the manufactured housing, affordable housing preservation, and rural housing markets.
Advisory Bulletin on Acquired Member Asset Price Risk Governance	AB 2017-03	November 21	Communicates FHFA's supervisory expectations for FHLBank Acquired Member Asset price risk governance. It sets forth that an FHLBank should: (1) estimate expected spread to funding; (2) establish minimum expected spreads; (3) adopt total portfolio and acquisition limits; (4) create controls; and (5) conduct board and management committee education and reporting.
Advisory Bulletin on Information Security Management	AB 2017-02	September 28	Communicates FHFA's guidance to the regulated entities and the OF on information security management for supporting a safe and sound operational environment and promoting their resilience. FHFA expects the regulated entities and OF to protect their information technology environments using a risk-based approach to determine the appropriate activities to include in a comprehensive program. This advisory bulletin describes three main components of an information security program: governance; engineering and architecture; and operations. This advisory bulletin supersedes AB 2014-05 (Cyber Risk Management Guidance) and the Office of Federal Housing Enterprise Oversight Policy Guidance PG-01-002 (Safety and Soundness Standards for Information).
Advisory Bulletin on Classifications of Adverse Examination Findings	AB 2017-01	March 13	Establishes classifications of adverse examination findings at the regulated entities and the OF. Adverse examination findings typically relate to risk management deficiencies, increases in risk exposures, or violations of laws, regulations, or orders that affect the performance or condition of a regulated entity or the OF. This advisory bulletin establishes classifications of examination findings that identify priorities for remediation by the regulated entities and the OF and guide FHFA in the development of supervisory strategies. This advisory bulletin supersedes and rescinds Advisory Bulletin 2012-01, Categories of Examination Findings (April 2, 2012).

Examination Guidance: Federal Housing Finance Agency			
Policy Subject	Reference	Date (2017)	Description/Explanation/Comments
FHFA Examination Manual	N/A	Default Legal Services Examination Module issued August 30 Office of Minority and Women Inclusion Diversity and Inclusion Examination Module revised in June 27 Single-family Mortgage Securitization Examination Supplemental Guidance Module revised March 2 Information Technology Risk Management Program Examination Module revised January 31	The FHFA Examination Manual, first published in 2013, comprises an overview of the examination process and 26 modules that provide examination instructions and work programs organized by risk category or line of business or activity. The examination manual serves as a reference tool and describes standards and expectations for the examinations of the regulated entities and the OF. In August, FHFA issued the Examination Supplemental Guidance Module for Default Legal Services; in June, FHFA revised the Office of Minority and Women Inclusion Diversity and Inclusion (D&I) Examination Module; in March, FHFA revised the Examination Supplemental Guidance Module for Single-family Mortgage Securitization; and in January, FHFA revised the Information Technology Risk Management Program Examination Module. Supplemental examination modules complement the modules in the FHFA Examination Manual.

Regulatory Orders			
Rule/Regulation Title	Reference	Date (2017)	Description/Explanation/Comments
Reporting by Regulated Entities of Stress Testing Results	2017-OR-FNMA-01; 2017-OR-FHLMC-01; and 2017–OR-B-01	March 3	Stress tests, required by the Dodd-Frank Act, are designed to determine whether the regulated entities have the capital necessary to absorb losses under adverse economic conditions. FHFA's stress testing regulation (12 CFR part 1238) requires annual stress testing and reporting of results for the Enterprises and FHLBanks. The Orders directed the regulated entities to report their December 31, 2016 stress testing results in the form and content required by the regulation and the summary instructions and guidance issued on March 3, 2017. The Orders were effective immediately.

CONSERVATORSHIPS OF THE ENTERPRISES

- Managing the Conservatorships
- MAINTAIN
- REDUCE
- BUILD



As part of HERA, Congress granted the Director of FHFA the discretionary authority to appoint FHFA as conservator or receiver of Fannie Mae, Freddie Mac, or any of the FHLBanks, upon determining that specified criteria had been met. On September 6, 2008, FHFA exercised this authority and placed Fannie Mae and Freddie Mac into conservatorship. Since the Enterprises were placed into conservatorships, the Treasury Department has provided essential financial commitments of taxpayer funding under PSPAs. As of December 31, 2017, the Enterprises had drawn a combined total of $187.4 billion in taxpayer support under the PSPAs and paid the Treasury Department a total of $278.8 billion in dividends on senior preferred stock. Under the provisions of the PSPAs, the Enterprises' dividend payments do not offset the amounts drawn from the Treasury Department.

MANAGING THE CONSERVATORSHIPS

FHFA uses four key approaches to manage the conservatorships of Fannie Mae and Freddie Mac. First, FHFA establishes the overall strategic direction for the Enterprises in the Agency's *2014 Strategic Plan for the Conservatorships of Fannie Mae and Freddie Mac* (*2014 Conservatorship Strategic Plan)* and in annual scorecards. Second, FHFA authorizes the Enterprises' boards of directors and senior management to oversee and carry out the day-to-day operations of the companies. Third, FHFA has carved out actions of the Enterprises that require advance approval by FHFA. Fourth, FHFA regularly oversees and monitors Enterprise activities.

The following section provides select highlights of Fannie Mae, Freddie Mac, and FHFA activities to fulfill the three strategic goals in the 2014 Conservatorship Strategic Plan and the *2017 Scorecard for Fannie Mae, Freddie Mac and Common Securitization Solutions* (*2017 Scorecard)*:

MAINTAIN, in a safe and sound manner, foreclosure prevention activities and credit availability for new and refinanced mortgages to foster liquid, efficient, competitive, and resilient national housing finance markets;

REDUCE taxpayer risk through increasing the role of private capital in the mortgage market; and

BUILD a new single-family securitization infrastructure for use by the Enterprises and adaptable for use by other participants in the secondary market in the future.

For additional information about the Enterprises' performance relative to the *2017 Scorecard*, please see the *2017 Scorecard Progress Report*, published on March 29, 2018.

MAINTAIN

Maintain, in a safe and sound manner, credit availability and foreclosure prevention activities for new and refinanced mortgages to foster liquid, efficient, competitive, and resilient national housing finance markets.

FHFA established specific objectives in the *2017 Scorecard* for the Enterprises to assess opportunities to address credit access and to develop recommendations for improvement; to improve the effectiveness of pre-purchase counseling and homeownership education; and to conclude their assessments of updated credit score models for underwriting, pricing, and investor disclosures, and, as appropriate, plan for implementation. This section describes those objectives and the activities of the Enterprises to support them during 2017.

Access to Mortgage Credit for Creditworthy Borrowers

The *2017 Scorecard* called for the Enterprises to increase access to mortgage credit for creditworthy borrowers, consistent with the full extent of applicable credit requirements and risk-management practices. Accordingly, the *2017 Scorecard* instructed the Enterprises to work on the following activities:

Opportunities to Support Credit Access – The Enterprises engaged in a number of initiatives and pilot programs during 2017 to address borrower impediments to accessing mortgage credit. To address challenges faced by mortgage applicants with significant student debt, the Enterprises revised their student-debt related calculations concerning potential payment shocks, debt paid by others (such as parents, grandparents, or employers), and the treatment of student loans as a contingent liability.[20]

Both Enterprises also made changes to improve credit access for low-income borrowers. In May, Freddie Mac updated its automated underwriting system to process applications from borrowers without credit scores. The change improves credit access for mortgage applicants who do not have sufficient credit history to compute a credit score, while also requiring appropriate compensating factors to obtain an approval recommendation. In conjunction with changes made by Fannie Mae in September 2016, both Enterprises now accept delivery of eligible loans for borrowers without credit scores in accordance with Enterprise-approved policies.

Fannie Mae worked with its sellers to develop a series of tailored pilot programs to increase its purchase or securitization of loans made to low-income and other underserved borrowers. Fannie Mae also increased to 95 percent the maximum loan-to-value (LTV) ratio allowed for adjustable rate mortgages. Fannie Mae and Freddie Mac each identified circumstances under which they will permit certain debts paid by others to be excluded from the debt-to-income (DTI) calculation.

"... both Enterprises now accept delivery of eligible loans for borrowers without credit scores in accordance with Enterprise-approved policies."

In addition to the initiatives described above, each Enterprise expanded its focus on mortgage education. Fannie Mae developed a strategy to build awareness of its affordable housing programs among realtors and lenders

[20] For more information, see Fannie Mae's Selling Guide Announcement SEL-2017-04 and Freddie Mac's Bulletin 2017-23.

and to educate future borrowers about its low down payment mortgage options and down payment assistance programs offered by third parties. Freddie Mac began planning a marketing campaign to increase awareness of borrower training and other resources available through its CreditSmart® financial education curriculum and Borrower Help Centers. The Borrower Help Centers are national nonprofit intermediaries that offer pre-purchase homebuyer education and foreclosure prevention counseling to clients with Freddie Mac-owned mortgages.

Assessing the Impact of Language Barriers – The *2017 Scorecard* required the Enterprises to identify major obstacles for borrowers with limited English proficiency (LEP)[21] in accessing mortgage credit, analyze potential solutions, and develop a multi-year plan to support improved access.

To evaluate potential solutions, FHFA and the Enterprises reached out to industry, government agencies, consumer advocacy groups, and other stakeholders both through meetings and through issuance of the *Improving Language Access in Mortgage Lending and Servicing Request for Input* (RFI) in May. In addition, FHFA and the Enterprises analyzed existing resources that the Enterprises' sellers currently have available to assist LEP borrowers, including Spanish-speaking customer service team members and vendor translation services. FHFA added questions on language access to the National Mortgage Database Surveys to solicit information about borrowers' experiences when English is not their primary language.

After engaging in an extensive review process, FHFA announced its decision to include a question on the revised Uniform Residential Loan Application (URLA) to capture an applicant's preferred language. The new question will standardize lender collection of language preference data. The Enterprises are targeting initial implementation of the URLA for July of 2019 and its mandatory use in February of 2020.

Updated Credit Score Models – FHFA worked with Fannie Mae and Freddie Mac to assess whether and how to update the Enterprises' credit score requirements. As part of this assessment, FHFA and the Enterprises considered credit scores produced by three models – Classic FICO, FICO 9, and VantageScore 3.0. While FHFA believes that it would be desirable to update the Enterprises' credit score requirement from the current Classic FICO standard, FHFA has not determined which credit score option should be adopted as a replacement. In December, FHFA issued *Credit Score Request for Input* to gather feedback on the options under consideration from interested parties that could be affected by a change in the Enterprises' credit score requirements. The RFI presented four credit score options under consideration. Each option presents implementation, operational, and competition considerations, which are reflected in the questions included in the RFI. The deadline for submitting feedback to the RFI was March 30, 2018.

FHFA is evaluating all responses to the RFI, along with supporting analysis and outreach, and plans to make a decision in 2018 on updating the Enterprises' credit score requirements. Any implementation date related to updated credit score models will, however, be delayed until after the implementation of the Single Security Initiative described on page 43. As with other decisions that require industry implementation, FHFA will set an implementation date that provides stakeholders with an appropriate amount of time to prepare for any new requirements.

21 Borrowers with limited English proficiency or a preference to speak their native language are collectively referred to as LEP borrowers.

Loss Mitigation and Foreclosure Prevention Activities

The *2017 Scorecard* called for the Enterprises to finalize post-crisis loss mitigation activities. To meet this Scorecard objective, the Enterprises introduced a high-LTV loan refinance program; implemented the Flex Modification; replaced the Uniform Borrower Assistance Form with the enhanced Mortgage Assistance Application; announced replacement of the Imminent Default Indicator model with a rules-based approach, and started to update short-term hardship solutions and foreclosure alternatives.

High-LTV Loan Refinance – FHFA and the Enterprises announced a new refinance program aimed at borrowers with high-LTV loans in August 2016 and revised certain terms in September 2017. The new program provides qualifying borrowers with high-LTV loans who are current on their mortgage an opportunity to refinance and lowers the credit risk borne by the Enterprises. The September announcement added an eligibility date to the program's requirements, limiting the program to loans originated on or after October 1, 2017. The eligibility date was necessary to preserve the objectives of the Enterprises' credit risk transfer (CRT) program. Earlier CRT transactions did not allow loans that were refinanced through the high-LTV streamlined refinance program to return to a transaction's reference pool, meaning the Enterprises would have paid for credit loss protection on these loans that they could not use. The Enterprises modified the structure of future CRT transactions to accommodate the high-LTV streamlined refinance program by allowing the newly refinanced loans to return to the same reference pools in place of the loans that were prepaid.

Flex Modification and the Mortgage Assistance Application – In December 2016, the Enterprises announced that the new Flex Modification program (Flex Mod) would be the successor to both the Home Affordable Modification Program (HAMP) and the Enterprises' existing loan modification programs, Standard Modification and Streamlined Modification. The Enterprises designed Flex Mod to reduce Enterprise losses while increasing borrower eligibility and payment relief to help borrowers stay in their homes and avoid foreclosures whenever possible. In creating Flex Mod, the Enterprises refined and enhanced aspects of their existing modifications programs. The Enterprises required servicer implementation of Flex Mod by October 1, 2017.

In conjunction with Flex Mod implementation, the *2017 Scorecard* called for the Enterprises to improve the design of the Uniform Borrower Assistance Form (UBAF), which is used by borrowers to apply for loss mitigation assistance. The Enterprises conducted extensive borrower testing of a redesigned application with assistance from external stakeholders, including servicers and borrower advocates. The redesigned form, known as the Mortgage Assistance Application (MAAp), became available for servicers in September and will be required starting in June 2018.

Together, the MAAp and Flex Mod simplify the documentation requirements for distressed borrowers to qualify for a foreclosure prevention alternative. Both borrowers and servicers cited documentation requirements as an impediment to obtaining assistance during the financial crisis because documents were often difficult for borrowers to collect and submit and for servicers to evaluate. Reducing the administrative burden associated with document collection while maintaining requirements that demonstrate a borrower's ability to repay will help to minimize credit losses and will help conserve and preserve the Enterprises' assets.

Reduce Severely Aged Delinquent Loans and REO Properties

The *2017 Scorecard* called for the Enterprises to continue to responsibly reduce the number of severely aged delinquent loans and real estate owned (REO) properties. Responsible reduction includes enhancing and designing programs that provide effective loss mitigation alternatives and REO disposition focused on neighborhood stabilization. To address those expectations, the Enterprises worked to implement strategies to responsibly reduce the number of severely aged delinquent loans and REO properties they hold, including through the Neighborhood Stabilization Initiative (NSI).[22]

Reduction of Severely Aged Delinquent Loans – The Enterprises continue to reduce substantially the number of severely aged delinquent loans they hold in portfolio. The Enterprises generally define such loans as those that are two

[22] For more information, see the FHFA webpage on the Neighborhood Stabilization Initiative.

or more years past due. While a large part of the portfolio reductions is attributable to non-performing loan (NPL) sales, sizeable reductions are also attributable to the use of special servicers, streamlined modifications, foreclosure alternative strategies, and foreclosures.

On a national basis, both Enterprises have seen a dramatic decline in seriously delinquent loans in the past several years, with overall delinquency rates approaching pre-crisis levels and delinquency rates on post-crisis new loans at historical lows. Taken together, the Enterprises reduced their combined inventories of severely aged loans by 31 percent in 2017, with a total decline of 19,062 such loans from 60,869 to 41,807.

Sales of Non-Performing Loans – FHFA's goal is to achieve more favorable outcomes for borrowers and local communities than the outcomes that would be achieved if the Enterprises held the NPLs in their portfolios, while also reducing losses to the Enterprises and, therefore, to taxpayers. In addition, NPL auctions, which are open to any qualified bidder, encourage private capital to invest in single-family mortgage credit risk. The Enterprises also offer smaller pools to attract participation from nonprofits, government entities, and minority- and women-owned businesses.

All Enterprise NPL sales are subject to requirements published by FHFA that obligate the new servicer to solicit all borrowers for a loan modification, establish a waterfall in which foreclosure is the last option, prioritize sales of REO to owner-occupants and nonprofits, and report on loan-level outcomes for four years after purchase. In making their loan modification decisions, servicers may consider net present value to the investor. Servicers are also required to evaluate borrowers with loans that have a mark-to-market LTV ratio above 115 percent for a loan modification that includes principal and /or arrearage forgiveness.

In September 2017, FHFA authorized enhancements to the NPL sales requirements to further improve borrower and neighborhood outcomes. The enhancements require NPL buyers to agree that they will not enter into, or allow servicers to enter into, contract for deed or lease-to-own agreements on REO properties unless the tenant or purchaser is a nonprofit organization.

FHFA published *Enterprise Non-Performing Loan Sales Reports* in June and December 2017 to provide information on the Enterprises' sales of NPLs and borrower outcomes post-sale. Figure 21 summarizes Enterprise NPL sales to date.

Figure 21: Non-Performing Loan Sales by the Enterprises

Year	Enterprise	Number of Pools Sold	Number of Loans Sold	Unpaid Principal Balance of Loans Sold $ millions	Number of Small Pools[a]	Number of Small Pools Purchased by Nonprofits
2014	Freddie Mac	2	2,721	$596	0	0
2015	Fannie Mae	8	10,442	$2,129	1	1
	Freddie Mac	18	15,170	$2,940	1	1
2016	Fannie Mae	28	29,612	$5,415	4	4
	Freddie Mac	25	14,557	$3,079	5	5
2017[b]	Fannie Mae	5	7,407	$1,352	1	1
	Freddie Mac	4	2,450	$460	0	0
All	Total	90	82,359	$15,971	12	12

[a] Small pools are targeted at nonprofits and minority- and women-owned businesses and include those offered as Fannie Mae Community Impact Pools and Freddie Mac Extended Timeline Pools.

[b] Includes NPL sales settled through June 2017.

Reduction of REO Properties – The Enterprises continued to responsibly reduce their inventory of REO properties by focusing their efforts on supporting owner-occupants and nonprofit purchasers. Overall, the Enterprises reduced their REO property inventories by over 30 percent in 2017 with a total decline of 14,901 properties to 34,610 properties.

The Enterprises' First Look Initiatives offer owner-occupants and nonprofits engaged in neighborhood stabilization an opportunity during the initial listing of a foreclosed property to negotiate a purchase before the property is available to investors. The Enterprises further support the responsible disposition of REO properties in the most distressed communities through their NSI efforts in certain Metropolitan Statistical Areas (MSAs) characterized by high levels of low-value REO properties. The NSI program encourages nonprofits to acquire properties in those markets, reduces the Enterprises' costs for property preservation and maintenance, enables each Enterprise to reduce its REO inventory in the most challenging markets, and stabilizes neighborhoods in the process.

In December 2017, FHFA expanded NSI to include 10 additional MSAs. With these additions, 30 markets in 16 states are now included in the NSI program. The additional markets were added because they have large concentrations of distressed and low-value Enterprise REO inventory.

Assess the Mortgage Servicing Business Model

The *2017 Scorecard* called for the Enterprises to initiate a multiyear assessment of both the challenges facing the mortgage servicing market and potential solutions for identified issues to ensure ongoing liquidity in the mortgage servicing market and counterparty strength. In 2017, the Enterprises commissioned an industry survey and completed interviews to gather data on priorities and concerns in the servicing industry. Informed by this feedback, and as part of their 2018 Scorecard requirements, the Enterprises will assess their servicing policies and processes with the goal of improving liquidity and process efficiency in the market for mortgage servicing rights.

"FHFA's goal is to achieve more favorable outcomes for borrowers and local communities ..."

Multifamily Business

The *2017 Scorecard* maintained loan production caps on each Enterprise's multifamily business to further the strategic goal of maintaining Fannie Mae and Freddie Mac's multifamily activities while not impeding the participation of private capital. The *2017 Scorecard* set the cap for each Enterprise at $36.5 billion with exclusions from the caps for a range of mission-related finance activities.

FHFA designed exclusions from the cap to support affordable and underserved multifamily segments of the multifamily market because these segments are not being adequately served by the private sector. Exclusions cover financing for subsidized affordable housing, manufactured housing communities, and small multifamily properties (between 5 and 50 units). Additional exclusions cover financing for affordable properties in rural areas, energy efficiency improvements in Enterprise-financed properties, and market-rate units that are affordable to very low-, low-, and moderate-income tenants in standard, high-cost, and very high-cost rental markets.

In 2017, the Enterprises actively managed their loan production to ensure they did not exceed the published cap. Fannie Mae's total multifamily finance activity for the year was approximately $67 billion, of which $30.5 billion fell within the cap and $36.5 billion was in the excluded categories. Freddie Mac's total multifamily finance activity for the year was approximately $73.2 billion, of which $33.8 billion fell within the cap and $39.4 billion was in the excluded categories.

REDUCE

Reduce taxpayer risk through increasing the role of private capital in the mortgage market.

The 2014 Conservatorship Strategic Plan focuses on reducing taxpayer risk by increasing the role of private capital in the secondary mortgage market. To further that goal, the *2017 Scorecard* called for the Enterprises to work on the following initiatives.

Credit Risk Transfers for Single-Family Credit Guarantee Business

The Enterprises' credit risk transfer (CRT) programs have become a core part of the Enterprises' single-family credit guarantee business. In 2017, the Enterprises were required to transfer risk on at least 90 percent of the unpaid principal balance (UPB) of their acquisitions of single-family mortgage loans targeted for credit risk transfer.[23] Targeted loans include fixed-rate, non-HARP loans with terms over 20 years and LTV ratios above 60 percent. Both Enterprises achieved this objective. The Enterprises have transferred risk on loans with $2.1 trillion in UPB since the beginning of the program in 2013, with total risk in force (RIF) of $69 billion.

In 2017, the Enterprises transferred credit risk on single-family mortgage loans with a total UPB of approximately $689 billion and total RIF of about $20.6 billion as summarized in Figure 22. The Enterprises' programs involve credit risk transfers via debt issuances, insurance/reinsurance transactions, senior-subordinate securitizations, front-end collateralized lender recourse transactions, and other pilot transactions.

[23] For more information on the CRT program, refer to Single-Family Credit Risk Transfer Progress Report and the Single-Family Credit Risk Transfer Request for Input.

Figure 22: Enterprise Single-Family Mortgage Credit Risk Transfer Activity (2013 – 2017)

Year	Enterprise	Risk in Force[a] $ billions	Reference Pool UPB[b] $ billions
2013	Fannie Mae	$0.8	$31.9
	Freddie Mac	$1.5	$57.9
	Total	**$2.2**	**$89.8**
2014	Fannie Mae	$6.1	$230.9
	Freddie Mac	$6.1	$147.5
	Total	$12.2	$378.4
2015	Fannie Mae	$7.3	$239.1
	Freddie Mac	$8.8	$181.3
	Total	**$16.1**	**$420.4**
2016[c]	Fannie Mae	$9.8	$332.9
	Freddie Mac	$8.4	$215.0
	Total	**$18.1**	**$548.0**
2017[c]	Fannie Mae	$12.6	$417.3
	Freddie Mac	$8.1	$271.8
	Total	**$20.6**	**$689.1**
TOTAL	Fannie Mae	$36.6	$1,254.2
	Freddie Mac	$32.7	$872.6
	Total	$69.3	$2,126.8

Source: Federal Housing Finance Agency

[a] Volume of notes issued in debt transactions or RIF in insurance/reinsurance transactions. Together those amounts equal the maximum credit loss exposure of private investors.

[b] UPB of pools of mortgage loans on which credit risk is transferred.

[c] Totals for 2016 and 2017 include the total contracted UPB and RIF for front-end MI pilot transactions.

Credit Risk Transfers for Multifamily Business

Credit risk sharing with the private sector is an integral part of the multifamily business model for both Enterprises. Over 99 percent of the targeted multifamily new acquisitions by the Enterprises involved a transfer of credit risk to private capital.

In 2017, Fannie Mae transferred credit risk on over $65.8 billion of its multifamily production through its delegated underwriting and servicing program (known as DUS). Fannie Mae also completed a non-DUS multifamily CRT transaction during 2017 in which it transferred to the reinsurance industry a portion of the credit risk it retained from DUS transactions on approximately $8.1 billion of loans.

Since 2010, Freddie Mac has securitized senior-subordinate notes through K-Deals to transfer risk on nearly 90 percent of its multifamily originations. In 2017, Freddie Mac issued its first two Structured Credit Risk (SCR) notes. In addition, Freddie Mac continues to pursue other approaches to transfer credit risk on the remainder of its multifamily mortgages. In 2017, Freddie Mac used three such approaches: SCR Notes, Multifamily Aggregation Risk Transfer (KT) Certificates, and the Whole Loan Investment Fund. Together, these approaches transferred to investors a portion of the credit risk on multifamily loans with $3.6 billion of UPB.

BUILD

Build a new single-family securitization infrastructure for use by the Enterprises and adaptable for use by other participants in the secondary market in the future.

The third and final strategic goal of the *2014 Conservatorship Strategic Plan* calls for building a new infrastructure for the securitization functions of the Enterprises that is adaptable for use by other market participants in the future. The *2017 Scorecard* continued to prioritize work by the Enterprises and Common Securitization Solutions, LLC (CSS) to develop the Common Securitization Platform (CSP) and a common, single Enterprise mortgage-backed security (Single Security Initiative). The *2017 Scorecard* also required continued work to support the standardization of mortgage data.

Single Security Initiative and Common Securitization Platform

The CSP and Single Security Initiative (SSI) are significant, multiyear, interrelated projects that remain ongoing priorities of FHFA during conservatorship of the Enterprises. The Enterprises will use the CSP as the operational and technical platform through which they will issue and administer a common, single mortgage-backed security, to be known as the Uniform Mortgage-Backed Security or UMBS. The *2017 Scorecard* called for the Enterprises and CSS, the joint venture Fannie Mae and Freddie Mac established to develop and administer the CSP, to continue working with FHFA and each other to build and test the CSP. The *2017 Scorecard* also called for the Enterprises to implement the changes necessary to integrate their systems and operations with the CSP, and to implement the SSI on the CSP in 2018. In addition, the *2017 Scorecard* calls for the Enterprises and CSS to continue to work together to obtain and use input from the SSI/CSP Industry Advisory Group.

CSP Developments – To implement the SSI, the Enterprises and CSS are developing the CSP in two parts:

- Release 1 implements the CSP's Data Acceptance, Issuance Support, and Bond Administration modules for Freddie Mac's existing Single Class securities.
- Release 2 will allow both Enterprises to use those modules plus the Disclosure module to perform activities related to their current fixed-rate securities, both Single Class and Multi-Class; to issue UMBS and related resecuritizations, including commingled resecuritizations; and to perform activities related to the underlying loans.

Freddie Mac and CSS successfully implemented Release 1 on November 21, 2016. Since then, Freddie Mac has used CSS and the CSP to issue and settle approximately 1,000 new securities each month, representing about $57 billion in unpaid principal balance. For all of 2017, Freddie Mac used CSS and the CSP to issue and settle over 13,500 securities, with over $715 billion in UPB. In addition, Freddie Mac used CSS and the CSP to perform monthly bond administration functions related to its 260,000 outstanding Single Class securities, which are backed by approximately 9.8 million loans. In May, CSS executed a successful planned failover and failback exercise between its primary and emergency backup systems.

In March, FHFA announced that Release 2 would be implemented in the second quarter of 2019, providing stakeholders with more than 24 months advance notice of final implementation.[24] FHFA extended the timeframe from the previously announced target of 2018 to provide sufficient time to complete development, testing, and

[24] See page 3 of An Update on the Implementation of the Single Security and the Common Securitization Platform published March 23, 2017.

validation of controls, as well as governance processes necessary to have the highest level of confidence that the implementation will be successful. On December 4, FHFA released *An Update on the Single Security Initiative and the Common Securitization Platform*, which provided more detail on Release 2 progress and reiterated the confidence of FHFA, CSS, and the Enterprises in meeting the revised timeline. On March 28, 2018, FHFA issued a *news release* announcing that the Enterprises will start issuing UMBS through CSS using Release 2 of the CSP on June 3, 2019.

To communicate progress and align expectations, FHFA developed a *Common Securitization Platform and Single Security Timeline* of key achievements and upcoming milestones with targeted completion dates. FHFA updates the timeline as the project milestones are met or revised.

Freddie Mac Implementation of Aligned Disclosures – On August 28, Freddie Mac implemented new investor disclosures for its existing single-family fixed-rate and adjustable-rate MBS. These disclosures provide standardized loan-level and pool-level data for all of Freddie Mac's existing Participation Certificates (PCs). The new disclosures were designed by the Enterprises and FHFA to align investor disclosures across the Enterprises as part of the SSI. The successful implementation of the new disclosures, like the successful implementation of Release 1, is a key step toward industry alignment and implementation of the SSI.

Industry Outreach and Other Readiness Activities – The successful implementation of Release 2 and the transition of the TBA market to trading UMBS and Supers[25] requires planning, investment, and work on the part of many market participants. To prepare for implementation, during 2017 the Enterprises and FHFA have engaged in industry outreach, including two meetings of the Enterprises' Industry Advisory Group and meetings with trade associations, dealers, investors, seller-servicers, financial market utilities, vendors, and other market participants.

In conjunction with the outreach activities, FHFA and the Enterprises have developed and published materials about the SSI implementation on Enterprise and FHFA websites. These materials include regularly updated Frequently Asked Questions, technical information, CSP and SSI timelines, and FHFA updates. The Enterprises also produced a short video to explain the SSI to market participants and published the *Single Security Initiative Market Adoption Playbook* and an *Illustrative Implementation Schedule*.

As implementation approaches, the Enterprises will accelerate and intensify their engagement with market participants. To do so, they are developing detailed communication and risk management plans. The Enterprises have also engaged Ernst & Young to assist in those activities and to help align readiness activities among Fannie Mae, Freddie Mac, FHFA, and market participants. As implementation approaches, the Enterprises will also support the creation of test environments, where appropriate.

In addition to industry outreach, the Enterprises have reached out to the Securities and Exchange Commission and the Internal Revenue Service to request guidance on accounting, tax, and regulatory issues related the Single Security Initiative. FHFA has reached out to federal banking and market regulators to ensure awareness of the SSI and to maintain open communications regarding regulatory or supervisory concerns.

Alignment Activities – FHFA and the Enterprises have worked together to develop processes to identify and align those Enterprise programs, policies, and practices that could materially affect prepayment speeds of UMBS issued by Fannie Mae and Freddie Mac. During 2017, FHFA provided additional information concerning the alignment of prepayments, including FHFA's guidelines for alignment on prepayment speeds, information on how each Enterprise has incorporated the analysis of potential prepayment effects into its change management process, and detailed examples of how FHFA monitors the ex post alignment of Enterprise prepayment speeds. More information on FHFA's work to ensure that there are policies in place to support prepayment speed alignment is included in the December 2017 Update.

[25] Supers are single-class resecuritizations of UMBS analogous to Freddie Mac's Giants or Fannie Mae's Megas, which are resecuritizations of Freddie Mac's PCs and Fannie Mae's MBS, respectively.

Mortgage Data Standardization

The Uniform Mortgage Data Program (UMDP) is a multifaceted technology strategy first announced in May 2010 with the goal of standardizing data throughout the mortgage industry to improve lender efficiency, loan quality, and mortgage credit risk management.

Uniform Closing Dataset (UCD) – The UCD allows firms in the mortgage industry to communicate information on the Consumer Financial Protection Bureau (CFPB's) Closing Disclosure electronically. To accommodate industry concerns, the Enterprises are phasing in required use of the UCD in two stages. In September 2017, the Enterprises implemented the UCD process for borrower closing data. In December 2017, the Enterprises further indicated that they will later require a minimum set of seller data, including items that have a direct impact on the eligibility of the loan for sale to the Enterprises, with details to be provided in 2018.

eMortgages –In 2017, the Enterprises addressed the complexity of the current eNote, by updating eNote specifications to make it more compatible with industry standards. The Enterprises collaborated with the Mortgage Industry Standards Maintenance Organization (MISMO) SMART Doc Tamper Evident Workgroup to develop and publish the specifications to the industry, and plan to require use by industry participants in early 2019, if industry participants have had sufficient time for an orderly transition.

In November 2017, the Enterprises summarized progress made to address obstacles to eMortgages in *GSE Efforts to Improve eMortgage Adoption: A Follow-up to the 2016 GSE Survey Findings Report.*[26] Additionally, both Enterprises initiated pilots to explore ways to support eNotarization and remote notarization.

Other Conservatorship Activities

Boards of Directors – As conservator, FHFA reviews the appointment of new directors serving on the boards of directors of each Enterprise. In 2017, FHFA reviewed the election of Grace A. Huebsher to serve on Freddie Mac's board of directors. One Freddie Mac board member, Raphael Bostic, resigned or rotated off the board in 2017. Except for those changes, the number and composition of the Freddie Mac board of directors remained the same throughout 2017. The number and composition of the Fannie Mae board of directors remained the same throughout 2017.

Enterprise Compensation – No changes were made to the Enterprises' Executive Compensation Plan in 2017. Overall compensation levels generally continue to fall between the 25th and 50th percentile of the market, which FHFA considers a recommended and acceptable range for Enterprise executive officers.

FHFA continues to closely examine all compensation requests by the Enterprises and maintains an active dialogue with each Enterprise about current and future compensation actions.

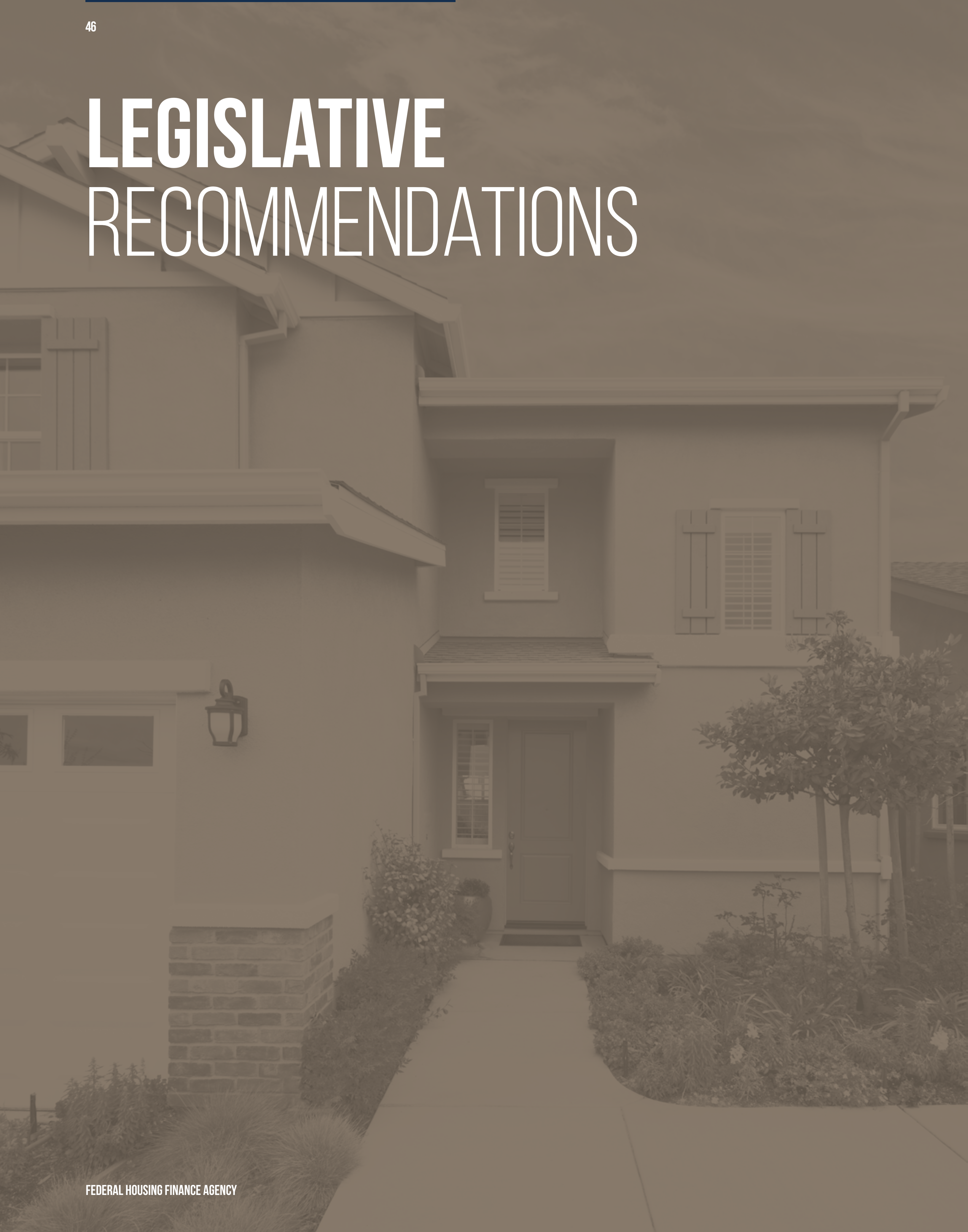
Private-Label Mortgage-Backed Securities – FHFA continues to work on the one active private-label MBS lawsuit that has not been resolved of the original 18 lawsuits filed in 2011 against financial institutions and certain of their officers and directors. Each suit alleged violations of federal securities laws and state laws in the sale of private-label MBS investments to the Enterprises between 2005 and 2007. The complaints were filed under statutory authority granted by HERA to FHFA as conservator, and reflected FHFA's determination that the institutions and individuals named in the suits violated securities laws and common law, causing each Enterprise to incur significant losses in these private-label MBS investments.

Only one of FHFA's private-label MBS lawsuits is still pending: FHFA v. Nomura Holding America, Inc. FHFA prevailed at trial in May 2015 in the U.S. District Court for the Southern District of New York, which awarded FHFA rescissory damages of over $806 million and required return of the bonds, worth approximately $400 million, to the defendants. The United States Court of Appeals for the Second Circuit affirmed that verdict on September 28, 2017, and a petition for rehearing was subsequently denied. Defendant filed a writ of certiorari with the Supreme Court on March 12, 2018, and the Solicitor General's response to the petition was filed on May 18, 2018.

One FHFA private-label MBS lawsuit, the one against The Royal Bank of Scotland Group PLC (RBS), was settled on July 12, 2017, with payment of $5.5 billion by RBS.

[26] See the GSE Efforts to Improve eMortgage Adoption: A Follow-up to the 2016 GSE Survey Findings Report on Freddie Mac's website here and Fannie Mae's website here.

LEGISLATIVE RECOMMENDATIONS



Housing Finance Reform

The Enterprises have been in conservatorships since September 2008. These conservatorships are unprecedented in duration and scope. While a number of important reforms have been made to the Enterprises during conservatorship, FHFA continues to believe that conservatorship is not sustainable and that Congress needs to undertake the important work of housing finance reform.

Barriers to Investor Participation in Credit Risk Transfer Transactions

Under FHFA's annual conservatorship scorecards, the Enterprises are working to transfer to the private sector a substantial amount of the credit risk they assume in targeted loan acquisitions. This credit risk transfer market is relatively new and evolving and relies on ongoing investor interest and ability to purchase the credit risk. FHFA has previously identified several statutory impediments which, if addressed, could avoid unintended consequences for some types of investors and thus help to expand investor participation in Enterprise credit risk transfer transactions. FHFA continues to believe that these statutory impediments should be removed.

Examination of Regulated Entity Counterparties

FHFA's regulated entities contract with third parties to provide critical services supporting the secondary mortgage market, including nonbank mortgage servicers for the Enterprises. While oversight of these counterparties is important to safety and soundness of FHFA's regulated entities, it can now be exercised only through contractual provisions. In contrast, other federal safety and soundness regulators have statutory authority to examine companies that provide services to depository institutions through the Bank Service Company Act. The Government Accountability Office has recommended granting FHFA the authority to examine third parties that do business with the Enterprises.[27] The Financial Stability Oversight Council also made a similar recommendation in its *2017 Annual Report*, as well as its previous 2015 and 2016 Annual Reports. FHFA concurs with these recommendations.

[27] See GAO Report 16-278, Nonbank Mortgage Servicers: *Existing Regulatory Oversight Could Be Strengthened*, publically released April 11, 2016.

RESEARCH AND PUBLICATIONS

- Reports to Congress
- House Price Index
- Public Use Database
- Monthly Interest Rate Survey (MIRS)
- National Mortgage Database Project
- Research Publications

During 2017, FHFA published all reports required by statute, as well as research papers related to housing and market conditions. Reports and publications are posted on FHFA's website at www.FHFA.gov.

Reports to Congress

Pursuant to requirements under federal law, including HERA and the Dodd-Frank Act, FHFA submitted all required annual reports to Congress in 2017. Additionally, as required by statute, FHFA submitted monthly reports on the number of loan modifications and other foreclosure prevention activities of the Enterprises.

Guarantee Fee Study – HERA requires FHFA to conduct an ongoing study of the guarantee fees charged by Fannie Mae and Freddie Mac. In October 2017, FHFA released its ninth annual *Guarantee Fee Study Report*. The report covers 2016 and examines the fees charged by the Enterprises for guaranteeing conventional single-family mortgages, including the amount of these fees and the criteria used to determine them. The report utilized aggregated data collected from the Enterprises.

Annual Housing Report – FHFA submitted its ninth *Annual Housing Report* to Congress in October 2017, which detailed Enterprise housing goals performance in 2016 as well as information on other aspects of the Enterprises' purchase activities.

FHLBank Advance Collateral Study – HERA requires FHFA to submit to Congress an annual report on the collateral pledged to the Federal Home Loan Banks, by collateral type and by each individual FHLBank. In December 2017, FHFA released its ninth *Report on Collateral Pledged to the Federal Home Loan Banks* based on the results of its annual FHLBank Collateral Data Survey.

No FEAR Act Report – The Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (No FEAR Act) requires that federal agencies be publicly accountable for violations of antidiscrimination and whistleblower protection laws. Federal agencies must post both quarterly and annual statistical data relating to federal sector Equal Employment Opportunity complaints on their public websites, reimburse the Treasury Department Judgment Fund for any payments made, and notify employees and applicants for employment about their rights under the federal antidiscrimination and whistleblower laws. On March 14, 2018, FHFA filed the *Fiscal Year 2017 No Fear Act Annual Report to Congress*, covering fiscal years 2013 – 2017.

OMWI Annual Report – The Dodd-Frank Act requires most federal financial regulators to establish an Office of Minority and Women Inclusion (OMWI). FHFA's OMWI is responsible for leading the Agency's efforts to advance diversity and inclusion and developing standards for: 1) Equal Employment Opportunity and the racial, ethnic, and gender diversity of the Agency's workforce and senior management of the Agency; 2) increased participation of minority- and women-owned businesses in Agency programs and contracts; and 3) assessing the diversity policies and practices of entities regulated by the Agency.

FHFA must also comply with section 1116(f) of HERA, which requires the Agency to seek diversity in its workforce, at all levels, consistent with the demographic diversity of the United States. In March 2018, FHFA submitted the annual *OMWI Report to Congress* detailing the activities of FHFA's OMWI during the previous calendar year.

Federal Property Manager's Report/Foreclosure Prevention Report – The Emergency Economic Stabilization Act of 2008 directs Federal Property Managers (FPM) to develop and implement plans to maximize assistance for homeowners and encourage servicers of underlying mortgages to take advantage of programs to minimize foreclosures. Each FPM is also required to report to Congress the number and types of loan modifications and the number of foreclosures during the reporting period. FHFA is a designated FPM in its role as conservator for Fannie Mae and Freddie Mac. FHFA delivered required monthly and quarterly FPM reports to Congress throughout 2017.

House Price Index

FHFA continued its regular publication of several types of home price indexes – the "all-transactions," "purchase-only," and "expanded-data" measures – throughout 2017. Such measures are estimated using different underlying datasets, but all provide indications of housing price movements for various geographic areas. These standard indexes are produced quarterly and monthly.

FHFA updated a set of experimental price indexes that are produced on an annual basis for cities, counties, ZIP codes, and census tracts. These measures have been useful in policy analysis and have enabled several lines of research on topics including housing market trends, price cycles, and localized credit risk. Several of these papers have been presented at conferences or have won national awards, and several are expected to be published leading academic journals.

Public Use Database

The Safety and Soundness Act requires FHFA to make available to the public loan-level data submitted by the Enterprises in the reports required under section 309(m) of Fannie Mae's Charter Act and section 307(e) of Freddie Mac's Charter Act, except for certain proprietary information and personally identifiable information. FHFA is required to make publicly available Enterprise data elements analogous to those required to be reported by mortgage originators under HMDA at the census tract level. The Safety and Soundness Act also requires FHFA to make public certain high-cost securitized loan data it collects to compare the characteristics of high-cost loans the Enterprises purchase and securitize. FHFA is required to release the data by September 30 of the year following the year the mortgages were acquired by the Enterprises. For 2017, FHFA released the required 2016 data to the public through its Public Use Database.

FHFA also maintains a similar Public Use Database with respect to the Federal Home Loan Banks.

Monthly Interest Rate Survey (MIRS)

Each month FHFA conducts the Monthly Interest Rate Survey (MIRS) by asking a sample of mortgage lenders to report the terms and conditions on all single-family, fully-amortized, purchase-money, non-farm loans that they closed during the last five business days of the month. MIRS excludes FHA-insured and VA-guaranteed loans, multifamily loans, mobile home loans, and loans created by refinancing another mortgage. FHFA collects and consolidates this data and makes available to the public monthly information on interest rates, loans terms, and house prices by property type (all, new, previously occupied), and by loan type (fixed- or adjustable-rate), as well as information on 15-year and 30-year fixed-rate loans. In addition, quarterly information on conventional loans by major metropolitan area and by FHLBank district is also published. FHFA also publishes annual and monthly data from 1973 to 2017 on its website.

National Mortgage Database Project

The National Mortgage Database project is a multi-year project being jointly undertaken by FHFA and the CFPB. The project is designed to provide a rich source of information about the U.S. mortgage market based on a 5 percent sample of residential mortgages. The project has three primary components:

1. The National Mortgage Database (NMDB®)
2. The quarterly National Survey of Mortgage Originations (NSMO)
3. The annual American Survey of Mortgage Borrowers (ASMB)

The NMDB® will enable FHFA to meet the statutory requirements of HERA to conduct a monthly mortgage market survey. Specifically, FHFA must, through a survey of the mortgage market, collect data on the characteristics of individual mortgages, including those eligible for purchase by Fannie Mae and Freddie Mac and those that are not, and including subprime and nontraditional mortgages. In addition, FHFA must collect information on the creditworthiness of borrowers, including a determination of whether subprime and nontraditional borrowers would have qualified for prime lending.

National Mortgage Database Technical Report 3.1 (updated 3/21/2017) – Provides information about the first set of responses to the NSMO and pertains to borrowers who obtained a mortgage in 2013.

National Mortgage Database Technical Report 4.0 (3/21/2017) – Provides information about the responses to the NSMO and pertains to borrowers who obtained a mortgage in 2014.

National Mortgage Database Technical Report 5.0 (11/17/2017) – Provides information about the responses to the NSMO and pertains to borrowers who obtained a mortgage in 2015.

Research Publications

In 2017, FHFA published three staff working papers, one of which won "Best Paper in Real Estate Valuation" by the American Real Estate Society. Of the four working papers published in 2016, three were subsequently accepted by top academic and research journals, and two won "Best Paper" awards. The original research in these working papers represents contributions to the academic, practitioner, and policy communities in the areas of housing finance, regional, and urban economics. While FHFA provides approval for the research projects consistent with FHFA objectives, the papers reflect the views of the authors, not FHFA.

Working Paper 17-01: The Daily Microstructure of the Housing Market – This paper examined the effect of housing market factors, such as periodic buyer liquidity constraints, high transaction costs, and price and timing negotiations on the daily volatility of house prices. This paper found that the daily volatility is suppressed at a monthly frequency and implies that housing is a riskier asset than traditional house price indices would indicate.

Working Paper 17-02: Property Renovations and Their Impact on House Price Index Construction – This paper provided the first wide-scale analysis of property renovation bias in a repeat-sales house price index across U.S. geographies. This paper found that failing to take into account property improvements can bias house price index estimates upwards, and to a higher degree in urban areas.

Working Paper 17-03: Under What Circumstances do First-time Homebuyers Overpay? – An Empirical Analysis Using Mortgage and Appraisal Data – This paper studied whether first-time homebuyers overpay for their homes and found that first-time homebuyers pay a premium as compared to repeat buyers, and that the magnitude of overpayment varied with the degree of appraiser diligence. This research contributes, both theoretically and empirically, to the existing literature on first-time homebuyers.

FHFA OPERATIONS AND PERFORMANCE

- Performance and Program Assessment
- Financial Operations

PERFORMANCE AND PROGRAM ASSESSMENT

During fiscal year (FY) 2017,[28] FHFA operated under its *Strategic Plan: Fiscal Years 2015-2019* (Strategic Plan)[29] that was released November 21, 2014. The plan set three strategic goals:

- Ensure safe and sound regulated entities;
- Ensure liquidity, stability and access in housing finance; and
- Manage the Enterprises ongoing conservatorships.

FHFA's Strategic Plan reflects the Agency's priorities as regulator of the Federal Home Loan Bank System and as regulator and conservator of the Enterprises. The plan also reflects the priorities outlined for the Enterprises in the 2014 Conservatorship Strategic Plan, which the Agency released in May 2014.

[28] FHFA's fiscal year 2017 extended from October 1, 2016 through September 30, 2017.

[29] *FHFA Strategic Plan: Fiscal Years 2018-2022* was released in January 2018.

On November 15, 2017, FHFA published its annual *Performance and Accountability Report* (PAR), detailing the Agency's performance and achievements for FY 2017. The PAR reports on FHFA's performance on 30 performance measures established for FY 2017 to help evaluate FHFA's progress toward its strategic goals. FHFA met 27 (90 percent) and did not meet three (10 percent) of its 30 performance measures.

Upon reviewing the Agency's PAR, the Association of Government Accountants awarded FHFA the Certificate for Excellence in Accountability Reporting (CEAR) for the tenth consecutive year. The CEAR award is presented to agencies that have demonstrated excellence in integrating performance and accountability reporting. Only agencies with unmodified opinions on their financial reports from an independent auditor are eligible for the award.

FINANCIAL OPERATIONS

Financial Highlights

HERA authorizes FHFA to collect annual assessments from its regulated entities to pay its expenses and maintain a working capital fund. In FY 2017, FHFA had $338.5 million in total budgetary resources: $254.2[29] million in assessments, $30.8 million in unobligated balance from prior year budget authority, net $0.7 million in investment interest, and $52.8 million in spending authority from offsetting collections. New obligations and upward adjustments (Total) decreased $4.8 million to $312.2 million in FY 2017. Gross outlays increased $11.4 million to $308.2 million in FY 2017.

Federal Management System and Strategy

HERA requires FHFA to implement and maintain financial management systems that comply substantially with federal financial management systems requirements, applicable federal accounting standards, and the U.S. Government General Ledger at the transaction level.

FHFA, including FHFA Office of Inspector General (OIG), uses the U.S. Department of the Treasury's Bureau of the Fiscal Service for its accounting services and financial management system (FMS). FHFA is responsible for overseeing the Bureau of the Fiscal Service's performance of accounting services for the Agency. Additionally, during FY 2017 FHFA used the National Finance Center (a service provider within the Department of Agriculture) and the Interior Business Center (a service provider within the Department of Interior) for its payroll and personnel processing. The Agency has streamlined accounting processes by electronically interfacing data from charge cards, investment activities, the Concur travel system, the Procurement Request Information System Management (PRISM) procurement system, the Invoice Processing Platform payments system, the National Finance Center payroll system, and the Interior Business Center payroll system to FMS.

[29] FHFA assessments are made to fund the current budget of the Agency and the Office of Inspector General (OIG). For FY 2017, this amount is the sum of FHFA's budget of $199.5 million and FHFA OIG's budget of $49.9 million, $17.0 million from special assessment less unobligated funds of $12.2 million from the end of the prior year.

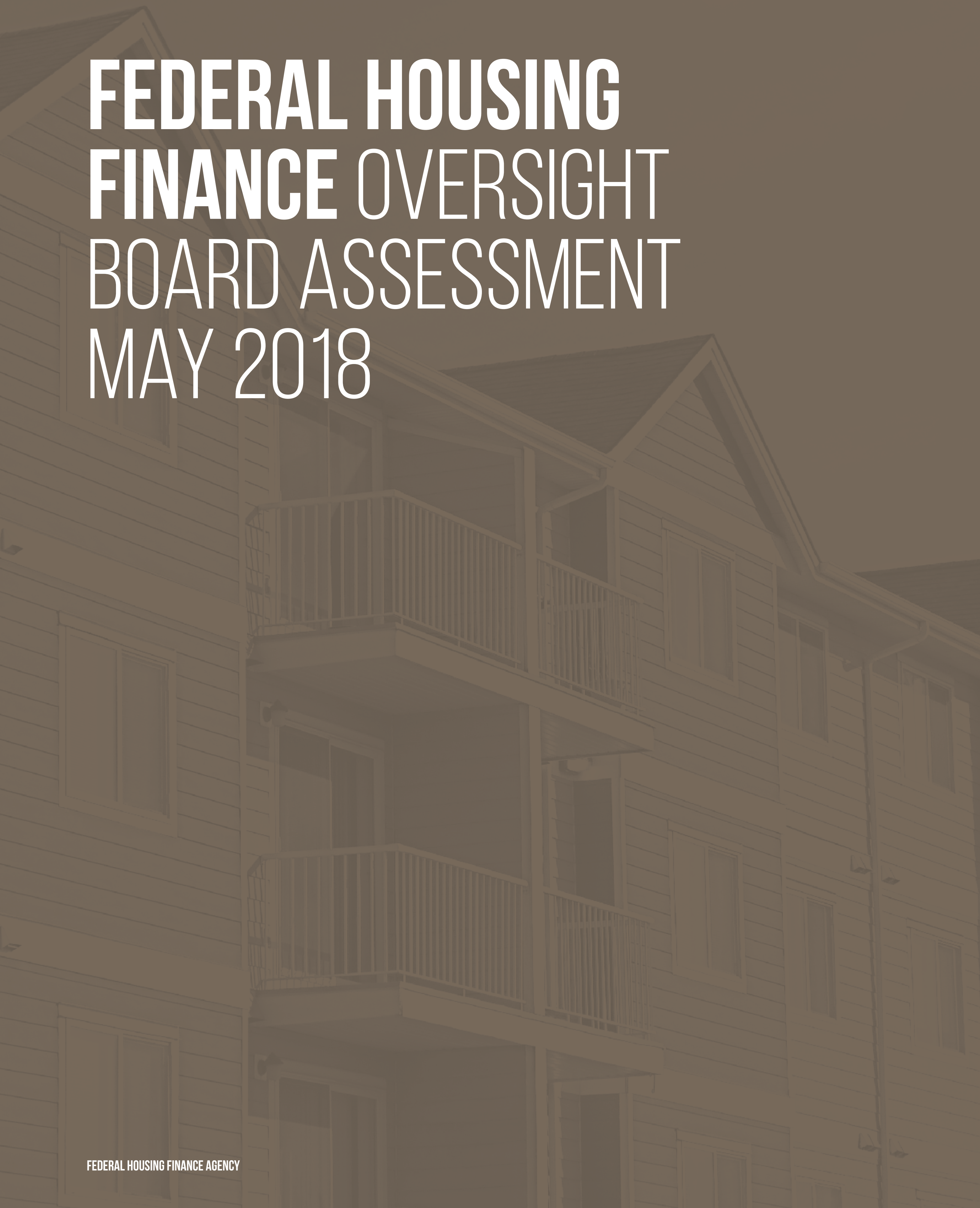
Unmodified Audit Opinions in FY 2017

For every year since its creation in 2008, FHFA received an unmodified audit opinion on its financial statements from the U.S. Government Accountability Office (GAO). GAO found:

- The FHFA financial statement as of and for the fiscal years ending September 30, 2017 and 2016 were presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- FHFA maintained, in all material respects, effective internal control over financial reporting as of September 30, 2017; and
- No reportable noncompliance for fiscal year 2017 with provisions of applicable laws, regulations, contracts, and grant agreements they tested.

The FHFA OIG operates its own network, systems, and related information security programs which are separate from those of the Agency. The FHFA OIG contracted with an independent audit firm to conduct the FY 2017 FISMA audit of the FHFA information security program. The audit concluded that FHFA's Information Security Program was compliant with the FISMA legislation and applicable Office of Management and Budget (OMB) guidance and that sampled security controls from NIST SP 800-53 demonstrated operating effectiveness. The auditor also concluded that there were no significant deficiencies for the FHFA and FHFA OIG information security programs.

FEDERAL HOUSING FINANCE OVERSIGHT BOARD ASSESSMENT MAY 2018



Section 1103 of the Housing and Economic Recovery Act (HERA) of 2008 requires that the Federal Housing Finance Agency (FHFA) Director's Annual Report to Congress (Annual Report) include an assessment of the Federal Housing Finance Oversight Board or any of its members with respect to:

- The safety and soundness of the regulated entities;
- Any material deficiencies in the conduct of the operations of the regulated entities;
- The overall operational status of the regulated entities; and
- An evaluation of the performance of the regulated entities in carrying out their respective missions.

FHFA's Annual Report provides a detailed review of these matters related to Fannie Mae and Freddie Mac (the Enterprises) and the Federal Home Loan Bank (FHLBank) System as a basis for this assessment. The assessment of the Federal Housing Finance Oversight Board follows:

Enterprises

The Enterprises continue to operate in conservatorships, as they have since 2008. The U.S. Department of the Treasury (Treasury Department) continues to provide the Enterprises with financial support through the Senior Preferred Stock Purchase Agreements (PSPAs). Through year-end 2017, the Enterprises' cumulative draws under the PSPAs totaled \$187.4 billion, and the Enterprises paid \$278.8 billion in cumulative cash dividends to the Treasury Department. Under the terms of the PSPAs, the payment of dividends does not offset or pay down prior draws from the Treasury Department by the Enterprises.

Pursuant to the third amendment to the PSPAs on August 17, 2012, the fixed 10 percent dividend on senior preferred stock was replaced, effective January 1, 2013, with a sweep of net worth that exceeded a "Capital Reserve Amount," which was established at \$3 billion in 2013 with mandated declines of \$600 million each subsequent year. Accordingly, the capital reserve for 2017 was \$600 million and would have declined to zero on January 1, 2018. However, in December 2017, FHFA entered into a letter agreement with the Treasury Department on behalf of the Enterprises to reinstate the \$3 billion Capital Reserve Amount under the PSPA for each Enterprise, beginning in the fourth quarter of 2017. Under the terms of the letter agreement, each Enterprise will only declare and make dividend payments beyond the \$3 billion Capital Reserve Amount.

Each Enterprise had to re-measure its deferred tax assets due to recent changes in tax law, which reduced the statutory corporate tax rate and resulted in a one-time federal income tax provision expense in the fourth quarter of 2017. As a result of the income tax provision expense, the Enterprises had net worth deficits as of December 31, 2017. Consequently, in the first quarter of 2018, FHFA submitted a request to Treasury on behalf of Fannie Mae for \$3.7 billion and Freddie Mac for \$0.3 billion to eliminate their net worth deficits. Fannie Mae's most recent prior Treasury draw was made in the first quarter of 2012 and Freddie Mac's was made in the second quarter of 2012. As both Enterprises entered 2018, they had insufficient capital reserves to absorb losses due to the deficit at the end of 2017. However, pursuant to the December 2017 letter agreement each Enterprise is permitted to retain up to \$3 billion of future earnings as capital reserves. Following these draws, Fannie Mae continues to operate with a \$113.9 billion commitment of capital support from the Treasury Department under the PSPA and Freddie Mac continues to operate with a \$140.2 billion commitment under the PSPA.

In 2017, the Enterprises generated net income of \$8.1 billion, down from \$20.1 billion in 2016. Each Enterprise continues to have a significant but declining exposure to credit losses from mortgages originated in the several years prior to conservatorship. Revenue from guarantee fees has made up an increasing portion of each Enterprise's net interest income in recent years as net interest income from their retained mortgage portfolios continues to decline. Both Enterprises are subject to quarterly volatility in their financial results primarily as a result of accounting-driven gains and losses on the derivatives they use to manage their interest-rate risk. To minimize the impact of interest rate fluctuation and mitigate the accounting volatility in its financial results, Freddie Mac implemented hedge accounting in 2017. Fannie Mae does not currently utilize hedge accounting to manage interest-rate risk, and therefore will have slightly higher volatility in its financial results.

Initiatives undertaken during the conservatorships of the Enterprises, combined with the Treasury Department's commitment of financial support under the PSPAs, have stabilized the Enterprises. Certain higher-risk mortgage products, such as no-income documentation or interest-only mortgages, have been eliminated from the Enterprises' new guarantees. The Enterprises have significantly reduced their retained portfolios since entering conservatorship as required by the PSPAs and have exceeded their PSPA reduction requirements. Through year-end 2017, their combined retained portfolios had been reduced by approximately 71 percent compared to March 2009 levels, with Fannie Mae's ending the year at $230.8 billion and Freddie Mac's at $253.5 billion.

The Enterprises have also developed credit risk transfer programs that transfer a meaningful amount of credit risk to private investors on 90 percent of the unpaid principal balance (UPB) of new acquisitions in targeted loan categories. From 2013 through 2017, the Enterprises have transferred a portion of credit risk on mortgages with a UPB of $2.1 trillion, representing a risk in force of about $69.3 billion. For 2017, the Enterprises transferred a portion of credit risk on $689.1 billion of UPB, with about $20.6 billion of risk in force.

The Enterprises have also worked to develop a common securitization platform (CSP) and single mortgage-backed security. In November 2016, the Enterprises and Common Securitization Solutions completed Release 1 of this initiative, with Freddie Mac beginning to issue new single-family fixed-rate securities and administer existing single-family fixed-rate securities on the CSP. In March of this year, FHFA announced that Release 2 would be implemented on June 3, 2019, at which point the Enterprises would begin issuing a single security to be called the Uniform Mortgage Backed Security (UMBS). The Enterprises have undertaken, in consultation with industry stakeholders, significant work to develop improved and common data standards and have done significant industry outreach to help prepare market participants for the launch of the UMBS.

The Enterprises continue to manage their credit, counterparty, market (or interest rate), and operational risks. Credit risk management remains a priority for both Enterprises given remaining distressed legacy assets and the impacts of more recent events, such as Hurricanes Irma, Harvey, and Maria, on delinquency rates of Enterprise assets in affected areas, particularly in Puerto Rico. Counterparty risk exposures require careful monitoring, as changes in the mortgage industry have affected the structure of the Enterprises' counterparties and added new types of seller/servicers. For example, there have been significant transfers of mortgage servicing for Enterprise portfolios from banking organizations to non-depository institutions, which are typically less capitalized than depository institutions that are subject to federal bank capital requirements. FHFA has published supervisory guidance for the Enterprises to implement contingency planning for high risk and high volume counterparties. Market risk, particularly sensitivity to changes in interest rates and mortgage spreads, has declined as the retained mortgage portfolios of both Enterprises continue to decrease, but still needs to be carefully monitored due to the rising interest rate environment and recent market volatility. Operational risks associated with information security and cyber risks are significant for the Enterprises, as they are for all financial institutions.

Consistent with their statutory missions, the Enterprises have continued to provide liquidity, stability, and affordability in the secondary mortgage market during their conservatorships. In 2017, the Enterprises purchased single-family mortgages with a combined UPB of $845.4 billion, compared to $973.5 billion UPB in 2016. The Enterprises purchased a combined volume of multifamily mortgages with a UPB of $139.3 billion in 2017, compared to $112.1 billion in 2016, while increasing their focus on affordable multifamily mortgages.

The Enterprises continued to work with FHFA in 2017 to address certain housing finance liquidity challenges. These efforts included Fannie Mae's work with its sellers to develop a series of tailored pilot programs to increase purchases of loans made to low-income and other underserved borrowers. Efforts also included Freddie Mac's update to its automated underwriting system to process applications from borrowers without credit scores. In conjunction with changes made by Fannie Mae in 2016, the automated underwriting systems of both Enterprises can now process loans for borrowers without credit scores.

Combined with other initiatives undertaken since the Enterprises have been in conservatorship, these measures are intended to encourage lenders to reduce the credit overlays that restrict access to credit.

The Enterprises also continue to have annual housing goal requirements as established by FHFA. In 2016, FHFA reached determinations that neither Enterprise met the low-income purchase and very low-income purchase goals for 2015. In 2017, FHFA determined that Freddie Mac achieved both goals for 2016. FHFA determined that Fannie Mae did not meet its very low-income purchase and low-income refinance goals for 2016. However, in light of the small amount by which Fannie Mae fell short, FHFA did not require Fannie Mae to submit a formal housing plan with respect to these goals. FHFA communicated to Fannie Mae FHFA's expectation that the Enterprise continue to make improvements in serving this market in line with both the housing goal requirements and FHFA's conservatorship expectations. In support of the Enterprises' statutory duty to serve three underserved markets – manufactured housing, affordable housing preservation, and rural housing, the Enterprises issued draft Duty to Serve plans for public input and FHFA review on May 8, 2017. After FHFA engaged in an iterative feedback process with the Enterprises to help ensure that their Plans incorporated public input and were adequate to serve each underserved market, on December 18, 2017, FHFA issued a Non-Objection for both Enterprises' Plans, which became effective on January 1, 2018. The Enterprises also made statutorily required contributions to the National Housing Trust Fund and the Capital Magnet Fund in 2017 to support affordable housing initiatives.

FHLBanks

As of December 31, 2017, all 11 FHLBanks exceeded the minimum 4.0 percent regulatory capital ratio. The weighted-average regulatory capital-to-assets ratio for the FHLBank System was 5.2 percent at the end of 2017, roughly unchanged from the end of 2016. All FHLBanks were profitable for the year. The FHLBanks' primary business of extending advances to members operated effectively and without credit losses.

The FHLBanks' advances increased during 2017, with $731.5 billion of advances outstanding at year-end, a $26.3 billion increase from year-end 2016. The ten largest borrowers accounted for 37.2 percent of aggregate advances outstanding at year-end 2017, down from 41.5 percent from the previous year. Generally, FHLBanks with large balances of advances have one or more very large borrowers in their districts. Despite recent increases, advances to members remain below their 2008 peak.

The FHLBanks continued to meet their primary mission of providing liquidity to their members through the purchase of whole mortgage loans, off-balance sheet programs, and support of the Affordable Housing Program. System balances of whole mortgage loans totaled $53.9 billion at year-end 2017, up from $48.5 billion at year-end 2016. Off-balance sheet programs include letters of credit and mortgage delivery programs. Letters of credit had a total notional value of $149.4 billion at year-end 2017 and allow members diverse collateral options when securing public unit deposits. Mortgage delivery programs to third-party investors had a combined volume of $3.6 billion in 2017 and provide members with alternative conduits to move mortgages off of their balance sheets, to allow additional mortgage originations. In 2017, the FHLBanks contributed $384 million toward the Affordable Housing Program, which provides funds to support local affordable housing initiatives.

As reflected in the Annual Report, FHFA engaged in significant efforts to oversee the Enterprises and FHLBanks during 2017. While challenges remain for the regulated entities, including the ongoing conservatorships of Fannie Mae and Freddie Mac, FHFA continues to meet its statutory obligations.

Melvin L. Watt
Chairman
Federal Housing Finance Oversight Board

Steven T. Mnuchin
Secretary
U.S. Department of the Treasury

Benjamin S. Carson, Sr.
Secretary
U.S. Department of Housing and Urban Development

Jay Clayton
Chairman
Securities and Exchange Commission

APPENDIX: HISTORICAL DATA TABLES

CONTENTS

TABLE 1 • FANNIE MAE MORTGAGE PURCHASES

Period	Business Activity ($ in Millions)			
	Purchases			
	Single-Family[a] ($)	Multifamily[a] ($)	Total Mortgages[a] ($)	Mortgage-Related Securities[b] ($)
4Q17	128,485	20,041	148,526	19,014
3Q17	134,782	15,853	150,635	19,206
2Q17	121,757	12,298	134,055	28,880
1Q17	119,095	17,246	136,341	18,435
Annual Data				
2017	504,119	65,438	569,557	85,535
2016	583,744	55,024	638,768	72,175
2015	475,031	42,032	517,063	49,554
2014	382,747	28,620	411,367	24,885
2013	733,242	28,558	761,800	36,848
2012	835,994	33,394	869,388	26,874
2011	558,249	24,226	582,475	20,760
2010	607,827	17,302	625,129	44,495
2009	700,253	19,912	720,165	161,562
2008	582,947	34,288	617,235	77,523
2007	659,366	45,302	704,668	69,236
2006	524,379	20,646	545,025	102,666
2005	537,004	21,485	558,489	62,232
2004	588,119	16,386	604,505	176,385
2003	1,322,193	31,196	1,353,389	408,606
2002	804,192	16,772	820,964	268,574
2001	567,673	19,131	586,804	209,124
2000	227,069	10,377	237,446	129,716
1999	316,136	10,012	326,148	169,905
1998	354,920	11,428	366,348	147,260
1997	159,921	6,534	166,455	50,317
1996	164,456	6,451	170,907	46,743
1995	126,003	4,966	130,969	36,258
1994	158,229	3,839	162,068	25,905
1993	289,826	4,135	293,961	6,606
1992	248,603	2,956	251,559	5,428
1991	133,551	3,204	136,755	3,080
1990	111,007	3,180	114,187	1,451
1989	80,510	4,325	84,835	Not Applicable Before 1990
1988	64,613	4,170	68,783	
1987	73,942	1,733	75,675	
1986	77,223	1,877	79,100	
1985	42,543	1,200	43,743	
1984	27,713	1,106	28,819	
1983	26,339	140	26,479	
1982	25,929	10	25,939	
1981	6,827	2	6,829	
1980	8,074	27	8,101	
1979	10,798	9	10,807	
1978	12,302	3	12,305	
1977	4,650	134	4,784	
1976	3,337	295	3,632	
1975	3,646	674	4,320	
1974	4,746	2,273	7,019	
1973	4,170	2,082	6,252	
1972	2,596	1,268	3,864	
1971	2,742	1,298	4,040	

Source: Fannie Mae

[a] Includes lender-originated mortgage-backed securities (MBS) issuances, cash purchases, and capitalized interest. Based on unpaid principal balances. Excludes mortgage loans and mortgage-backed securities traded but not yet settled. Excludes delinquent loans purchased from MBS trusts.

[b] Not included in total mortgage purchases. Includes purchases of Fannie Mae MBS held for investment and mortgage-related securities traded but not yet settled. Based on unpaid principal balances. Includes activity from settlements of dollar rolls accounted for as purchases and sales of securities but does not include activity from settlements of dollar rolls accounted for as secured financings.

TABLE 1A • FANNIE MAE MORTGAGE PURCHASES DETAIL BY TYPE OF LOAN

Period	Purchases ($ in Millions)[a]											
	Single-Family Mortgages								Multifamily Mortgages			
	Conventional				FHA/VA/RD[c]							
	Fixed-Rate[b] ($)	Adjustable-Rate ($)	Seconds ($)	Total ($)	Fixed-Rate[c] ($)	Adjustable-Rate ($)	Total ($)	Total Single-Family Mortgages ($)	Conventional ($)	FHA/RD[c] ($)	Total Multifamily Mortgages ($)	Total Mortgage Purchases ($)
4Q17	125,649	2,469	0	128,118	31	336	367	128,485	20,041	0	20,041	148,526
3Q17	130,427	3,969	0	134,396	34	352	386	134,782	15,853	0	15,853	150,635
2Q17	117,210	4,180	1	121,391	26	340	366	121,757	12,298	0	12,298	134,055
1Q17	116,201	2,542	0	118,743	20	332	352	119,095	17,246	0	17,246	136,341
Annual Data												
2017	489,487	13,160	1	502,648	111	1,360	1,471	504,119	65,438	0	65,438	569,557
2016	573,415	8,834	3	582,252	98	1,394	1,492	583,744	55,024	0	55,024	638,768
2015	459,201	14,245	4	473,450	73	1,508	1,581	475,031	42,032	0	42,032	517,063
2014	363,716	17,324	8	381,048	11	1,688	1,699	382,747	28,620	0	28,620	411,367
2013	713,326	17,785	13	731,124	210	1,908	2,118	733,242	28,558	0	28,558	761,800
2012	806,065	27,142	19	833,226	613	2,155	2,768	835,994	33,394	0	33,394	869,388
2011	517,469	36,837	27	554,333	524	3,392	3,916	558,249	24,226	0	24,226	582,475
2010	565,531	38,023	68	603,622	516	3,689	4,205	607,827	17,299	3	17,302	625,129
2009	663,763	23,108	0	686,871	1,136	12,246	13,382	700,253	19,517	395	19,912	720,165
2008	517,673	46,910	6	564,589	1,174	17,184	18,358	582,947	34,288	0	34,288	617,235
2007	583,253	64,133	34	647,420	1,237	10,709	11,946	659,366	45,302	0	45,302	704,668
2006	429,930	85,313	130	515,373	1,576	7,430	9,006	524,379	20,644	2	20,646	545,025
2005	416,720	111,935	116	528,771	2,285	5,948	8,233	537,004	21,343	142	21,485	558,489
2004	527,456	46,772	51	574,279	9,967	3,873	13,840	588,119	13,684	2,702	16,386	604,505
2003	1,236,045	64,980	93	1,301,118	18,032	3,043	21,075	1,322,193	28,071	3,125	31,196	1,353,389
2002	738,177	48,617	40	786,834	15,810	1,548	17,358	804,192	15,089	1,683	16,772	820,964
2001	534,115	25,648	1,137	560,900	5,671	1,102	6,773	567,673	17,849	1,282	19,131	586,804
2000	187,236	33,809	726	221,771	4,378	920	5,298	227,069	9,127	1,250	10,377	237,446
1999	293,188	12,138	1,198	306,524	8,529	1,084	9,613	316,137	8,858	1,153	10,011	326,148
1998	334,367	14,273	1	348,641	5,768	511	6,279	354,920	10,844	584	11,428	366,348
1997	136,329	21,095	3	157,427	2,062	432	2,494	159,921	5,936	598	6,534	166,455
1996	146,154	15,550	3	161,707	2,415	334	2,749	164,456	6,199	252	6,451	170,907
1995	104,901	17,978	9	122,888	3,009	106	3,115	126,003	4,677	289	4,966	130,969
1994	139,815	16,340	8	156,163	1,953	113	2,066	158,229	3,620	219	3,839	162,068
1993	274,402	14,420	29	288,851	855	120	975	289,826	3,919	216	4,135	293,961
1992	226,332	21,001	136	247,469	1,055	79	1,134	248,603	2,845	111	2,956	251,559
1991	114,321	17,187	705	132,213	1,300	38	1,338	133,551	3,183	21	3,204	136,755
1990	95,011	14,528	654	110,193	799	15	814	111,007	3,165	15	3,180	114,187
1989	60,794	17,692	521	79,007	1,489	14	1,503	80,510	4,309	16	4,325	84,835
1988	35,767	27,492	433	63,692	823	98	921	64,613	4,149	21	4,170	68,783
1987	60,434	10,675	139	71,248	2,649	45	2,694	73,942	1,463	270	1,733	75,675
1986	58,251	7,305	498	66,054	11,155	14	11,169	77,223	1,877	0	1,877	79,100
1985	29,993	10,736	871	41,600	927	16	943	42,543	1,200	0	1,200	43,743
1984	17,998	8,049	937	26,984	729	0	729	27,713	1,106	0	1,106	28,819
1983	18,136	4,853	1,408	24,397	1,942	0	1,942	26,339	128	12	140	26,479
1982	19,311	3,210	1,552	24,073	1,856	0	1,856	25,929	0	10	10	25,939
1981	4,260	107	176	4,543	2,284	0	2,284	6,827	0	2	2	6,829
1980	2,802	0	0	2,802	5,272	0	5,272	8,074	0	27	27	8,101
1979	5,410	0	0	5,410	5,388	0	5,388	10,798	0	9	9	10,807
1978	5,682	0	0	5,682	6,620	0	6,620	12,302	0	3	3	12,305
1977	2,366	0	0	2,366	2,284	0	2,284	4,650	0	134	134	4,784
1976	2,513	0	0	2,513	824	0	824	3,337	0	295	295	3,632
1975	547	0	0	547	3,099	0	3,099	3,646	0	674	674	4,320
1974	1,128	0	0	1,128	3,618	0	3,618	4,746	0	2,273	2,273	7,019
1973	939	0	0	939	3,231	0	3,231	4,170	0	2,082	2,082	6,252
1972	55	0	0	55	2,541	0	2,541	2,596	0	1,268	1,268	3,864
1971	0	0	0	0	2,742	0	2,742	2,742	0	1,298	1,298	4,040

Source: Fannie Mae

a Includes lender-originated mortgage-backed securities (MBS) issuances, cash purchases, and capitalized interest. Based on unpaid principal balances. Excludes mortgage loans and mortgage-backed securities traded but not yet settled. Excludes delinquent loans purchased from MBS trusts.

b Includes balloon loans. Prior to 2012, includes energy loans.

c RD refers to loans guaranteed by the U.S. Department of Agriculture Rural Development (RD) loan programs. FHA stands for Federal Housing Administration. VA stands for Department of Veterans Affairs.

TABLE 1B • FANNIE MAE PURCHASES OF MORTGAGE-RELATED SECURITIES – PART 1

Period	Purchases ($ in Millions)[a]														
	Fannie Mae Securities				Other Securities										
					Freddie Mac				Ginnie Mae						
	Single-Family				Single-Family				Single-Family						
	Fixed-Rate[b] ($)	Adjustable-Rate ($)	Multi-family ($)	Total Fannie Mae[b] ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Freddie Mac ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Ginnie Mae ($)	Total Private-Label[b] ($)	Mortgage Revenue Bonds ($)	Total Mortgage-Related Securities ($)
4Q17	11,365	351	3,888	15,604	33	-	-	33	2,933	444	-	3,377	-	-	19,014
3Q17	11,076	324	4,152	15,552	37	-	-	37	3,571	46	-	3,617	-	-	19,206
2Q17	21,416	463	3,019	24,898	503	0	-	503	3,425	54	-	3,479	-	-	28,880
1Q17	8,908	244	5,278	14,430	768	-	-	768	3,221	16	-	3,237	-	-	18,435
Annual Data															
2017	52,765	1,382	16,337	70,484	1,341	-	-	1,341	13,150	560	-	13,710	-	-	85,535
2016	38,597	1,062	16,119	55,778	3,416	20	-	3,436	12,593	368	-	12,961	-	-	72,175
2015	26,384	1,214	10,710	38,308	3,417	21	0	3,438	7,519	289	0	7,808	0	0	49,554
2014	9,097	1,538	9,939	20,574	1,433	124	0	1,557	2,557	197	0	2,754	0	0	24,885
2013	21,506	1,017	7,422	29,945	3,832	217	0	4,049	2,792	62	0	2,854	0	0	36,848
2012	14,327	842	8,786	23,955	1,102	16	0	1,118	1,745	56	0	1,801	0	0	26,874
2011	6,052	1,025	11,020	18,097	1,908	207	0	2,115	447	93	8	548	0	0	20,760
2010	27,694	301	8,000	35,995	7,095	117	0	7,212	1,263	1	24	1,288	0	0	44,495
2009	92,189	326	5,531	98,046	61,861	158	0	62,019	1,495	0	0	1,495	0	2	161,562
2008	56,894	10,082	1,023	67,999	3,649	3,168	0	6,817	0	128	0	128	2,295	284	77,523
2007	16,126	8,277	506	24,909	2,017	4,055	0	6,072	0	35	0	35	37,435	785	69,236
2006	23,177	14,826	429	38,432	1,044	5,108	0	6,152	77	0	0	77	57,787	218	102,666
2005	8,273	6,344	888	15,505	121	3,449	0	3,570	0	0	0	0	41,369	1,788	62,232
2004	42,214	21,281	1,159	64,654	6,546	8,228	0	14,774	0	0	0	0	90,833	6,124	176,385
2003	341,461	5,842	1,225	348,528	19,340	502	0	19,842	36	0	0	36	34,032	6,168	408,606
2002	238,711	4,219	1,572	244,502	7,856	101	0	7,957	4,425	0	0	4,425	7,416	4,273	268,574
2001	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	180,582	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	20,072	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	333	3,513	4,624	209,124
2000				104,904				10,171				2,493	8,466	3,682	129,716
1999				125,498				6,861				17,561	16,511	3,474	169,905
1998				104,728				21,274				2,738	15,721	2,799	147,260
1997				39,033				2,119				3,508	4,188	1,469	50,317
1996				41,263				779				2,197	777	1,727	46,743
1995				30,432				2,832				20	752	2,222	36,258
1994				21,660				571				2,321	0	1,353	25,905
1993				6,275				0				0	0	331	6,606
1992				4,930				0				0	0	498	5,428
1991				2,384				0				0	0	696	3,080
1990				977				0				0	0	474	1,451

Source: Fannie Mae

a Includes purchases of Fannie Mae mortgage-backed securities held for investment. Based on unpaid principal balances. Includes mortgage-related securities traded but not yet settled. Includes activity from settlements of dollar rolls accounted for as purchases and sales of securities but does not include activity from settlements of dollar rolls accounted for as secured financings.

b Certain amounts previously reported as Fannie Mae fixed-rate securities have been reclassified as private-label securities.

TABLE 1B • FANNIE MAE PURCHASES OF MORTGAGE-RELATED SECURITIES – PART 2, PRIVATE-LABEL DETAIL

Period	Purchases ($ in Millions)[a]								
	Private-Label								
	Single-Family								
		Subprime		Alt-A		Other			
	Manufactured Housing ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multifamily ($)	Total Private-Label ($)
4Q17	0	0	0	0	0	0	0	0	0
3Q17	0	0	0	0	0	0	0	0	0
2Q17	0	0	0	0	0	0	0	0	0
1Q17	0	0	0	0	0	0	0	0	0
Annual Data									
2017	0	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0
2009	0	0	0	0	0	0	0	0	0
2008	0	0	637	175	0	0	987	496	2,295
2007	0	343	15,628	38	5,250	0	178	15,998	37,435
2006	0	0	35,606	1,504	10,469	0	518	9,690	57,787
2005	0	0	24,469	3,574	12,535	118	571	102	41,369
2004	0	176	66,827	7,064	14,935	221	1,509	101	90,833
2003	0	0	25,769	7,734	370	98	0	61	34,032
2002	56	181	4,963	1,756	0	43	381	36	7,416
2001	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	3,513
2000									8,466
1999									16,511
1998									15,721
1997									4,188
1996									777
1995									752

Source: Fannie Mae

[a] Based on unpaid principal balances. Includes mortgage loans and mortgage-related securities traded but not yet settled. Certain amounts previously reported for years before 2007 have changed as a result of reclassifying certain securities.

TABLE 2 • FANNIE MAE MBS ISSUANCES

Period	Business Activity ($ in Millions)			
	MBS Issuances[a]			
	Single-Family MBS ($)	Multifamily MBS ($)	Total MBS ($)	Multiclass MBS[b] ($)
4Q17	126,883	20,040	146,923	17,614
3Q17	138,602	15,835	154,437	15,737
2Q17	120,724	13,242	133,966	17,268
1Q17	127,791	17,246	145,037	18,264
Annual Data				
2017	514,000	66,363	580,363	68,883
2016	582,817	55,020	637,837	73,269
2015	472,471	43,923	516,394	63,433
2014	375,676	31,997	407,673	59,608
2013	733,111	31,403	764,514	121,237
2012	827,749	37,738	865,487	151,239
2011	564,606	34,066	598,672	139,819
2010	603,247	26,499	629,746	179,767
2009	791,418	16,435	807,853	100,846
2008	536,951	5,862	542,813	67,559
2007	622,458	7,149	629,607	112,563
2006	476,161	5,543	481,704	124,856
2005	500,759	9,379	510,138	123,813
2004	545,635	6,847	552,482	94,686
2003	1,196,730	23,336	1,220,066	260,919
2002	731,133	12,497	743,630	170,795
2001	514,621	13,801	528,422	139,403
2000	204,066	7,596	211,662	39,544
1999	292,192	8,497	300,689	55,160
1998	315,120	11,028	326,148	84,147
1997	143,615	5,814	149,429	85,415
1996	144,201	5,668	149,869	30,780
1995	106,269	4,187	110,456	9,681
1994	128,385	2,237	130,622	73,365
1993	220,485	959	221,444	210,630
1992	193,187	850	194,037	170,205
1991	111,488	1,415	112,903	112,808
1990	96,006	689	96,695	68,291
1989	66,489	3,275	69,764	41,715
1988	51,120	3,758	54,878	17,005
1987	62,067	1,162	63,229	9,917
1986	60,017	549	60,566	2,400
1985	23,142	507	23,649	Not Issued Before 1986
1984	13,087	459	13,546	
1983	13,214	126	13,340	
1982	13,970	Not Issued Before 1983	13,970	
1981	717		717	

Source: Fannie Mae

[a] Lender-originated mortgage-backed securities (MBS) plus issuances from Fannie Mae's investment portfolio. Based on unpaid principal balances. Excludes mortgage-related securities traded but not yet settled.

[b] Beginning in 2006, includes grantor trusts, real estate mortgage investment conduits, and stripped MBS backed by Fannie Mae certificates.

TABLE 3 • FANNIE MAE EARNINGS

Period	Earnings ($ in Millions)					
	Net Interest Income[a,b] ($)	Guarantee Fee Income[a] ($)	Administrative Expenses ($)	Credit-Related Expense/(Income)[c] ($)	Net Income (Loss) ($)	Return on Equity[d] (%)
4Q17	5,111	22	703	-430	-6,533	N/A
3Q17	5,274	25	664	322	3,023	N/A
2Q17	5,002	26	686	-1,233	3,200	N/A
1Q17	5,346	23	684	-179	2,773	N/A
Annual Data						
2017	20,733	96	2,737	-1,520	2,463	N/A
2016	21,295	109	2,741	-1,511	12,313	N/A
2015	21,409	128	3,050	834	10,954	N/A
2014	19,968	175	2,777	-3,822	14,208	N/A
2013	22,404	205	2,545	-11,788	83,963	N/A
2012	21,501	212	2,367	-1,106	17,224	N/A
2011	19,281	227	2,370	27,498	-16,855	N/M
2010	16,409	202	2,597	26,614	-14,014	N/M
2009	14,510	7,211	2,207	73,536	-71,969	N/M
2008	8,782	7,621	1,979	29,809	-58,707	N/M
2007	4,581	5,071	2,669	5,012	-2,050	(8.3)
2006	6,752	4,250	3,076	783	4,059	11.3
2005	11,505	4,006	2,115	428	6,347	19.5
2004	18,081	3,784	1,656	363	4,967	16.6
2003	19,477	3,432	1,454	353	8,081	27.6
2002	18,426	2,516	1,156	273	3,914	15.2
2001	8,090	1,482	1,017	78	5,894	39.8
2000	5,674	1,351	905	94	4,448	25.6
1999	4,894	1,282	800	127	3,912	25.2
1998	4,110	1,229	708	261	3,418	25.2
1997	3,949	1,274	636	375	3,056	24.6
1996	3,592	1,196	560	409	2,725	24.1
1995	3,047	1,086	546	335	2,144	20.9
1994	2,823	1,083	525	378	2,132	24.3
1993	2,533	961	443	305	1,873	25.3
1992	2,058	834	381	320	1,623	26.5
1991	1,778	675	319	370	1,363	27.7
1990	1,593	536	286	310	1,173	33.7
1989	1,191	408	254	310	807	31.1
1988	837	328	218	365	507	25.2
1987	890	263	197	360	376	23.5
1986	384	175	175	306	105	9.5
1985	139	112	142	206	(7)	(0.7)
1984	(90)	78	112	86	(71)	(7.4)
1983	(9)	54	81	48	49	5.1
1982	(464)	16	60	36	(192)	(18.9)
1981	(429)	0	49	(28)	(206)	(17.2)
1980	21	Not Available Before 1981	44	19	14	0.9
1979	322		46	35	162	11.3
1978	294		39	36	209	16.5
1977	251		32	28	165	15.3
1976	203		30	25	127	13.8
1975	174		27	16	115	14.1
1974	142		23	17	107	14.7
1973	180		18	12	126	20.3
1972	138		13	5	96	18.8
1971	49		15	4	61	14.4

Source: Fannie Mae

N/A = not applicable **N/M = not meaningful**

[a] Adoption of accounting guidance related to transfers of financial assets and consolidation of variable interest entities, effective January 1, 2010, significantly changed presentation of these line items in the financial statements. Financial results for 2010 and later years are not directly comparable to previous years. Effective January 1, 2010, guaranty fee income associated with the securitization activities of consolidated trusts is reflected in net interest income.

[b] Interest income net of interest expense.

[c] Credit-related expense (income) includes provision (benefit) for loan losses and guaranty losses (collectively, credit losses) and foreclosed property expense (income).

[d] Net income (loss) available to common stockholders divided by average outstanding common equity.

TABLE 4 • FANNIE MAE BALANCE SHEET

End of Period	Balance Sheet ($ in Millions)								
	Total Assets[a,b] ($)	Total Mortgage Assets[a,c] ($)	Nonmortgage Investments[d] ($)	Total Debt Outstanding[a] ($)	Shareholders' Equity (Deficit)[a] ($)	Senior Preferred Stock ($)	Fair Value of Net Assets[a] ($)	Mortgage Assets Held for Investment (Gross)[e] ($)	Indebtedness[f] ($)
4Q17	3,345,529	3,207,909	48,692	3,330,054	(3,686)	117,149	16,389	230,783	277,469
3Q17	3,330,759	3,185,003	54,539	3,308,583	3,648	117,149	14,629	245,133	292,217
2Q17	3,309,230	3,159,078	61,638	3,287,667	3,717	117,149	12,770	255,798	304,062
1Q17	3,303,754	3,146,881	65,415	3,281,654	3,379	117,149	4,719	268,833	328,511
Annual Data									
2017	3,345,529	3,207,909	48,692	3,330,054	(3,686)	117,149	16,389	230,783	277,469
2016	3,287,968	3,119,826	62,732	3,262,316	6,071	117,149	103	272,354	328,824
2015	3,221,917	3,078,248	56,835	3,197,671	4,059	117,149	(4,177)	345,103	389,496
2014	3,248,176	3,097,727	50,416	3,222,155	3,720	117,149	-16,754	413,313	464,464
2013	3,270,108	3,122,719	55,281	3,234,523	9,591	117,149	-33,318	490,701	534,211
2012	3,222,422	3,094,127	50,450	3,189,517	7,224	117,149	-66,451	633,054	621,779
2011	3,211,484	3,072,709	95,848	3,189,872	-4,571	112,578	-127,795	708,414	742,293
2010	3,221,972	3,103,772	44,503	3,197,000	-2,517	88,600	-120,212	788,771	793,878
2009	869,141	745,271	57,782	774,554	-15,281	60,900	-98,701	769,252	785,775
2008	912,404	767,989	71,550	870,393	-15,314	1,000	-105,150	Not Applicable Before 2009	Not Applicable Before 2009
2007	882,547	723,620	86,875	796,299	44,011	Not Applicable Before 2008	35,799		
2006	843,936	726,434	56,983	767,046	41,506		43,699		
2005	834,168	736,803	46,016	764,010	39,302		42,199		
2004	1,020,934	925,194	47,839	953,111	38,902		40,094		
2003	1,022,275	919,589	59,518	961,280	32,268		28,393		
2002	904,739	820,627	39,376	841,293	31,899		22,130		
2001	799,948	706,347	65,982	763,467	18,118		22,675		
2000	675,224	607,731	52,347	642,682	20,838		20,677		
1999	575,308	523,103	37,299	547,619	17,629		20,525		
1998	485,146	415,434	58,515	460,291	15,453		14,885		
1997	391,673	316,592	64,596	369,774	13,793		15,982		
1996	351,041	286,528	56,606	331,270	12,773		14,556		
1995	316,550	252,868	57,273	299,174	10,959		11,037		
1994	272,508	220,815	46,335	257,230	9,541		10,924		
1993	216,979	190,169	21,396	201,112	8,052		9,126		
1992	180,978	156,260	19,574	166,300	6,774		9,096		
1991	147,072	126,679	9,836	133,937	5,547		Not Available Before 1992		
1990	133,113	114,066	9,868	123,403	3,941				
1989	124,315	107,981	8,338	116,064	2,991				
1988	112,258	100,099	5,289	105,459	2,260				
1987	103,459	93,665	3,468	97,057	1,811				
1986	99,621	94,123	1,775	93,563	1,182				
1985	99,076	94,609	1,466	93,985	1,009				
1984	87,798	84,135	1,840	83,719	918				
1983	78,383	75,247	1,689	74,594	1,000				
1982	72,981	69,356	2,430	69,614	953				
1981	61,578	59,629	1,047	58,551	1,080				
1980	57,879	55,589	1,556	54,880	1,457				
1979	51,300	49,777	843	48,424	1,501				
1978	43,506	42,103	834	40,985	1,362				
1977	33,980	33,252	318	31,890	1,173				
1976	32,393	31,775	245	30,565	983				
1975	31,596	30,820	239	29,963	861				
1974	29,671	28,666	466	28,168	772				
1973	24,318	23,589	227	23,003	680				
1972	20,346	19,652	268	19,239	559				
1971	18,591	17,886	349	17,672	460				

Source: Fannie Mae

[a] Adoption of accounting guidance related to transfers of financial assets and consolidation of variable interest entities, effective January 1, 2010, significantly changed presentation of these line items in the financial statements. Financial results for 2010 and later years are not directly comparable to previous years. Adoption of this guidance resulted in the consolidation of the substantial majority of mortgage-backed securities (MBS) trusts and recognition of the underlying assets and debt of the trusts in the consolidated balance sheet.

[b] Beginning in 1998, the guaranty liability for Fannie Mae MBS held for investment was classified as a liability.

[c] Gross mortgage assets net of unamortized purchase premiums, discounts, cost-basis adjustments, fair-value adjustments on securities and loans. Beginning in 2002, amounts include fair-value adjustments on available-for-sale and trading securities, as well as impairments on available-for-sale securities. Excludes allowance for loan losses on loans held for investment. Amounts for 1999 through 2001 include certain loans held for investment previously classified as nonmortgage investments.

[d] Data reflect unpaid principal balance net of unamortized purchase premiums, discounts, cost-basis adjustments, fair-value adjustments and impairments on available-for-sale and trading securities. Since 2005, advances to lenders have not been included. Amounts for periods before 2005 may include or consist of advances to lenders.

[e] Amounts for 2010 and later meet the definition of mortgage assets in the Treasury Senior Preferred Stock Purchase Agreement for the purpose of determining the maximum amount of mortgage assets that may be held. The amount for 2009 includes consolidation of variable interest entities. The 2009 amount would have been $772.5 billion excluding consolidation of variable interest entities.

[f] As defined in the Treasury Senior Preferred Stock Purchase Agreement for 2009 and later years.

TABLE 4A • FANNIE MAE TOTAL MBS OUTSTANDING DETAIL

End of Period	Single-Family Mortgages ($ in Millions)[a,b]							Multifamily Mortgages ($ in Millions)[a]			($ in Millions)	
	Conventional				FHA/VA[c]							
	Fixed-Rate ($)	Adjustable-Rate ($)	Seconds ($)	Total ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Total ($)	Conventional ($)	FHA/RD[b] ($)	Total Multi-family ($)	Total MBS Outstanding[a] ($)	Multiclass MBS Outstanding[c] ($)
4Q17	2,628,581	81,011	147	2,709,739	3,801	2,266	6,067	254,569	1,061	255,630	2,971,436	412,927
3Q17	2,602,782	84,048	158	2,686,988	3,904	2,368	6,272	241,558	1,075	242,633	2,935,893	413,921
2Q17	2,577,424	86,512	173	2,664,109	4,040	2,487	6,527	233,234	1,082	234,316	2,904,952	418,169
1Q17	2,553,460	88,675	186	2,642,321	4,187	2,598	6,785	226,491	1,092	227,583	2,876,689	420,324
Annual Data												
2017	2,628,581	81,011	147	2,709,739	3,801	2,266	6,067	254,569	1,061	255,630	2,971,436	412,927
2016	2,546,156	87,681	200	2,634,037	4,372	2,795	7,167	214,199	1,145	215,344	2,856,548	421,442
2015	2,445,482	106,130	258	2,551,870	4,787	3,842	8,629	176,071	1,204	177,275	2,737,774	436,544
2014	2,418,717	114,519	329	2,533,565	9,964	83	10,047	147,117	1,237	148,354	2,691,966	460,997
2013	2,386,128	119,084	402	2,505,614	11,383	97	11,480	125,045	1,276	126,321	2,643,415	480,200
2012	2,267,031	137,836	515	2,405,382	14,188	114	14,302	99,899	1,463	101,362	2,521,046	503,349
2011	2,192,594	149,825	643	2,343,062	16,243	130	16,373	72,634	1,639	74,273	2,433,708	516,471
2010	2,172,092	150,378	805	2,323,275	17,167	144	17,311	57,206	1,785	58,991	2,399,577	507,268
2009	2,190,357	179,655	25	2,370,037	15,026	171	15,197	46,628	927	47,555	2,432,789	480,057
2008	2,035,020	203,206	31	2,238,257	12,903	214	13,117	37,298	787	38,085	2,289,459	481,137
2007	1,850,150	214,245	0	2,064,395	14,982	275	15,257	38,218	1,039	39,257	2,118,909	490,692
2006	1,484,147	230,667	0	1,714,814	18,615	454	19,069	42,184	1,483	43,667	1,777,550	456,970
2005	1,290,354	232,689	0	1,523,043	23,065	668	23,733	50,346	1,796	52,142	1,598,918	412,060
2004	1,243,343	75,722	0	1,319,065	31,389	949	32,336	47,386	9,260	56,646	1,408,047	368,567
2003	1,112,849	87,373	0	1,200,222	36,139	1,268	37,407	53,720	9,171	62,891	1,300,520	398,516
2002	875,260	75,430	0	950,690	36,057	1,247	37,304	47,025	5,420	52,445	1,040,439	401,406
2001	752,211	60,842	772	813,825	4,519	1,207	5,726	42,713	1,181	43,894	863,445	392,457
2000	599,999	61,495	1,165	662,659	6,778	1,298	8,076	35,207	780	35,987	706,722	334,508
1999	586,069	51,474	1,212	638,755	7,159	1,010	8,169	31,518	703	32,221	679,145	335,514
1998	545,680	56,903	98	602,681	5,340	587	5,927	28,378	157	28,535	637,143	361,613
1997	483,982	70,106	7	554,095	3,872	213	4,085	20,824	134	20,958	579,138	388,360
1996	460,866	65,682	9	526,557	4,402	191	4,593	16,912	111	17,023	548,173	339,798
1995	431,755	63,436	13	495,204	5,043	91	5,134	12,579	313	12,892	513,230	353,528
1994	415,692	55,780	18	471,490	5,628	0	5,628	8,908	319	9,227	486,345	378,733
1993	405,383	49,987	28	455,398	7,549	0	7,549	8,034	325	8,359	471,306	381,865
1992	360,619	45,718	43	406,380	9,438	0	9,438	8,295	331	8,626	424,444	312,369
1991	290,038	45,110	89	335,237	11,112	0	11,112	8,599	336	8,935	355,284	224,806
1990	225,981	42,443	121	268,545	11,380	0	11,380	7,807	343	8,150	288,075	127,278
1989	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	216,512	64,826
1988											170,097	26,660
1987											135,734	11,359
1986											95,568	Not Issued Before 1987
1985											54,552	
1984											35,738	
1983											25,121	
1982											14,450	
1981											717	
1980											Not Issued before 1981	

Source: Fannie Mae

a Unpaid principal balance of Fannie Mae mortgage-backed securities (MBS) held by third-party investors. Includes guaranteed whole loan real estate mortgage investment conduits (REMICs) and private-label wraps not included in grantor trusts. The principal balance of resecuritized Fannie Mae MBS is included only once.

b Beginning in Q3 2015, we reclassified certain Fannie Mae Single-Family securities from fixed-rate to adjustable-rate.

c FHA stands for Federal Housing Administration. RD refers to loans guaranteed by the U.S. Department of Agriculture Rural Development (RD) loan programs. VA stands for Department of Veterans Affairs.

d Beginning in 2005, consists of securities guaranteed by Fannie Mae and backed by Ginnie Mae collateral, grantor trusts, and REMICs, as well as stripped MBS backed by Fannie Mae certificates.

TABLE 5 • FANNIE MAE MORTGAGE ASSETS HELD FOR INVESTMENT DETAIL[a]

End of Period	($ in Millions)			
	Whole Loans[b,c] ($)	Fannie Mae Securities[b,d] ($)	Other Mortgage-Related Securities[b,d,e] ($)	Mortgage Assets Held for Investment (Gross)[f] ($)
4Q17	177,365	48,792	4,626	230,783
3Q17	185,439	53,481	6,213	245,133
2Q17	197,194	51,252	7,352	255,798
1Q17	204,739	54,938	9,156	268,833
Annual Data				
2017	177,365	48,792	4,626	230,783
2016	220,069	42,054	10,231	272,354
2015	253,592	68,697	22,814	345,103
2014	285,610	92,819	34,884	413,313
2013	314,664	129,841	46,196	490,701
2012	371,708	183,964	77,382	633,054
2011	398,271	220,061	90,082	708,414
2010	427,074	260,429	101,268	788,771
2009	416,543	220,245	132,464	769,252
2008	429,493	228,950	133,753	792,196
2007	403,577	180,163	144,163	727,903
2006	383,045	199,644	146,243	728,932
2005	366,680	234,451	136,758	737,889
2004	400,157	344,404	172,648	917,209
2003	397,633	405,922	105,313	908,868
2002	323,244	380,383	96,152	799,779
2001	167,405	431,776	109,270	708,452
2000	152,634	351,066	106,551	610,251
1999	149,231	281,714	93,122	524,067
1998	155,779	197,375	61,361	414,515
1997	160,102	130,444	26,132	316,678
1996	167,891	102,607	16,554	287,052
1995	171,481	69,729	12,301	253,511
1994	170,909	43,998	7,150	222,057
1993	163,149	24,219	3,493	190,861
1992	134,597	20,535	2,987	158,119
1991	109,251	16,700	3,032	128,983
1990	101,797	11,758	3,073	116,628
1989	95,729	11,720	3,272	110,721
1988	92,220	8,153	2,640	103,013
1987	89,618	4,226	2,902	96,746
1986	94,167	1,606	2,060	97,833
1985	97,421	435	793	98,649
1984	87,205	477	427	88,109
1983	77,983	Not Available Before 1984	273	78,256
1982	71,777		37	71,814
1981	61,411		1	61,412
1980	57,326		1	57,327
1979	51,096		1	51,097
1978	43,315		Not Available Before 1979	43,315
1977	34,377			34,377
1976	32,937			32,937
1975	31,916			31,916
1974	29,708			29,708
1973	24,459			24,459
1972	20,326			20,326
1971	18,515			18,515

Source: Fannie Mae

[a] Beginning in 2010, excludes effect of accounting guidance related to transfers of financial assets and consolidation of variable interest entities, effective January 1, 2010. Amounts for 2010 have been revised from amounts previously reported to reflect this exclusion.

[b] Unpaid principal balance.

[c] Amounts for 2002 to 2009 include mortgage-related securities consolidated as loans at period end. For 1999 through 2001, includes certain loans held for investment classified as nonmortgage investments.

[d] Amounts for 2002 to 2009 exclude mortgage-related securities consolidated as loans at period end.

[e] Includes mortgage revenue bonds.

[f] Amounts for 2010 and later meet the definition of mortgage assets in the Treasury Senior Preferred Stock Purchase Agreement for the purpose of determining the maximum amount of mortgage assets that may be held. Amounts prior to 2010 include consolidation of variable interest entities. Mortgage assets as defined under the Senior Preferred Stock Purchase Agreement for 2009 totaled $772.5 billion excluding consolidation of variable interest entities.

TABLE 5A • FANNIE MAE MORTGAGE ASSETS HELD FOR INVESTMENT DETAIL – WHOLE LOANS

End of Period	Whole Loans ($ in Millions)[a]								
	Single-Family					Multifamily			
	Conventional								
	Fixed-Rate[b] ($)	Adjustable-Rate ($)	Seconds ($)	Total ($)	Total FHA/VA/RD[c] ($)	Conventional ($)	Total FHA/RD[c] ($)	Total ($)	Total Whole Loans ($)
4Q17	89,138	56,656	101	145,895	26,879	4,391	200	4,591	177,365
3Q17	90,292	61,904	104	152,300	27,887	5,050	202	5,252	185,439
2Q17	96,187	66,658	109	162,954	28,504	5,531	205	5,736	197,194
1Q17	97,734	70,413	112	168,259	29,183	7,087	210	7,297	204,739
Annual Data									
2017	89,138	56,656	101	145,895	26,879	4,391	200	4,591	177,365
2016	107,307	73,317	115	180,739	29,923	9,198	209	9,407	220,069
2015	198,255	8,453	143	206,851	33,376	13,141	224	13,365	253,592
2014	214,830	10,810	160	225,800	36,442	23,125	243	23,368	285,610
2013	224,174	13,171	156	237,501	39,399	37,497	267	37,764	314,664
2012	251,081	18,008	170	269,259	40,886	61,251	312	61,563	371,708
2011	255,914	23,490	185	279,589	41,555	76,765	362	77,127	398,271
2010	248,335	31,526	207	280,068	51,783	94,792	431	95,223	427,074
2009	208,915	34,602	213	243,730	52,399	119,829	585	120,414	416,543
2008	223,881	44,157	215	268,253	43,799	116,742	699	117,441	429,493
2007	240,090	43,278	261	283,629	28,202	90,931	815	91,746	403,577
2006	255,490	46,820	287	302,597	20,106	59,374	968	60,342	383,045
2005	261,214	38,331	220	299,765	15,036	50,731	1,148	51,879	366,680
2004	307,048	38,350	177	345,575	10,112	43,396	1,074	44,470	400,157
2003	335,812	19,155	233	355,200	7,284	33,945	1,204	35,149	397,633
2002	282,899	12,142	416	295,457	6,404	19,485	1,898	21,383	323,244
2001	140,454	10,427	917	151,798	5,069	8,987	1,551	10,538	167,405
2000	125,786	13,244	480	139,510	4,763	6,547	1,814	8,361	152,634
1999	130,614	6,058	176	136,848	4,472	5,564	2,347	7,911	149,231
1998	135,351	7,633	206	143,190	4,404	5,590	2,595	8,185	155,779
1997	134,543	10,389	268	145,200	4,631	7,388	2,883	10,271	160,102
1996	137,507	12,415	323	150,245	4,739	9,756	3,151	12,907	167,891
1995	137,032	14,756	423	152,211	4,780	11,175	3,315	14,490	171,481
1994	133,882	16,475	537	150,894	4,965	11,681	3,369	15,050	170,909
1993	123,308	19,175	772	143,255	5,305	11,143	3,446	14,589	163,149
1992	91,500	22,637	1,355	115,492	6,097	9,407	3,601	13,008	134,597
1991	69,130	19,763	2,046	90,939	6,962	7,641	3,709	11,350	109,251
1990	61,873	19,558	1,851	83,282	8,524	6,142	3,849	9,991	101,797
1989	55,638	20,751	1,614	78,003	9,450	3,926	4,350	8,276	95,729
1988	53,090	20,004	1,561	74,655	10,480	2,699	4,386	7,085	92,220
1987	55,913	13,702	1,421	71,036	11,652	2,448	4,482	6,930	89,618
1986	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	94,167
1985									97,421
1984									87,205
1983									77,983
1982									71,777
1981									61,411
1980									57,326
1979									51,096
1978									43,315
1977									34,377
1976									32,937
1975									31,916
1974									29,708
1973									24,459
1972									20,326
1971									18,515

Source: Fannie Mae

[a] Unpaid principal balance. Beginning in 2010, excludes the effect of accounting guidance related to transfers of financial assets and consolidation of variable interest entities, effective January 1, 2010. Amounts for 2010 have been revised from amounts previously reported to reflect this exclusion. Amounts for 2002 to 2009 include mortgage-related securities consolidated as loans at period end. For 1999 through 2001, includes certain loans held for investment classified as nonmortgage investments.

[b] Includes balloon loans. Prior to 2012, includes energy loans.

[c] RD refers to loans guaranteed by the U.S. Department of Agriculture Rural Development (RD) loan programs. FHA stands for Federal Housing Administration. VA stands for Department of Veterans Affairs.

TABLE 5B • FANNIE MAE MORTGAGE ASSETS HELD FOR INVESTMENT DETAIL – PART 1, MORTGAGE-RELATED SECURITIES

End of Period	Mortgage-Related Securities ($ in Millions)[a]													
	Fannie Mae Securities ($)[b]				Other Securities									
	Single-Family[c]				Freddie Mac				Ginnie Mae					
					Single-Family				Single-Family					
	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Fannie Mae ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Freddie Mac ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Ginnie Mae ($)	Total Private-Label ($)	Total Other Securities[d] ($)
4Q17	29,841	11,091	7,860	48,792	518	58	0	576	284	557	0	841	2,544	3,961
3Q17	34,028	11,358	8,095	53,481	545	64	0	609	979	142	0	1,121	3,742	5,472
2Q17	31,545	11,722	7,985	51,252	624	75	0	699	1,408	177	0	1,585	4,202	6,486
1Q17	34,453	12,007	8,478	54,938	932	84	0	1,016	1,240	156	0	1,396	5,554	7,966
Annual Data														
2017	29,841	11,091	7,860	48,792	518	58	0	576	284	557	0	841	2,544	3,961
2016	21,886	12,475	7,693	42,054	1,292	92	0	1,384	950	165	0	1,115	6,455	8,954
2015	40,739	17,022	10,936	68,697	2,856	2,376	0	5,232	734	6	8	748	13,729	19,709
2014	64,904	9,257	18,658	92,819	3,506	2,862	0	6,368	555	9	8	572	23,388	30,328
2013	94,722	12,710	22,409	129,841	4,758	3,366	0	8,124	859	8	32	899	30,854	39,877
2012	140,118	15,717	28,129	183,964	6,911	4,363	0	11,274	1,012	5	32	1,049	56,573	68,896
2011	172,502	19,189	28,370	220,061	8,888	5,621	0	14,509	1,003	7	33	1,043	63,631	79,183
2010	217,075	23,406	19,948	260,429	10,005	7,327	0	17,332	1,393	8	24	1,425	69,986	88,743
2009	203,577	16,272	396	220,245	29,783	11,607	0	41,390	1,119	137	21	1,277	75,344	118,011
2008	207,867	20,637	446	228,950	18,420	14,963	0	33,383	1,343	153	21	1,517	83,406	118,306
2007	158,863	20,741	559	180,163	16,954	14,425	0	31,379	1,575	34	50	1,659	94,810	127,848
2006	194,702	4,342	600	199,644	17,304	12,773	0	30,077	1,905	0	56	1,961	97,281	129,319
2005	230,546	3,030	875	234,451	18,850	9,861	0	28,711	2,273	0	57	2,330	86,915	117,956
2004	339,138	3,869	1,397	344,404	29,328	8,235	0	37,563	4,131	1	68	4,200	108,809	150,572
2003	400,863	3,149	1,910	405,922	30,356	558	0	30,914	6,993	0	68	7,061	46,979	84,954
2002	373,958	3,827	2,598	380,383	32,617	207	0	32,824	15,436	0	85	15,521	28,157	76,502
2001	417,796	5,648	8,332	431,776	42,516	287	26	42,829	18,779	1	109	18,889	29,175	90,893
2000	Not Available Before 2001	Not Available Before 2001	Not Available Before 2001	351,066	Not Available Before 2001	Not Available Before 2001	Not Available Before 2001	33,290	Not Available Before 2001	Not Available Before 2001	Not Available Before 2001	23,768	34,266	91,324
1999				281,714				25,577				23,701	31,673	80,951
1998				197,375				23,453				8,638	19,585	51,676
1997				130,444				5,262				7,696	5,554	18,512
1996				102,607				3,623				4,780	1,486	9,889
1995				69,729				3,233				2,978	747	6,958
1994				43,998				564				3,182	1	3,747
1993				24,219				Not Available Before 1994				972	2	974
1992				20,535								168	3	171
1991				16,700								180	93	273
1990				11,758								191	352	543
1989				11,720								202	831	1,033
1988				8,153								26	810	836
1987				4,226								Not Available Before 1988	1,036	1,036
1986				1,606									1,591	1,591
1985				435									Not Available Before 1986	Not Available Before 1986
1984				477										
1983				Not Available Before 1984										

Source: Fannie Mae

a Unpaid principal balance. Amounts for 2002 to 2009 exclude mortgage-related securities consolidated as loans at period end.

b Beginning in 2010, excludes effect of accounting guidance related to transfers of financial assets and consolidation of variable interest entities, effective January 1, 2010. Amounts for 2010 have been revised from amounts previously reported to reflect this exclusion.

c Beginning in Q3 2015, we reclassified certain Fannie Mae Single-Family securities from fixed-rate to adjustable-rate.

d Excludes mortgage revenue bonds.

TABLE 5B • FANNIE MAE MORTGAGE ASSETS HELD FOR INVESTMENT DETAIL – PART 2, MORTGAGE-RELATED SECURITIES, PRIVATE-LABEL DETAIL

End of Period	Mortgage-Related Securities ($ in Millions)[a]								
	Private-Label								
	Single-Family[b]								
		Subprime		Alt-A		Other			
	Manufactured Housing ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multifamily ($)	Total Private-Label ($)
4Q17	51	-	1,135	3	965	8	358	24	2,544
3Q17	59	-	1,782	3	1,309	27	371	191	3,742
2Q17	63	-	1,876	3	1,573	29	382	276	4,202
1Q17	67	4	2,396	3	1,805	31	395	853	5,554
Annual Data									
2017	51	0	1,135	3	965	8	358	24	2,544
2016	72	4	2,487	4	1,881	33	407	1,567	6,455
2015	460	5	5,208	567	2,914	89	970	3,516	13,729
2014	1,699	194	8,719	4,329	3,416	149	1,194	3,688	23,388
2013	1,902	218	12,104	3,512	7,641	168	1,322	3,987	30,854
2012	2,140	299	14,794	6,423	10,656	190	1,477	20,594	56,573
2011	2,387	331	16,207	6,232	13,438	208	1,590	23,238	63,631
2010	2,660	361	17,678	7,119	15,164	237	1,700	25,067	69,986
2009	2,485	391	20,136	7,515	16,990	255	1,849	25,723	75,344
2008	2,840	438	24,113	8,444	19,414	286	2,021	25,850	83,406
2007	3,316	503	31,537	9,221	23,254	319	1,187	25,473	94,810
2006	3,902	268	46,608	10,722	24,402	376	1,282	9,721	97,281
2005	4,622	431	46,679	11,848	21,203	634	1,455	43	86,915
2004	5,461	889	73,768	11,387	14,223	2,535	487	59	108,809
2003	6,522	1,437	27,738	8,429	383	1,944	428	98	46,979
2002	9,583	2,870	6,534	3,905	20	3,773	1,325	147	28,157
2001	10,708	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	299	29,175
2000	Not Available Before 2001							Not Available Before 2001	34,266
1999									31,673
1998									19,585
1997									5,554
1996									1,486
1995									747
1994									1
1993									2
1992									3
1991									93
1990									352
1989									831
1988									810
1987									1,036
1986									1,591

Source: Fannie Mae

[a] Unpaid principal balance. Beginning in 2010, excludes effect of accounting guidance related to transfers of financial assets and consolidation of variable interest entities, effective January 1, 2010. Amounts for 2010 have been revised from amounts previously reported to reflect this exclusion.

[b] Beginning in Q3 2015, we reclassified certain Single-Family securities from fixed-rate to adjustable-rate.

TABLE 5B • FANNIE MAE MORTGAGE ASSETS HELD FOR INVESTMENT DETAIL – PART 3, MORTGAGE-RELATED SECURITIES

End of Period	Mortgage-Related Securities ($ in Millions)		($ in Millions)			
	Mortgage Revenue Bonds[a] ($)	Total Mortgage-Related Securities[a,b] ($)	Unamortized Premiums, Discounts, Deferred Adjustments, and Fair-Value Adjustments on Securities and Loans[b,c] ($)	Mortgage Assets Held for Investment (Net)[b] ($)	Mortgage Assets Held for Investment (Gross)[b,d] ($)	Limit on Mortgage Assets Held for Investment (Gross)[e] ($)
4Q17	665	53,418	-6,044	224,739	230,783	288,400
3Q17	741	59,694	-6,360	238,773	245,133	288,400
2Q17	866	58,604	-7,420	248,378	255,798	288,400
1Q17	1,190	64,094	-8,543	260,290	268,833	288,400
Annual Data						
2017	665	53,418	-6,044	224,739	230,783	288,400
2016	1,278	52,285	-9,570	262,784	272,354	339,300
2015	3,105	91,511	-8,446	336,657	345,103	399,200
2014	4,556	127,703	-6,861	406,452	413,313	422,700
2013	6,319	176,037	-10,302	480,399	490,701	552,500
2012	8,486	261,346	-6,267	626,787	633,054	650,000
2011	10,899	310,143	-9,784	698,630	708,414	729,000
2010	12,525	361,697	-12,284	776,487	788,771	810,000
2009	14,453	352,709	-23,981	745,271	769,252	900,000
2008	15,447	362,703	-24,207	767,989	Not Applicable Before 2009	Not Applicable Before 2009
2007	16,315	324,326	-4,283	723,620		
2006	16,924	345,887	-2,498	726,434		
2005	18,802	371,209	-1,086	736,803		
2004	22,076	517,052	7,985	925,194		
2003	20,359	511,235	10,721	919,589		
2002	19,650	476,535	20,848	820,627		
2001	18,377	541,046	-2,104	706,347		
2000	15,227	457,617	-2,520	607,731		
1999	12,171	374,836	-964	523,103		
1998	9,685	258,736	919	415,434		
1997	7,620	156,576	-86	316,592		
1996	6,665	119,161	-525	286,527		
1995	5,343	82,030	-643	252,868		
1994	3,403	51,148	-1,242	220,815		
1993	2,519	27,712	-692	190,169		
1992	2,816	23,522	-1,859	156,260		
1991	2,759	19,732	-2,304	126,679		
1990	2,530	14,831	-2,562	114,066		
1989	2,239	14,992	-2,740	107,981		
1988	1,804	10,793	-2,914	100,099		
1987	1,866	7,128	-3,081	93,665		
1986	469	Not Available Before 1987	-3,710	94,123		
1985	Not Available Before 1986		-4,040	95,250		
1984			-3,974	84,695		
1983			-3,009	75,782		
1982			-2,458	69,842		
1981			-1,783	59,949		
1980			-1,738	55,878		
1979			-1,320	49,777		
1978			-1,212	42,103		
1977			-1,125	33,252		
1976			-1,162	31,775		
1975			-1,096	30,821		
1974			-1,042	28,665		
1973			-870	23,579		
1972			-674	19,650		
1971			-629	17,886		

Source: Fannie Mae

N/A = not applicable

a Unpaid principal balance.

b Beginning in 2010, excludes effect of accounting guidance related to transfers of financial assets and consolidation of variable interest entities, effective January 1, 2010. Amounts for 2010 have been revised from amounts previously reported to reflect this exclusion.

c Includes unamortized premiums, discounts, deferred adjustments, and fair-value adjustments on securities and loans. Beginning in 2002, amounts include fair-value adjustments and impairments on mortgage-related securities and securities commitments classified as trading and available-for-sale. Excludes allowance for loan losses on loans held for investment.

d Amounts for 2010 and later meet the definition of mortgage assets in the Treasury Senior Preferred Stock Purchase Agreement for the purpose of determining the maximum amount of mortgage assets that may be held. The amount for 2009 includes consolidation of variable interest entities. The 2009 amount would have been $772.5 billion excluding consolidation of variable interest entities.

e Maximum allowable mortgage assets under the Treasury Senior Preferred Stock Purchase Agreement.

TABLE 6 • FANNIE MAE FINANCIAL DERIVATIVES

End of Period	Financial Derivatives - Notional Amount Outstanding ($ in Millions)						
	Interest Rate Swaps[a] ($)	Interest Rate Caps, Floors, and Corridors ($)	Foreign Currency Contracts ($)	Over-the-Counter Futures, Options, and Forward Rate Agreements[b] ($)	Mandatory Mortgage Purchase & Sell Commitments ($)	Other[c] ($)	Total ($)
4Q17	294,339	0	470	30,565	177,613	13,240	516,227
3Q17	294,313	0	466	32,346	194,025	13,728	534,878
2Q17	294,918	0	454	30,960	206,893	14,184	547,409
1Q17	307,700	0	437	20,410	187,363	14,523	530,433
Annual Data							
2017	294,339	0	470	30,565	177,613	13,240	516,227
2016	307,034	0	430	25,205	148,472	15,078	496,219
2015	384,184	0	553	41,191	125,443	0	551,371
2014	404,375	0	617	67,900	119,026	0	591,918
2013	413,738	500	1,042	137,450	72,937	0	625,667
2012	572,349	6,500	1,195	121,910	159,057	0	861,011
2011	426,688	7,000	1,032	178,470	101,435	0	714,625
2010	502,578	7,000	1,560	176,010	119,870	0	807,018
2009	661,990	7,000	1,537	174,680	121,947	0	967,154
2008	1,023,384	500	1,652	173,060	71,236	0	1,269,832
2007	671,274	2,250	2,559	210,381	55,366	0	941,830
2006	516,571	14,000	4,551	210,271	39,928	0	785,321
2005	317,470	33,000	5,645	288,000	39,194	0	683,309
2004	256,216	104,150	11,453	318,275	40,600	0	730,694
2003	598,288	130,350	5,195	305,175	43,560	0	1,082,568
2002	253,211	122,419	3,932	275,625	Not Available Before 2003	0	655,187
2001	299,953	75,893	8,493	148,800		0	533,139
2000	227,651	33,663	9,511	53,915		0	324,740
1999	192,032	28,950	11,507	41,081		1,400	274,970
1998	142,846	14,500	12,995	13,481		3,735	187,557
1997	149,673	100	9,968	0		1,660	161,401
1996	158,140	300	2,429	0		350	161,219
1995	125,679	300	1,224	29		975	128,207
1994	87,470	360	1,023	0		1,465	90,317
1993	49,458	360	1,023	0		1,425	52,265
1992	24,130	0	1,177	0		1,350	26,658
1991	9,100	0	Not Available Before 1992	50		1,050	10,200
1990	4,800	0		25		1,700	6,525

Source: Fannie Mae

a Beginning in 2002, includes mortgage-backed securities options, swap credit enhancements, and forward-starting debt. Forward-starting debt is a commitment to issue debt at some future time (generally to fund a purchase or commitment that starts at the agreed future time).

b Beginning in 2010, includes exchange-traded futures, if applicable.

c Beginning in 2016, includes credit risk transfer transactions that we account for as derivatives.

TABLE 7 • FANNIE MAE NONMORTGAGE INVESTMENTS

End of Period	Nonmortgage Investments ($ in Millions)[a]					
	Federal Funds and Eurodollars ($)	Asset-Backed Securities ($)	Repurchase Agreements[b] ($)	Commercial Paper and Corporate Debt[c] ($)	Other[d] ($)	Total ($)
4Q17	0	0	19,470	0	29,222	48,692
3Q17	0	0	23,740	0	30,799	54,539
2Q17	0	0	29,220	0	32,418	61,638
1Q17	0	0	35,260	0	30,155	65,415
Annual Data						
2017	0	0	19,470	0	29,222	48,692
2016	0	0	30,415	0	32,317	62,732
2015	0	0	27,350	0	29,485	56,835
2014	0	0	30,950	0	19,466	50,416
2013	0	0	38,975	0	16,306	55,281
2012	0	0	32,500	0	17,950	50,450
2011	0	2,111	46,000	0	47,737	95,848
2010	5,000	5,321	6,750	0	27,432	44,503
2009	44,900	8,515	4,000	364	3	57,782
2008	45,910	10,598	8,000	6,037	1,005	71,550
2007	43,510	15,511	5,250	13,515	9,089	86,875
2006	9,410	18,914	0	27,604	1,055	56,983
2005	8,900	19,190	0	16,979	947	46,016
2004	3,860	25,644	70	16,435	1,829	47,839
2003	12,575	26,862	111	17,700	2,270	59,518
2002	150	22,312	181	14,659	2,074	39,376
2001	16,089	20,937	808	23,805	4,343	65,982
2000	7,539	17,512	87	8,893	18,316	52,347
1999	4,837	19,207	122	1,723	11,410	37,299
1998	7,926	20,993	7,556	5,155	16,885	58,515
1997	19,212	16,639	6,715	11,745	10,285	64,596
1996	21,734	14,635	4,667	6,191	9,379	56,606
1995	19,775	9,905	10,175	8,629	8,789	57,273
1994	17,593	3,796	9,006	7,719	8,221	46,335
1993	4,496	3,557	4,684	0	8,659	21,396
1992	6,587	4,124	3,189	0	5,674	19,574
1991	2,954	2,416	2,195	0	2,271	9,836
1990	5,329	1,780	951	0	1,808	9,868
1989	5,158	1,107	0	0	2,073	8,338
1988	4,125	481	0	0	683	5,289
1987	2,559	25	0	0	884	3,468
1986	1,530	0	0	0	245	1,775
1985	1,391	0	0	0	75	1,466
1984	1,575	0	0	0	265	1,840
1983	9	0	0	0	227	236
1982	1,799	0	0	0	631	2,430
1981	Not Available Before 1982	Not Available Before 1982	Not Available Before 1982	Not Available Before 1982	Not Available Before 1982	1,047
1980						1,556
1979						843
1978						834
1977						318
1976						245
1975						239
1974						466
1973						227
1972						268
1971						349

Source: Fannie Mae

a Data reflect unpaid principal balance net of unamortized purchase premiums, discounts and cost-basis adjustments, fair-value adjustments, and impairments on available-for-sale and trading securities.

b Since 2005, advances to lenders have not been included in the data. Amounts for years before 2005 may include or consist of advances to lenders. Includes tri-party repurchase agreements.

c Includes commercial paper, floating-rate notes, taxable auction notes, corporate bonds, and auction-rate preferred stock. Starting with 2006, medium-term notes previously reported in "Other" are included in commercial paper.

d Includes Treasury and agency securities, Yankee Bonds, and domestic certificates of deposit.

TABLE 8 • FANNIE MAE MORTGAGE ASSET QUALITY

End of Period	Mortgage Asset Quality				
	Single-Family Serious Delinquency Rate[a] (%)	Multifamily Serious Delinquency Rate[b] (%)	Credit Losses as a Proportion of the Guarantee Book of Business[c, d] (%)	Real Estate Owned as a Proportion of the Guarantee Book of Business[d] (%)	Credit-Enhanced Outstanding as a Proportion of the Guarantee Book of Business[e] (%)
4Q17	1.24	0.11	0.10	0.10	44.3
3Q17	1.01	0.03	0.07	0.11	43.7
2Q17	1.01	0.04	0.08	0.12	40.8
1Q17	1.12	0.05	0.16	0.13	39.4
Annual Data					
2017	1.24	0.11	0.10	0.10	44.3
2016	1.20	0.05	0.12	0.15	37.2
2015	1.55	0.07	0.35	0.22	23.1
2014	1.89	0.05	0.20	0.35	20.9
2013	2.38	0.10	0.15	0.38	19.6
2012	3.29	0.24	0.48	0.35	18.8
2011	3.91	0.59	0.61	0.37	18.4
2010	4.48	0.71	0.77	0.53	19.1
2009	5.38	0.63	0.45	0.30	21.2
2008	2.42	0.30	0.23	0.23	23.9
2007	0.98	0.08	0.05	0.13	23.7
2006	0.65	0.08	0.02	0.09	22.3
2005	0.79	0.32	0.01	0.08	21.8
2004	0.63	0.11	0.01	0.07	20.5
2003	0.60	0.29	0.01	0.06	22.6
2002	0.57	0.08	0.01	0.05	26.8
2001	0.55	0.27	0.01	0.04	34.2
2000	0.45	0.07	0.01	0.05	40.4
1999	0.47	0.11	0.01	0.06	20.9
1998	0.56	0.23	0.03	0.08	17.5
1997	0.62	0.37	0.04	0.10	12.8
1996	0.58	0.68	0.05	0.11	10.5
1995	0.56	0.81	0.05	0.08	10.6
1994	0.47	1.21	0.06	0.10	10.2
1993	0.48	2.34	0.04	0.10	10.6
1992	0.53	2.65	0.04	0.09	15.6
1991	0.64	3.62	0.04	0.07	22.0
1990	0.58	1.70	0.06	0.09	25.9
1989	0.69	3.20	0.07	0.14	Not Available Before 1990
1988	0.88	6.60	0.11	0.15	
1987	1.12	Not Available Before 1988	0.11	0.18	
1986	1.38		0.12	0.22	
1985	1.48		0.13	0.32	
1984	1.65		0.09	0.33	
1983	1.49		0.05	0.35	
1982	1.41		0.01	0.20	
1981	0.96		0.01	0.13	
1980	0.90		0.01	0.09	
1979	0.56		0.02	0.11	
1978	0.55		0.02	0.18	
1977	0.46		0.02	0.26	
1976	1.58		0.03	0.27	
1975	0.56		0.03	0.51	
1974	0.51		0.02	0.52	
1973	Not Available Before 1974		0.00	0.61	
1972			0.02	0.98	
1971			0.01	0.59	

Source: Fannie Mae

a Single-family loans are seriously delinquent when the loans are 90 days or more past due or in the foreclosure process. Rate is calculated using the number of conventional single-family loans owned and backing Fannie Mae mortgage-backed securities (MBS). Includes loans referred to foreclosure proceedings but not yet foreclosed. Prior to 1988, data included all seriously delinquent loans for which Fannie Mae had primary risk of loss. Beginning in 1998, data include all seriously delinquent conventional loans owned or backing Fannie Mae MBS with and without primary mortgage insurance or credit enhancement. Data prior to 1992 include loans and securities in relief or bankruptcy, even if the loans were less than 90 days delinquent, calculated based on number of loans.

b Before 1998, data include multifamily loans for which Fannie Mae had primary risk of loss. Beginning in 1998, data include all multifamily loans and securities 60 days or more past due. Beginning in 2002, rate is calculated using the unpaid principal balance of multifamily loans owned by Fannie Mae or underlying Fannie Mae guaranteed securities as the denominator. For the period 1998 to 2001, the denominator also includes other credit enhancements Fannie Mae provides on multifamily mortgage assets and multifamily non-Fannie Mae mortgage-related securities held for investment.

c Credit losses are charge-offs, net of recoveries and foreclosed property expense (income). Average balances used to calculate ratios subsequent to 1994. Quarterly data are annualized. Beginning in 2005, credit losses exclude the impact of fair-value losses of credit impaired loans acquired from MBS trusts. Beginning in 2008, credit losses also exclude the effect of HomeSaver Advance program fair-value losses.

d Guaranty book of business refers to the sum of the unpaid principal balance of mortgage loans held as investments, Fannie Mae MBS held as investments, Fannie Mae MBS held by third parties, and other credit enhancements Fannie Mae provides on mortgage assets. It excludes non-Fannie Mae mortgage-related securities held for investment that Fannie Mae does not guarantee. Before 2005, the ratio was based on the mortgage credit book of business, which consists of the guaranty book of business plus non-Fannie Mae mortgage-related securities held as investments not guaranteed by Fannie Mae.

e Beginning in 2000, the credit-enhanced category was expanded to include loans with primary mortgage insurance. Amounts for periods before 2000 reflect the proportion of assets held for investment with additional recourse from a third party to accept some or all of the expected losses on defaulted mortgages. Additionally, beginning in Q4 2016, the credit-enhanced category was expanded to include credit risk transfer transactions.

TABLE 9 • FANNIE MAE CAPITAL

End of Period	Capital ($ in Millions)[a]									
	Minimum Capital Requirement			Risk-Based Capital Requirement						
	Core Capital[b] ($)	Minimum Capital Requirement[c] ($)	Minimum Capital Surplus (Deficit)[d] ($)	Total Capital[e] ($)	Risk-Based Capital Requirement[f] ($)	Risk-Based Capital Surplus (Deficit)[g] ($)	Market Capitalization[h] ($)	Core Capital/ Total Assets[i] (%)	Core Capital/ Total Assets Plus Unconsolidated MBS[i, j] (%)	Common Share Dividend Payout Rate[k] (%)
4Q17	-121,389	23,007	-144,396	N/A	N/A	N/A	3,069	-3.63	-3.62	N/A
3Q17	-114,207	23,482	-137,689	N/A	N/A	N/A	3,463	-3.43	-3.42	N/A
2Q17	-114,114	23,753	-137,867	N/A	N/A	N/A	2,698	-3.45	-3.44	N/A
1Q17	-114,535	24,070	-138,605	N/A	N/A	N/A	3,011	-3.47	-3.46	N/A
Annual Data										
2017	-121,389	23,007	-144,396	N/A	N/A	N/A	3,069	-3.63	-3.62	N/A
2016	-111,836	24,351	-136,187	N/A	N/A	N/A	4,517	(3.40)	-3.39	N/A
2015	-114,526	25,144	-139,670	N/A	N/A	N/A	1,899	(3.55)	-3.54	N/A
2014	-115,202	27,044	-142,246	N/A	N/A	N/A	2,380	(3.55)	-3.53	N/A
2013	-108,811	28,472	-137,283	N/A	N/A	N/A	3,486	-3.33	-3.31	N/A
2012	-110,350	30,862	-141,212	N/A	N/A	N/A	295	(3.42)	(3.41)	N/A
2011	-115,967	32,463	-148,430	N/A	N/A	N/A	233	(3.61)	(3.59)	N/A
2010	-89,516	33,676	-123,192	N/A	N/A	N/A	336	(2.78)	(2.76)	N/A
2009	-74,540	33,057	-107,597	N/A	N/A	N/A	1,314	(8.58)	(2.26)	N/A
2008	-8,641	33,552	-42,193	N/A	N/A	N/A	825	(0.95)	(0.27)	N/M
2007	45,373	31,927	13,446	48,658	24,700	23,958	38,946	5.14	1.51	N/M
2006	41,950	29,359	12,591	42,703	26,870	15,833	57,735	4.97	1.60	32.4
2005	39,433	28,233	11,200	40,091	12,636	27,455	47,373	4.73	1.62	17.2
2004	34,514	32,121	2,393	35,196	10,039	25,157	69,010	3.38	1.42	42.1
2003	26,953	31,816	-4,863	27,487	27,221	266	72,838	2.64	1.16	20.8
2002	20,431	27,688	-7,257	20,831	17,434	3,397	63,612	2.26	1.05	34.5
2001	25,182	24,182	1,000	25,976	Not Applicable Before 2002	Not Applicable Before 2002	79,281	3.15	1.51	23.0
2000	20,827	20,293	533	21,634			86,643	3.08	1.51	26.0
1999	17,876	17,770	106	18,677			63,651	3.11	1.43	28.8
1998	15,465	15,334	131	16,257			75,881	3.19	1.38	29.5
1997	13,793	12,703	1,090	14,575			59,167	3.52	1.42	29.4
1996	12,773	11,466	1,307	13,520			39,932	3.64	1.42	30.4
1995	10,959	10,451	508	11,703			33,812	3.46	1.32	34.6
1994	9,541	9,415	126	10,368			19,882	3.50	1.26	30.8
1993	8,052	7,064	988	8,893			21,387	3.71	1.17	26.8
1992	Not Applicable Before 1993	Not Applicable Before 1993	Not Applicable Before 1993	Not Applicable Before 1993			20,874	Not Applicable Before 1993	Not Applicable Before 1993	23.2
1991							18,836			21.3
1990							8,490			14.7
1989							8,092			12.8
1988							3,992			11.2
1987							2,401			11.7
1986							3,006			8.0
1985							1,904			30.1
1984							1,012			N/A
1983							1,514			13.9
1982							1,603			N/A
1981							502			N/A
1980							702			464.2
1979							Not Available Before 1980			45.7
1978										30.3
1977										31.8
1976										33.6
1975										31.8
1974										29.6
1973										18.1
1972										15.2
1971										18.7

Sources: Fannie Mae and FHFA

N/A = not applicable **N/M = not meaningful**

a On October 9, 2008, the Federal Housing Finance Agency (FHFA) suspended capital classifications of Fannie Mae. As of the fourth quarter of 2008, neither the existing statutory nor the FHFA-directed regulatory capital requirements were binding and will not be binding during conservatorship.

b The sum of the stated value of outstanding common stock (common stock less treasury stock), the stated value of outstanding noncumulative perpetual preferred stock, paid-in capital, and retained earnings (accumulated deficit). Core capital excludes accumulated other comprehensive income (loss) and senior preferred stock.

c Beginning in the third quarter of 2005, FHFA required Fannie Mae to maintain an additional 30 percent capital in excess of the statutory minimum capital requirement. The regulator reduced the requirement to 20 percent as of the first quarter of 2008 and to 15 percent as of the second quarter of 2008. The minimum capital requirement and minimum capital surplus numbers stated in this table do not reflect these additional capital requirements.

d Minimum capital surplus is the difference between core capital and minimum capital requirement.

e Total capital is core capital plus the total allowance for loan losses and guaranty liability for mortgage-backed securities (MBS), less any specific loss allowances.

f Risk-based capital requirement is the amount of total capital an Enterprise must hold to absorb projected losses flowing from future adverse interest rate and credit risk conditions and is specified by the Federal Housing Enterprises Financial Safety and Soundness Act of 1992. For 2004 through 2006, the requirements were calculated based on originally reported, not restated or revised, financial results.

g The difference between total capital and the risk-based capital requirement. For 2004 through 2006, the difference reflects restated and revised total capital, rather than total capital originally reported by Fannie Mae and used by FHFA to set capital classifications. FHFA is not reporting on risk-based capital levels during conservatorship.

h Stock price at the end of the period multiplied by the number of outstanding common shares.

i Adoption of accounting guidance related to transfers of financial assets and consolidation of variable interest entities, effective January 1, 2010, significantly changed presentation of this item in the financial statements. Financial results for 2010 and beyond are not directly comparable to previous years.

j Unconsolidated MBS are those held by third parties.

k Common dividends declared during the period divided by net income available to common stockholders for the period. As a result of conservatorship status and the terms of the Senior Preferred Stock Purchase Agreement with Treasury, no amounts are available to distribute as dividends to common or preferred stockholders (other than to Treasury as holder of the Senior Preferred Stock).

TABLE 10 • FREDDIE MAC MORTGAGE PURCHASES

Period	Business Activity ($ in Millions)			
	Purchases[a]			
	Single-Family ($)	Multifamily ($)	Total Mortgages[b] ($)	Mortgage-Related Securities[c] ($)
4Q17	97,362	27,420	124,782	51,508
3Q17	86,867	18,999	105,866	30,634
2Q17	73,522	14,080	87,602	29,986
1Q17	85,815	12,702	98,517	29,180
Annual Data				
2017	343,566	73,201	416,767	141,308
2016	392,507	56,830	449,337	122,911
2015	350,560	47,264	397,824	90,824
2014	255,253	28,336	283,589	78,142
2013	422,742	25,872	448,614	73,079
2012	426,849	28,774	455,623	34,535
2011	320,793	20,325	341,118	120,001
2010	386,378	15,372	401,750	51,828
2009	475,350	16,571	491,921	238,835
2008	357,585	23,972	381,557	297,614
2007	466,066	21,645	487,711	231,039
2006	351,270	13,031	364,301	241,205
2005	381,673	11,172	392,845	325,575
2004	354,812	12,712	367,524	223,299
2003	701,483	15,292	716,775	385,078
2002	533,194	10,654	543,848	299,674
2001	384,124	9,510	393,634	248,466
2000	168,013	6,030	174,043	91,896
1999	232,612	7,181	239,793	101,898
1998	263,490	3,910	267,400	128,446
1997	115,160	2,241	117,401	35,385
1996	122,850	2,229	125,079	36,824
1995	89,971	1,565	91,536	39,292
1994	122,563	847	123,410	19,817
1993	229,051	191	229,242	Not Available Before 1994
1992	191,099	27	191,126	
1991	99,729	236	99,965	
1990	74,180	1,338	75,518	
1989	76,765	1,824	78,589	
1988	42,884	1,191	44,075	
1987	74,824	2,016	76,840	
1986	99,936	3,538	103,474	
1985	42,110	1,902	44,012	
1984	Not Available Before 1985	Not Available Before 1985	21,885	
1983			22,952	
1982			23,671	
1981			3,744	
1980			3,690	
1979			5,716	
1978			6,524	
1977			4,124	
1976			1,129	
1975			1,716	
1974			2,185	
1973			1,334	
1972			1,265	
1971			778	

Source: Freddie Mac

a Based on unpaid principal balances. Excludes mortgage loans and mortgage-related securities traded but not yet settled.

b Consists of loans purchased from lenders, as well as those loans covered under other mortgage-related guarantees.

c Not included in total mortgages. From 2002 through the current period, amounts include non-Freddie Mac mortgage-related securities as well as repurchased Freddie Mac mortgage-backed securities (MBS) held for investment. Before 2002, amounts exclude Freddie Mac real estate mortgage investment conduits and other structured securities backed by Ginnie Mae MBS. Amounts in 2010 through the current period, include purchases of Freddie Mac MBS, most accounted for as debt extinguishments under Generally Accepted Accounting Principles rather than as investment in securities.

TABLE 10A • FREDDIE MAC MORTGAGE PURCHASES DETAIL BY TYPE OF LOAN

Period	Purchases ($ in Millions)[a]											
	Single-Family Mortgages								Multifamily Mortgages			
	Conventional				FHA/VA[d]			Total Single-Family Mortgages ($)			Total Multi-family Mortgages ($)	Total Mortgage Purchases ($)
	Fixed-Rate[b] ($)	Adjustable-Rate[c] ($)	Seconds ($)	Total ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Total ($)		Conventional ($)	FHA/RD ($)		
4Q17	95,600	1,740	0	97,340	22	0	22	97,362	27,420	0	27,420	124,782
3Q17	84,225	2,609	0	86,834	33	0	33	86,867	18,999	0	18,999	105,866
2Q17	70,299	3,191	0	73,490	32	0	32	73,522	14,080	0	14,080	87,602
1Q17	83,488	2,301	0	85,789	26	0	26	85,815	12,702	0	12,702	98,517
Annual Data												
2017	333,612	9,841	0	343,453	113	0	113	343,566	73,201	0	73,201	416,767
2016	385,806	6,555	0	392,361	146	0	146	392,507	56,830	0	56,830	449,337
2015	337,637	12,760	0	350,397	163	0	163	350,560	47,264	0	47,264	397,824
2014	239,469	15,711	0	255,180	73	0	73	255,253	28,336	0	28,336	283,589
2013	406,605	16,007	0	422,612	130	0	130	422,742	25,872	0	25,872	448,614
2012	408,576	18,075	0	426,651	198	0	198	426,849	28,774	0	28,774	455,623
2011	294,918	25,685	0	320,603	190	0	190	320,793	20,325	0	20,325	341,118
2010	368,352	17,435	0	385,787	591	0	591	386,378	15,372	0	15,372	401,750
2009	470,355	3,615	0	473,970	1,380	0	1,380	475,350	16,571	0	16,571	491,921
2008	327,006	30,014	0	357,020	565	0	565	357,585	23,972	0	23,972	381,557
2007	387,760	78,149	0	465,909	157	0	157	466,066	21,645	0	21,645	487,711
2006	272,875	77,449	0	350,324	946	0	946	351,270	13,031	0	13,031	364,301
2005	313,842	67,831	0	381,673	0	0	0	381,673	11,172	0	11,172	392,845
2004	293,830	60,663	0	354,493	319	0	319	354,812	12,712	0	12,712	367,524
2003	617,796	82,270	0	700,066	1,417	0	1,417	701,483	15,292	0	15,292	716,775
2002	468,901	63,448	0	532,349	845	0	845	533,194	10,654	0	10,654	543,848
2001	353,056	30,780	0	383,836	288	0	288	384,124	9,507	3	9,510	393,634
2000	145,744	21,201	0	166,945	1,068	0	1,068	168,013	6,030	0	6,030	174,043
1999	224,040	7,443	0	231,483	1,129	0	1,129	232,612	7,181	0	7,181	239,793
1998	256,008	7,384	0	263,392	98	0	98	263,490	3,910	0	3,910	267,400
1997	106,174	8,950	0	115,124	36	0	36	115,160	2,241	0	2,241	117,401
1996	116,316	6,475	0	122,791	59	0	59	122,850	2,229	0	2,229	125,079
1995	75,867	14,099	0	89,966	5	0	5	89,971	1,565	0	1,565	91,536
1994	105,902	16,646	0	122,548	15	0	15	122,563	847	0	847	123,410
1993	208,322	20,708	1	229,031	20	0	20	229,051	191	0	191	229,242
1992	175,515	15,512	7	191,034	65	0	65	191,099	27	0	27	191,126
1991	91,586	7,793	206	99,585	144	0	144	99,729	236	0	236	99,965
1990	56,806	16,286	686	73,778	402	0	402	74,180	1,338	0	1,338	75,518
1989	57,100	17,835	1,206	76,141	624	0	624	76,765	1,824	0	1,824	78,589
1988	34,737	7,253	59	42,049	835	0	835	42,884	1,191	0	1,191	44,075
1987	69,148	4,779	69	73,996	828	0	828	74,824	2,016	0	2,016	76,840
1986	96,105	2,262	90	98,457	1,479	0	1,479	99,936	3,538	0	3,538	103,474
1985	40,226	605	34	40,865	1,245	0	1,245	42,110	1,902	0	1,902	44,012

Source: Freddie Mac

a Based on unpaid principal balances. Excludes mortgage loans and mortgage-related securities traded but not yet settled. Activity includes issuances of other mortgage-related guarantees for loans held by third parties.

b From 2002 through the current period, includes loans guaranteed by U.S. Department of Agriculture Rural Development (RD) loan programs.

c From 2001 to 2012, includes balloon/reset mortgages. Freddie Mac discontinued purchase of balloon/reset mortgages on January 1, 2013.

d FHA stands for Federal Housing Administration. VA stands for Department of Veterans Affairs.

TABLE 10B • FREDDIE MAC PURCHASES OF MORTGAGE-RELATED SECURITIES – PART 1

Period	Purchases ($ in Millions)[a]														
	Freddie Mac Securities[b]				Other Securities										
					Fannie Mae				Ginnie Mae[c]						
	Single-Family				Single-Family				Single-Family						
	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Freddie Mac ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Fannie Mae ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Ginnie Mae ($)	Total Private-Label ($)	Mortgage Revenue Bonds ($)	Total Mortgage-Related Securities[c] ($)
4Q17	24,480	500	0	24,980	986	337	0	1,323	0	24	0	24	25,181	0	51,508
3Q17	14,118	1,173	0	15,291	153	0	0	153	0	0	0	0	14,640	550	30,634
2Q17	14,611	795	0	15,406	3,286	100	0	3,386	0	0	0	0	11,194	0	29,986
1Q17	19,422	365	0	19,787	692	0	0	692	0	0	0	0	8,701	0	29,180
Annual Data															
2017	72,631	2,833	0	75,464	5,117	437	0	5,554	0	24	0	24	59,716	550	141,308
2016	65,274	5,981	12	71,267	5,345	485	0	5,830	0	142	0	142	45,672	0	122,911
2015	48,764	5,532	97	54,393	1,624	2,239	0	3,863	0	324	0	324	32,244	0	90,824
2014	43,922	7,568	392	51,882	2,695	5,005	0	7,700	0	73	0	73	18,487	0	78,142
2013	44,760	296	0	45,056	4,251	50	0	4,301	0	0	0	0	23,722	0	73,079
2012	13,272	3,045	119	16,436	0	170	0	170	0	0	0	0	17,929	0	34,535
2011	94,543	5,057	472	100,072	5,835	2,297	0	8,132	0	0	0	0	11,797	0	120,001
2010	40,462	923	382	41,767	0	373	0	373	0	0	0	0	9,688	0	51,828
2009	176,974	5,414	0	182,388	43,298	2,697	0	45,995	0	0	27	27	10,245	180	238,835
2008	192,701	26,344	111	219,156	49,534	18,519	0	68,053	0	0	8	8	10,316	81	297,614
2007	111,976	26,800	2,283	141,059	2,170	9,863	0	12,033	0	0	0	0	76,134	1,813	231,039
2006	76,378	27,146	0	103,524	4,259	8,014	0	12,273	0	0	0	0	122,230	3,178	241,205
2005	106,682	29,805	0	136,487	2,854	3,368	0	6,222	64	0	0	64	179,962	2,840	325,575
2004	72,147	23,942	146	96,235	756	3,282	0	4,038	0	0	0	0	121,082	1,944	223,299
2003	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	266,989	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	47,806	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	166	69,154	963	385,078
2002				192,817				45,798				820	59,376	863	299,674
2001				157,339				64,508				1,444	24,468	707	248,466
2000				58,516				18,249				3,339	10,304	1,488	91,896
1999				69,219				12,392				3,422	15,263	1,602	101,898
1998				107,508				3,126				319	15,711	1,782	128,446
1997				31,296				897				326	1,494	1,372	35,385
1996				33,338				Not Available Before 1997				Not Available Before 1997	Not Available Before 1997	Not Available Before 1997	36,824
1995				32,534											39,292
1994				19,817											19,817

Source: Freddie Mac

a Based on unpaid principal balances. Excludes mortgage loans and mortgage-related securities traded but not yet settled.

b Amounts for 2010 and later include purchases of Freddie Mac mortgage-backed securities (MBS), many accounted for as debt extinguishments under Generally Accepted Accounting Principles rather than as investment in securities. Amounts for 2012 and later primarily consists of third party purchases.

c Before 2002, amounts exclude real estate mortgage investment conduits and other structured securities backed by Ginnie Mae MBS.

TABLE 10B • FREDDIE MAC PURCHASES OF MORTGAGE-RELATED SECURITIES – PART 2, PRIVATE-LABEL DETAIL

Period	Purchases ($ in Millions)[a]								
	Private-Label								
	Single-Family								
		Subprime		Alt-A[b]		Other[c]			
	Manufactured Housing ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multifamily[c] ($)	Total Private-Label ($)
4Q17	0	0	0	0	0	0	488	24,693	25,181
3Q17	0	0	0	0	0	0	176	14,464	14,640
2Q17	0	0	0	0	0	0	0	11,194	11,194
1Q17	0	0	0	0	0	0	0	8,701	8,701
Annual Data									
2017	0	0	0	0	0	0	664	59,052	59,716
2016	0	0	0	0	0	70	45	45,557	45,672
2015	0	0	0	0	0	0	0	32,244	32,244
2014	0	0	0	0	0	0	0	18,487	18,487
2013	0	0	0	0	0	26	0	23,696	23,722
2012	0	0	0	0	0	21	0	17,908	17,929
2011	0	0	0	0	0	77	0	11,720	11,797
2010	0	0	0	0	0	3,172	0	6,516	9,688
2009	0	0	0	0	0	7,874	0	2,371	10,245
2008	0	60	46	0	618	8,175	0	1,417	10,316
2007	127	843	42,824	702	9,306	48	0	22,284	76,134
2006	0	116	74,645	718	29,828	48	0	16,875	122,230
2005	0	Not Available Before 2006	Not Available Before 2006	Not Available Before 2006	Not Available Before 2006	2,191	162,931	14,840	179,962
2004	0					1,379	108,825	10,878	121,082
2003	0					Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	69,154
2002	318								59,376
2001	0								24,468
2000	15								10,304
1999	3,293								15,263
1998	1,630								15,711
1997	36								1,494

Source: Freddie Mac

a Based on unpaid principal balances. Excludes mortgage loans and mortgage-related securities traded but not yet settled.

b Includes Alt-A and option ARM private-label mortgage-related securities purchased for other securitization products. ARM stands for adjustable-rate mortgage.

c Includes non-Freddie Mac mortgage-related securities purchased for K certificates, SB certificates, and other similar securitization products as well as non-agency securities held for investment. Purchases for 2009 and 2010 include amounts related to housing finance agency bonds acquired and resecuritized under a bond initiative program.

TABLE 11 • FREDDIE MAC MBS ISSUANCES

Period	Business Activity ($ in Millions)			
	MBS Issuances[a]			
	Single-Family MBS[b] ($)	Multifamily MBS ($)	Total MBS[b] ($)	Multiclass MBS[c] ($)
4Q17	105,349	25,434	130,783	43,721
3Q17	87,699	15,276	102,975	30,522
2Q17	70,007	12,237	82,244	24,742
1Q17	91,076	9,624	100,700	27,767
Annual Data				
2017	354,131	62,571	416,702	126,752
2016	395,459	47,744	443,203	123,435
2015	356,599	33,392	389,991	82,620
2014	259,763	19,770	279,533	105,174
2013	435,499	25,267	460,766	111,436
2012	446,162	20,317	466,479	124,376
2011	304,629	12,632	317,261	166,539
2010	384,719	8,318	393,037	136,366
2009	472,461	2,951	475,412	86,202
2008	352,776	5,085	357,861	64,305
2007	467,342	3,634	470,976	133,321
2006	358,184	1,839	360,023	169,396
2005	396,213	1,654	397,867	208,450
2004	360,933	4,175	365,108	215,506
2003	705,450	8,337	713,787	298,118
2002	543,716	3,596	547,312	331,672
2001	387,234	2,357	389,591	192,437
2000	165,115	1,786	166,901	48,202
1999	230,986	2,045	233,031	119,565
1998	249,627	937	250,564	135,162
1997	113,758	500	114,258	84,366
1996	118,932	770	119,702	34,145
1995	85,522	355	85,877	15,372
1994	116,901	209	117,110	73,131
1993	208,724	0	208,724	143,336
1992	179,202	5	179,207	131,284
1991	92,479	0	92,479	72,032
1990	71,998	1,817	73,815	40,479
1989	72,931	587	73,518	39,754
1988	39,490	287	39,777	12,985
1987	72,866	2,152	75,018	0
1986	96,798	3,400	100,198	2,233
1985	37,583	1,245	38,828	2,625
1984	Not Available Before 1985	Not Available Before 1985	18,684	1,805
1983			19,691	1,685
1982			24,169	Not Issued Before 1983
1981			3,526	
1980			2,526	
1979			4,546	
1978			6,412	
1977			4,657	
1976			1,360	
1975			950	
1974			46	
1973			323	
1972			494	
1971			65	

Source: Freddie Mac

a Based on unpaid principal balances. Excludes mortgage loans, mortgage-related securities traded but not yet settled and unguaranteed subordinated whole loan securities. Includes issuance of other mortgage-related guarantees for mortgages not in the form of a security.

b Includes mortgage-backed securities (MBS), real estate mortgage investment conduits (REMICs), other structured securities, and other securitization products. From 2002 through the current period, includes Freddie Mac REMICs and other structured securities backed by Ginnie Mae MBS. Before 2002, excludes Freddie Mac REMICs and other structured securities backed by Ginnie Mae MBS. Amounts are not included in total MBS issuances if the activity represents a resecuritization of Freddie Mac MBS.

c Includes activity related to multiclass securities, primarily REMICs, but excludes resecuritizations of MBS into single-class securities. Amounts are not included in total MBS issuances if the activity represents a resecuritization of Freddie Mac MBS.

TABLE 12 • FREDDIE MAC EARNINGS

Period	Earnings ($ in Millions)					
	Net Interest Income[a] ($)	Guarantee Fee Income[a] ($)	Administrative Expenses ($)	Credit-Related (Benefit) Expenses[b] ($)	Net Income (Loss) ($)	Return on Equity[c] (%)
4Q17	3,501	186	558	-201	-2,921	N/M
3Q17	3,489	169	524	751	4,671	N/M
2Q17	3,379	158	513	-385	1,664	N/M
1Q17	3,795	149	511	-60	2,211	N/M
Annual Data						
2017	14,164	662	2,106	105	5,625	N/M
2016	14,379	513	2,005	-516	7,815	N/M
2015	14,946	369	1,927	-2,327	6,376	N/M
2014	14,263	329	1,881	254	7,690	N/M
2013	16,468	271	1,805	-2,605	48,668	N/M
2012	17,611	201	1,561	1,949	10,982	N/M
2011	18,397	170	1,506	11,287	-5,266	N/M
2010	16,856	143	1,597	17,891	-14,025	N/M
2009	17,073	3,033	1,685	29,837	-21,553	N/M
2008	6,796	3,370	1,505	17,529	-50,119	N/M
2007	3,099	2,635	1,674	3,060	-3,094	(21.0)
2006	3,412	2,393	1,641	356	2,327	9.8
2005	4,627	2,076	1,535	347	2,113	8.1
2004	9,137	1,382	1,550	140	2,937	9.4
2003	9,498	1,653	1,181	2	4,816	17.7
2002	9,525	1,527	1,406	126	10,090	47.2
2001	7,448	1,381	1,024	39	3,158	20.2
2000	3,758	1,243	825	75	3,666	39.0
1999	2,926	1,019	655	159	2,223	25.5
1998	2,215	1,019	578	342	1,700	22.6
1997	1,847	1,082	495	529	1,395	23.1
1996	1,705	1,086	440	608	1,243	22.6
1995	1,396	1,087	395	541	1,091	22.1
1994	1,112	1,108	379	425	983	23.3
1993	772	1,009	361	524	786	22.3
1992	695	936	329	457	622	21.2
1991	683	792	287	419	555	23.6
1990	619	654	243	474	414	20.4
1989	517	572	217	278	437	25.0
1988	492	465	194	219	381	27.5
1987	319	472	150	175	301	28.2
1986	299	301	110	120	247	28.5
1985	312	188	81	79	208	30.0
1984	213	158	71	54	144	52.0
1983	125	132	53	46	86	44.5
1982	30	77	37	26	60	21.9
1981	34	36	30	16	31	13.1
1980	54	23	26	23	34	14.7
1979	55	18	19	20	36	16.2
1978	37	14	14	13	25	13.4
1977	31	9	12	8	21	12.4
1976	18	3	10	-1	14	9.5
1975	31	3	10	11	16	11.6
1974	42	2	8	33	5	4.0
1973	31	2	7	15	12	9.9
1972	10	1	5	4	4	3.5
1971	10	1	Not Available Before 1972	Not Available Before 1972	6	5.5

Source: Freddie Mac

N/M = not meaningful

a Adoption of accounting guidance related to transfers of financial assets and consolidation of variable interest entities, effective January 1, 2010, significantly changed presentation of these items in the financial statements. Consequently, financial results for 2010 and later are not directly comparable to previous years. Effective January 1, 2010, guarantee fee income associated with the securitization activities of consolidated trusts is reflected in net interest income.

b For years 2002 through the current period, defined as provision/benefit for credit losses and real-estate owned operations income/expense. For years 2000 and 2001, includes only provision for credit losses.

c Ratio computed as annualized net income (loss) available to common stockholders divided by the simple average of beginning and ending common stockholders' equity (deficit).

TABLE 13 • FREDDIE MAC BALANCE SHEET

End of Period	Balance Sheet ($ in Millions)[a]								
	Total Assets ($)	Total Mortgage Assets[b] ($)	Nonmortgage Investments ($)	Total Debt Outstanding ($)	Stockholders' Equity ($)	Senior Preferred Stock ($)	Fair-Value of Net Assets ($)	Mortgage Assets Held for Investment (Gross)[c] ($)	Indebtedness[d] ($)
4Q17	2,049,776	1,941,680	78,722	2,034,630	-312	72,336	Not Available	253,455	316,729
3Q17	2,030,656	1,924,617	64,709	2,009,578	5,250	72,336	Not Available	266,681	321,194
2Q17	2,022,757	1,919,286	69,757	2,009,166	2,586	72,336	Not Available	283,687	340,001
1Q17	2,032,308	1,921,794	78,445	2,018,444	2,834	72,336	Not Available	291,210	358,541
Annual Data									
2017	2,049,776	1,941,680	78,722	2,034,630	-312	72,336	NotAvailable	253,455	316,729
2016	2,023,376	1,906,843	72,685	2,002,004	5,075	72,336	Not Available	298,426	356,743
2015	1,985,892	1,866,588	80,795	1,970,269	2,940	72,336	Not Available	346,911	418,021
2014	1,945,360	1,852,646	58,585	1,929,363	2,651	72,336	(30,400)	408,414	454,029
2013	1,965,831	1,855,095	69,019	1,940,521	12,835	72,336	(41,200)	461,024	511,345
2012	1,989,557	1,912,929	58,076	1,966,743	8,827	72,336	(58,300)	557,544	552,472
2011	2,147,216	2,062,713	39,342	2,131,983	(146)	72,171	(78,400)	653,313	674,314
2010	2,261,780	2,149,586	74,420	2,242,588	(401)	64,200	(58,600)	696,874	728,217
2009	841,784	716,974	26,271	780,604	4,278	51,700	(62,500)	755,272	805,073
2008	850,963	748,747	18,944	843,021	(30,731)	14,800	(95,600)	804,762	Not Applicable Before 2009
2007	794,368	710,042	41,663	738,557	26,724	Not Applicable Before 2008	12,600	720,813	
2006	804,910	700,002	68,614	744,341	26,914		31,800	703,959	
2005	798,609	709,503	57,324	740,024	25,691		30,900	710,346	
2004	795,284	664,582	62,027	731,697	31,416		30,900	653,261	
2003	803,449	660,531	53,124	739,613	31,487		27,300	645,767	
2002	752,249	589,899	91,871	665,696	31,330		22,900	567,272	
2001	641,100	503,769	89,849	578,368	19,624		18,300	497,639	
2000	459,297	385,451	43,521	426,899	14,837		Not Available Before 2001	385,693	
1999	386,684	322,914	34,152	360,711	11,525			324,443	
1998	321,421	255,670	42,160	287,396	10,835			255,009	
1997	194,597	164,543	16,430	172,842	7,521			164,421	
1996	173,866	137,826	22,248	156,981	6,731			137,755	
1995	137,181	107,706	12,711	119,961	5,863			107,424	
1994	106,199	73,171	17,808	93,279	5,162			73,171	
1993	83,880	55,938	18,225	49,993	4,437			55,938	
1992	59,502	33,629	12,542	29,631	3,570			33,629	
1991	46,860	26,667	9,956	30,262	2,566			26,667	
1990	40,579	21,520	12,124	30,941	2,136			21,520	
1989	35,462	21,448	11,050	26,147	1,916			21,448	
1988	34,352	16,918	14,607	26,882	1,584			16,918	
1987	25,674	12,354	10,467	19,547	1,182			12,354	
1986	23,229	13,093	Not Available Before 1987	15,375	953			13,093	
1985	16,587	13,547		12,747	779			13,547	
1984	13,778	10,018		10,999	606			10,018	
1983	8,995	7,485		7,273	421			7,485	
1982	5,999	4,679		4,991	296			4,679	
1981	6,326	5,178		5,680	250			5,178	
1980	5,478	5,006		4,886	221			5,006	
1979	4,648	4,003		4,131	238			4,003	
1978	3,697	3,038		3,216	202			3,038	
1977	3,501	3,204		3,110	177			3,204	
1976	4,832	4,175		4,523	156			4,175	
1975	5,899	4,878		5,609	142			4,878	
1974	4,901	4,469		4,684	126			4,469	
1973	2,873	2,521		2,696	121			2,521	
1972	1,772	1,726		1,639	110			1,726	
1971	1,038	935		915	107			935	

Source: Freddie Mac

a Adoption of accounting guidance related to transfers of financial assets and consolidation of variable interest entities, effective January 1, 2010, significantly changed the presentation of these items in the financial statements. Consequently, financial results for 2010 and later are not directly comparable to previous years.

b Excludes allowance for loan losses.

c Amounts for 2009 and later meet the definition of mortgage assets in the Treasury Senior Preferred Stock Purchase Agreement for the purpose of determining the maximum amount of mortgage assets that may be held.

d As defined in the Treasury Senior Preferred Stock Purchase Agreement for 2009 and later years.

TABLE 13A • FREDDIE MAC TOTAL MBS OUTSTANDING DETAIL[a]

End of Period	Single-Family Mortgages ($ in Millions)					Multifamily Mortgages ($ in Millions)			($ in Millions)	
	Conventional									
	Fixed-Rate[b] ($)	Adjustable-Rate[c] ($)	Seconds[d] ($)	Total ($)	Total FHA/VA[d]	Conventional ($)	FHA/RD ($)	Multifamily Mortgages ($)	Total MBS Outstanding[e] ($)	Multiclass MBS Outstanding[f] ($)
4Q17	1,598,054	45,791	0	1,643,845	1,783	199,168	0	199,168	1,844,796	475,624
3Q17	1,562,940	46,487	0	1,609,427	1,855	179,345	0	179,345	1,790,627	449,849
2Q17	1,539,651	47,463	0	1,587,114	1,936	168,687	0	168,687	1,757,737	440,252
1Q17	1,529,317	48,228	0	1,577,545	2,021	158,975	0	158,975	1,738,541	431,155
Annual Data										
2017	1,598,054	45,791	0	1,643,845	1,783	199,168	0	199,168	1,844,796	475,624
2016	1,510,170	48,467	0	1,558,637	2,110	152,236	0	152,236	1,712,983	422,528
2015	1,409,898	68,234	0	1,478,132	2,413	114,130	0	114,130	1,594,675	411,016
2014	1,338,926	72,095	0	1,411,021	2,835	87,836	0	87,836	1,501,692	410,133
2013	1,306,504	72,187	1	1,378,692	3,152	71,793	0	71,793	1,453,637	402,309
2012	1,269,642	76,095	1	1,345,738	3,452	49,542	0	49,542	1,398,732	427,630
2011	1,303,916	81,977	2	1,385,895	4,106	32,080	0	32,080	1,422,081	451,716
2010	1,357,124	84,471	2	1,441,597	4,434	21,954	0	21,954	1,467,985	429,115
2009	1,364,796	111,550	3	1,476,349	3,544	15,374	0	15,374	1,495,267	448,329
2008	1,242,648	142,495	4	1,385,147	3,970	13,597	0	13,597	1,402,714	517,654
2007	1,206,495	161,963	7	1,368,465	4,499	8,899	0	8,899	1,381,863	526,604
2006	967,580	141,740	12	1,109,332	5,396	8,033	0	8,033	1,122,761	491,696
2005	836,023	117,757	19	953,799	6,289	14,112	0	14,112	974,200	437,668
2004	736,332	91,474	70	827,876	9,254	15,140	0	15,140	852,270	390,516
2003	649,699	74,409	140	724,248	12,157	15,759	0	15,759	752,164	347,833
2002	647,603	61,110	5	708,718	12,361	8,730	0	8,730	729,809	392,545
2001	609,290	22,525	10	631,825	14,127	7,132	0	7,132	653,084	299,652
2000	533,331	36,266	18	569,615	778	5,708	0	5,708	576,101	309,185
1999	499,671	33,094	29	532,794	627	4,462	0	4,462	537,883	316,168
1998	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	478,351	260,504
1997									475,985	233,829
1996									473,065	237,939
1995									459,045	246,336
1994									460,656	264,152
1993									439,029	265,178
1992									407,514	218,747
1991									359,163	146,978
1990									316,359	88,124
1989									272,870	52,865
1988									226,406	15,621
1987									212,635	3,652
1986									169,186	5,333
1985									99,909	5,047
1984									70,026	3,214
1983									57,720	1,669
1982									42,952	Not Issued Before 1983
1981									19,897	
1980									16,962	
1979									15,316	
1978									12,017	
1977									6,765	
1976									2,765	
1975									1,643	
1974									780	
1973									791	
1972									444	
1971									64	

Source: Freddie Mac

a Based on unpaid principal balances of mortgage guarantees held by third parties. Excludes mortgage-backed securities (MBS) held for investment by Freddie Mac and unguaranteed subordinated whole loan securities.

b Includes U.S. Department of Agriculture Rural Development (RD) loan programs.

c From 2001 to the current period, includes MBS with underlying mortgages classified as balloon/reset loans. Freddie Mac discontinued purchase of balloon/reset mortgages on January 1, 2013.

d From 2002 to the current period, includes resecuritizations of non-Freddie Mac securities.

e Excludes mortgage loans and mortgage-related securities traded but not yet settled. From 2002 to the current period, amounts include real estate mortgage investment conduits and other structured securities, other guarantee transactions, and other guarantee commitments of mortgage loans and MBS held by third parties.

f Amounts are included in total MBS outstanding column.

TABLE 14 • FREDDIE MAC MORTGAGE ASSETS HELD FOR INVESTMENT DETAIL

End of Period	($ in Millions)			
	Whole Loans[a] ($)	Freddie Mac Securities[a] ($)	Other Mortgage-Related Securities[a] ($)	Mortgage Assets Held for Investment (Gross)[b, c] ($)
4Q17	107,171	132,258	14,026	253,455
3Q17	117,636	130,519	18,526	266,681
2Q17	120,809	136,702	26,176	283,687
1Q17	121,400	140,614	29,196	291,210
Annual Data				
2017	107,171	132,258	14,026	253,455
2016	127,549	136,184	34,693	298,426
2015	145,664	147,824	53,423	346,911
2014	164,472	161,541	82,401	408,414
2013	181,308	168,034	111,682	461,024
2012	221,313	186,763	149,468	557,544
2011	253,970	223,667	175,676	653,313
2010	234,746	263,603	198,525	696,874
2009	138,816	374,615	241,841	755,272
2008	111,476	424,524	268,762	804,762
2007	82,158	356,970	281,685	720,813
2006	65,847	354,262	283,850	703,959
2005	61,481	361,324	287,541	710,346
2004	61,360	356,698	235,203	653,261
2003	60,270	393,135	192,362	645,767
2002	63,886	341,287	162,099	567,272
2001	62,792	308,427	126,420	497,639
2000	59,240	246,209	80,244	385,693
1999	56,676	211,198	56,569	324,443
1998	57,084	168,108	29,817	255,009
1997	48,454	103,400	Not Available Before 1998	164,421
1996	46,504	81,195		137,755
1995	43,753	56,006		107,424
1994	Not Available Before 1995	30,670		73,171
1993		15,877		55,938
1992		6,394		33,629
1991		Not Available Before 1992		26,667
1990				21,520
1989				21,448
1988				16,918
1987				12,354
1986				13,093
1985				13,547
1984				10,018
1983				7,485
1982				4,679
1981				5,178
1980				5,006
1979				4,003
1978				3,038
1977				3,204
1976				4,175
1975				4,878
1974				4,469
1973				2,521
1972				1,726
1971				935

Source: Freddie Mac

a Based on unpaid principal balances. Excludes mortgage loans and mortgage-related securities traded but not yet settled.

b Excludes allowance for loan losses.

c Amounts for 2009 and later meet the definition of mortgage assets in the Treasury Senior Preferred Stock Purchase Agreement for the purpose of determining the maximum amount of mortgage assets that may be held.

TABLE 14A • FREDDIE MAC MORTGAGE ASSETS HELD FOR INVESTMENT DETAIL – WHOLE LOANS

End of Period	Whole Loans ($ in Millions)[a]								
	Single-Family					Multifamily			Total Whole Loans ($)
	Conventional				Total FHA/VA[c] ($)	Conventional ($)	FHA/RD ($)	Total ($)	
	Fixed-Rate[b] ($)	Adjustable-Rate ($)	Seconds ($)	Total ($)					
4Q17	66,926	1,675	0	68,601	331	38,222	17	38,239	107,171
3Q17	76,358	1,792	0	78,150	349	39,120	17	39,137	117,636
2Q17	78,446	2,125	0	80,571	381	39,840	17	39,857	120,809
1Q17	76,603	2,017	0	78,620	380	42,398	2	42,400	121,400
Annual Data									
2017	66,926	1,675	0	68,601	331	38,222	17	38,239	107,171
2016	82,295	2,439	0	84,734	398	42,415	2	42,417	127,549
2015	92,931	3,185	0	96,116	461	49,084	3	49,087	145,664
2014	106,499	4,544	0	111,043	473	52,953	3	52,956	164,472
2013	115,073	6,511	0	121,584	553	59,168	3	59,171	181,308
2012	133,506	9,953	0	143,459	1,285	76,566	3	76,569	221,313
2011	156,361	13,804	0	170,165	1,494	82,308	3	82,311	253,970
2010	130,722	16,643	0	147,365	1,498	85,880	3	85,883	234,746
2009	50,980	2,310	0	53,290	1,588	83,935	3	83,938	138,816
2008	36,071	2,136	0	38,207	548	72,718	3	72,721	111,476
2007	21,578	2,700	0	24,278	311	57,566	3	57,569	82,158
2006	19,211	1,233	0	20,444	196	45,204	3	45,207	65,847
2005	19,238	903	0	20,141	255	41,082	3	41,085	61,481
2004	22,055	990	0	23,045	344	37,968	3	37,971	61,360
2003	25,889	871	1	26,761	513	32,993	3	32,996	60,270
2002	33,821	1,321	3	35,145	705	28,033	3	28,036	63,886
2001	38,267	1,073	5	39,345	964	22,480	3	22,483	62,792
2000	39,537	2,125	9	41,671	1,200	16,369	Not Available Before 2001	16,369	59,240
1999	43,210	1,020	14	44,244	77	12,355		12,355	56,676
1998	47,754	1,220	23	48,997	109	7,978		7,978	57,084
1997	40,967	1,478	36	42,481	148	5,825		5,825	48,454
1996	Not Available Before 1997	Not Available Before 1997	Not Available Before 1997	Not Available Before 1997	Not Available Before 1997	4,746		4,746	46,504
1995						3,852		3,852	43,753

Source: Freddie Mac

a Based on unpaid principal balances of mortgage loans. Excludes mortgage loans traded but not yet settled.

b From 2001 to the current period, includes U.S. Department of Agriculture Rural Development (RD) loan programs.

c FHA stands for Federal Housing Administration. VA stands for Department of Veterans Affairs.

TABLE 14B • FREDDIE MAC MORTGAGE ASSETS HELD FOR INVESTMENT DETAIL – PART 1, MORTGAGE-RELATED SECURITIES

End of Period	Mortgage-Related Securities ($ in Millions)[a]													
	Freddie Mac Securities[b]				Other Securities									
	Single-Family				Fannie Mae				Ginnie Mae					
					Single-Family				Single-Family					
	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Freddie Mac ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Fannie Mae ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Ginnie Mae ($)	Total Private-Label ($)	Total Other Securities ($)
4Q17	107,156	20,565	4,537	132,258	2,861	2,191	0	5,052	36	123	12	171	8,450	13,673
3Q17	102,626	22,507	5,386	130,519	4,378	3,061	0	7,439	38	137	12	187	10,507	18,133
2Q17	107,301	23,957	5,444	136,702	6,315	3,338	0	9,653	41	148	12	201	15,850	25,704
1Q17	109,323	25,472	5,819	140,614	6,924	3,643	0	10,567	48	163	12	223	17,855	28,645
Annual Data														
2017	107,156	20,565	4,537	132,258	2,861	2,191	0	5,052	36	123	12	171	8,450	13,673
2016	102,778	27,651	5,755	136,184	7,650	3,876	0	11,526	56	178	12	246	22,266	34,038
2015	119,072	22,873	5,879	147,824	6,038	6,753	0	12,791	90	77	12	179	39,265	52,235
2014	131,683	26,532	3,326	161,541	6,852	9,303	0	16,155	119	67	12	198	63,879	80,232
2013	137,164	28,083	2,787	168,034	7,240	9,421	3	16,664	150	78	15	243	91,237	108,144
2012	147,751	36,630	2,382	186,763	10,864	12,518	84	23,466	202	91	15	308	120,038	143,812
2011	174,440	46,219	3,008	223,667	16,543	15,998	128	32,669	253	104	16	373	134,841	167,883
2010	206,974	54,534	2,095	263,603	21,238	18,139	316	39,693	296	117	27	440	148,515	188,648
2009	294,958	77,708	1,949	374,615	36,549	28,585	528	65,662	341	133	35	509	163,816	229,987
2008	328,965	93,498	2,061	424,524	35,142	34,460	674	70,276	398	152	26	576	185,041	255,893
2007	269,896	84,415	2,659	356,970	23,140	23,043	922	47,105	468	181	82	731	218,914	266,750
2006	282,052	71,828	382	354,262	25,779	17,441	1,214	44,434	707	231	13	951	224,631	270,016
2005	299,167	61,766	391	361,324	28,818	13,180	1,335	43,333	1,045	218	30	1,293	231,594	276,220
2004	304,555	51,737	406	356,698	41,828	14,504	1,672	58,004	1,599	81	31	1,711	166,411	226,126
2003	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	393,135	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	74,529	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	2,760	107,301	184,590
2002				341,287				78,829				4,878	70,752	154,459
2001				308,427				71,128				5,699	42,336	119,163
2000				246,209				28,303				8,991	35,997	73,291
1999				211,198				13,245				6,615	31,019	50,879
1998				168,108				3,749				4,458	16,970	25,177
1997				103,400				Not Available Before 1998				6,393	Not Available Before 1998	Not Available Before 1998
1996				81,195								7,434		
1995				56,006								Not Available Before 1996		
1994				30,670										
1993				15,877										
1992				6,394										

Source: Freddie Mac

a Based on unpaid principal balances.

b From 2001 to the current period, includes real estate mortgage investment conduits and other structured securities backed by Ginnie Mae mortgage-backed securities.

TABLE 14B • FREDDIE MAC MORTGAGE ASSETS HELD FOR INVESTMENT DETAIL – PART 2, MORTGAGE-RELATED SECURITIES, PRIVATE-LABEL DETAIL

End of Period	Mortgage-Related Securities ($ in Millions)[a]								
	Private-Label								
	Single-Family								
		Subprime		Alt-A[b]		Other[c]			
	Manufactured Housing ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multifamily ($)	Total Private-Label ($)
4Q17	428	3	3,315	114	1,103	0	812	2,675	8,450
3Q17	467	3	4,408	177	786	0	1,150	3,516	10,507
2Q17	529	8	7,307	257	1,140	0	2,804	3,805	15,850
1Q17	551	9	7,991	320	1,295	0	2,902	4,787	17,855
Annual Data									
2017	428	3	3,315	114	1,103	0	812	2,675	8,450
2016	566	9	10,311	340	1,461	0	3,176	6,403	22,266
2015	630	10	17,285	753	3,045	0	5,309	12,233	39,265
2014	704	11	27,675	955	5,035	0	8,287	21,212	63,879
2013	778	116	39,583	1,417	9,594	0	10,426	29,323	91,237
2012	862	311	44,086	1,774	13,036	0	12,012	47,957	120,038
2011	960	336	48,696	2,128	14,662	0	13,949	54,110	134,841
2010	1,080	363	53,855	2,405	16,438	0	15,646	58,728	148,515
2009	1,201	395	61,179	2,845	18,594	0	17,687	61,915	163,816
2008	1,326	438	74,413	3,266	21,801	0	19,606	64,191	185,041
2007	1,472	498	100,827	3,720	26,343	0	21,250	64,804	218,914
2006	1,510	408	121,691	3,626	31,743	0	20,893	44,760	224,631
2005	1,680	Not Available Before 2006	Not Available Before 2006	Not Available Before 2006	Not Available Before 2006	4,749	181,678	43,487	231,594
2004	1,816					8,243	115,168	41,184	166,411
2003	2,085					Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	107,301
2002	2,394								70,752
2001	2,462								42,336
2000	2,896								35,997
1999	4,693								31,019
1998	1,711								16,970

Source: Freddie Mac

a Based on unpaid principal balances.

b Includes nonagency mortgage-related securities backed by home equity lines of credit.

c Consists of nonagency mortgage-related securities backed by option ARM loans. Before 2006, includes securities principally backed by subprime and Alt-A mortgage loans. ARM stands for adjustable-rate mortgage.

TABLE 14B • FREDDIE MAC MORTGAGE ASSETS HELD FOR INVESTMENT DETAIL – PART 3, MORTGAGE-RELATED SECURITIES

End of Period	Mortgage-Related Securities ($ in Millions)		($ in Millions)			
	Mortgage Revenue Bonds[a] ($)	Total Mortgage-Related Securities[a] ($)	Unamortized Premiums, Discounts, Deferred Fees, Plus Unrealized Gains/Losses on Available-for-Sale Securities[b] ($)	Mortgage Assets Held for Investment (Net)[c] ($)	Mortgage Assets Held for Investment (Gross)[d] ($)	Limit on Mortgage Assets Held for Investment (Gross)[e] ($)
4Q17	352	146,284	N/A	N/A	253,455	288,408
3Q17	396	149,045	N/A	N/A	266,681	339,304
2Q17	474	162,878	N/A	N/A	283,687	339,304
1Q17	552	169,810	N/A	N/A	291,210	339,304
Annual Data						
2017	352	146,284	N/A	N/A	253,455	288,408
2016	657	170,877	N/A	N/A	298,426	339,304
2015	1,188	201,247	N/A	N/A	346,911	399,181
2014	2,169	243,942	N/A	N/A	408,414	469,625
2013	3,538	279,716	N/A	N/A	461,024	552,500
2012	5,656	336,231	N/A	N/A	557,544	650,000
2011	7,793	399,343	N/A	N/A	653,313	729,000
2010	9,877	462,128	N/A	N/A	696,874	810,000
2009	11,854	616,456	-38,298	716,974	755,272	900,000
2008	12,869	693,286	-56,015	748,747	804,762	Not Applicable Before 2009
2007	14,935	638,655	-10,771	710,042	720,813	
2006	13,834	638,112	-3,957	700,002	703,959	
2005	11,321	648,865	-843	709,503	710,346	
2004	9,077	591,901	11,321	664,582	653,261	
2003	7,772	585,497	14,764	660,531	645,767	
2002	7,640	503,386	22,627	589,899	567,272	
2001	7,257	434,847	6,130	503,769	497,639	
2000	6,953	326,453	-242	385,451	385,693	
1999	5,690	267,767	-1,529	322,914	324,443	
1998	4,640	197,925	661	255,670	255,009	
1997	3,031	Not Available Before 1998	122	164,543	164,421	
1996	1,787		71	137,826	137,755	
1995	Not Available Before 1996		282	107,706	107,424	
1994			Not Available Before 1995 and after 2009	73,171	73,171	
1993				55,938	55,938	
1992				33,629	33,629	
1991				26,667	26,667	
1990				21,520	21,520	
1989				21,448	21,448	
1988				16,918	16,918	
1987				12,354	12,354	
1986				13,093	13,093	
1985				13,547	13,547	
1984				10,018	10,018	
1983				7,485	7,485	
1982				4,679	4,679	
1981				5,178	5,178	
1980				5,006	5,006	
1979				4,003	4,003	
1978				3,038	3,038	
1977				3,204	3,204	
1976				4,175	4,175	
1975				4,878	4,878	
1974				4,469	4,469	
1973				2,521	2,521	
1972				1,726	1,726	
1971				935	935	

Source: Freddie Mac

N/A = not available

a Based on unpaid principal balances.

b Includes premiums, discounts, deferred fees, impairments of unpaid principal balances, and other basis adjustments on mortgage loans and mortgage-related securities plus unrealized gains or losses on available-for-sale mortgage-related securities. Amounts prior to 2006 include mortgage-backed securities residuals at fair value.

c Excludes allowance for loan losses.

d Amounts for 2009 and later meet the definition of mortgage assets in the Treasury Senior Preferred Stock Purchase Agreement for the purpose of determining the maximum amount of mortgage assets that may be held.

e Maximum allowable mortgage assets under the Treasury Senior Preferred Stock Purchase Agreement.

TABLE 15 • FREDDIE MAC FINANCIAL DERIVATIVES

End of Period	Financial Derivatives – Notional Amount Outstanding ($ in Millions)									
	Interest Rate Swaps[a] ($)	Interest Rate Caps, Floors, and Corridors ($)	Foreign Currency Contracts ($)	Over-the-Counter Futures, Options, and Forward Rate Agreements ($)	Treasury-Based Contracts[b] ($)	Exchange-Traded Futures, Options and Other Derivatives ($)	Credit Derivatives[c] ($)	Commitments[d] ($)	Other[e] ($)	Total ($)
4Q17	557,115	10,000	0	115,118	50,820	216,565	3,569	54,207	2,906	1,010,300
3Q17	586,947	10,000	0	122,887	52,565	225,375	3,100	85,992	2,879	1,089,745
2Q17	578,424	10,000	0	140,395	46,842	267,741	2,684	76,886	2,869	1,125,841
1Q17	579,864	10,000	0	132,696	43,011	119,737	2,816	62,409	2,918	953,451
Annual Data										
2017	557,115	10,000	0	115,118	50,820	216,565	3,569	54,207	2,906	1,010,300
2016	586,033	10,000	0	114,392	28,763	109,531	2,951	45,353	2,879	899,902
2015	429,712	10,000	0	99,463	1,332	55,000	3,899	29,114	3,033	631,553
2014	418,844	10,000	0	95,260	7,471	40,000	5,207	27,054	3,204	607,040
2013	524,624	19,000	528	103,010	270	50,000	5,386	18,731	3,477	725,026
2012	547,491	28,000	1,167	90,585	1,185	39,938	8,307	25,530	3,628	745,831
2011	503,893	28,000	1,722	182,974	2,250	41,281	10,190	14,318	3,621	788,249
2010	721,259	28,000	2,021	207,694	4,193	211,590	12,833	14,292	3,614	1,205,496
2009	705,707	35,945	5,669	287,193	540	159,659	14,198	13,872	3,521	1,226,304
2008	766,158	36,314	12,924	251,426	28,403	106,610	13,631	108,273	3,281	1,327,020
2007	711,829	0	20,118	313,033	0	196,270	7,667	72,662	1,302	1,322,881
2006	440,879	0	29,234	252,022	2,000	20,400	2,605	10,012	957	758,109
2005	341,008	45	37,850	193,502	0	86,252	2,414	21,961	738	683,770
2004	178,739	9,897	56,850	224,204	2,001	127,109	10,926	32,952	114,100	756,778
2003	287,592	11,308	46,512	349,650	8,549	122,619	15,542	89,520	152,579	1,083,871
2002	290,096	11,663	43,687	277,869	17,900	210,646	17,301	191,563	117,219	1,177,944
2001	442,771	12,178	23,995	187,486	13,276	358,500	10,984	121,588	0	1,170,778
2000	277,888	12,819	10,208	113,064	2,200	22,517	N/A	N/A	35,839	474,535
1999	126,580	19,936	1,097	172,750	8,894	94,987	Not Applicable Before 2000	Not Applicable Before 2000	0	424,244
1998	57,555	21,845	1,464	63,000	11,542	157,832			0	313,238
1997	54,172	21,995	1,152	6,000	12,228	0			0	95,547
1996	46,646	14,095	544	0	651	0			0	61,936
1995	45,384	13,055	0	0	24	0			0	58,463
1994	21,834	9,003	0	0	0	0			0	30,837
1993	17,888	1,500	0	0	0	0			0	19,388

Source: Freddie Mac

N/A = not available

a Amounts for 2010 through the current period include exchange-settled interest rate swaps.

b Amounts for years 2002 through the current period include exchange-traded.

c Includes prepayment management agreement and swap guarantee derivatives.

d Commitments include commitments to purchase and sell investments in securities and mortgage loans and commitments to purchase and extinguish or issue debt securities of consolidated trusts. Years before 2004 include commitments to purchase and sell various debt securities.

TABLE 16 • FREDDIE MAC NONMORTGAGE INVESTMENTS

End of Period	Nonmortgage Investments ($ in Millions)[a]					
	Federal Funds and Eurodollars ($)	Asset-Backed Securities ($)	Repurchase Agreements ($)	Commercial Paper and Corporate Debt ($)	Other[b] ($)	Total ($)
4Q17	0	0	55,903	0	22,819	78,722
3Q17	0	0	47,202	0	17,507	64,709
2Q17	0	0	47,791	0	21,966	69,757
1Q17	0	0	51,257	0	27,188	78,445
Annual Data						
2017	0	0	55,903	0	22,819	78,722
2016	0	0	51,548	0	21,137	72,685
2015	0	0	63,644	0	17,151	80,795
2014	0	0	51,903	0	6,682	58,585
2013	0	0	62,383	0	6,636	69,019
2012	0	292	37,563	0	20,221	58,076
2011	0	302	12,044	2,184	24,812	39,342
2010	3,750	44	42,774	441	27,411	74,420
2009	0	4,045	7,000	439	14,787	26,271
2008	0	8,794	10,150	0	0	18,944
2007	162	16,588	6,400	18,513	0	41,663
2006	19,778	32,122	3,250	11,191	2,273	68,614
2005	9,909	30,578	5,250	5,764	5,823	57,324
2004	18,647	21,733	13,550	0	8,097	62,027
2003	7,567	16,648	13,015	5,852	10,042	53,124
2002	6,129	34,790	16,914	13,050	20,988	91,871
2001	15,868	26,297	17,632	21,712	8,340	89,849
2000	2,267	19,063	7,488	7,302	7,401	43,521
1999	10,545	10,305	4,961	3,916	4,425	34,152
1998	20,524	7,124	1,756	7,795	4,961	42,160
1997	2,750	2,200	6,982	3,203	1,295	16,430
1996	9,968	2,086	6,440	1,058	2,696	22,248
1995	110	499	9,217	1,201	1,684	12,711
1994	7,260	0	5,913	1,234	3,401	17,808
1993	9,267	0	4,198	1,438	3,322	18,225
1992	5,632	0	4,060	53	2,797	12,542
1991	2,949	0	4,437	0	2,570	9,956
1990	1,112	0	9,063	0	1,949	12,124
1989	3,527	0	5,765	0	1,758	11,050
1988	4,469	0	9,107	0	1,031	14,607
1987	3,177	0	5,859	0	1,431	10,467

Source: Freddie Mac

[a] Adoption of accounting guidance related to transfers of financial assets and consolidation of variable interest entities, effective January 1, 2010, changed presentation of nonmortgage investments. Values for 2010 and later are not directly comparable to previous years.

[b] Beginning in 2009, amounts include Treasury bills and Treasury notes. For 2004 through 2006, amounts include obligations of states and municipalities classified as available-for-sale securities. For 2003 and previous years, amounts include nonmortgage-related securities classified as trading, debt securities issued by the U.S. Treasury and other federal agencies, obligations of states and municipalities, and preferred stock.

TABLE 17 • FREDDIE MAC MORTGAGE ASSET QUALITY

End of Period	Mortgage Asset Quality				
	Single-Family Delinquency Rate[a] (%)	Multifamily Delinquency Rate[b] (%)	Credit Losses/Average Total Mortgage Portfolio[c] (%)	REO/Total Mortgage Portfolio[d] (%)	Credit-Enhanced[e]/Total Mortgage Portfolio[d] (%)
4Q17	1.08	0.02	0.19	0.04	48.0
3Q17	0.86	0.02	0.20	0.05	45.0
2Q17	0.85	0.01	0.42	0.05	45.0
1Q17	0.92	0.03	0.14	0.06	41.0
Annual Data					
2017	1.08	0.02	0.19	0.04	48.0
2016	1.00	0.03	0.09	0.06	40.0
2015	1.32	0.02	0.26	0.09	33.0
2014	1.88	0.04	0.22	0.14	26.0
2013	2.39	0.09	0.27	0.25	16.0
2012	3.25	0.19	0.64	0.24	13.0
2011	3.58	0.22	0.68	0.30	14.0
2010	3.84	0.26	0.72	0.36	15.0
2009	3.98	0.20	0.41	0.23	16.0
2008	1.83	0.05	0.20	0.17	18.0
2007	0.65	0.02	0.03	0.08	17.0
2006	0.42	0.06	0.01	0.04	16.0
2005	0.53	0.00	0.01	0.04	17.0
2004	0.73	0.06	0.01	0.05	19.0
2003	0.86	0.05	0.01	0.06	21.0
2002	0.77	0.13	0.01	0.05	27.4
2001	0.62	0.15	0.01	0.04	34.7
2000	0.49	0.04	0.01	0.04	31.8
1999	0.39	0.14	0.02	0.05	29.9
1998	0.50	0.37	0.04	0.08	27.3
1997	0.55	0.96	0.08	0.11	15.9
1996	0.58	1.96	0.10	0.13	10.0
1995	0.60	2.88	0.11	0.14	9.7
1994	0.55	3.79	0.08	0.18	7.2
1993	0.61	5.92	0.11	0.16	5.3
1992	0.64	6.81	0.09	0.12	Not Available Before 1993
1991	0.61	5.42	0.08	0.14	
1990	0.45	2.63	0.08	0.12	
1989	0.38	2.53	0.08	0.09	
1988	0.36	2.24	0.07	0.09	
1987	0.36	1.49	0.07	0.08	
1986	0.42	1.07	Not Available Before 1987	0.07	
1985	0.42	0.63		0.10	
1984	0.46	0.42		0.15	
1983	0.47	0.58		0.15	
1982	0.54	1.04		0.12	
1981	0.61	Not Available Before 1982		0.07	
1980	0.44			0.04	
1979	0.31			0.02	
1978	0.21			0.02	
1977	Not Available Before 1978			0.03	
1976				0.04	
1975				0.03	
1974				0.02	

Source: Freddie Mac

[a] Based on the number of mortgages 90 days or more delinquent or in foreclosure. Excludes modified loans if the borrower is less than 90 days past due under the modified terms. Rates are based on loans in the single-family credit guarantee portfolio, which excludes that portion of Freddie Mac real estate mortgage investment conduits (REMICs) and other structured securities backed by Ginnie Mae mortgage-backed securities (MBS). Rates for years 2005 and 2007 also exclude other guarantee transactions. Single-family delinquency rates for 2008 and thereafter include other guarantee transactions.

[b] Before 2008, rates were based on the net carrying value of mortgages 60 days or more delinquent or in foreclosure and exclude other guarantee transactions. Beginning in 2008, rates were based on the unpaid principal balance of loans 60 days or more delinquent or in foreclosure and include other guarantee transactions.

[c] Credit losses equal to real estate owned operations expense (income) plus net charge-offs and exclude other market-based valuation losses. Calculated as credit losses divided by the average balance of mortgage loans in the total mortgage portfolio, excluding non-Freddie Mac MBS and the portion of REMICs and other structured securities backed by Ginnie Mae MBS.

[d] Calculated based on the balance of mortgage loans in the total mortgage portfolio excluding non-Freddie Mac MBS and the portion of REMICS and other structured securities backed by Ginnie Mae certificates. Since 2004, the credit enhanced percentage of our total mortgage portfolio has been rounded to the nearest whole percent.

[e] Includes loans with a portion of the primary default risk retained by the lender or a third party who pledged collateral or agreed to accept losses on loans that default. In many cases, the lender's or third party's risk is limited to a specific level of losses at the time the credit enhancement becomes effective. Also includes credit enhancement coverage, such as through STACR debt notes or other risk transfer transactions that were completed by the end of each period.

TABLE 18 • FREDDIE MAC CAPITAL[a]

End of Period	Capital ($ in Millions)									
	Minimum Capital Requirement			Risk-Based Capital Requirement						
	Core Capital[b] ($)	Minimum Capital Requirement[c] ($)	Regulatory Capital Surplus (Deficit)[c] ($)	Total Capital[d] ($)	Risk-Based Capital Requirement[e] ($)	Risk-Based Capital Surplus (Deficit)[f] ($)	Market Capitalization[g] ($)	Core Capital/ Total Assets[h] (%)	Core Capital/ Total Assets plus Unconsolidated MBS[i] (%)	Common Share Dividend Payout Rate[j] (%)
4Q17	(73,037)	18,431	(91,468)	N/A	N/A	N/A	1,638	(3.56)	(3.29)	N/A
3Q17	(67,866)	18,411	(86,277)	N/A	N/A	N/A	1,872	(3.34)	(3.12)	N/A
2Q17	(70,551)	18,538	(89,089)	N/A	N/A	N/A	1,450	(3.49)	(3.28)	N/A
1Q17	(69,981)	18,900	(88,881)	N/A	N/A	N/A	1,612	(3.44)	(3.26)	N/A
Annual Data										
2017	(73,037)	18,431	(91,468)	N/A	N/A	N/A	1,638	(3.56)	(3.29)	N/A
2016	(67,717)	18,933	(86,650)	N/A	N/A	N/A	2,431	(3.35)	(3.18)	N/A
2015	(70,549)	19,687	(90,236)	N/A	N/A	N/A	1,053	(3.55)	(3.42)	N/A
2014	(71,415)	20,090	(91,505)	N/A	N/A	N/A	1,339	(3.67)	(3.54)	N/A
2013	(59,495)	21,404	(80,899)	N/A	N/A	N/A	1,885	(3.03)	(2.94)	N/A
2012	(60,571)	22,063	(82,634)	N/A	N/A	N/A	169	-3.04	-3.02	N/A
2011	-64,322	24,405	-88,727	N/A	N/A	N/A	136	-3.00	-3.03	N/A
2010	-52,570	25,987	-78,557	N/A	N/A	N/A	195	-2.32	-2.37	N/A
2009	-23,774	28,352	-52,126	N/A	N/A	N/A	953	-2.82	-1.02	N/A
2008	-13,174	28,200	-41,374	N/A	N/A	N/A	473	-1.55	-0.58	N/M
2007	37,867	26,473	11,394	40,929	14,102	26,827	22,018	4.77	1.74	N/M
2006	35,365	25,607	9,758	36,742	15,320	21,422	44,896	4.39	1.83	63.9
2005	35,043	24,791	10,252	36,781	11,282	25,499	45,269	4.35	1.97	56.4
2004	34,106	23,715	10,391	34,691	11,108	23,583	50,898	4.29	2.07	30.7
2003	32,416	23,362	9,054	33,436	5,426	28,010	40,158	4.03	2.08	15.6
2002	28,990	22,339	6,651	24,222	4,743	19,479	40,590	3.85	1.96	6.2
2001	20,181	19,014	1,167	Not Applicable Before 2002	Not Applicable Before 2002	Not Applicable Before 2002	45,473	3.15	1.56	18.9
2000	14,380	14,178	202				47,702	3.13	1.39	20.0
1999	12,692	12,287	405				32,713	3.28	1.37	20.1
1998	10,715	10,333	382				44,797	3.33	1.34	20.7
1997	7,376	7,082	294				28,461	3.79	1.10	21.1
1996	6,743	6,517	226				19,161	3.88	1.04	21.3
1995	5,829	5,584	245				14,932	4.25	0.98	21.1
1994	5,169	4,884	285				9,132	4.87	0.91	20.5
1993	4,437	3,782	655				9,005	5.29	0.85	21.6
1992	Not Applicable Before 1993	Not Applicable Before 1993	Not Applicable Before 1993				8,721	Not Applicable Before 1993	Not Applicable Before 1993	23.1
1991							8,247			21.6
1990							2,925			23.2
1989							4,024			24.3

Sources: Freddie Mac and FHFA

N/A = not applicable **N/M = not meaningful**

a On October 9, 2008, the Federal Housing Finance Agency (FHFA) suspended capital classifications of Freddie Mac. As of the fourth quarter of 2008, neither the existing statutory nor the FHFA-directed regulatory capital requirements are binding and will not be binding during conservatorship.

b The sum of the stated value of outstanding common stock (common stock less treasury stock), the stated value of outstanding noncumulative perpetual preferred stock, paid-in capital, and retained earnings (accumulated deficit). Core capital excludes accumulated other comprehensive income (loss) and senior preferred stock.

c Beginning in the fourth quarter of 2003, FHFA directed Freddie Mac to maintain an additional 30 percent capital in excess of the statutory minimum capital requirement. On March 19, 2008, FHFA announced a reduction in the mandatory target capital surplus from 30 percent to 20 percent above the statutory minimum capital requirements. The minimum capital requirement and minimum capital surplus (deficit) numbers stated in this table do not reflect the additional capital requirement. Minimum capital surplus (deficit) is the difference between core capital and the minimum capital requirement.

d Total capital includes core capital and general reserves for mortgage and foreclosure losses.

e The risk-based capital requirement is the amount of total capital an Enterprise must hold to absorb projected losses flowing from future adverse interest rate and credit risk conditions and is specified by the Federal Housing Enterprise Financial Safety and Soundness Act of 1992.

f The difference between total capital and risk-based capital requirement.

g Stock price at the end of the period multiplied by the number of outstanding common shares.

h Adoption of the changes in the accounting guidance related to transfers of financial assets and consolidation of variable interest entities changed presentation of total assets on the balance sheet. Financial results for 2010 and later are not directly comparable to years before 2010.

i Includes unconsolidated MBS held by third parties. Before 2010, Freddie Mac MBS held by third parties were not consolidated.

j Common dividends paid as a percentage of net income available to common stockholders.

TABLE 19 • FEDERAL HOME LOAN BANKS COMBINED STATEMENT OF INCOME

End of Period	($ in Millions)				
	Net Interest Income ($)	Operating Expenses ($)	Affordable Housing Program Assessment ($)	REFCORP Assessment [a, b] ($)	Net Income ($)
4Q17	1,236	282	98	0	866
3Q17	1,236	269	97	0	854
2Q17	1,189	253	96	0	844
1Q17	820	260	93	0	812
Annual Data					
2017	4,481	1,064	384	0	3,376
2016	3,835	1,025	392	0	3,408
2015	3,548	1085	332	0	2,856
2014	3,522	932	269	0	2,245
2013	3,415	889	293	0	2,527
2012	4,052	839	296	0	2,606
2011	4,104	853	188	160	1,593
2010	5,234	860	229	498	2,081
2009	5,432	813	258	572	1,855
2008	5,243	732	188	412	1,206
2007	4,516	714	318	703	2,827
2006	4,293	671	295	647	2,612
2005	4,207	657	282	625	2,525
2004	4,171	547	225	505	1,994
2003	3,877	450	218	490	1,885
2002	3,722	393	168	375	1,507
2001	3,446	364	220	490	1,970
2000	3,313	333	246	553	2,211
1999	2,534	282	199	Not Applicable Before 2000	2,128
1998	2,116	258	169		1,778
1997	1,772	229	137		1,492
1996	1,584	219	119		1,330
1995	1,401	213	104		1,300
1994	1,230	207	100		1,023
1993	954	197	75		884
1992	736	207	50		850
1991	1,051	264	50		1,159
1990	1,510	279	60		1,468

Source: Federal Home Loan Bank System Office of Finance

a Before 2000, the Federal Home Loan Banks charged a $300 million annual capital distribution to the Resolution Funding Corporation (REFCORP) directly to retained earnings.

b The Federal Home Loan Banks made their final payment satisfying the REFCORP obligation on July 15, 2011 based on income earned in the second quarter of 2011.

c Financial data is from the FHLBanks' Office of Finance annual Combined Financial Report for each year listed. Data may not reflect subsequent adjustments or restatements. Quarterly values are from quarterly Combined Financial Reports.

TABLE 20 • FEDERAL HOME LOAN BANKS COMBINED BALANCE SHEET

End of Period	Total Assets ($)	Advances to Members Outstanding ($)	Mortgage Loans Held ($)	Mortgage-Related Securities ($)	Consolidated Obligations ($)	Capital Stock ($)	Retained Earnings ($)	Regulatory Capital[a]	Regulatory Capital/Total Assets
	($ in Millions)								
4Q17	1,103,451	731,544	53,827	141,299	1,033,081	37,657	18,099	57,027	5.17
3Q17	1,097,509	719,387	52,210	140,184	1,028,017	37,007	17,681	56,037	5.11
2Q17	1,081,699	706,849	50,538	139,684	1,010,932	36,883	17,238	55,602	5.14
1Q17	1,026,027	660,740	48,972	139,612	958,505	35,003	16,779	53,251	5.19
Annual Data									
2017	1,103,451	731,544	53,827	141,299	1,033,081	37,657	18,099	57,027	5.17
2016	1,056,712	705,225	48,476	138,650	988,742	36,234	16,330	54,318	5.14
2015	969,353	634,022	44,585	133,680	905,982	34,185	14,325	49,449	5.10
2014	913,343	570,726	43,563	139,180	848,334	33,705	13,244	49,577	5.43
2013	834,200	498,599	44,442	140,309	767,141	33,375	12,206	50,578	6.06
2012	762,454	425,750	49,425	138,522	692,138	33,535	10,524	50,989	6.69
2011	766,086	418,157	53,377	140,154	697,124	35,542	8,577	52,936	6.91
2010	878,109	478,589	61,191	146,881	800,998	41,735	7,552	57,356	6.53
2009	1,015,583	631,159	71,437	152,028	934,876	44,982	6,033	60,153	5.92
2008	1,349,053	928,638	87,361	169,170	1,258,267	49,551	2,936	59,625	4.42
2007	1,271,800	875,061	91,610	143,513	1,178,916	50,253	3,689	56,051	4.41
2006	1,016,469	640,681	97,974	130,228	934,214	42,001	3,143	47,247	4.65
2005	997,389	619,860	105,240	122,328	915,901	42,043	2,600	46,102	4.62
2004	924,751	581,216	113,922	124,417	845,738	40,092	1,744	42,990	4.65
2003	822,418	514,037	113,438	97,867	740,721	37,703	1,098	38,801	4.72
2002	763,052	489,338	60,455	96,386	673,383	35,186	716	35,904	4.71
2001	696,254	472,540	27,641	86,730	621,003	33,288	749	34,039	4.89
2000	653,687	437,861	16,149	77,385	591,606	30,537	728	31,266	4.78
1999	583,212	395,747	2,026	62,531	525,419	28,361	654	29,019	4.98
1998	434,002	288,189	966	52,232	376,715	22,287	465	22,756	5.24
1997	348,575	202,265	37	47,072	304,493	18,833	341	19,180	5.50
1996	292,035	161,372	0	42,960	251,316	16,540	336	16,883	5.78
1995	272,661	132,264	0	38,029	231,417	14,850	366	15,213	5.58
1994	239,076	125,893	0	29,967	200,196	13,095	271	13,373	5.59
1993	178,897	103,131	0	22,217	138,741	11,450	317	11,766	6.58
1992	162,134	79,884	0	20,123	114,652	10,102	429	10,531	6.50
1991	154,556	79,065	0	Not Available Before 1992	108,149	10,200	495	Not Available Before 1992	Not Available Before 1992
1990	165,742	117,103	0		118,437	11,104	521		

Source: Federal Home Loan Bank System Office of Finance

[a] Financial data is from the FHLBanks' Office of Finance annual Combined Financial Report for each year listed. Data may not reflect subsequent adjustments or restatements. Quarterly items are from quarterly Combined Financial Reports.

TABLE 21 • FEDERAL HOME LOAN BANKS NET INCOME

End of Period	($ in Millions)												
	Atlanta	Boston	Chicago	Cincinnati	Dallas	Des Moines	Indianapolis	New York	Pittsburgh	San Francisco	Seattle	Topeka	Combining Adjustment	System Total
4Q17	93	68	88	84	31	116	46	145	81	67	--	48	(1)	866
3Q17	95	45	77	78	40	132	41	133	84	81	--	50	(2)	854
2Q17	86	40	79	87	44	130	37	131	88	80	--	45	(3)	844
1Q17	75	37	73	65	35	140	32	70	87	148	--	54	(4)	812
Annual Data														
2017	349	190	317	314	150	518	156	479	340	376	--	197	(10)	3,376
2016	278	173	327	268	79	649	113	401	260	712	--	162	(14)	3,408
2015	301	289	349	249	67	131	121	415	257	638	(32)	93	(22)	2,856
2014	271	150	392	244	49	121	117	315	256	205	60	106	(41)	2,245
2013	338	212	343	261	88	110	218	305	148	308	61	119	16	2,527
2012	270	207	375	235	81	111	143	361	130	491	71	110	21	2,606
2011	184	160	224	138	48	78	110	244	38	216	84	77	(8)	1,593
2010	278	107	366	164	105	133	111	276	8	399	21	34	79	2,081
2009	283	(187)	(65)	268	148	146	120	571	(37)	515	(162)	237	18	1,855
2008	254	(116)	(119)	236	79	127	184	259	19	461	(199)	28	(7)	1,206
2007	445	198	111	269	130	101	122	323	237	652	71	150	18	2,827
2006	414	196	188	253	122	89	118	285	216	542	26	136	27	2,612
2005	344	135	244	220	242	228	153	230	192	369	2	136	30	2,525
2004	294	90	365	227	65	100	131	161	119	293	83	93	(27)	1,994
2003	207	92	437	171	113	135	134	46	69	323	144	88	(74)	1,885
2002	267	76	205	178	(50)	46	81	234	(27)	292	147	58	0	1,507
2001	162	113	164	189	114	74	104	285	85	425	178	77	0	1,970
2000	298	146	129	193	129	124	127	277	173	377	139	99	0	2,211
1999	282	137	131	173	109	132	125	244	184	332	165	90	24	2,128
1998	221	116	111	176	99	116	111	186	143	294	154	81	(30)	1,778
1997	192	103	99	135	87	110	98	144	110	249	129	65	(29)	1,492
1996	165	96	92	116	95	111	80	131	97	219	118	58	(48)	1,330
1995	159	92	73	91	91	103	74	136	82	200	87	50	63	1,300
1994	120	69	57	68	78	76	71	126	58	196	75	45	(16)	1,024
1993	114	57	49	33	39	50	53	117	62	163	122	35	(12)	884
1992	124	52	51	41	26	47	59	141	58	131	93	33	(5)	850
1991	158	88	58	51	38	46	64	156	57	316	58	64	7	1,159

Source: Federal Home Loan Bank System Office of Finance[a]

[a] Financial data is from the FHLBanks' Office of Finance annual Combined Financial Report for each year listed. Data may not reflect subsequent adjustments or restatements.

TABLE 22 • FEDERAL HOME LOAN BANKS ADVANCES OUTSTANDING

End of Period	($ in Millions)												
	Atlanta	Boston	Chicago	Cincinnati	Dallas	Des Moines	Indianapolis	New York	Pittsburgh	San Francisco	Seattle	Topeka	System Total
4Q17	102,440	37,566	48,085	69,918	36,461	102,613	34,055	122,448	74,280	77,382	-	26,296	731,544
3Q17	99,812	37,467	50,153	67,943	36,288	117,514	32,953	113,081	74,228	61,629	-	28,319	719,387
2Q17	91,590	38,428	46,844	71,088	34,132	118,878	32,253	117,934	74,080	55,179	-	26,443	706,849
1Q17	90,688	35,479	42,328	61,286	31,059	123,609	29,671	101,428	70,317	49,052	-	25,823	660,740
Annual Data													
2017	102,440	37,566	48,085	69,918	36,461	102,613	34,055	122,448	74,280	77,382	-	26,296	731,544
2016	99,077	39,099	45,067	69,882	32,506	131,601	28,096	109,257	76,809	49,845	-	23,986	705,225
2015	104,168	36,076	36,778	73,292	24,747	89,173	26,909	93,874	74,505	50,919	-	23,580	634,022
2014	99,644	33,482	32,485	70,406	18,942	65,168	20,790	98,797	63,408	38,986	10,314	18,303	570,726
2013	89,588	27,517	23,489	65,270	15,979	45,650	17,337	90,765	50,247	44,395	10,935	17,425	498,599
2012	87,503	20,790	14,530	53,944	18,395	26,614	18,130	75,888	40,498	43,750	9,135	16,573	425,750
2011	86,971	25,195	15,291	28,424	18,798	26,591	18,568	70,864	30,605	68,164	11,292	17,394	418,157
2010	89,258	28,035	18,901	30,181	25,456	29,253	18,275	81,200	29,708	95,599	13,355	19,368	478,589
2009	114,580	37,591	24,148	35,818	47,263	35,720	22,443	94,349	41,177	133,559	22,257	22,254	631,159
2008	165,856	56,926	38,140	53,916	60,920	41,897	31,249	109,153	62,153	235,664	36,944	35,820	928,638
2007	142,867	55,680	30,221	53,310	46,298	40,412	26,770	82,090	68,798	251,034	45,524	32,057	875,061
2006	101,476	37,342	26,179	41,956	41,168	21,855	22,282	59,013	49,335	183,669	27,961	28,445	640,681
2005	101,265	38,068	24,921	40,262	46,457	22,283	25,814	61,902	47,493	162,873	21,435	27,087	619,860
2004	95,867	30,209	24,192	41,301	47,112	27,175	25,231	68,508	38,980	140,254	14,897	27,490	581,216
2003	88,149	26,074	26,443	43,129	40,595	23,272	28,925	63,923	34,662	92,330	19,653	26,882	514,037
2002	82,244	26,931	24,945	40,063	36,869	23,971	28,944	68,926	29,251	81,237	20,036	25,921	489,338
2001	71,818	24,361	21,902	35,223	32,490	20,745	26,399	60,962	29,311	102,255	24,252	22,822	472,540
2000	58,249	21,594	18,462	31,935	30,195	21,158	24,073	52,396	25,946	110,031	26,240	17,582	437,861
1999	45,216	22,488	17,167	28,134	27,034	22,949	19,433	44,409	36,527	90,514	26,284	15,592	395,747
1998	33,561	15,419	14,899	17,873	22,191	18,673	14,388	31,517	26,050	63,990	21,151	8,477	288,189
1997	23,128	12,052	10,369	14,722	13,043	10,559	11,435	19,601	16,979	49,310	15,223	5,844	202,265
1996	16,774	9,655	10,252	10,882	10,085	10,306	9,570	16,486	12,369	39,222	10,850	4,921	161,372
1995	13,920	8,124	8,282	8,287	9,505	11,226	7,926	15,454	9,657	25,664	9,035	5,185	132,264
1994	14,526	8,504	6,675	7,140	8,039	9,819	7,754	14,509	8,475	25,343	8,899	6,212	125,893
1993	11,340	7,208	4,380	4,274	10,470	6,362	6,078	12,162	6,713	23,847	5,889	4,407	103,131
1992	9,301	5,038	2,873	2,415	7,322	3,314	5,657	8,780	3,547	23,110	5,025	3,502	79,884
1991	8,861	5,297	1,773	2,285	4,634	2,380	5,426	11,804	2,770	24,178	5,647	4,011	79,065

Source: Federal Home Loan Bank System Office of Finance

[a] Financial data is from the FHLBanks' Office of Finance annual Combined Financial Report for each year listed. Data may not reflect subsequent adjustments or restatements. Quarterly items are from quarterly.

TABLE 23 • FEDERAL HOME LOAN BANKS REGULATORY CAPITAL

End of Period	($ in Millions)													
	Atlanta	Boston	Chicago	Cincinnati	Dallas	Des Moines	Indianapolis	New York	Pittsburgh	San Francisco	Seattle	Topeka	Combining Adjustment[a]	System Total
4Q17	7,157	3,628	5,051	5,211	3,266	7,292	2,998	8,316	4,822	6,797	--	2,486	3	57,027
3Q17	7,016	3,574	5,084	5,176	3,135	7,820	2,893	7,836	4,822	6,383	--	2,289	9	56,037
2Q17	6,617	3,691	4,982	5,146	3,027	7,788	2,794	8,226	4,815	6,280	--	2,230	6	55,602
1Q17	6,561	3,722	4,666	5,058	2,808	7,896	2,624	7,389	4,560	5,833	--	2,122	12	53,251
Annual Data														
2017	7,157	3,628	5,051	5,211	3,266	7,292	2,998	8,316	4,822	6,797	--	2,486	3	57,027
2015	6,956	3,507	4,688	5,232	2,311	5,812	2,377	6,875	4,427	5,369	--	1,863	32	49,449
2014	6,914	3,613	4,317	5,019	1,928	4,213	2,344	6,682	3,879	6,356	2,659	1,605	48	49,577
2013	6,563	4,297	3,703	5,435	1,782	3,379	2,379	6,594	3,648	7,925	2,958	1,824	90	50,578
2012	6,373	4,259	3,347	4,759	1,794	2,694	2,677	5,714	3,806	10,750	2,987	1,752	77	50,989
2011	7,258	4,251	4,527	3,845	1,765	2,684	2,515	5,292	3,871	12,176	2,958	1,738	56	52,936
2010	8,877	4,004	4,962	3,887	2,061	2,746	2,695	5,304	4,419	13,640	2,871	1,826	64	57,356
2009	9,185	3,876	4,502	4,151	2,897	2,953	2,830	5,874	4,415	14,657	2,848	1,980	-15	60,153
2008	8,942	3,658	4,327	4,399	3,530	3,174	2,701	6,112	4,157	13,539	2,687	2,432	-33	59,625
2007	8,080	3,421	4,343	3,877	2,688	3,125	2,368	5,025	4,295	13,859	2,660	2,336	-26	56,051
2006	6,394	2,542	4,208	4,050	2,598	2,315	2,111	4,025	3,655	10,865	2,303	2,225	-44	47,247
2005	6,225	2,675	4,507	4,130	2,796	2,346	2,349	3,900	3,289	9,698	2,268	1,990	-71	46,102
2004	5,681	2,240	4,793	4,002	2,846	2,453	2,132	4,005	2,791	7,959	2,166	2,023	-101	42,990
2003	5,030	2,490	4,542	3,737	2,666	2,226	1,961	3,765	2,344	5,858	2,456	1,800	-74	38,801
2002	4,577	2,323	3,296	3,613	2,421	1,889	1,935	4,296	1,824	5,687	2,382	1,661	0	35,904
2001	4,165	2,032	2,507	3,240	2,212	1,574	1,753	3,910	1,970	6,814	2,426	1,436	0	34,039
2000	3,649	1,905	1,701	2,841	2,166	1,773	1,581	3,747	2,175	6,292	2,168	1,267	0	31,266
1999	3,433	1,868	1,505	2,407	1,862	2,264	1,446	3,093	2,416	5,438	2,098	1,190	0	29,019
1998	2,427	1,530	1,299	1,952	1,570	1,526	1,179	2,326	1,827	4,435	1,813	894	-24	22,756
1997	2,077	1,344	1,159	1,694	1,338	1,320	1,090	1,881	1,440	3,545	1,495	791	6	19,180
1996	1,846	1,239	1,091	1,377	1,150	1,245	903	1,616	1,230	3,150	1,334	666	35	16,883
1995	1,615	1,201	941	1,128	1,168	1,217	799	1,531	1,030	2,719	1,148	632	83	15,213
1994	1,488	1,091	749	961	944	905	676	1,281	924	2,627	1,094	612	20	13,373
1993	1,423	927	648	692	914	652	584	1,251	740	2,440	934	526	36	11,766
1992	1,333	843	564	563	661	515	548	1,181	566	2,453	782	474	48	10,531
1991	1,367	807	525	517	645	450	515	1,234	492	2,924	652	514	53	10,695

Source: Federal Home Loan Bank System Office of Finance[b]

[a] Combining adjustment for Federal Home Loan Bank System retained earnings reported by the Office of Finance.

[b] Financial data is from the FHLBanks' Office of Finance annual Combined Financial Report for each year listed. Data may not reflect subsequent adjustments or restatements. Quarterly items are from quarterly Combined Financial Reports.

TABLE 24 • LOAN LIMITS

Period	Single-Family Conforming Loan Limits[a]			
	One Unit	Two Units	Three Units	Four Units
2018[b]	453,100-679,650	580,150-870,225	701,250-1,051,875	871,450-1,307,175
2017[b]	424,100-636,150	543,000-814,500	656,350-984,525	815,650-1,223,475
2016[b]	417,000-625,500	533,850-800,775	645,300-967,950	801,950-1,202,925
2015[b]	417,000-625,500	533,850-800,775	645,300-967,950	801,950-1,202,925
2014[b]	417,000-625,500	533,850-800,775	645,300-967,950	801,950-1,202,925
2013[b]	417,000-625,500	533,850-800,775	645,300-967,950	801,950-1,202,925
2012[b]	417,000-625,500	533,850-800,775	645,300-967,950	801,950-1,202,925
2011[c]	417,000-729,750	533,850-934,200	645,300-1,129,250	801,950-1,403,400
2010[d]	417,000-729,750	533,850-934,200	645,300-1,129,250	801,950-1,403,400
2009[e]	417,000-729,750	533,850-934,200	645,300-1,129,250	801,950-1,403,400
2008[f]	417,000-729,750	533,850-934,200	645,300-1,129,250	801,950-1,403,400
2007	417,000	533,850	645,300	801,950
2006	417,000	533,850	645,300	801,950
2005	359,650	460,400	556,500	691,600
2004	333,700	427,150	516,300	641,650
2003	322,700	413,100	499,300	620,500
2002	300,700	384,900	465,200	578,150
2001	275,000	351,950	425,400	528,700
2000	252,700	323,400	390,900	485,800
1999	240,000	307,100	371,200	461,350
1998	227,150	290,650	351,300	436,600
1997	214,600	274,550	331,850	412,450
1996	207,000	264,750	320,050	397,800
1995	203,150	259,850	314,100	390,400
1994	203,150	259,850	314,100	390,400
1993	203,150	259,850	314,100	390,400
1992	202,300	258,800	312,800	388,800
1991	191,250	244,650	295,650	367,500
5/1/1990 – 12/31/1990	187,450	239,750	289,750	360,150
1989 – 4/30/1990	187,600	239,950	290,000	360,450
1988	168,700	215,800	260,800	324,150
1987	153,100	195,850	236,650	294,150
1986	133,250	170,450	205,950	256,000
1985	115,300	147,500	178,200	221,500
1984	114,000	145,800	176,100	218,900
1983	108,300	138,500	167,200	207,900
1982	107,000	136,800	165,100	205,300
1981	98,500	126,000	152,000	189,000
1980	93,750	120,000	145,000	170,000
10/27/1977 – 1979	75,000	75,000	75,000	75,000
1975 – 10/26/1977	55,000	55,000	55,000	55,000

Sources: Department of Housing and Urban Development (HUD), Federal Housing Finance Agency, Freddie Mac

a Conforming loan limits are 50 percent higher in Alaska, Hawaii, Guam, and the U.S. Virgin Islands.

b Maximum loan limits for loans acquired between 2012 and 2018 were determined based on the formula established in the Housing and Economic Recovery Act of 2008.

c Public Law 111-242 set maximum loan limits for mortgages originated through September 30, 2011 at the higher of the limits established by the Economic Stimulus Act of 2008 or those determined under a formula prescribed by the Housing and Economic Recovery Act of 2008. Loans originated after September 30 were subject to the Housing and Economic Recovery Act limits, which had a ceiling of $625,500 in the contiguous U.S.

d Public Law 111-242 set maximum loan limits for mortgages originated in 2010 at the higher of the limits established by the Economic Stimulus Act of 2008 or those determined under a formula prescribed by the Housing and Economic Recovery Act of 2008. For all areas, the resulting 2010 limits were the same as those in effect for 2009.

e Loan limits for mortgages originated in 2009 were initially set under provisions of the Housing and Economic Recovery Act of 2008, which allowed for high-cost area limits of up to $625,500. In February 2009, however, the American Recovery and Reinvestment Act of 2009 restored the $729,750 maximum loan limit for mortgages originated in 2009.

f The Economic Stimulus Act of 2008 allowed Fannie Mae and Freddie Mac to raise the conforming loan limits in certain high-cost areas to a maximum of $729,750 for one-unit homes in the continental United States. Higher limits applied to two-, three-, and four-unit homes. Alaska, Hawaii, Guam, and the Virgin Islands have higher maximum limits. The limits applied to loans originated between July 1, 2007, and December 31, 2008.

Period	FHA Single-Family Insurable Limits							
	One Unit		Two Units		Three Units		Four Units	
	Low-Cost Area Max	High-Cost Area Max	Low-Cost Area Max	High-Cost Area Max	Low-Cost Area Max	High-Cost Area Max	Low-Cost Area Max	High-Cost Area Max
2018[a]	294,515	679,650	377,075	870,225	455,800	1,051,875	566,425	1,307,175
2017[a]	275,665	636,150	352,950	814,500	426,625	984,525	530,150	1,223,475
2016[a]	271,050	625,500	347,000	800,775	419,425	967,950	521,250	1,202,925
2015[a]	271,050	625,500	347,000	800,775	419,425	967,950	521,250	1,202,925
2014[a]	271,050	625,500	347,000	800,775	419,425	967,950	521,250	1,202,925
2013[b]	271,050	729,750	347,000	934,200	419,425	1,129,250	521,250	1,403,400
2012[b]	271,050	729,750	347,000	934,200	419,400	1,129,250	521,250	1,403,400
2011[b]	271,050	729,750	347,000	934,200	419,400	1,129,250	521,250	1,403,400
2010[c]	271,050	729,750	347,000	934,200	419,400	1,129,250	521,250	1,403,400
2009[d]	271,050	729,750	347,000	934,200	419,400	1,129,250	521,250	1,403,400
2008[e]	271,050	729,750	347,000	934,200	419,400	1,129,250	521,250	1,403,400
2007	200,160	362,790	256,248	464,449	309,744	561,411	384,936	697,696
2006	200,160	362,790	256,248	464,449	309,744	561,411	384,936	697,696
2005	172,632	312,895	220,992	400,548	267,120	484,155	331,968	601,692
2004	160,176	290,319	205,032	371,621	247,824	449,181	307,992	558,236
2003	154,896	280,749	198,288	359,397	239,664	434,391	297,840	539,835
2002	144,336	261,609	184,752	334,863	223,296	404,724	277,512	502,990
2001	132,000	239,250	168,936	306,196	204,192	370,098	253,776	459,969
2000	121,296	219,849	155,232	281,358	187,632	340,083	233,184	422,646
1999	115,200	208,800	147,408	267,177	178,176	322,944	221,448	401,375
1998	109,032	197,621	139,512	252,866	168,624	305,631	209,568	379,842
1997	81,546	170,362	104,310	205,875	126,103	248,888	156,731	309,338

a HUD loan limit authority given by Congress in the Economic Stimulus Action of 2008 and extended by the Consolidated and Further Continuing Appropriations Act of 2012 (P.L. 112-55) expired at the end of December 2013. The Federal Housing Administration single-family loans limits for 2014 were established using the permanent authority under section 203(b)(2) of the National Housing Act, as amended by the Housing Economic Recovery Act of 2008. This shift in legal authority resulted in changes in loan limits for 2014 and beyond.

b Public Law 111-242 set the maximum loan limits for mortgages with credit approvals issued in Fiscal Year 2011 (October 1, 2010 - September 30, 2011) at the higher of the limits established by the Economic Stimulus Act of 2008 and those determined under a formula prescribed by the Housing and Economic Recovery Act of 2008. The maximum limit for loans with case numbers assigned between November 18, 2011 and December 31, 2013 were set pursuant to Public Law 112-55 at the higher of the limits established by the Economic Stimulus Act of 2008 and those determined under a formula prescribed by the Housing and Economic Recovery Act of 2008.

c Public Law 111-88 set maximum loan limits for mortgages with credit approvals issued in 2010 at the higher of the limits established by the Economic Stimulus Act of 2008 or those determined under a formula prescribed by the Housing and Economic Recovery Act of 2008. For all areas, the resulting 2010 limits were the same as those in effect for 2009.

d Loan limits for mortgages with credit approvals issued in 2009 were initially set under provisions of the Housing and Economic Recovery Act of 2008, which allowed for high-cost area limits of up to $625,500. In February 2009, however, the American Recovery and Reinvestment Act of 2009 restored the $729,750 maximum loan limit for mortgages with credit approvals issued in 2009.

e The Economic Stimulus Act of 2008 allowed the Federal Housing Administration to increase the single-family insurable limits to a maximum of $729,750 for one-unit homes in the continental United States. Higher limits applied to two-, three-, and four-unit homes. Alaska, Hawaii, Guam, and the Virgin Islands have higher maximum limits. The limits applied to loans with credit approvals issued between July 1, 2007, and December 31, 2008.

TABLE 25 • MORTGAGE INTEREST RATES

Period	Average Commitment Rates on Loans		Effective Rates on Closed Loans	
	Conventional		Conventional	
	30-Year Fixed-Rate ($)	One-Year Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)
4Q17	4.0	2.9	4.1	N/A
3Q17	3.8	2.8	4.1	N/A
2Q17	3.9	2.9	4.1	N/A
1Q17	4.1	2.8	4.3	N/A
Annual Data				
2017	4.0	2.8	4.1	N/A
2016	4.3	2.8	4.0	N/A
2015	4.0	2.7	4.1	N/A
2014	4.2	2.4	4.4	N/A
2013	4.0	2.6	4.1	N/A
2012	3.7	2.7	4.7	N/A
2011	4.5	3.0	4.8	N/A
2010	4.7	3.8	4.9	N/A
2009	5.0	4.7	5.2	N/A
2008	6.0	5.2	6.2	5.8
2007	6.3	5.6	6.5	6.3
2006	6.4	5.5	6.7	6.4
2005	5.9	4.5	6.1	5.5
2004	5.8	3.9	6.0	5.2
2003	5.8	3.8	5.9	5.0
2002	6.5	4.6	6.7	5.7
2001	7.0	5.8	7.1	6.4
2000	8.1	7.0	8.3	7.1
1999	7.4	6.0	7.4	6.5
1998	6.9	5.6	7.2	6.5
1997	7.6	5.6	7.9	6.9
1996	7.8	5.7	8.0	7.1
1995	7.9	6.1	8.2	7.1
1994	8.4	5.4	8.2	6.4
1993	7.3	4.6	7.5	5.7
1992	8.4	5.6	8.5	6.6
1991	9.3	7.1	9.7	8.3
1990	10.1	8.4	10.4	9.2
1989	10.3	8.8	10.5	9.4
1988	10.3	7.9	10.4	8.5
1987	10.2	7.8	9.9	8.5
1986	10.2	8.4	10.5	9.4
1985	12.4	10.1	12.4	10.9
1984	13.9	11.5	13.2	12.0
1983	13.2	Not Available Before 1984	13.0	12.3
1982	16.0		Not Available Before 1983	Not Available Before 1983
1981	16.6			
1980	13.7			
1979	11.2			
1978	9.6			
1977	8.9			
1976	8.9			
1975	9.1			
1974	9.2			
1973	8.0			
1972	7.4			
1971	Not Available Before 1972			

Sources: Freddie Mac for average commitment rates; Federal Housing Finance Agency for effective rates
N/A = not available

TABLE 26 • HOUSING MARKET ACTIVITY[a]

Period	Housing Starts (units in thousands)			Home Sales (units in thousands)	
	One- to Four-Unit Housing Starts	Multifamily Housing Starts	Total Housing Starts	Sales of New One- to Four-Unit Homes	Sales of Existing One- to Four-Unit Homes
4Q17[b]	N/A	354	1,256	638	5,593
3Q17[b]	N/A	312	1,172	587	5,403
2Q17[b]	N/A	329	1,167	605	5,547
1Q17[b]	N/A	388	1,238	617	5,600
Annual Data					
2017	851	346	1,208	612	5,510
2016	809	454	1,263	560	5,450
2015	726	386	1,112	501	5,250
2014	662	342	1,004	437	4,940
2013	632	294	926	429	5,090
2012	547	234	781	368	4,660
2011	442	167	609	306	3,787
2010	483	104	587	323	3,708
2009	457	97	554	375	3,870
2008	640	266	906	485	3,665
2007	1,078	277	1,355	776	4,398
2006	1,508	293	1,801	1,051	5,677
2005	1,757	311	2,068	1,283	6,180
2004	1,653	303	1,956	1,203	5,958
2003	1,533	315	1,848	1,086	5,446
2002	1,397	308	1,705	973	4,974
2001	1,310	293	1,603	908	4,735
2000	1,270	299	1,569	877	4,603
1999	1,334	307	1,641	880	4,649
1998	1,314	303	1,617	886	4,495
1997	1,178	296	1,474	804	3,964
1996	1,206	271	1,477	757	3,797
1995	1,110	244	1,354	667	3,519
1994	1,234	224	1,457	670	3,544
1993	1,155	133	1,288	666	3,427
1992	1,061	139	1,200	610	3,151
1991	876	138	1,014	509	2,886
1990	932	260	1,193	534	2,914
1989	1,059	318	1,376	650	3,010
1988	1,140	348	1,488	676	3,513
1987	1,212	409	1,621	671	3,436
1986	1,263	542	1,805	750	3,474
1985	1,166	576	1,742	688	3,134
1984	1,206	544	1,750	639	2,829
1983	1,181	522	1,703	623	2,697
1982	743	320	1,062	412	1,990
1981	797	288	1,084	436	2,419
1980	962	331	1,292	545	2,973
1979	1,316	429	1,745	709	3,827
1978	1,558	462	2,020	817	3,986
1977	1,573	414	1,987	819	3,650
1976	1,248	289	1,538	646	3,064
1975	956	204	1,160	549	2,476
1974	956	382	1,338	519	2,272
1973	1,250	795	2,045	634	2,334
1972	1,450	906	2,357	718	2,252
1971	1,272	781	2,052	656	2,018

Sources: U.S. Census Bureau for housing starts and sales of new one- to four-unit properties; National Association of Realtors® for sales of existing one- to four-unit properties

N/A = not available

a Components may not add to totals due to rounding.

b Seasonally adjusted annual rates.

TABLE 27 • WEIGHTED REPEAT SALES HOUSE PRICE INDEX (ANNUAL DATA)[a]

Period	USA	New England	Mid-Atlantic	South Atlantic	East North Central	West North Central	East South Central	West South Central	Mountain	Pacific
4Q17	1.61	1.51	1.40	1.59	1.55	1.36	1.51	1.67	2.29	1.65
3Q17	1.51	1.35	1.52	1.33	1.54	0.95	1.74	1.18	2.02	1.99
2Q17	1.74	1.17	1.04	2.06	1.13	1.53	1.15	2.01	2.17	2.65
1Q17	1.66	1.65	1.19	1.42	1.77	1.50	1.72	1.43	2.05	2.23
Annual Data										
2017	6.68	5.80	5.26	6.55	6.13	5.46	6.27	6.44	8.81	8.79
2016	6.15	4.64	3.92	6.92	5.87	5.37	5.47	6.07	7.95	7.44
2015	5.85	3.58	2.50	6.85	4.30	5.10	4.90	6.68	8.49	8.31
2014	4.99	2.93	2.38	5.42	4.68	3.72	3.67	5.84	5.70	7.59
2013	7.47	3.82	3.28	8.06	6.04	4.72	4.09	5.85	11.29	15.55
2012	5.20	0.74	1.33	5.13	2.93	4.10	2.81	5.26	12.28	10.56
2011	(2.26)	(2.01)	(3.59)	(2.34)	(2.45)	(1.05)	(0.71)	0.82	(3.22)	(4.64)
2010	(4.05)	(2.30)	(1.51)	(5.60)	(3.03)	(3.56)	(4.51)	(2.30)	(7.56)	(5.25)
2009	(2.39)	(1.67)	(1.82)	(3.87)	(2.15)	(0.54)	(0.93)	0.94	(7.14)	(3.38)
2008	(10.04)	(6.68)	(4.96)	(14.18)	(7.67)	(4.39)	(4.01)	(2.04)	(14.34)	(21.76)
2007	(2.52)	(2.22)	0.12	(3.50)	(3.35)	(0.62)	1.79	3.44	(3.29)	(9.85)
2006	3.01	(1.83)	2.65	5.08	(0.07)	2.02	6.09	6.19	6.73	0.35
2005	10.23	6.28	9.99	14.73	3.48	4.92	7.47	6.82	17.95	18.11
2004	10.17	10.53	12.25	12.85	4.31	5.59	5.20	4.36	12.83	21.75
2003	7.86	10.74	10.96	8.49	4.72	5.54	4.01	3.19	6.89	15.65
2002	7.67	13.39	11.72	8.20	4.52	5.62	3.35	3.62	5.57	13.96
2001	6.73	12.02	9.41	7.28	4.78	6.12	3.28	3.99	5.37	9.69
2000	6.97	12.62	8.44	6.38	5.14	6.42	2.81	5.51	5.57	11.40
1999	6.21	10.12	6.81	5.82	5.17	5.50	3.82	5.54	5.62	8.72
1998	5.70	7.93	4.80	4.56	4.89	6.41	4.75	5.56	4.74	8.85
1997	3.33	4.30	2.12	3.37	3.38	3.74	2.81	3.04	3.18	4.20
1996	2.85	2.81	0.92	2.83	4.52	3.99	3.97	2.40	3.78	1.08
1995	2.72	0.86	0.09	2.52	4.99	4.77	4.76	3.18	4.93	(0.62)
1994	2.94	0.56	(0.62)	3.47	4.90	4.47	5.14	3.24	8.58	(0.99)
1993	2.76	(1.83)	0.06	2.38	4.67	6.16	4.70	4.66	9.61	(2.56)
1992	2.77	(0.46)	1.83	2.22	4.72	4.25	4.08	3.86	6.69	(1.09)
1991	3.12	(2.21)	1.53	3.05	4.70	3.79	4.05	3.97	5.62	1.87
1990	1.19	(7.18)	(2.49)	0.39	3.81	1.18	0.36	0.51	2.35	5.66
1989	5.59	0.85	2.53	4.47	5.93	3.09	2.80	2.41	2.59	18.34
1988	5.65	4.16	6.66	5.79	6.44	2.75	2.55	(1.94)	0.90	16.41
1987	5.39	15.01	15.95	5.74	7.63	2.31	3.14	(8.12)	(2.99)	8.59
1986	7.24	21.15	17.49	6.57	7.17	3.75	5.41	(0.17)	2.63	6.39
1985	5.69	22.40	13.57	5.05	4.81	3.69	5.47	(1.58)	2.17	4.63
1984	4.67	14.97	11.27	4.47	2.81	3.45	4.22	0.10	2.71	4.11
1983	4.27	13.79	10.76	3.69	4.68	4.32	3.33	1.44	(1.19)	0.73
1982	2.82	7.47	7.04	3.15	(4.35)	1.74	5.47	5.46	5.33	3.18
1981	4.23	6.51	2.03	5.09	2.19	0.79	0.60	10.51	7.69	4.49
1980	6.58	5.60	8.95	9.28	1.83	3.80	4.25	8.33	5.67	10.24
1979	12.34	14.25	15.36	11.94	8.08	10.38	8.46	14.38	14.51	16.41
1978	13.39	17.42	5.10	10.24	15.12	13.68	12.29	16.84	17.05	16.88
1977	14.47	8.51	12.20	9.24	14.50	15.40	10.74	14.08	17.82	25.66
1976	8.19	6.64	(0.97)	5.07	7.75	7.97	5.95	10.01	11.67	20.13

Source: Federal Housing Finance Agency

[a] Percentage changes based on FHFA's purchase-only index for 1992 through 2017 and all-transactions index for prior years. Annual data are measured based on fourth quarter to fourth quarter percentage change. Quarterly data for 2017 reflect changes over the previous four quarters.

Regional Divisions

New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont

Mid-Atlantic: New Jersey, New York, Pennsylvania

South Atlantic: Washington, D.C., Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia

East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin

West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota

East South Central: Alabama, Kentucky, Mississippi, Tennessee

West South Central: Arkansas, Louisiana, Oklahoma, Texas

Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming

Pacific: Alaska, California, Hawaii, Oregon, Washington

FEDERAL HOUSING FINANCE AGENCY

Key Management Officials

Melvin L. Watt
Director

Nina Nichols
Deputy Director
Division of Enterprise Regulation

Bob Ryan
Acting Deputy Director
Division of Conservatorship

Andre Galeano
Deputy Director
Division of Federal Home Loan Bank Regulation

Sandra Thompson
Deputy Director
Division of Housing Mission and Goals

Lawrence Stauffer
Acting Chief Operating Officer

Alfred Pollard
General Counsel

Sharron Levine
Associate Director
Office of Minority and Women Inclusion

Janell Byrd-Chichester
Acting Ombudsman

Laura S. Wertheimer
Inspector General

Federal Housing Finance Oversight Board

Melvin L. Watt
Chairman

Steven T. Mnuchin
Secretary, U.S. Department of the Treasury

Benjamin S. Carson, Sr.
Secretary, U.S. Department of Housing and Urban Development

Jay Clayton
Chairman, U.S. Securities and Exchange Commission

FEDERAL HOUSING
FINANCE AGENCY

400 7th Street SW
Washington, D.C. 20219
202-649-3800

WWW.FHFA.GOV