2016 Annual Housing Activities Report and Annual Mortgage Report

An Affordable Housing Mission

In 2016, America's housing market continued its steady return to health. Communities across the country have experienced stable or rising home values, and home equity levels have risen sharply since 2010. In 2016, mortgage delinquencies and foreclosures continued to fall to near pre-crisis levels of a decade ago.

Yet despite the good news, ample evidence remains that the housing market recovery is not working for all Americans. Affordable housing and access to conventional mortgage credit remains out of reach for many. As household formation and first-time home-buying rebounds across the United States, starter homes in many markets are in short supply and too costly. In many urban areas, rental units affordable to households of modest means are less available. Working families, in both rural and urban communities, need new and innovative solutions to their housing needs.

MARCH 13, 2017

SUBMITTED TO:
THE FEDERAL HOUSING FINANCE AGENCY ("FHFA")

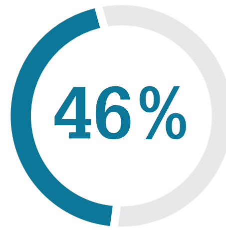
THE COMMITTEE ON FINANCIAL SERVICES OF THE UNITED STATES HOUSE OF REPRESENTATIVES

THE COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS OF THE UNITED STATES SENATE

PURSUANT TO:
THE FEDERAL NATIONAL MORTGAGE ASSOCIATION CHARTER ACT

Index

966,800*
Single-family purchase loans acquired in 2016



were to first-time homebuyers

*Total eligible loans (See AMR Table 1A)

2,343,738
Single-family loans acquired in 2016

were to low- and very low-income borrowers

*Includes purchase and refinance loans

From its founding, Fannie Mae has played an important role in helping the housing and mortgage markets provide those solutions. We serve mortgage lenders, ensuring access to mortgage funding in all markets at all times. We also work with housing partners at the local level to develop innovative solutions for families of modest means to own or rent a home. This work empowers our customers and partners to provide affordable housing and mortgage options – including the 30-year, fixed-rate loan, the most popular mortgage and a staple of the U.S. housing system.

This is our housing mission, and this report describes how we met this mission in 2016.

Fannie Mae addresses the challenges of affordable housing and access to credit by supporting mortgage lenders and other partners who directly serve homeowners and renters. By making it easier and less costly to originate, sell, and securitize mortgages, we empower our customers to solve a wide range of housing affordability challenges.

In 2016, these efforts took shape in three ways: Delivering Innovation, Responding to Market Needs, and Working with Partners.

Delivering Innovation

We believe in the power of innovation to address both old and new problems in housing affordability.

Desktop Underwriter® ("DU®"), an automated underwriting technology introduced by Fannie Mae 21 years ago, remains a crucial technology platform. In 2016, we enhanced DU to make the mortgage process simpler and easier and give lenders new tools to help them lend confidently to homebuyers across the income spectrum.

For instance, new capabilities in DU version 10.0 allow the use of trended credit data and alternative income sources in evaluating creditworthiness. This supports lenders in serving more borrowers who do not have traditional credit histories, giving more creditworthy borrowers access to sustainable mortgage credit.

Fannie Mae also introduced Day 1 Certainty™, a suite of data validation tools that improves the accuracy of the borrower and property information used in underwriting single-family mortgages. By reducing uncertainty and risk, Fannie Mae is empowering lenders to use the full extent of its “credit box” to safely and sustainably serve borrowers with diverse needs and profiles.

Responding to Market Needs

Our close collaboration with our mortgage-lending customers led us to develop and launch Fannie Mae’s HomeReady® mortgage in late 2015 and quickly streamline its requirements in 2016. HomeReady features important underwriting flexibilities to meet the needs of America’s diverse homebuyers, such as extended household income, non-traditional credit assessment, and homeownership education. More than 900 lenders delivered this product in 2016, offering a low-down-payment option for more borrowers – without added risk to Fannie Mae.

The rental market showed strong business fundamentals in 2016, but also had affordability challenges. Consumer demand for rental properties continued to grow while most new multifamily housing was built to serve higher-income households. Nonetheless, Fannie Mae’s Delegated Underwriting and Servicing® (“DUS®”) lenders broke records for affordable and green lending. In addition, we enhanced lender delegation in our DUS program to strengthen our partners' ability to meet the nation's need for affordable and workforce rental housing.

Working with Partners

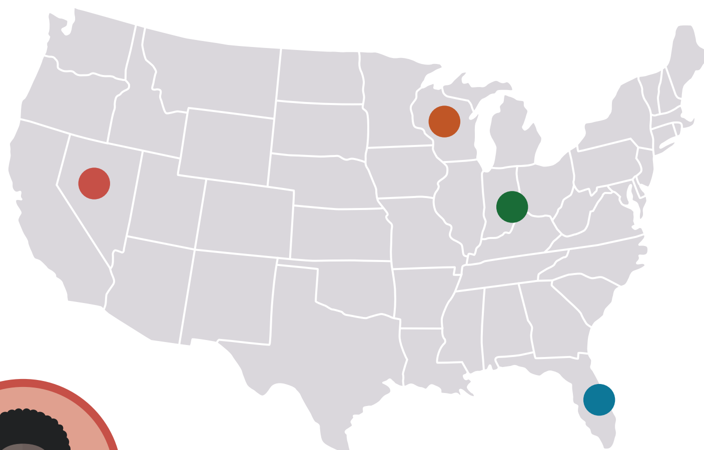
Fannie Mae maintains a longstanding collaboration with affordable housing groups at the state, local and national levels. For example, we have a long track record of successful partnerships with state-based Housing Finance Agencies (“HFAs”) and designed our HFA Preferred™ loan product to support HFAs in serving very low-, low- and moderate-income homebuyers.

We continue to explore new ways to meet affordable housing needs at the local level, including providing financing for Community Land Trusts (“CLTs”) and other nonprofit, inclusionary below-market housing programs. Our partners are able to use DU for loans on homes in CLTs. These loans support communities in creating and preserving long-term affordable housing and enable low- and moderate-income families to afford homeownership.

Twice a year, at the national level, we convene the Affordable Housing Advisory Council, which is a group of lenders, housing advocates, and policy experts who help us understand how our business practices affect access to affordable housing – and how those business practices can be improved.

These initiatives are helping make affordable housing accessible to more Americans. Taken together, our efforts help our customers and other housing partners offer flexible and affordable housing options, many of which were not available just a few years ago.

At the same time, we recognize that the need is great, and that there is more work to do. Fannie Mae will continue to focus on driving innovation that brings down costs, makes mortgage lending simpler and more efficient, and ultimately helps our customers deliver affordable, safe, and sustainable housing for more Americans.



One Mission, Many Communities

Fannie Mae makes it possible for mortgage lenders, banks, credit unions and community organizations to offer unique solutions that meet the diverse needs of American households in big cities and small towns across our country.

A school teacher...

...with an annual income of $48,000 made purchasing her first home a reality despite having credit card debt, a car loan, and modest savings. Working with the Nevada Housing Division ("NHD"), and a leading independent national mortgage lender, she was able to purchase a condo for $141,500 using NHD's Home Is Possible™ program.

A young couple...

...with a combined annual income of $42,000 was having difficulty saving for a down payment. The couple was able to purchase a single-family home using a 3 percent down payment gifted by a parent. They purchased the home for $139,000 with a loan from a mortgage bank based in northwest Indiana.

A recently widowed mother...

...was able to purchase a home after working with the Florida Housing Finance Corporation and a local mortgage company. With good credit, some savings, and an annual income of approximately $74,000, she was able to combine Florida's Hardest-Hit Down Payment Assistance funds with a 95 percent loan-to-value (LTV) conventional first mortgage to close.

A retired couple...

...with an annual income of $37,219, wanted to find a small home they could own and easily maintain. They worked with the Wisconsin Housing and Economic Development Authority and a privately owned local bank to qualify for a reduced home loan interest rate program for qualified veterans.

To find out more about these and other ways Fannie Mae is helping address affordable housing needs, see page 8.

Structure of Fannie Mae's Housing Goals

When Fannie Mae became a publicly traded company in 1968, we were charged with dedicating a "reasonable portion" of our mortgage purchase business to mortgages affordable to low- and moderate-income families. This responsibility was formalized and made enforceable with the passage of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.[1] As a result, since 1993, Fannie Mae has been required by statute and regulation to meet certain Housing Goals. We report our progress in meeting this responsibility each year to our regulator and to the responsible oversight committees in the United States House of Representatives and the United States Senate. We also make the report available to the public by posting it on our website. This report fulfills the requirements of Section 309(n) of the Charter Act.[2]

When Congress passed the Housing and Economic Recovery Act of 2008[3], it preserved the focus of Fannie Mae's affordable housing mission, but changed the regulatory framework to move responsibility for mission oversight and enforcement to the newly-created Federal Housing Finance Agency ("FHFA").

In 2015, FHFA established single-family and multifamily Housing Goals for 2015 through 2017. According to FHFA's Director Melvin L. Watt, the goals "establish a solid foundation for affordable and sustainable homeownership and rental opportunities in this country."[4] The following single-family home purchase and refinance housing goal benchmarks were established for 2015 through 2017:

- *Low-Income Families Home Purchase Goal Benchmark*: At least 24 percent of our acquisitions of single-family owner-occupied purchase money mortgage loans must be affordable to low-income families (defined as income no higher than 80 percent of area median income ("AMI")).
- *Very Low-Income Families Home Purchase Goal Benchmark*: At least 6 percent of our acquisitions of mortgage loans financing single-family owner-occupied home purchases must be affordable to very low-income families (defined as families with income no higher than 50 percent of AMI).
- *Low-Income Areas Home Purchase Goal Benchmark*: The benchmark level for our acquisitions of single-family owner-occupied purchase money mortgage loans for families in low-income areas is set annually by notice from FHFA, based on the benchmark level for the low-income areas home purchase subgoal (below), plus an adjustment factor reflecting the additional incremental share of mortgages for moderate-income families (defined as income equal to or less than 100 percent of AMI) in designated disaster areas. For 2016, FHFA set the overall low-income areas home purchase benchmark goal at 17 percent.
- *Low-Income Areas Home Purchase Subgoal Benchmark*: At least 14 percent of our acquisitions of single-family owner-occupied purchase money mortgage loans must be affordable to families in low-income census tracts or to moderate-income families in high-minority census tracts.
- *Low-Income Families Refinance Goal Benchmark*: At least 21 percent of our acquisitions of single-family owner-occupied refinance mortgage loans must be affordable to low-income families.

1 Pub. L. 102-550, tit. XIII, Oct. 28, 1992, 106 Stat. 3672.
2 12 U.S.C. § 1723a(n).
3 Pub. L. 110-289, July 30, 2008, 122 Stat. 2654.
4 Available at http://www.fhfa.gov/mobile/Pages/public-affairs-detail.aspx?PageName=FHFA-Adopts-Final-Rule-on-2015-to-2017-Housing-Goals-for-Fannie-Mae-and-Freddie-Mac.aspx.

For 2016, we believe that we met two out of five single-family goal benchmarks. Single-family housing goals performance is measured against both the FHFA-set benchmarks and against goals-qualifying originations in the primary mortgage market ("Market Share"). We will be in compliance with the housing goals if we meet either the benchmarks or the Market Share. For the three single-family goals where our performance fell below the benchmark level, FHFA will compare our performance with that of the Market Share after the release of data reported under the Home Mortgage Disclosure Act ("HMDA")[5] in the fall of 2017. At that time, it will be determined whether Fannie Mae met any additional goals based on the HMDA market data.

FHFA also established new multifamily goal benchmarks for 2015 through 2017, and included a new subgoal for small multifamily properties (5-50 units) affordable to low-income families:

- *Low-Income Families Goal Benchmark*: At least 300,000 multifamily units per year must be affordable to low-income families.
- *Very Low-Income Families Subgoal Benchmark*: At least 60,000 multifamily units per year must be affordable to very low-income families.
- *Small Affordable Multifamily Properties Subgoal Benchmark*: The subgoal for purchases of mortgages on small multifamily properties affordable to low-income families increases each year: 6,000 units in 2015; 8,000 units in 2016; and 10,000 units in 2017.

There is no market-based alternative measurement for the multifamily goals. For 2016, we believe that we met all three multifamily goals.

If our efforts to meet our goals prove to be insufficient, FHFA determines whether the goals were feasible. If FHFA finds that our goals were feasible, we may become subject to a housing plan that could require us to take additional steps, including describing the actions we would take to meet the goal in the next calendar year. The potential penalties for failure to comply with housing plan requirements include a cease-and-desist order and civil money penalties.

In December 2016, FHFA assessed Fannie Mae's 2015 housing goals performance using HMDA data for primary mortgage market originations and determined that we achieved three of the five single-family housing goals and all of the multifamily goals. Fannie Mae did not meet the single-family Low-Income Home Purchase Goal or the single-family Very Low-Income Home Purchase Goal for 2015. FHFA also determined that, because this was the first year since 2013 that we did not achieve these goals and because we missed the goals by narrow amounts, FHFA would not require that we submit a formal housing plan.

5 12 U.S.C. § 2801 et seq.

The following table sets forth Fannie Mae's housing goals performance against our 2016 single-family and multifamily housing goals benchmarks. Final performance results, including determining whether we met the Market Share, will be calculated and published by FHFA in the fall of 2017.[6]

Housing Goals	2016 Benchmark	2016 Result
Single-Family		
Low-Income Home Purchase	24%	22.92%
Very Low-Income Home Purchase	6%	5.16%
Low-Income Areas Home Purchase	17%	20.18%
Low-Income Areas Home Purchase Subgoal	14%	16.19%
Low-Income Refinance	21%	19.51%
Multifamily (in units)		
Low-Income	300,000	352,368
Very Low-Income Subgoal	60,000	65,910
Small (5-50 units) Low-Income Subgoal	8,000	9,312

6 Our 2016 results have not been validated by FHFA. After validation they may differ from the results reported above.

Charter Act Requirements

Fannie Mae's Charter Act specifies the information that must be included in the Annual Housing Activities Report ("AHAR").[7] Each statutory requirement is set forth below, in bold, followed by Fannie Mae's response for 2016.

Single-Family Activities

Charter Act Requirement: Include statements of the proportion of mortgages on housing consisting of 1 to 4 dwelling units purchased by the corporation that have been made to first-time homebuyers, as soon as providing such data is practicable, and identifying any special programs (or revisions to conventional practices) facilitating homeownership opportunities for first-time homebuyers.

In 2016, 46.01 percent of single-family owner-occupied home purchase mortgages acquired by Fannie Mae financed mortgage loans to first-time homebuyers.[8]

Fannie Mae has developed or accepts a number of special products and programs (or revisions to conventional products) designed to assist first-time homebuyers. We describe these products and programs below, including examples of borrowers who benefited from them in 2016:

HomeReady, introduced by Fannie Mae in late 2015, is our enhanced affordable lending product. Building on the long-term success of MyCommunityMortgage®, which was subsequently retired in 2016, HomeReady offers new and revised loan and borrower eligibility requirements and underwriting flexibilities designed to help our lender partners serve more low- and moderate-income borrowers, with expanded eligibility for financing properties in low-income communities. Here are some examples of borrowers who benefited from HomeReady in 2016:

- A single young man residing in Indiana wanted to purchase his first home. With an annual income of $52,000 and a credit score of 712, the borrower obtained a HomeReady mortgage that saved him 0.375 percent points on his interest rate off the rate he would have been charged for our standard product. He purchased a $160,000 condo with a 5 percent down payment.
- A couple residing in Florida with an annual income of approximately $52,000 wanted to buy a home near family to secure childcare for their two children. The husband worked two jobs and the wife worked part-time, to save enough for a 5 percent down payment. After completing the Framework® online homeownership education course, they purchased a $205,000 Fannie Mae REO property and received a 3 percent seller contribution toward closing costs.

7 Charter Act, § 309(n)(2)(A-L).

8 Exclusions from this calculation include: loans exempt from housing goals reporting (e.g., loan restructures, convertible adjustable rate mortgages, and real estate owned properties), long-term standby commitments, refinance mortgages, home equity conversion mortgages, government loans, and Making Home Affordable modifications. Fannie Mae has relied on information provided by its customers to identify units occupied by first-time homebuyers. Fannie Mae's 2016 Single-Family Selling Guide provides that a first-time homebuyer is an individual who (1) is purchasing the security property; (2) will reside in the security property as a principal residence; and (3) had no ownership interest (sole or joint) in a residential property during the three-year period preceding the date of the purchase of the security property. In addition, an individual who is a displaced homemaker or single parent also will be considered a first-time homebuyer if he or she had no ownership interest in a principal residence (other than a joint ownership interest with a spouse) during the preceding three-year time period.

- A single mother with an annual income of $24,000 and a 720 credit score wanted to purchase a manufactured home. She qualified for a HomeReady loan using DU's non-borrower household income flexibility by including her fiancé's income as a compensating factor. She purchased the home for $119,000.
- A young couple with a combined annual income of $42,000 was having difficulty saving for a down payment. The couple was able to purchase a single-family home using a 3 percent down payment gifted by a parent. They purchased the home for $139,000.

Community Seconds® are a program allowed by Fannie Mae guidelines that enables a subordinate mortgage financed by an HFA, a nonprofit, or certain other organizations to be used in connection with a first mortgage delivered to Fannie Mae. The subordinate Community Seconds mortgage may be used to fund all or part of the down payment, closing costs, renovations to the property, or a permanent interest rate buy down.[9] Borrowers who benefited from this program included:

- A recently widowed mother residing in Florida was able to purchase a home after working with the Florida Housing Finance Corporation. With good credit, some savings, and an annual income of approximately $74,000, she was able to combine Florida's Hardest-Hit Down Payment Assistance funds with a 95 percent loan-to-value ("LTV") conventional first mortgage. Purchasing the $200,000 home lowered her housing expenses and gave her an added benefit of a swimming pool that her disabled son may use for physical therapy.
- A young couple with an annual income of approximately $60,000 wanted to purchase a home with a backyard for their three children. They attended an eight hour first-time homebuyer workshop and worked with a housing counselor for about a year to improve their credit, reduce their debt, and increase their savings. With a HomeReady loan and $6,000 in down payment assistance from a community nonprofit organization, they purchased a move-in ready house for $185,000.

HFA Preferred is a Fannie Mae product that enables eligible HFAs to offer loans to borrowers with up to 97 percent LTV ratios. HFA Preferred is ideal for borrowers who have limited funds for down payment and closing costs and for those needing extra flexibilities on credit and income sources. Borrowers who benefited from this product include:

- A school teacher residing in Nevada with an annual income of $48,000 made purchasing her first home a reality despite having modest savings, credit card debt, and a car loan. Working with the NHD, she was able to purchase a condo for $141,500 using NHD's Home Is Possible program.
- A retired naval veteran residing in Illinois, employed by a package delivery company, wanted to raise his three kids near his childhood home. With an annual income of $62,400, he found a home with a sales price of $186,000 in his preferred neighborhood. Working with the Illinois Housing Development Authority, he obtained a conventional 95 percent LTV mortgage with down payment assistance.

HFA Preferred Risk Sharing™ is another product that enables HFAs to offer loans to borrowers with up to 97 percent LTV ratios, but without the cost of mortgage insurance because of the risk sharing that the HFA assumes. Borrowers who benefited from this program included:

- A retired couple residing in Wisconsin, with an annual income of $37,219, wanted to find a small home that they could enjoy and easily maintain, leaving behind their rental in a retirement community. They worked with the Wisconsin Housing and Economic Development Authority ("WHEDA") to qualify for a reduced home loan interest rate program

9 Community Seconds are not a Fannie Mae product. Rather, they are subordinate mortgages that comply with Fannie Mae's guidelines, thus allowing the first mortgage on the same property (if it otherwise qualifies) to be delivered to Fannie Mae.

for qualified veterans. They purchased the home for $129,900 with a 99 percent combined loan-to-value ("CLTV") using WHEDA's Easy Close second mortgage.

The percentage of single-family owner-occupied home purchase mortgages made to first-time homebuyers in 2016 under special products and programs (or revisions to conventional products) includes the following:

Products and Initiatives	Percentage of Mortgages Made to First-Time Homebuyers
97 LTV Expansion[10]	100.00%
HomeReady	94.71%
Non-HFA Community Seconds	93.33%
HFA Preferred	91.01%
HFA Preferred Risk Sharing	89.37%

Charter Act Requirement: Assess underwriting standards, business practices, repurchase requirements, pricing, fees, and procedures, that affect the purchase of mortgages for low- and moderate-income families, or that may yield disparate results based on the race of the borrower, including revisions thereto to promote affordable housing or fair lending.

Fannie Mae considers service to low- and moderate-income families to be an important part of its mission. Fannie Mae designs its underwriting standards, business practices, repurchase requirements, and procedures to balance the company's multiple objectives of serving low- and moderate-income families, meeting its liquidity mission, and appropriately addressing credit risk.

Fannie Mae has a comprehensive fair lending risk management program to support its compliance with fair lending laws. This program promotes fair and responsible lending on an enterprise-wide level and is designed to cover various aspects of Fannie Mae's business, including its underwriting standards, business practices, repurchase requirements, pricing policies, fee structures, and procedures.

In 2016, Fannie Mae continued to implement enhancements to its single-family mortgage underwriting and business practices. Several changes were specifically designed to: (1) address housing goals; (2) increase consistency in, and automation of, the mortgage origination process, which generally promotes fair lending; and (3) increase lenders' certainty and efficiency more generally, which may have the ancillary effect of freeing up lender resources to focus on low- and moderate-income borrowers.

10 This standard mortgage product has been expanded to allow LTV ratios greater than 95 percent up to a maximum of 97 percent for purchase transactions if at least one borrower is a first-time homebuyer.

Specifically, Fannie Mae notes a number of accomplishments:

Day 1 Certainty

In October 2016, Fannie Mae introduced Day 1 Certainty – an initiative that offers lenders freedom from representations and warranties on key loan components, and drives efficiency in loan originations. Day 1 Certainty leverages industry data standardization and "big data" to support a more streamlined, simpler origination process. Day 1 Certainty has three significant components:

- DU validation service: Replaces traditional paper-based processes with digital validation of borrower income, assets, and employment.
- Enhanced Property Inspection Waivers (powered by Collateral Underwriter® ("CU™"): Offers to waive Fannie Mae's appraisal requirement on eligible refinance transactions underwritten through DU.
- Certainty on appraised value (powered by CU): Provides Fannie Mae's upfront acceptance of appraised property value when our automated analysis shows reduced risk on the appraisal and other requirements are met.

Day 1 Certainty significantly reduces lenders' repurchase risk by removing certain representation and warranty obligations. By providing greater certainty to lenders, Fannie Mae supports lenders' efforts to serve a broader borrower base, including more low- and moderate-income borrowers. These offerings are discussed in more detail in the DU and CU sections below.

Desktop Underwriter

For more than 21 years, DU, the industry's leading automated underwriting system, has provided lenders a comprehensive risk assessment that determines whether a loan meets our eligibility requirements. DU's evaluation is fair and objective, applying the same criteria to every mortgage loan application it considers.

There were two significant DU updates in 2016:

- DU Version 10.0
- DU validation service

DU Version 10.0

In 2016, Fannie Mae implemented DU Version 10.0, which included: (1) a more predictive credit risk assessment with the use of trended credit data; and (2) automation of Fannie Mae's nontraditional credit underwriting guidelines set forth in the *Single-Family Selling Guide* for borrowers without a credit score.

Fannie Mae worked with the consumer credit reporting industry to implement the use of trended credit data – expanded information on a borrower's credit history on revolving accounts (credit cards) on several factors, including amount owed, minimum payment, and actual payment made. Previously, the data provided in borrower credit reports showed only the credit limit, current balance, and minimum payment, so paying off the balance each month or paying more than the minimum was not reflected in the credit data. Trended data shows the borrower's "trend" of making payments. This was the first introduction of new credit data into the risk assessment for mortgages in the past 25 years.

Use of trended credit data allows a smarter, more thorough analysis of the borrower's credit history, thus improving the accuracy of DU's credit risk assessment. It also benefits borrowers who regularly pay off their revolving debt or pay more than the minimum due, which can help creditworthy borrowers obtain access to mortgage credit and sustainable homeownership. Giving more weight to how borrowers pay off credit debt puts more power in their hands to control their credit evaluation. Based on Fannie Mae's analysis, borrowers can potentially improve their evaluation by the DU credit risk assessment by paying more than the minimum due on their credit card bills each month.

Automation of the guidelines for nontraditional credit helps lenders serve borrowers without traditional credit histories, who tend to have lower incomes.

DU validation service

In the fourth quarter of 2016, Fannie Mae implemented the DU validation service, a component of Day 1 Certainty (described above). Lenders may opt in to the service, which uses authorized third-party data to digitally validate borrower income, assets, and/or employment. Use of the validation service drives operational efficiency in the loan origination process and can provide a better borrower experience. Instead of gathering paper documents and providing them to their lender, borrowers give the lender permission to access their relevant information electronically.

Fannie Mae tested certain aspects of the validation service through a lender pilot for more than a year before offering the service to all DU lenders. Pilot lenders told Fannie Mae that the validation service streamlined the loan origination process and brought efficiencies to their business processes. They reported:

- Pre-approval process measured in minutes as opposed to days.
- Meaningful process efficiencies – processors save approximately 90 minutes and underwriters save 20-30 minutes of touch time as they are able to focus on managing exceptions. Between four and seven days were saved overall.
- Enhanced borrower experience – save time by using electronic data over paper.

Digitally validating borrower income, assets, and/or employment reduces time for lenders to originate a loan. This reduction makes it more cost-effective for lenders to originate loans, including smaller loans which are more common for low- and moderate-income borrowers.

Collateral Underwriter

Collateral Underwriter is an appraisal risk assessment application that Fannie Mae provides free of charge to its lenders to help them proactively manage appraisal quality and originate mortgages with increased certainty, efficiency, and lower costs. Increased efficiency makes it more cost-effective for lenders to originate loans, including smaller loans which are more common for low- and moderate-income borrowers. CU powers two components of Day 1 Certainty:

- Property Inspection Waivers ("PIWs"): PIWs are offers to waive the requirement for an appraisal on eligible refinance transactions underwritten in DU. Fannie Mae replaced its PIW pilot with an enhanced PIW offering powered by CU. With more than 23 million appraisals in the CU database, a new appraisal is not always needed by Fannie Mae for certain refinance transactions. CU uses proprietary analytics in combination with a previous appraisal on the subject property to determine whether an offer to waive the appraisal can be issued. At the end of 2016, approximately 20 percent of limited cash-out refinance loan casefiles in DU received PIW offers.

  When a PIW is offered and accepted, the borrower saves the cost of an appraisal, and loan origination time can be shortened because appraisal-related delays are eliminated. The lender receives freedom from representations and warranties on the value, condition, and marketability of the property.

  In December 2016, Fannie Mae announced that it would eliminate the $75 fee previously charged to lenders for exercising a PIW appraisal waiver, effective in January 2017.
- Certainty on appraised value: When a loan is delivered to Fannie Mae with a CU risk score of 2.5 or lower on the appraisal, the loan is eligible for relief from representations and warranties on property value. Lenders remain responsible for data accuracy and property eligibility; however, they gain underwriting efficiencies and potentially reduce revision requests with the appraiser. Approximately 60 percent of appraisals submitted to Fannie Mae receive a CU risk score of 2.5 or lower.

Spanish Language Resources for Lenders/Servicers

Spanish-speaking borrowers represent one of the largest growing segments of the mortgage market. To support this growing segment, Fannie Mae continues to look for ways to help our sellers and servicers better serve their customers. One way that Fannie Mae helps is by consolidating Spanish language documents and making them available on our website.

In 2016, Fannie Mae added Spanish Language Resources for Servicers, which includes Spanish translations of routine servicing documents as well as borrower notices related to delinquencies, modifications, and workout options. Spanish translations of origination-related documents also continue to be available on the Spanish Language Resources for Lenders page.

Uniform Residential Loan Application

At the direction of FHFA, in 2016 Fannie Mae and Freddie Mac ("Enterprises") published the redesigned Uniform Residential Loan Application ("URLA") (also known as the Fannie Mae Form 1003 / Freddie Mac Form 65) and developed a corresponding dataset, called the Uniform Loan Application Dataset ("ULAD"). The Enterprises collaborated with industry stakeholders including lenders, government agencies (e.g., FHA, VA, USDA-RD, the Consumer Finance

Protection Bureau), technology solution providers, mortgage insurers, trade associations, housing advocates, and consumer groups. The Enterprises published the redesigned URLA as well as a Spanish Translation version of the URLA ("STURLA") in September 2016.

The Enterprises sought to create an improved loan application that:

- Captures specific information needed by a lender to underwrite the loan.
- Is logically organized, visually unified, and easy for borrowers and lenders to understand and navigate.
- Uses simple terminology to aid in comprehension.
- Meets statutory and legal requirements.

The STURLA, when used in conjunction with the URLA, is a translation tool for Spanish-speaking borrowers to support an improved loan application experience.

In creating the ULRA and STURLA, the Enterprises conducted seven rounds of testing with consumers and lenders over the course of a nine-month period; four of these rounds included Spanish-speaking consumers. The Enterprises are conducting outreach in the first half of 2017 in anticipation of publishing an implementation timeline for the redesigned URLA and related underwriting mandates in mid-2017.

Also in connection with the URLA work, the Enterprises are supporting the industry's collection of new HMDA demographic information required by the Consumer Financial Protection Bureau starting January 1, 2018. Due to the time lag before the new URLA is implemented, the Enterprises are providing an interim collection form that can be used with the current URLA to gather the required new HMDA data.

HomeReady

Fannie Mae's HomeReady mortgage product, introduced in late 2015, is designed to help lenders serve creditworthy very low-, low- and moderate-income borrowers with expanded eligibility for financing homes in designated low-income communities. With HomeReady, borrowers can obtain affordable conventional home financing with cancellable mortgage insurance and an education requirement to help make homeownership sustainable. HomeReady provides simplicity and certainty for lenders, improved pricing and execution, and product features designed to align with today's homebuyer demographics and support sustainable homeownership.

HomeReady offers pricing advantages with Fannie Mae waiving the risk-based loan-level price adjustments for HomeReady loans with LTV ratios above 80 percent and a borrower credit score equal to or higher than 680.

HomeReady requires homeownership education via Framework (an online homeownership education provider) or one-on-one U.S. Department of Housing and Urban Development ("HUD")-approved housing counseling to help homebuyers prepare for homeownership.

HomeReady features include:

- Up to 97 percent LTV ratio; CLTV ratio up to 105 percent with eligible Community Seconds.
- No requirement that the borrower be a first-time homebuyer.
- Innovative feature allowing non-borrower household income to be considered a compensating factor for loan casefiles with debt-to-income ("DTI") ratios greater than 45 percent up to a maximum of 50 percent.
- Boarder income and accessory unit rental income can be used for qualifying.
- Manufactured housing titled as real estate is also an eligible property type.

In 2016, Fannie Mae implemented the following enhancements to HomeReady:

- Simplified the income eligibility structure, making it easier for lenders to make HomeReady loans and allowing more borrowers to qualify.
- Increased the maximum LTV ratio from 95 percent to 97 percent for limited cash-out refinances of loans already owned or securitized by Fannie Mae.
- If at least one borrower on the loan receives one-on-one housing counseling from a HUD-approved nonprofit counseling agency:
    - The lender will receive a loan-level price adjustment credit of $500.
    - The completion of counseling will be considered a compensating factor for loan casefiles with DTI ratios greater than 45 percent up to 50 percent when the lender indicates in DU that the counseling was completed prior to the borrower's execution of the sales contract.

Lenders choose how to use the $500 credit, but may use it to pay for counseling or provide a credit to the borrower. Allowing a higher DTI ratio with one-on-one housing counseling provides additional opportunities for creditworthy and well-prepared homebuyers.

Also in 2016, Fannie Mae supported lender use of HomeReady by:

- Training more than 1,700 loan officers in 30+ webinar or in-person sessions.
- Conducting more than 30 general lender training webinars with more than 5,000 participants.
- Providing on-demand eLearning training with more than 5,000 unique viewers.
- Developing a video to help lenders better understand the HomeReady benefits for them and their borrowers.
- Continuing to provide extensive lender resources, including FAQs, sample borrower scenarios, an income eligibility look-up tool, and more on the HomeReady web page.

Homebuyer Education and Counseling

Fannie Mae believes that high-quality homeownership education provides borrowers with the information and resources that they need to navigate the home-buying process and make informed decisions that support sustainable homeownership.

In 2016, Fannie Mae continued to provide strong support for homeownership education by:

- Introducing incentives for HomeReady loans on which the borrowers receive one-on-one housing counseling (described above).
- Continuing to collaborate with Framework to connect HomeReady borrowers and others to comprehensive, online homebuyer education (provided in English and Spanish) and post-purchase support.
- Providing extensive outreach and training to lenders and HUD-approved counseling organizations on HomeReady and the incentives for one-on-one housing counseling.
- Promoting the value of homeownership education and housing counseling to lenders, real estate professionals, and consumers through articles and blog posts on leading industry websites including Zillow, MSN Money, and Realtor.com.

Lender Marketing Resources

The Fannie Mae Marketing Center is a free online tool lenders and other housing professionals may use to access and customize a variety of marketing and informational materials to reach and assist borrowers. In 2016, Fannie Mae continued to support and update the Marketing Center, which was launched in 2015.

Credit Policy Enhancements

Fannie Mae made the following *Single-Family Selling Guide* policy updates in 2016 that impact low- and moderate-income families:

- Simplified and expanded the underwriting and eligibility requirements for borrowers without traditional credit histories.
- Introduced the HomeStyle® Energy mortgage loan, providing an affordable financing option for borrowers seeking to improve the energy and water efficiency of their homes. Borrowers may pay off existing energy-improvement debts and/or make cost-effective energy improvements, up to 15 percent of the property's appraised value. A streamlined process to finance up to $3,500 of basic weatherization items is also available. HomeStyle Energy may be used with a limited cash-out refinance or purchase transaction.
- Removed a requirement for borrowers to pay off garnishments prior to closing.
- Implemented the policy updates described above (e.g., trended credit data in DU, HomeReady enhancements, homebuyer counseling).

Other Support for Low- and Moderate-Income Borrowers

Fannie Mae continues to support low- and moderate-income borrowers through a number of policies, including:

- Permitting the use of Community Seconds which are subordinate mortgages that are used in connection with a first mortgage delivered to Fannie Mae. Fannie Mae does not purchase Community Seconds, but allows the use of eligible subordinate Community Seconds loans when Fannie Mae purchases or securitizes the first mortgage loan. Community Seconds mortgages permit consumers to leverage public, nonprofit, and employer funds to finance a down payment and/or closing costs, thus helping more families achieve homeownership. For most Fannie Mae purchase loans, no minimum contribution from the borrower's own funds is required on one-unit properties. A Community Seconds loan may provide the necessary funds for all or part of the down payment, closing costs, and property renovations. With Community Seconds, a higher combined LTV ratio is allowed (up to 105 percent) on most Fannie Mae loan transactions.
- Providing automated underwriting through DU for Community Land Trust loans. CLTs are private, nonprofit organizations developed by communities to create and preserve long-term, affordable housing for low- and moderate-income residents. Fannie Mae's CLT loan product is a standard product offering in DU that enables lenders to have the certainty and simplicity of automated underwriting. CLTs purchase homes in their communities and create a long-term ground lease under which low- and moderate-income families are able to become homeowners at affordable monthly ground rents. The ground lease includes provisions that require the continued use of the property for low- and moderate-income families in the future. Fannie Mae purchases or securitizes first mortgage loans secured by these ground leases.
- Providing financing for homes with resale restrictions that preserve long-term affordability. To help address the high cost of housing in some markets, many governmental and nonprofit entities support the development of properties subject to resale restrictions. Those strategies help to create and preserve affordable housing stock in communities over the long term. Resale restrictions may limit the use of all or part of the land to occupancy by persons or families of low- and moderate-income or on the basis of age (senior communities must comply with applicable laws). Resale restrictions may also restrict the resale price of the property to ensure it is available to future low- and moderate-income borrowers. The restricted resale price provides a subsidy to the homebuyer in an amount equal to the difference between the sales price and the market value of the property without resale restrictions. Fannie Mae provides financing opportunities for homes with resale restrictions.

Home Affordable Refinance Program (“HARP”)

Fannie Mae continued to support the HARP program and provided marketing outreach materials to help lenders reach eligible homeowners. More than 41,000 HARP mortgages were delivered to Fannie Mae in 2016, with an average monthly borrower savings of $223. Also in 2016, we reached a milestone of having acquired two million HARP loans since inception of the program.

Charter Act Requirement: Describe trends in the delinquency and default rates of mortgages secured by housing for low- and moderate-income families that have been purchased by the corporation, including a comparison of such trends with delinquency and default information for mortgage products serving households with incomes above the median level that have been purchased by the corporation, and evaluate the impact of such trends on the standards and levels of risk of mortgage products serving low- and moderate-income families.

An analysis of the performance of single-family mortgage loans serving low- and moderate-income borrowers [11] shows that these loans do not perform as well as loans serving borrowers with incomes above the median level. The chart below compares 90-day delinquencies occurring within the first 12 months of acquisition and defaults (defined as a foreclosure sale, deed-in-lieu of foreclosure, pre-foreclosure sale, or third-party sale, at any time during the life of the loan) on loans made to low- and moderate-income borrowers compared to loans made to borrowers with incomes above the median level, by acquisition year. For example, loans made in 2015 to low- and moderate-income families were 141 percent more likely to become 90-days delinquent and 207 percent more likely to default than loans made to families with income above the median level. This analysis is based on income relative to AMI and does not control for other risk dimensions, such as LTV or credit history. Information regarding serious delinquency and default performance is based on acquisitions through December 2015; performance is observed through December 2016.

There can be significant changes in relative delinquency and default rates between various years. Reflected here are the relative measures between low- and moderate- income borrowers and those borrowers above the median level. Actual delinquency and default rates today are one-tenth of those seen seven years ago.

11 Since 2010, Fannie Mae no longer tracks single-family unit-level affordability data. To ensure consistency comparing loans from 2000 onward, this analysis is based upon the borrowers’ income relative to the AMI. Additionally, this analysis only pertains to owner-occupied principal residences.

Relative 90-Day Delinquency and Default Rates between Single-Family Loans Serving Low- and Moderate-Income Families and Loans Serving Families with Income above the Median Level, by Year[12]

Acquisition Year	Income Group	Likelihood of 90-Day Delinquency	Increased Likelihood of 90-Day Delinquency	Likelihood of Default	Increased Likelihood of Default
2002	Above Median Income	0.4%		0.8%	
	Low-Mod Income	0.8%	126%	2.3%	201%
2003	Above Median Income	0.2%		1.0%	
	Low-Mod Income	0.6%	157%	2.8%	178%
2004	Above Median Income	0.4%		2.5%	
	Low-Mod Income	1.0%	159%	5.2%	112%
2005	Above Median Income	0.6%		6.3%	
	Low-Mod Income	1.3%	123%	9.0%	42%
2006	Above Median Income	1.0%		11.4%	
	Low-Mod Income	2.2%	118%	14.2%	25%
2007	Above Median Income	2.9%		13.4%	
	Low-Mod Income	4.3%	49%	17.7%	33%
2008	Above Median Income	2.0%		4.9%	
	Low-Mod Income	2.9%	46%	8.0%	62%
2009	Above Median Income	0.2%		0.5%	
	Low-Mod Income	0.4%	108%	1.3%	140%
2010	Above Median Income	0.1%		0.4%	
	Low-Mod Income	0.3%	126%	1.1%	145%
2011	Above Median Income	0.1%		0.3%	
	Low-Mod Income	0.3%	137%	0.7%	153%
2012	Above Median Income	0.1%		0.2%	
	Low-Mod Income	0.3%	132%	0.5%	147%
2013	Above Median Income	0.1%		0.1%	
	Low-Mod Income	0.3%	168%	0.4%	186%
2014	Above Median Income	0.1%		0.1%	
	Low-Mod Income	0.3%	138%	0.2%	200%
2015	Above Median Income	0.1%		0.01%	
	Low-Mod Income	0.3%	141%	0.03%	207%

12 Sample used: unseasoned, conforming, conventional, owner-occupied, first lien, non-reverse mortgages, excluding Growing-Equity Mortgages, Graduated Payment Mortgages, and loans missing affordability data. During the period 2006 through and including 2008, acquisitions of mortgage loans to borrowers of all income categories had a higher risk of delinquency and default.

Multifamily Activities

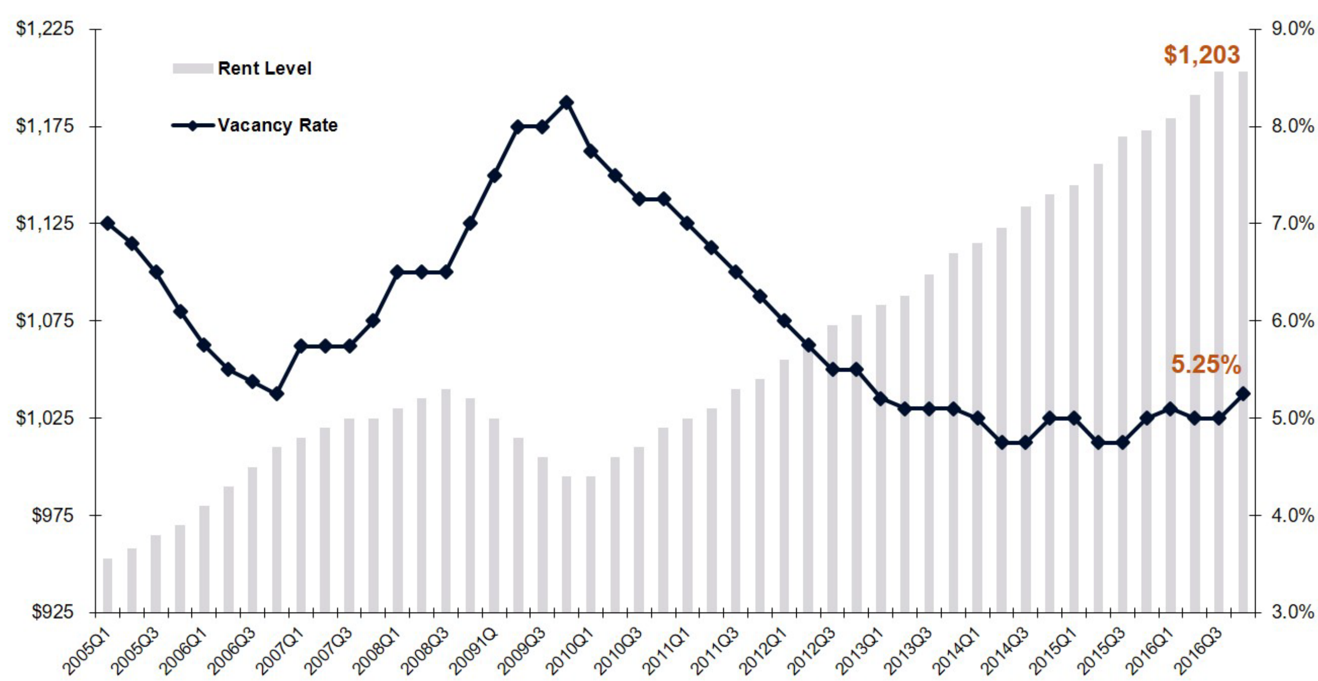
Charter Act Requirement: Describe trends in both the primary and secondary multifamily housing mortgage markets, including a description of the progress made, and any factors impeding progress toward standardization and securitization of mortgage products for multifamily housing.

Primary and Secondary Market Trends

The primary multifamily housing market is influenced by a variety of economic and demographic conditions. These conditions impact the demand for, and absorption of, additional rental housing units. The U.S. multifamily sector has had a solid six-year run, with increasing rent growth and declining vacancies, as illustrated in the chart below. Key fundamentals that have propelled the multifamily sector include: favorable demographic trends, continued job growth, and increasing renter household formations.

Momentum will likely slow in 2017 due to elevated levels of new supply and moderating job growth. As a result, the national vacancy rate is expected to increase, and rents will grow at a lower and more normalized pace. Overall, the multifamily sector is expected to remain fairly stable in 2017.

Estimated National Rent Level and Vacancy Rate

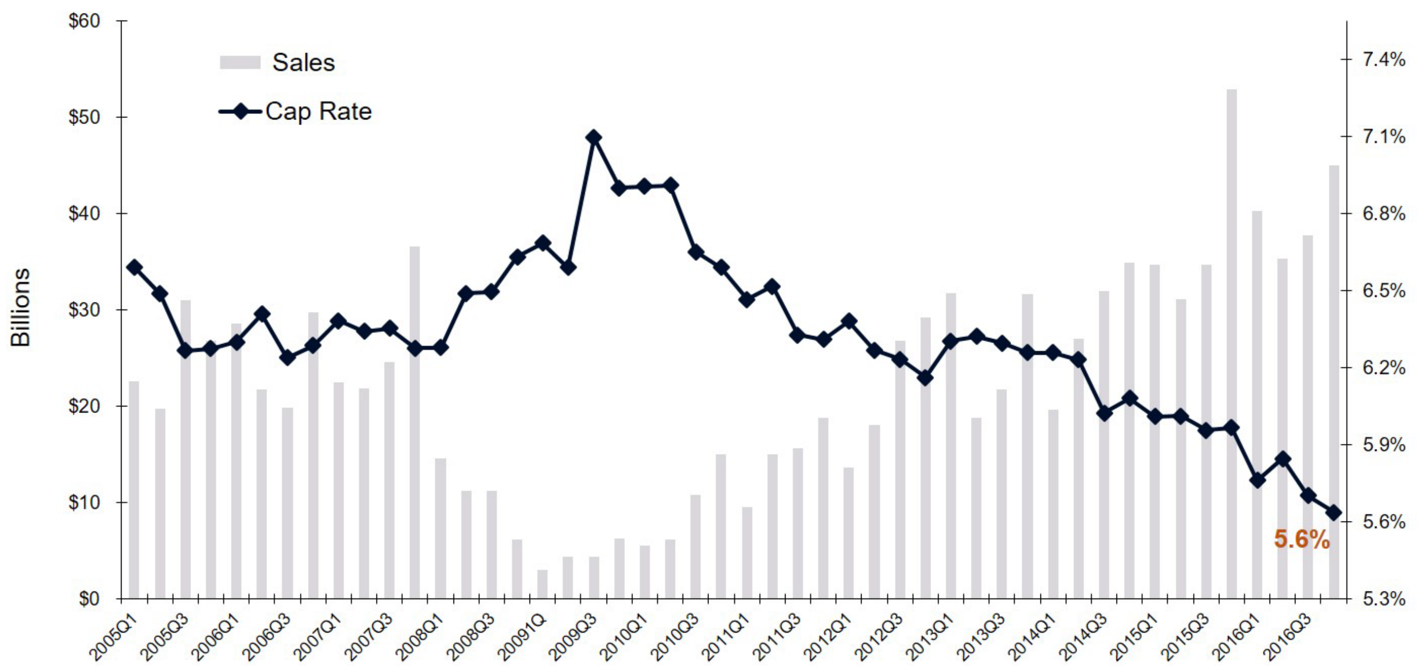


Source: Fannie Mae Economics and Multifamily Market Research

Rent growth continued to exceed the overall inflation rate, with rent growth estimated to have ended the year at about 2.5 percent, with inflation equal to 1.7 percent year-over-year as of the end of November. Rents have seen above average increases since 2011, although the fourth quarter of 2016 saw no rent increase at all. Rents are expected to increase approximately 2 percent in 2017.

Continued demand for multifamily rental housing was reflected in the net increase in the number of occupied rental units during 2016 (known in industry terms as positive net absorption). Net absorption likely totaled at least +198,000 units, compared to an estimated +202,000 units absorbed in 2015, according to Reis, Inc. Net absorption is expected to remain positive in 2017, although at a much lower level than last year. Over the next few years, net absorption is expected to slow but continue to outpace vacancies at a national level.

National Apartment Sales Volume and Cap Rates



Source: Real Capital Analytics (www.rcanalytics.com)

Sales of apartment properties valued at $2.5 million or greater totaled an estimated $45 billion in the fourth quarter of 2016, bringing the annual total to a new estimated industry peak of $158.4 billion, according to recent data from Real Capital Analytics, up 3 percent from 2015. Although fourth quarter 2016 was down compared to fourth quarter 2015's nearly $53 billion, the 2015 number was inflated by the massive $5.3 billion Fannie Mae financed Stuyvesant Town transaction in New York City which closed in December 2015, as seen in the chart above.

Property prices continued to climb during 2016, but at a slower pace. According to Moody's/RCA Commercial Property Price Index, apartment property sales prices increased about 12 percent in 2016, compared to 13 percent in 2015, the lowest increase in prices since 2010. The average multifamily reported capitalization rate[13] was 5.6 percent in fourth quarter 2016, a decline of 40 basis points since fourth quarter of 2014.

Standardization and Securitization

Commercial mortgages, including multifamily mortgage loans, are much less homogenous than single-family residential mortgages. Over the past three decades, there has been a continual move towards standardization and more transparent disclosure in commercial real estate securitizations. Standardization of securitized financings and their associated disclosures promotes liquid trading in the capital markets. Transparent, liquid trading allows for the efficient origination and pricing of multifamily mortgage loans by market participants and the placement of those loans, as mortgage-backed securities ("MBS"), in the investor market.

Fannie Mae's DUS platform allows lenders to swap each multifamily loan for a standardized, tradeable MBS which shares the characteristics of the underlying loan. Fannie Mae multifamily MBS are predominantly single loan securitizations that allow lenders to auction every MBS rate lock to multiple bidders. This allows for the best execution for borrowers and instantly transfers interest rate risk to private capital at rate lock, with no aggregation risk for Fannie Mae or our lenders.

2016 Standardization & Securitization Highlights:

- Fannie Mae issued $54.9 billion in multifamily MBS in 2016, which accounted for 99 percent of its multifamily production.
- In an effort to improve the liquidity and increase demand for multifamily MBS, in 2016 Fannie Mae issued $10.6 billion of multifamily structured securities through eleven Real Estate Mortgage Investment Conduit transactions as part of our GeMS™ program. GeMS structured securities are backed by multifamily MBS previously issued by Fannie Mae and are sold to institutional investors who might not otherwise invest in multifamily MBS. In 2017, Fannie Mae will continue to market its multifamily structured product offerings through the GeMS program.
- Standardized, timely and in-depth disclosures also help to attract investors, improving liquidity and increasing demand. In 2016, Fannie Mae enhanced disclosure by providing additional detail on Green Financing features and DUS loan prepayment history. The business is also preparing to introduce a new disclosure platform in 2017, expanding the data available on multifamily MBS and adopting industry best practices for disclosure.

In December of 2016, the risk retention provisions of Dodd-Frank went into effect, impacting issuers of commercial mortgage-backed securities by requiring a sponsor to hold credit risk for the life of the securitization. Although Fannie Mae is exempt from Dodd-Frank Risk Retention while in conservatorship, our DUS risk sharing program has required similar risk sharing of our lenders for more than 25 years. Under the DUS program, the originating lender shares credit risk with Fannie Mae through the life of the loan. This early adoption of risk sharing has helped ensure strong multifamily credit and

13 The capitalization rate, as defined by the Mortgage Bankers Association, is the rate of return on net operating income considered acceptable to investors and used to determine the capitalized value. The rate should provide a return on, as well as a return of, capital.

loan performance, encourages the participation of private capital in our MBS and helps to broaden the investor base for Fannie Mae multifamily securities.

Affordable Housing Partnerships

Charter Act Requirement: Describe the activities undertaken by the corporation with nonprofit and for-profit organizations and with State and local governments and housing finance agencies, including how the corporation's activities support the objectives of comprehensive housing affordability strategies under section 105 of the Cranston-Gonzalez National Affordable Housing Act.[14]

Activities undertaken by Fannie Mae in 2016 with nonprofit and for-profit organizations, State and local governments, and HFAs include:

- Fannie Mae purchased 42,943 single-family loans from HFAs in 2016, with an unpaid principal balance of $7.36 billion.
- Fannie Mae facilitated the sale of one multifamily real estate owned property with 35 units to a nonprofit involved in supporting housing strategies that address local affordable housing issues and needs.
- At least three foreclosed multifamily properties, with almost 700 units, were marketed to nonprofits, public entities and/or affordable housing developer organizations for potential purchase to support local comprehensive housing strategies including addressing affordable housing issues and needs.
- Fannie Mae helped provide financing for over 13,000 Low-Income Housing Tax Credit ("LIHTC") units of housing by providing $760 million of debt financing on LIHTC projects via our lending partners.
- Through Fannie Mae's SERVE initiative programs, employees make a difference in our communities year-round through volunteer efforts with nonprofit partners. In 2016, 43 percent of our employees volunteered and provided more than 15,273 hours to our nonprofit partners, demonstrating our commitment to serve the communities where we live and work. Employees also supported a wide range of causes and nonprofit organizations through our employee giving programs, including raising $133,738 through employee "fun-raisers" for eight Help the Homeless® community partners.
- Enhanced our partnerships with the Asian Real Estate Association of America ("AREAA"), National Association of Hispanic Real Estate Professionals ("NAHREP"), and National Association of Real Estate Brokers ("NAREB") whose members play a critical trusted advisor role in the home-buying and finance process, particularly within the Asian, Hispanic and African-American communities. Through our involvement, we engaged hundreds of minority real estate professionals to build solutions to better serve minority communities. For example, in 2016, Fannie Mae hosted a presentation of NAHREP's "53 Million and One," a one-man show that highlights the common challenges, experiences and aspirations of Latinos in the United States for our employees and for local NAHREP chapter members to help increase the cultural competency of our employees and build business relationships with Hispanic real estate professionals.

14 Under Section 105, comprehensive housing affordability strategies include, among other things: (1) efforts to address homelessness and meet the needs of homeless persons; (2) the provision of housing for different categories of residents, such as very low-income, low-income, and moderate-income families, the elderly, single persons, large families, residents of non-metropolitan areas, families who are participating in an organized program to achieve economic independence and self-sufficiency, and other categories of persons; (3) combined efforts with private industry, nonprofit organizations and public institutions to deliver safe and adequate housing; (4) encouraging public housing residents to become homeowners; and (5) efforts to provide affordable housing through the production of new units, rehabilitation, or acquisition of existing units.

- Facilitated the sale of 2,439 single-family real estate owned properties to or through nonprofits and community-based buyers involved in supporting housing strategies that addressed local stabilization and affordable housing needs, including 1,232 properties in the 18 markets of the Neighborhood Stabilization Initiative.
- Held ten training and outreach sessions with nonprofits and community based organizations on housing strategies that support community stabilization and address affordable housing needs in the Neighborhood Stabilization Initiative communities. These sessions supported My City Modification and Principal Reduction Modification programs.

One of the purposes of the Cranston-Gonzalez National Affordable Housing Act is to extend and strengthen partnerships among all levels of government and the private sector in the production and operation of housing that is affordable to low- and moderate-income families. Fannie Mae believes that the activities listed above support the objectives of this statute.

Other Charter Act Requirements

Charter Act Requirement: Include, in aggregate form and by appropriate category, statements of the dollar volume and number of mortgages on owner-occupied and rental properties purchased which relate to each of the annual housing goals.

The dollar volume and number of mortgages on owner-occupied properties that relate to each of the housing goals are set forth on Table 1A of the Annual Mortgage Report ("AMR").[15]

The dollar volume and number of mortgages on rental properties that relate to each of the housing goals are set forth on AMR Table 1A (Single-Family Owner-Occupied 2-4 Unit Properties/Mortgages) and AMR Table 1B (Multifamily). In 2016, Fannie Mae mortgage purchases financed 10,437 units affordable to families earning 80 percent or less of AMI living in owner-occupied 2-4 unit properties.[16]

Charter Act Requirement: Include, in aggregate form and by appropriate category, statements of the number of families served by the corporation, the income class, race, and gender of homebuyers served, the income class of tenants of rental housing (to the extent such information is available), the characteristics of the census tracts, and the geographic distribution of the housing financed.

In 2016, Fannie Mae's purchases of mortgages served 3,679,302 families, as measured by the number of units financed. The income class, race, and gender of homebuyers served, the characteristics of the census tracts, and the geographic distribution of the housing financed, are set forth on AMR Tables 2, 3A, 3B, 4, 5A, 6, 7, 8A, 8B, 9, 10A, 10B and 10C.

15 The AMR is provided pursuant to § 309(m) of the Charter Act.
16 For 1,900 units that we financed, affordability data was not provided so these units are not included in our calculation.

Charter Act Requirement: Include a statement of the extent to which the mortgages purchased by the corporation have been used in conjunction with public subsidy programs under Federal law.

In 2016, Fannie Mae purchased 6,153 single-family mortgages and 406 multifamily mortgages with an aggregate unpaid principal balance of approximately $822 million and $4.286 billion respectively that were originated in conjunction with public subsidy programs.[17]

Charter Act Requirement: Include, in aggregate form and by appropriate category, the data provided to the [Director] under subsection (m)(1)(B) [*i.e.,* the loan-to-value ratios of purchased mortgages at the time of origination].

AMR Table 11 provides the LTV ratios of single-family owner-occupied mortgages purchased by Fannie Mae.

Charter Act Requirement: Compare the level of securitization versus portfolio activity.

During 2016, Fannie Mae securitized $637.8 billion in mortgage loans. We had total portfolio acquisitions of $319.4 billion, which included approximately $11.1 billion of delinquent loans purchased from our MBS trusts. In 2016, Fannie Mae's portfolio decreased by $72.7 billion.

17 For purposes of this AHAR, Fannie Mae defined programs originated in conjunction with public subsidy programs to include: certain single-family and multifamily HUD-related and Rural Housing Service-related programs and other government insured and/or related programs; Fannie Mae's Multifamily Affordable Housing execution; mortgages purchased from housing finance agencies that benefit from federal tax exemption; bond credit enhancements; and mortgages that benefit from low-income housing tax credits. Because some loans may have been made in conjunction with more than one public subsidy program, there may be a small amount of overlap.

Charter Act Requirement: Describe in the aggregate the seller and servicer network of the corporation, including the volume of mortgages purchased from minority-owned, women-owned, and community-oriented lenders, and any efforts to facilitate relationships with such lenders.

Based upon annual information provided by lenders, Fannie Mae has selling and servicing relationships with approximately 1,803 single-family and 66 multifamily primary market lenders through which the company both purchases loans for its portfolio and issues MBS. The following table sets forth the volume of mortgages purchased in 2016 from single-family lenders identified as minority- or women-owned lenders, women-owned lenders,[18] and single-family and multifamily lenders community-oriented lenders.[19]

Seller/Servicer Type	Volume of Mortgages
Minority- or women-owned	$6.73 billion
Women-owned	$5.48 billion
Community-oriented lenders	$223.74 billion

Efforts to facilitate relationships with single-family lenders include formal business alliances or affinity agreements to provide services and training to incentivize small lender participation with Fannie Mae.[20]

18 Some of these women-owned lenders also identified as a minority group such as African-American, Hispanic, Asian-Pacific or Indian-Alaskan.
19 For these purposes, a "community-oriented lender" is defined as a financial institution with total assets of less than $1.216 billion as of December 31, 2015. This definition parallels the definition of "small bank" under the Community Reinvestment Act implementing regulations (12 C.F.R. § 228.12), as in effect during 2016.
20 These agreements do not preclude members from doing business through other secondary market channels.

The Annual Mortgage Report ("AMR")

Table 1A
Fannie Mae's Mortgage Purchases by Mortgage Type and Housing Goal Status
Summary Table on Single-Family Housing Goal Performance
For Calendar Year 2016

	Total Mortgages Eligible To Qualify As Low-Income Purchase Money	Qualifying Low-Income Purchase Money Mortgages	Total Mortgages Eligible To Qualify As Very Low-Income Purchase Money	Qualifying Very Low-Income Purchase Money Mortgages	Total Mortgages Eligible To Qualify As Low-Income Area Purchase Money	Qualifying Income Area Purchase Money Goal Mortgages	Qualifying Low-Income Area Purchase Money Subgoal Mortgages	Total Mortgages Eligible To Qualify As Low-Income Refinance[1]	Qualifying Low-Income Refinance Mortgages[1]	All Mortgage Purchases
Purchase of Single-Family Mortgages										
Owner-Occupied 1-Unit Properties/Mortgages:										
UPB ($ Millions)	$225,541	$31,581	$225,541	$5,254	$225,541	$35,098	$28,893	$294,703	$35,342	$541,930
Number of Mortgages	961,203	220,224	961,203	49,639	961,203	192,333	153,815	1,260,913	245,139	2,324,570
Owner-Occupied 2-4 Unit Properties/Mortgages:										
UPB ($ Millions)	$1,726	$227	$1,726	$29	$1,726	$814	$805	$4,085	$656	$5,857
Number of Mortgages	5,597	1,404	5,597	293	5,597	2,733	2,676	13,429	3,544	19,168
Total Single-Family Owner-Occupied Mortgages in 1-4 Unit Properties:										
UPB ($ Millions)	$227,267	$31,808	$227,267	$5,283	$227,267	$35,913	$29,698	$298,788	$35,998	$547,786
Number of Mortgages	966,800	221,628	966,800	49,932	966,800	195,066	156,491	1,274,342	248,683	2,343,738
Goals Performance										
Fannie Mae's Single-Family Goals		24%		6%		17%			21%	
Goals Performance Percentage		22.92%		5.16%		20.18%			19.51%	
Fannie Mae's Single-Family Subgoal							14%			
Subgoal Performance Percentage							16.19%			

Mortgages may count toward more than one goal. On certain tables, sum of entries may not equal totals due to rounding.

[1]Make Home Affordable Modification loans are included in all Single-Family tables where applicable. An Enterprise's modification of a loan in accordance with the Make Home Affordable program announced on March 4, 2009, that is held in the Enterprise's portfolio or that is in a pool backing a security guaranteed by the Enterprise, shall be treated as a purchase of a refinance mortgage for the purposes of the housing goals.

Table 1B
Fannie Mae's Mortgage Purchases by Property Size and Housing Goal Status
Summary Table on Multifamily Housing Goal Performance
For Calendar Year 2016

	Qualifying Low-Income Purchases		**Qualifying Very Low-Income Purchases**		**All Mortgage Purchases**
Purchases of Multifamily Mortgages					
Multifamily 5-50 Unit Properties:					
UPB ($ Million)		$519		$99	$1,371
Number of Mortgages		377		198	508
Number of Properties		381		198	512
Number of Units		8,810		2,116	15,211
Multifamily > 50 Unit Properties:					
UPB ($ Million)		$20,998		$2,867	$49,557
Number of Mortgages		2,051		1,380	2,373
Number of Properties		2,051		1,380	2,373
Number of Units		338,538		61,751	537,574
Missing Affordability Data Adjustments					
Rental Unit Affordability Estimation					
	Eligible Units	Qualifying Units	Eligible Units	Qualifying Units	
Units in Multifamily Properties:					
Number of Units with Missing Data	10,378		10,378		N/A
Units Where Rent Estimation is Not Possible	0		0		N/A
Units Where Rent Estimation is Possible	10,378		10,378		N/A
Large (>50 unit) properties	9,268	4,518	9,268	1,805	N/A
Small (5-50 unit) properties	1,110	502	1,110	237	N/A
Not Subject to Cap	10,112	5,020	10,112	2,043	N/A
Subject to Cap	266	0	266	0	N/A
5% Cap	27,639		27,639		N/A
Adjustments to Number of Units for:					
Missing Data		5,020		2043	N/A
Total Multifamily:					
UPB ($ Million)		$21,516		$2,966	$50,928
Number of Mortgages		2,428		1,578	2,881
Number of Mortgages with both 5-50 and >50 Unit		0		0	0
Number of Properties		2,432		1,578	2,885
Number of Units		347,348		63,867	552,785
Number of Units (Adjusted)		352,368		65,910	552,785
Goals Performance					
Fannie Mae's Multifamily Goals (units)		300,000		60,000	
Goal Performance (units)		352,368		65,910	
Fannie Mae's Small Multifamily Goals (units)		8,000			
Goal Performance (units)		9,312	.		

Mortgages, properties, and units may count toward more than one goal. On certain tables, sum of entries may not equal totals, due to rounding.

Table 1C
Fannie Mae's Mortgage Purchases by Mortgage Type and Housing Goal Status
Mortgages from At-Risk Loans that were Modified
For Calendar Year 2016

	Total Mortgages Eligible To Qualify as Low-Income Refinance[1]	Qualifying Low-Income Refinance Mortgages[1]	All Mortgage Purchases
Purchase of Loan Modifications of At-Risk Mortgages			
Owner-Occupied 1-Unit Properties/Mortgages:			
UPB ($ Millions)	$582	$307	$908
Number of Mortgages	3,028	2,049	4,684
Owner-Occupied 2-4 Unit Properties/Mortgages:			
UPB ($ Millions)	$62	$12	$91
Number of Mortgages	177	68	258
Total Loan Modifications of At-Risk Mortgages:			
UPB ($ Millions)	$643	$319	$1,000
Number of Mortgages	3,205	2,117	4,942

[1]An Enterprise's modification of a loan in accordance with the Make Home Affordable program announced on March 4, 2009, that is held in the Enterprise's portfolio or that is in a pool backing a security guaranteed by the Enterprise, shall be treated as a mortgage purchase for the purposes of the housing goals.

Table 1D
Distribution of Rental Units Financed by Purchases of Mortgages on Single-Family Rental Properties
Summary Table on Single-Family Housing Goal Performance
For Calendar Year 2016

	Qualifying Low-Income Purchases	Qualifying Very Low-Income Purchases	All Mortgage Purchases
Purchases of Single-Family Mortgages			
Owner-Occupied 2-4 Unit Properties/Mortgages:			
UPB ($ Millions)	$1,049	$169	$3,099
Number of Mortgages	8,769	1,732	18,849
Number of Units	10,431	2,013	22,889
Investor Owned 1-4 Unit Properties/Mortgages:			
UPB ($ Millions)	$8,270	$1,310	$34,741
Number of Mortgages	65,621	11,238	186,977
Number of Units	90,750	14,996	230,233
Total Single-Family:			
UPB ($ Millions)	$9,319	$1,478	$37,840
Number of Mortgages	74,390	12,970	205,826
Number of Units	101,181	17,009	253,122

Mortgages and units may count toward more than one goal. On certain tables, sum of entries may not equal totals, due to rounding.

Table 2
Distribution of Single-Family Owner-Occupied Mortgages
Purchased by Fannie Mae
By Income Class of Mortgagor(s)
For Calendar Year 2016

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
Income No More Than 50% of Median Income							
$UPB(Millions)	$5,283	$5,283	$2,582	$7,350	$5,335	$7,466	$12,802
Number of Mortgages	49,932	49,932	24,540	64,679	50,516	65,734	116,250
Portion of Qualifying or Total Mortgages Acquired	22.53%	100.00%	12.58%	26.01%	4.86%	5.04%	4.96%
Income More Than 50% But No More Than 60% of Median Income							
$UPB(Millions)	$6,530	$0	$2,852	$6,796	$6,607	$6,858	$13,464
Number of Mortgages	48,448	0	21,213	49,456	49,170	49,916	99,086
Portion of Qualifying or Total Mortgages Acquired	21.86%	0.00%	10.87%	19.89%	4.73%	3.83%	4.23%
Income More Than 60% But No More Than 80% of Median Income							
$UPB(Millions)	$19,995	$0	$7,936	$21,853	$20,290	$22,023	$42,313
Number of Mortgages	123,248	0	49,121	134,548	125,635	135,609	261,244
Portion of Qualifying or Total Mortgages Acquired	55.61%	0.00%	25.18%	54.10%	12.07%	10.41%	11.15%
Income More Than 80% But No More Than 100% of Median Income							
$UPB(Millions)	$0	$0	$9,008	$0	$25,348	$29,937	$55,285
Number of Mortgages	0	0	46,564	0	130,909	155,958	286,867
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	23.87%	0.00%	12.58%	11.97%	12.24%
Income More Than 100% But No More Than 120% of Median Income							
$UPB(Millions)	$0	$0	$3,244	$0	$27,251	$33,953	$61,204
Number of Mortgages	0	0	15,146	0	123,459	156,134	279,593
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	7.76%	0.00%	11.87%	11.98%	11.93%
Income More Than 120% of Median Income							
$UPB(Millions)	$0	$0	$10,288	$0	$157,671	$204,836	$362,507
Number of Mortgages	0	0	38,469	0	560,681	738,783	1,299,464
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	19.72%	0.00%	53.89%	56.69%	55.44%
Missing							
$UPB(Millions)	$0	$0	$4	$0	$22	$190	$212
Number of Mortgages	0	0	13	0	95	1,139	1,234
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	0.01%	0.00%	0.01%	0.09%	0.05%
All Income Levels[1]							
$UPB(Millions)	$31,808	$5,283	$35,913	$35,998	$242,523	$305,263	$547,786
Number of Mortgages	221,628	49,932	195,066	248,683	1,040,465	1,303,273	2,343,738
Portion of Qualifying or Total Mortgages Acquired	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

[1]Includes "Missing."

Table 3A
Distribution of Rental Units
Financed by Multifamily Mortgages Purchased by Fannie Mae
By Affordability of Rent[1]
For Calendar Year 2016

	Qualifying Low-Income Purchases	Qualifying Very Low-Income Purchases	Total Units Financed
Affordable At No More Than 30% of Median Income			
$UPB(MILLIONS)	$1,358	$1,358	$1,358
Number of Units	25,052	25,052	25,052
Portion of Qualifying or Total Units Financed	7.21%	39.23%	4.53%
Affordable At More Than 30% But No More than 50% of Median Income			
$UPB(MILLIONS)	$1,608	$1,608	$1,608
Number of Units	38,815	38,815	38,815
Portion of Qualifying or Total Units Financed	11.17%	60.77%	7.02%
Affordable At More Than 50% But No More than 60% of Median Income			
$UPB(MILLIONS)	$4,707		$4,707
Number of Units	95,090		95,090
Portion of Qualifying or Total Units Financed	27.38%		17.20%
Affordable At More Than 60% But No More than 80% of Median Income			
$UPB(MILLIONS)	$13,844		$13,844
Number of Units	188,391		188,391
Portion of Qualifying or Total Units Financed	54.24%		34.08%
Affordable At More Than 80% But No More than 100% of Median Income			
$UPB(MILLIONS)			$10,169
Number of Units			92,993
Portion of Qualifying or Total Units Financed			16.82%
Affordable At More Than 100% But No More than 120% of Median Income			
$UPB(MILLIONS)			$5,909
Number of Units			44,666
Portion of Qualifying or Total Units Financed			8.08%
Affordable At More Than 120% of Median Income			
$UPB(MILLIONS)			$12,047
Number of Units			57,400
Portion of Qualifying or Total Units Financed			10.38%
Tenant Rent Missing			
$UPB(MILLIONS)			$1,284
Number of Units			10,378
Portion of Qualifying or Total Units Financed			1.88%
All Income Levels[2]			
$UPB(MILLIONS)	$21,516	$2,966	$50,925
Number of Units	347,348	63,867	552,785
Portion of Qualifying or Total Units Financed	100.00%	100.00%	100.00%

[1]Based on actual rents before affordability estimation. Units where affordability was estimated, including all units in senior housing facilities and cooperatives, are included in "Tenant Rent Missing."
[2]Includes "Tenant Rent Missing."

Table 3B
Distribution of Rental Units
Financed by Purchases of Mortgages on Single-Family
Rental Properties By Affordability of Rent[1]
For Calendar Year 2016

	Qualifying Low-Income Purchases	Qualifying Very Low-Income Purchases	Total Units Financed
Affordable At No More Than 30% of Median Income			
UPB ($ Millions)	$589	$589	$589
Number of Units	4,108	4,108	4,108
Portion of Qualifying or Total Units Financed	4.06%	24.15%	1.62%
Affordable At More Than 30% But No More than 50% of Median Income			
UPB ($ Millions)	$890	$890	$890
Number of Units	12,901	12,901	12,901
Portion of Qualifying or Total Units Financed	12.75%	75.85%	5.10%
Affordable At More Than 50% But No More than 60% of Median Income			
UPB ($ Millions)	$1,625		$1,625
Number of Units	22,996		22,996
Portion of Qualifying or Total Units Financed	22.73%		9.08%
Affordable At More Than 60% But No More than 80% of Median Income			
UPB ($ Millions)	$6,216		$6,216
Number of Units	61,176		61,176
Portion of Qualifying or Total Units Financed	60.46%		24.17%
Affordable At More Than 80% But No More than 100% of Median Income			
UPB ($ Millions)			$8,538
Number of Units			59,789
Portion of Qualifying or Total Units Financed			23.62%
Affordable At More Than 100% But No More than 120% of Median Income			
UPB ($ Millions)			$6,688
Number of Units			35,193
Portion of Qualifying or Total Units Financed			13.90%
Affordable At More Than 120% of Median Income			
UPB ($ Millions)			$10,718
Number of Units			40,006
Portion of Qualifying or Total Units Financed			15.81%
Tenant Rent Missing			
UPB ($ Millions)			$2,577
Number of Units			16,953
Portion of Qualifying or Total Units Financed			6.70%
All Income Levels[2]			
UPB ($ Millions)	$9,319	$1,478	$37,840
Number of Units	101,181	17,009	253,122
Portion of Qualifying or Total Units Financed	100.00%	100.00%	100.00%

[1]Based on actual rents before affordability estimation. Units where affordability was estimated are included in "Tenant Rent Missing."
[2]Includes "Tenant Rent Missing."

Table 4
Fannie Mae Single-Family Owner-Occupied Mortgage Purchases
Qualifying for the Low-Income Area Purchase Goal
by Method of Qualification
For Calendar Year 2016

	Tract is in a Designated Disaster Area		Tract is not in a Designated Disaster Area			
	Family Income <= 100% of Area Median	**Family Income > 100% of Area Median**	**Family Income <= 100% of Area Median**	**Family Income > 100% of Area Median**	**Qualifying Low-Income Area Purchase Money Mortgages**	**Total Mortgages Eligible To Qualify As Low-Income Area Purchase Money**
Tract Income <= 80% of Area Median						
$UPB(Millions)	$1,646	$1,929	$9,275	$11,603	$24,453	$24,453
Number of Mortgages	11,443	8,424	60,898	45,191	125,956	125,956
Percentage of Eligible	9.08%	6.69%	48.35%	35.88%	100.00%	100.00%
80% < Tract Income < 100% of Area Median and Tract >= 30% Minority						
$UPB(Millions)	$950	$0	$4,295	$0	$5,245	$15,045
Number of Mortgages	6,185	0	24,350	0	30,535	66,314
Percentage of Eligible	9.33%	0.00%	36.72%	0.00%	46.05%	100.00%
80% < Tract Income < 100% of Area Median and Tract < 30% Minority						
$UPB(Millions)	$887	$0	$0	$0	$887	$20,607
Number of Mortgages	6,133	0	0	0	6,133	115,633
Percentage of Eligible	5.30%	0.00%	0.00%	0.00%	5.30%	100.00%
Tract Income >= 100% of Area Median[1]						
$UPB(Millions)	$5,328	$0	$0	$0	$5,328	$167,163
Number of Mortgages	32,442	0	0	0	32,442	658,897
Percentage of Eligible	4.92%	0.00%	0.00%	0.00%	4.92%	100.00%
Total						
$UPB(Millions)	$8,810	$1,929	$13,570	$11,603	$35,913	$227,267
Number of Mortgages	56,203	8,424	85,248	45,191	195,066	966,800
Percentage of Eligible	5.81%	0.87%	8.82%	4.67%	20.18%	100.00%

[1]Includes tracts with missing median incomes or missing percent minority.

Table 5A
Distribution of Single-Family Owner-Occupied Mortgage Purchases
By Race of Borrower(s) on Loan Application[1]
For Calendar Year 2016

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
American Indian or Alaskan Native[2]							
$UPB(Millions)	$120	$21	$146	$211	$653	$974	$1,626
Number of Mortgages	835	202	828	1,535	2,940	4,806	7,746
Portion of Qualifying or Total Mortgages Acquired	0.38%	0.40%	0.42%	0.62%	0.28%	0.37%	0.33%
Asian[2]							
$UPB(Millions)	$2,471	$420	$3,577	$2,194	$20,742	$28,521	$49,262
Number of Mortgages	13,426	3,250	14,842	10,947	69,305	89,933	159,238
Portion of Qualifying or Total Mortgages Acquired	6.06%	6.51%	7.61%	4.40%	6.66%	6.90%	6.79%
Black or African American[2]							
$UPB(Millions)	$1,227	$221	$1,757	$1,814	$6,820	$8,266	$15,086
Number of Mortgages	8,469	2,038	10,251	12,979	30,585	41,352	71,937
Portion of Qualifying or Total Mortgages Acquired	3.82%	4.08%	5.26%	5.22%	2.94%	3.17%	3.07%
Native Hawaiian or Other Pacific Islander[2]							
$UPB(Millions)	$109	$16	$156	$173	$738	$1,248	$1,986
Number of Mortgages	660	139	697	963	2,753	4,461	7,214
Portion of Qualifying or Total Mortgages Acquired	0.30%	0.28%	0.36%	0.39%	0.26%	0.34%	0.31%
White - Hispanic or Latino[3]							
$UPB(Millions)	$3,063	$595	$4,637	$3,928	$18,515	$23,198	$41,713
Number of Mortgages	20,938	5,338	25,933	25,331	81,451	102,101	183,552
Portion of Qualifying or Total Mortgages Acquired	9.45%	10.69%	13.29%	10.19%	7.83%	7.83%	7.83%
White - Non Hispanic or Latino							
$UPB(Millions)	$22,382	$3,660	$21,947	$22,865	$168,273	$196,875	$365,148
Number of Mortgages	161,451	35,770	124,719	164,736	750,045	872,134	1,622,179
Portion of Qualifying or Total Mortgages Acquired	72.85%	71.64%	63.94%	66.24%	72.09%	66.92%	69.21%
Two or More Minority Races[4]							
$UPB(Millions)	$19	$3	$30	$32	$160	$236	$396
Number of Mortgages	115	24	144	197	586	910	1,496
Portion of Qualifying or Total Mortgages Acquired	0.05%	0.05%	0.07%	0.08%	0.06%	0.07%	0.06%
Joint - either Borrower or Co-Borrower are of a Minority Group[5]							
$UPB(Millions)	$217	$16	$608	$296	$5,033	$5,957	$10,990
Number of Mortgages	1,312	146	2,531	1,752	17,861	21,223	39,084
Portion of Qualifying or Total Mortgages Acquired	0.59%	0.29%	1.30%	0.70%	1.72%	1.63%	1.67%
Information not Provided by Borrower or Co-Borrower[6]							
$UPB(Millions)	$2,200	$331	$3,055	$4,431	$21,590	$39,851	$61,441
Number of Mortgages	14,422	3,025	15,121	29,743	84,939	165,313	250,252
Portion of Qualifying or Total Mortgages Acquired	6.51%	6.06%	7.75%	11.96%	8.16%	12.68%	10.68%
Not Applicable							
$UPB(Millions)	$0	$0	$0	$2	$0	$7	$7
Number of Mortgages	0	0	0	14	0	34	34
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%
Data not Provided by Loan Seller							
$UPB(Millions)	$0	$0	$0	$53	$0	$131	$131
Number of Mortgages	0	0	0	486	0	1,006	1,006
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	0.00%	0.20%	0.00%	0.08%	0.04%
Total							
$UPB(Millions)	$31,808	$5,283	$35,913	$35,998	$242,523	$305,263	$547,786
Number of Mortgages	221,628	49,932	195,066	248,683	1,040,465	1,303,273	2,343,738
Portion of Qualifying or Total Mortgages Acquired	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 5A continues on next page.

[1]Borrowers are asked to report both Race and Ethnicity. Race associated with the loan is based on data for the borrower and, if any, co-borrower. Borrower and co-borrower may be identified with any combination of, and up to, 5 race categories: (1) American Indian or Alaska Native, (2) Asian, (3) Black or African American, (4) Native Hawaiian or Other Pacific Islander, and (5) White. A borrower or co-borrower identified as both White and one minority race is classified as the minority race. If race is known for one borrower but not the other borrower, the loan is classified according to the known race. A loan where one borrower is identified as White and the race of the other borrower is missing, or where both the borrower and co-borrower are identified as White, is categorized in one of the two White categories. Separately, ethnicity associated with a loan also is based on data for the borrower and, if any, co-borrower. Borrower and co-borrower may choose either (1) Hispanic or Latino or (2) Not Hispanic or Latino. In this table, the White race category is further categorized as either "Hispanic or Latino," or "Not Hispanic or Latino." Table 5B shows the ethnicity distribution of all loans acquired.
[2]If the borrower and co-borrower are both identified as the same minority race or different minority races, the loan is classified as the race of the borrower.
[3]If the loan is classified as White (see footnote 1) and if either borrower or co-borrower is identified as Hispanic or Latino, the loan is classified as "White - Hispanic or Latino." The category "White - Non-Hispanic or Latino" includes loans where borrower and co-borrower are both identified as "Not Hispanic or Latino" or when the ethnicity is missing for both borrowers.
[4]The loan is classified as "Two or More Minority Races" where: the borrower is identified as two or more minority races and either there is no co-borrower or the co-borrower is identified as one or more minority races, or one borrower's race is missing and the other borrower is identified as two or more minority races.
[5]If either the borrower or co-borrower is identified as one or more minority race(s) and the other borrower is identified as White, the loan is classified as "Joint."
[6]This category consists of mortgages where borrower and co-borrower race information is not provided in mail, internet, or telephone application, even if ethnicity data are reported.

Table 5B
Distribution of Single-Family Owner-Occupied Mortgage Purchases
By Ethnicity of Borrower(s) on Loan Application[1]
For Calendar Year 2016

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
Borrower and Co-Borrower are Hispanic or Latino:							
$UPB(Millions)	$3,093	$619	$4,463	$4,226	$15,264	$20,388	$35,652
Number of Mortgages	21,224	5,563	25,436	27,313	69,931	93,264	163,195
Portion of Qualifying or Total Mortgages Acquired	9.58%	11.14%	13.04%	10.98%	6.72%	7.16%	6.96%
Borrower and Co-Borrower are not Hispanic or Latino:							
$UPB(Millions)	$26,401	$4,340	$27,921	$27,461	$201,142	$240,861	$442,002
Number of Mortgages	185,351	41,415	152,649	192,375	868,957	1,029,970	1,898,927
Portion of Qualifying or Total Mortgages Acquired	83.63%	82.94%	78.26%	77.36%	83.52%	79.03%	81.02%
Joint - Either Borrower or Co-Borrower are Hispanic or Latino:[2]							
$UPB(Millions)	$237	$19	$633	$346	$5,295	$6,514	$11,809
Number of Mortgages	1,475	170	2,808	2,130	19,723	24,764	44,487
Portion of Qualifying or Total Mortgages Acquired	0.67%	0.34%	1.44%	0.86%	1.90%	1.90%	1.90%
Information not Provided by Borrower or Co-Borrower:[3]							
$UPB(Millions)	$2,078	$304	$2,895	$3,907	$20,822	$37,351	$58,174
Number of Mortgages	13,578	2,784	14,172	26,321	81,853	154,148	236,001
Portion of Qualifying or Total Mortgages Acquired	6.13%	5.58%	7.27%	10.58%	7.87%	11.83%	10.07%
Not Applicable:							
$UPB(Millions)	$0	$0	$0	$5	$0	$11	$11
Number of Mortgages	0	0	1	40	1	71	72
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	0.00%	0.02%	0.00%	0.01%	0.00%
Data Not Provided by Loan Seller:							
$UPB(Millions)	$0	$0	$0	$54	$0	$139	$139
Number of Mortgages	0	0	0	504	0	1,056	1,056
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	0.00%	0.20%	0.00%	0.08%	0.05%
Total:							
$UPB(Millions)	$31,808	$5,283	$35,913	$35,998	$242,523	$305,263	$547,786
Number of Mortgages	221,628	49,932	195,066	248,683	1,040,465	1,303,273	2,343,738
Portion of Qualifying or Total Mortgages Acquired	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

[1]If ethnicity is known for one borrower but not the other, loan is classified according to the known ethnicity.
[2]Joint means one borrower is of Hispanic or Latino ethnicity and the other is not, in any order.
[3]This category consists of mortgages where borrower and co-borrower ethnicity (as Hispanic/Latino or not) information is not provided in mail, internet, or telephone application, even if race data are reported.

Table 6
Distribution of Single-Family Owner-Occupied Mortgage Purchases
By Gender of Borrower(s)[1]
For Calendar Year 2016

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
All Male:							
$UPB(Millions)	$12,282	$2,043	$12,812	$11,643	$72,355	$82,670	$155,025
Number of Mortgages	85,372	19,061	71,395	79,913	318,713	353,981	672,694
Portion of Qualifying or Total Mortgages Acquired	38.52%	38.17%	36.60%	32.13%	30.63%	27.16%	28.70%
All Female:							
$UPB(Millions)	$12,460	$2,496	$10,517	$12,949	$46,361	$52,275	$98,636
Number of Mortgages	89,757	24,157	63,258	92,977	232,375	256,860	489,235
Portion of Qualifying or Total Mortgages Acquired	40.50%	48.38%	32.43%	37.39%	22.33%	19.71%	20.87%
Male and Female:							
$UPB(Millions)	$5,936	$580	$11,017	$8,830	$111,879	$145,963	$257,842
Number of Mortgages	39,019	5,177	52,664	58,133	442,190	589,674	1,031,864
Portion of Qualifying or Total Mortgages Acquired	17.61%	10.37%	27.00%	23.38%	42.50%	45.25%	44.03%
Not Applicable:							
$UPB(Millions)	$0	$0	$0	$1	$0	$7	$7
Number of Mortgages	0	0	0	8	0	24	24
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Not Provided:							
$UPB(Millions)	$1,130	$165	$1,567	$2,574	$11,928	$24,344	$36,272
Number of Mortgages	7,480	1,537	7,749	17,638	47,187	102,686	149,873
Portion of Qualifying or Total Mortgages Acquired	3.38%	3.08%	3.97%	7.09%	4.54%	7.88%	6.39%
Missing:							
$UPB(Millions)	$0	$0	$0	$1	$0	$6	$6
Number of Mortgages	0	0	0	14	0	48	48
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%
Total:							
$UPB(Millions)	$31,808	$5,283	$35,913	$35,998	$242,523	$305,263	$547,786
Number of Mortgages	221,628	49,932	195,066	248,683	1,040,465	1,303,273	2,343,738
Portion of Qualifying or Total Mortgages Acquired	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

[1]Borrower and co-borrower with a "Not Applicable" or "Not Provided" are placed in the specific gender of the borrower or co-borrower.

Table 7
Distribution of Single-Family Owner-Occupied Mortgage Purchases
By Minority Concentration of Census Tract
For Calendar Year 2016

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
Minority < 10%	52,190	11,938	15,558	54,595	250,581	284,947	535,528
10% <= Minority < 20%	55,287	11,974	27,681	53,674	274,696	308,612	583,308
20% <= Minority < 30%	34,880	7,622	24,436	35,036	170,643	203,408	374,051
30% <= Minority < 50%	40,585	8,938	52,411	44,101	192,498	249,100	441,598
50% <= Minority < 80%	27,934	6,748	50,018	37,315	113,255	173,645	286,900
80% <= Minority <= 100%	10,749	2,712	24,921	23,962	38,641	83,458	122,099
Tract Missing / Unable to Classify	3	0	41	0	151	103	254
Total:	221,628	49,932	195,066	248,683	1,040,465	1,303,273	2,343,738

Table 8A
Distribution of Fannie Mae's Multifamily Mortgage Purchases
By Minority Concentration of Census Tract
For Calendar Year 2016

	Qualifying Low-Income Units	**Qualifying Very Low-Income Units**	**Total Units Financed**
Minority < 10%	12,242	2,640	17,747
10% <= Minority < 20%	34,283	4,562	61,975
20% <= Minority < 30%	48,297	6,400	94,104
30% <= Minority < 50%	90,403	13,511	149,144
50% <= Minority < 80%	89,804	14,169	142,699
80% <= Minority <= 100%	72,319	22,585	87,116
Tract Missing / Unable to Classify	0	0	0
Total:	347,348	63,867	552,785

Table 8B
Distribution of Rental Units Financed by Purchases of Mortgages on
Single-Family Rental Properties by Minority Concentration of Census Tract
For Calendar Year 2016

	Qualifying Low-Income Units	**Qualifying Very Low-Income Units**	**Total Units Financed**
Minority < 10%	13,630	2,898	25,831
10% <= Minority < 20%	18,935	3,132	44,693
20% <= Minority < 30%	13,982	2,330	37,114
30% <= Minority < 50%	19,515	3,221	54,885
50% <= Minority < 80%	19,664	2,964	51,608
80% <= Minority <= 100%	15,448	2,462	38,916
Tract Missing / Unable to Classify	7	2	75
Total:	101,181	17,009	253,122

Table 9
Distribution of Single-Family Owner-Occupied Mortgage Purchases
Minority Percentage of Census Tract by Income of Borrower
For Calendar Year 2016

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
Income <=50% of Median Income							
Minority < 10%	11,938	11,938	2,213	14,028	12,130	14,298	26,428
10% <= Minority < 30%	19,596	19,596	6,971	22,258	19,800	22,591	42,391
30% <= Minority < 50%	8,938	8,938	6,875	11,274	9,030	11,436	20,466
50% <= Minority < 80%	6,748	6,748	5,886	10,112	6,815	10,270	17,085
80% <= Minority <= 100%	2,712	2,712	2,595	7,007	2,741	7,139	9,880
Tract Missing / Unable to Classify	0	0	0	0	0	0	0
Subtotal	49,932	49,932	24,540	64,679	50,516	65,734	116,250
50% < Income <=60% of MSA Median Income							
Minority < 10%	11,517	0	1,754	11,024	11,780	11,150	22,930
10% <= Minority < 30%	19,657	0	6,092	17,560	19,877	17,708	37,585
30% <= Minority < 50%	8,908	0	6,202	8,701	9,034	8,779	17,813
50% <= Minority < 80%	6,015	0	4,976	7,503	6,095	7,555	13,650
80% <= Minority <= 100%	2,350	0	2,188	4,668	2,383	4,723	7,106
Tract Missing / Unable to Classify	1	0	1	0	1	1	2
Subtotal	48,448	0	21,213	49,456	49,170	49,916	99,086
60% < Income <=80% of MSA Median Income							
Minority < 10%	28,735	0	3,783	29,543	29,537	29,844	59,381
10% <= Minority < 30%	50,914	0	14,203	48,892	51,787	49,229	101,016
30% <= Minority < 50%	22,739	0	14,275	24,126	23,123	24,280	47,403
50% <= Minority < 80%	15,171	0	11,722	19,700	15,413	19,868	35,281
80% <= Minority <= 100%	5,687	0	5,136	12,287	5,773	12,388	18,161
Tract Missing / Unable to Classify	2	0	2	0	2	0	2
Subtotal	123,248	0	49,121	134,548	125,635	135,609	261,244
80% < Income <=100% of MSA Median Income							
Minority < 10%	0	0	3,750	0	30,851	34,357	65,208
10% <= Minority < 30%	0	0	13,941	0	54,495	57,965	112,460
30% <= Minority < 50%	0	0	13,244	0	24,186	28,570	52,756
50% <= Minority < 80%	0	0	10,643	0	15,446	22,166	37,612
80% <= Minority <= 100%	0	0	4,985	0	5,930	12,899	18,829
Tract Missing / Unable to Classify	0	0	1	0	1	1	2
Subtotal	0	0	46,564	0	130,909	155,958	286,867
100% < Income <=120% of MSA Median Income							
Minority < 10%	0	0	1,207	0	29,498	34,105	63,603
10% <= Minority < 30%	0	0	3,340	0	52,354	59,362	111,716
30% <= Minority < 50%	0	0	3,366	0	22,640	29,248	51,888
50% <= Minority < 80%	0	0	4,417	0	13,871	21,898	35,769
80% <= Minority <= 100%	0	0	2,816	0	5,096	11,516	16,612
Tract Missing / Unable to Classify	0	0	0	0	0	5	5
Subtotal	0	0	15,146	0	123,459	156,134	279,593
120% MSA Median Income < Income							
Minority < 10%	0	0	2,851	0	136,782	160,989	297,771
10% <= Minority < 30%	0	0	7,570	0	247,022	304,817	551,839
30% <= Minority < 50%	0	0	8,449	0	104,484	146,574	251,058
50% <= Minority < 80%	0	0	12,364	0	55,604	91,691	147,295
80% <= Minority <= 100%	0	0	7,201	0	16,717	34,677	51,394
Tract Missing / Unable to Classify	0	0	34	0	72	35	107
Subtotal	0	0	38,469	0	560,681	738,783	1,299,464
Borrower Income Missing							
Minority < 10%	0	0	0	0	3	204	207
10% <= Minority < 30%	0	0	0	0	4	348	352
30% <= Minority < 50%	0	0	0	0	1	213	214
50% <= Minority < 80%	0	0	10	0	11	197	208
80% <= Minority <= 100%	0	0	0	0	1	116	117
Tract Missing / Unable to Classify	0	0	3	0	75	61	136
Subtotal	0	0	13	0	95	1,139	1,234
Total:	221,628	49,932	195,066	248,683	1,040,465	1,303,273	2,343,738

Table 10A
Distribution of Fannie Mae's Single-Family Owner-Occupied Mortgage Purchases
By State and Territory
For Calendar Year 2016

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
Alabama	2,308	516	2,605	2,360	12,712	12,079	24,791
Alaska	407	78	232	622	1,609	2,093	3,702
Arizona	7,434	1,709	5,919	7,767	35,029	36,217	71,246
Arkansas	1,136	272	1,143	1,190	6,596	6,430	13,026
California	10,229	1,376	19,899	38,714	90,989	276,951	367,940
Colorado	7,752	1,667	11,606	14,018	31,570	52,471	84,041
Connecticut	3,563	813	1,660	2,480	10,415	10,297	20,712
Delaware	784	198	450	981	4,011	4,034	8,045
District of Columbia	637	109	964	780	2,281	3,033	5,314
Florida	13,055	2,551	12,731	10,512	82,063	57,266	139,329
Georgia	5,515	1,216	4,802	5,973	33,708	33,788	67,496
Hawaii	435	63	651	1,040	2,780	5,226	8,006
Idaho	3,041	756	1,547	2,033	10,983	8,160	19,143
Illinois	11,957	3,132	16,692	9,559	41,133	52,716	93,849
Indiana	5,353	1,378	2,130	4,623	19,523	18,391	37,914
Iowa	4,249	1,223	1,461	3,277	12,722	12,904	25,626
Kansas	1,857	409	797	1,578	7,687	7,864	15,551
Kentucky	2,935	753	2,801	2,240	10,352	9,497	19,849
Louisiana	1,656	302	1,308	1,990	10,363	12,005	22,368
Maine	493	108	265	749	2,783	3,314	6,097
Maryland	5,642	1,523	3,933	7,717	18,857	27,300	46,157
Massachusetts	5,995	1,180	3,891	7,231	22,333	35,796	58,129
Michigan	8,584	2,204	7,580	9,107	33,482	43,444	76,926
Minnesota	10,020	2,874	4,330	7,966	29,045	30,608	59,653
Mississippi	672	135	896	919	4,858	6,168	11,026
Missouri	5,017	1,275	2,421	5,034	20,069	24,127	44,196
Montana	896	200	418	1,095	3,963	4,561	8,524
Nebraska	2,535	638	1,064	1,974	8,861	9,307	18,168
Nevada	2,688	578	2,039	3,529	13,232	14,611	27,843
New Hampshire	1,351	296	663	1,481	5,028	5,986	11,014
New Jersey	4,154	735	2,584	4,391	25,919	34,333	60,252
New Mexico	1,215	295	1,100	1,210	6,072	5,523	11,595
New York	6,064	1,085	4,898	5,230	34,029	33,999	68,028
North Carolina	6,988	1,536	5,492	5,955	36,885	31,603	68,488
North Dakota	550	137	142	620	2,243	2,826	5,069
Ohio	8,290	2,105	3,580	6,150	31,284	27,359	58,643
Oklahoma	1,941	478	3,229	1,580	9,889	8,759	18,648
Oregon	3,156	543	3,232	4,411	18,783	24,331	43,114
Pennsylvania	8,134	2,013	3,706	7,337	32,871	33,033	65,904
Rhode Island	716	100	258	728	3,079	3,405	6,484
South Carolina	3,802	801	5,585	2,965	20,661	15,413	36,074
South Dakota	1,079	288	387	743	3,659	3,744	7,403
Tennessee	4,027	875	2,745	3,830	20,775	18,149	38,924
Texas	12,356	2,128	21,001	12,406	91,449	87,544	178,993
Utah	4,848	1,083	2,383	5,351	16,741	21,819	38,560
Vermont	363	83	149	446	1,414	1,659	3,073
Virginia	7,854	1,908	5,293	9,163	27,923	36,819	64,742
Washington	8,175	1,724	8,556	9,269	34,863	45,000	79,863
West Virginia	443	108	218	587	2,143	2,726	4,869
Wisconsin	8,545	2,191	3,129	6,693	27,351	32,639	59,990
Wyoming	660	179	229	805	2,150	2,879	5,029
Guam	0	0	22	0	29	68	97
Puerto Rico	69	5	209	274	1,066	2,898	3,964
Virgin Islands	3	0	41	0	82	47	129
Unable to Geocode	0	0	0	0	68	54	122
Total	221,628	49,932	195,066	248,683	1,040,465	1,303,273	2,343,738

Table 10B
Distribution of Fannie Mae's
Multifamily Mortgage Purchases by State And Territory
For Calendar Year 2016

	Qualifying Low-Income Units	Qualifying Very Low-Income Units	Total Units Financed
Alabama	4,390	698	6,021
Alaska	432	225	459
Arizona	16,686	1,005	25,781
Arkansas	1,361	324	2,367
California	9,103	1,865	39,536
Colorado	7,470	1,014	14,822
Connecticut	1,695	831	2,425
Delaware	1,112	166	1,392
District of Columbia	250	37	1,286
Florida	22,140	3,163	61,137
Georgia	25,164	4,220	34,581
Hawaii	230	101	624
Idaho	1,369	403	1,567
Illinois	5,270	1,600	8,017
Indiana	5,287	424	6,529
Iowa	1,101	332	1,306
Kansas	3,917	1,234	4,714
Kentucky	4,182	389	4,682
Louisiana	4,016	367	6,568
Maine	349	0	620
Maryland	13,669	2,987	17,051
Massachusetts	2,870	955	5,499
Michigan	10,039	2,256	12,310
Minnesota	2,223	277	2,973
Mississippi	3,813	269	4,947
Missouri	11,345	2,604	13,423
Montana	91	1	275
Nebraska	1,425	640	1,689
Nevada	5,572	235	8,521
New Hampshire	2,001	203	2,144
New Jersey	1,609	878	3,827
New Mexico	1,460	83	2,049
New York	12,743	6,431	31,962
North Carolina	15,659	1,357	23,422
North Dakota	513	101	526
Ohio	12,385	3,199	15,209
Oklahoma	3,000	915	3,900
Oregon	2,717	158	6,289
Pennsylvania	1,566	909	3,249
Rhode Island	52	0	196
South Carolina	8,887	1,451	12,003
South Dakota	0	0	0
Tennessee	8,752	1,802	11,190
Texas	84,520	13,295	110,304
Utah	3,440	907	3,659
Vermont	0	0	0
Virginia	9,391	1,985	12,881
Washington	9,864	722	15,932
West Virginia	180	0	307
Wisconsin	1,563	419	2,126
Wyoming	72	66	72
Guam	0	0	0
Puerto Rico	403	364	416
Virgin Islands	0	0	0
Other Territories	0	0	0
Unable to Geocode	0	0	0
Total	347,348	63,867	552,785

Table 10C
Distribution of Rental Units Financed by Purchases of Mortgages on
Single-Family Rental Properties by State And Territory
For Calendar Year 2016

	Qualifying Low-Income Units	Qualifying Very Low-Income Units	Total Units Financed
Alabama	776	126	1,534
Alaska	507	61	777
Arizona	2,759	346	7,218
Arkansas	610	124	984
California	12,381	1,591	63,290
Colorado	2,858	433	8,365
Connecticut	1,867	446	2,581
Delaware	307	53	567
District of Columbia	468	142	1,145
Florida	3,061	386	12,987
Georgia	2,337	298	5,527
Hawaii	194	26	1,185
Idaho	1,420	190	2,201
Illinois	4,376	850	9,376
Indiana	1,782	300	2,571
Iowa	735	222	976
Kansas	724	147	1,116
Kentucky	986	207	1,384
Louisiana	798	134	2,079
Maine	372	36	679
Maryland	1,953	336	3,623
Massachusetts	5,185	856	8,692
Michigan	2,362	434	4,005
Minnesota	2,342	376	3,454
Mississippi	193	30	506
Missouri	2,537	622	3,450
Montana	645	97	1,117
Nebraska	608	121	899
Nevada	1,382	190	3,796
New Hampshire	779	137	1,042
New Jersey	3,099	336	7,335
New Mexico	764	159	1,540
New York	4,311	970	12,916
North Carolina	2,519	395	5,495
North Dakota	132	57	227
Ohio	4,084	1,046	5,495
Oklahoma	1,048	168	1,840
Oregon	1,966	156	5,853
Pennsylvania	3,920	890	5,808
Rhode Island	900	119	1,309
South Carolina	806	115	2,273
South Dakota	219	41	342
Tennessee	1,777	243	3,811
Texas	5,683	851	17,815
Utah	2,174	383	3,978
Vermont	159	15	282
Virginia	2,900	374	5,498
Washington	3,872	423	8,931
West Virginia	165	34	260
Wisconsin	2,959	814	3,707
Wyoming	399	101	538
Guam	0	0	0
Puerto Rico	14	0	670
Virgin Islands	7	2	65
Other Territories	0	0	0
Unable to Geocode	0	0	8
Total	101,181	17,009	253,122

Table 11
Distribution of Single-Family Owner-Occupied Mortgage Purchases[1]
By LTV Category
For Calendar Year 2016

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
0% < LTV <= 60%							
$UPB(Millions)	$2,857	$687	$2,035	$13,200	$18,450	$93,198	$111,648
Number of Mortgages	24,438	7,596	14,184	98,644	95,406	424,005	519,411
Portion of Total	11.03%	15.21%	7.27%	39.67%	9.17%	32.53%	22.16%
60% < LTV <= 80%							
$UPB(Millions)	$12,298	$2,195	$13,567	$18,634	$106,660	$176,101	$282,760
Number of Mortgages	83,833	20,295	70,958	122,557	435,344	725,919	1,161,263
Portion of Total	37.83%	40.65%	36.38%	49.28%	41.84%	55.70%	49.55%
80% < LTV <= 90%							
$UPB(Millions)	$4,139	$646	$5,510	$2,465	$41,457	$25,425	$66,882
Number of Mortgages	27,802	5,995	27,494	16,178	166,830	104,867	271,697
Portion of Total	12.54%	12.01%	14.09%	6.51%	16.03%	8.05%	11.59%
90% < LTV <= 95%							
$UPB(Millions)	$7,923	$1,052	$10,564	$914	$62,538	$7,999	$70,537
Number of Mortgages	54,616	9,837	57,706	6,078	271,324	34,572	305,896
Portion of Total	24.64%	19.70%	29.58%	2.44%	26.08%	2.65%	13.05%
95% < LTV <= 100%							
$UPB(Millions)	$4,591	$702	$4,237	$259	$13,356	$873	$14,229
Number of Mortgages	30,939	6,209	24,724	1,729	70,982	4,667	75,649
Portion of Total	13.96%	12.43%	12.67%	0.70%	6.82%	0.36%	3.23%
100% < LTV							
$UPB(Millions)	$0	$0	$0	$526	$62	$1,635	$1,697
Number of Mortgages	0	0	0	3,496	579	9,063	9,642
Portion of Total	0.00%	0.00%	0.00%	1.41%	0.06%	0.70%	0.41%
Missing LTV							
$UPB(Millions)	$0	$0	$0	$0	$0	$32	$32
Number of Mortgages	0	0	0	1	0	180	180
Portion of Total	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%
Total							
$UPB(Millions)	$31,808	$5,283	$35,913	$35,998	$242,523	$305,263	$547,786
Number of Mortgages	221,628	49,932	195,066	248,683	1,040,465	1,303,273	2,343,738
Portion of Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

[1] Does not include second mortgages and non-applicable categories.

Table 12A
Distribution of Single-Family Owner-Occupied Purchase Money Mortgages
Acquired by Fannie Mae
By Income Class and First Time/Repeat Borrower Status
For Calendar Year 2016

Borrower Income	First-Time Buyer Mortgages	Repeat Buyer Mortgages	Buyer Status Not Available Mortgages	Total Mortgages
Income <= 50% of Area Median Income (AMI)				
$UPB(Millions)	$3,595	$1,688	$0	$5,283
Number of Mortgages	33,528	16,404	0	49,932
Portion of Total Mortgages Acquired	7.54%	3.14%	0.00%	5.16%
Income >50% But <= 60% of AMI				
$UPB(Millions)	$4,383	$2,147	$0	$6,530
Number of Mortgages	32,140	16,308	0	48,448
Portion of Total Mortgages Acquired	7.23%	3.12%	0.00%	5.01%
Income >60% But <= 80% of AMI				
$UPB(Millions)	$12,460	$7,535	$0	$19,995
Number of Mortgages	76,095	47,153	0	123,248
Portion of Total Mortgages Acquired	17.11%	9.03%	0.00%	12.75%
Income >80% But <= 100% of AMI				
$UPB(Millions)	$13,726	$11,135	$0	$24,861
Number of Mortgages	69,493	57,962	0	127,455
Portion of Total Mortgages Acquired	15.63%	11.10%	0.00%	13.18%
Income >100% But <= 120% of AMI				
$UPB(Millions)	$13,231	$13,359	$0	$26,590
Number of Mortgages	58,218	60,992	0	119,210
Portion of Total Mortgages Acquired	13.09%	11.68%	0.00%	12.33%
Income >120% of AMI				
$UPB(Millions)	$51,057	$92,935	$0	$143,993
Number of Mortgages	175,176	323,266	0	498,442
Portion of Total Mortgages Acquired	39.39%	61.91%	0.00%	51.56%
Missing				
$UPB(Millions)	$5	$11	$0	$15
Number of Mortgages	21	44	0	65
Portion of Total Mortgages Acquired	0.00%	0.01%	0.00%	0.01%
All Income Levels[1]				
$UPB(Millions)	$98,458	$128,810	$0	$227,267
Number of Mortgages	444,671	522,129	0	966,800
Portion of Total Mortgages Acquired	100.00%	100.00%	0.00%	100.00%

[1]Includes "Tenant Rent Missing."

Table 12B
Single-Family Owner-Occupied Purchase Money Mortgages Acquired by
First-Time/Repeat Borrower Status, for Mortgages Qualifying
and Not Qualifying for the Low-Income Area Purchase SUBGOAL
For Calendar Year 2016

Subgoal Qualifying Status	First-Time Buyer Mortgages	Repeat Buyer Mortgages	Status of Buyer Not Available	Total Mortgages
Subgoal-Qualifying Mortgages				
$UPB(Millions)	$18,469	$11,229	$0	$29,698
Number of Mortgages	98,821	57,670	0	156,491
Percentage of Total	22.22%	11.05%	0.00%	16.19%
Non-Qualifying Mortgages				
$UPB(Millions)	$79,989	$117,581	$0	$197,569
Number of Mortgages	345,850	464,459	0	810,309
Percentage of Total	77.78%	88.95%	0.00%	83.81%
Total Mortgages				
$UPB(Millions)	$98,458	$128,810	$0	$227,267
Number of Mortgages	444,671	522,129	0	966,800
Percentage of Total	100.00%	100.00%	0.00%	100.00%