FEDERAL HOUSING FINANCE AGENCY

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Report to Congress 2013

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June 13, 2014

Honorable Tim Johnson
Chairman
Committee on Banking, Housing,
and Urban Affairs
United States Senate
Washington, D.C. 20510

Honorable Mike Crapo
Ranking Member
Committee on Banking, Housing,
and Urban Affairs
United States Senate
Washington, D.C. 20510

Honorable Jeb Hensarling
Chairman
Committee on Financial Services
United States House of Representatives
Washington, D.C. 20515

Honorable Maxine Waters
Ranking Member
Committee on Financial Services
United States House of Representatives
Washington, D.C. 20515

Dear Chairmen and Ranking Members:

I am pleased to transmit the Federal Housing Finance Agency's (FHFA's) 2013 Report to Congress. This report meets the requirements of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended by the Housing and Economic Recovery Act of 2008 (HERA). It also meets FHFA's obligation under Section 1305 of the Dodd-Frank Wall Street Reform and Consumer Protection Act to report to Congress on the agency's plans to "continue to support and maintain the nation's vital housing industry, while at the same time guaranteeing that the American taxpayer will not suffer unnecessary losses."

The 2013 Report to Congress presents the findings of the agency's 2013 examinations of Fannie Mae and Freddie Mac (the Enterprises), the 12 Federal Home Loan Banks (FHLBanks), and the FHLBanks' Office of Finance. It also details FHFA's actions as conservator of Fannie Mae and Freddie Mac during 2013, as well as the agency's regulatory guidance, research and publications. During 2013, FHFA continued to serve as regulator and conservator of the Enterprises while supervising and regulating the 12 FHLBanks and the FHLBanks' joint Office of Finance to promote their safety and soundness and fulfillment of their housing missions.

Yours truly,

Melvin L. Watt
Director, Federal Housing Finance Agency

Federal Housing Finance Oversight Board Assessment

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

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

FHFA's Annual Report provides a detailed review of the issues described above for Fannie Mae and Freddie Mac (the Enterprises) and the Federal Home Loan Bank (FHLBank) System as a basis for the assessment.

Enterprises

The Enterprises continue to operate under conservatorship, as they have since 2008. The U.S. Department of the Treasury (Treasury) provides the Enterprises with financial support through the Senior Preferred Stock Purchase Agreements (PSPAs) that were established at the same time the Enterprises entered conservatorship. Through year-end 2013, the Enterprises' cumulative draws under the PSPAs totaled $187.5 billion, and the Enterprises had paid $185.2 billion in cumulative cash dividends to Treasury. Under the terms of the PSPAs the payment of dividends does not offset or pay down prior draws from Treasury by the Enterprises.

While each Enterprise continues to have significant exposure to credit losses from mortgages originated in the several years prior to conservatorship, they had record amounts of net income in 2013 totaling $132.7 billion. The Enterprises' 2013 levels of net income benefited from a number of non-recurring items such as the reversal of the valuation allowance associated with deferred tax assets and various legal settlements. Other major contributors included the overall improvement in the housing market and income from the Enterprises' retained portfolios.

Given that the Enterprises have depleted all of their shareholders' equity, are operating with financial support from Treasury, and are not able to build their net worth, when considering safety and soundness, it is important to consider the risks associated with the Enterprises' new single-family guarantee book of business. The credit quality of new single-family guarantees in 2013 remained high by historical comparison. Higher-risk mortgages, such as no-income documentation or interest-only mortgages, have largely been eliminated from the Enterprises' new guarantees. The average loan-to-value ratio of mortgages acquired in 2013 was similar to 2012 at about 76 percent, partly reflecting continued refinance transactions under the Home Affordable Refinance Program (HARP) and an increased percentage of purchase money mortgages. Excluding refinances under HARP, the average loan-to-value ratio was about 70 percent in 2013 compared to 68 percent in 2012. Average FICO credit scores on new guarantees in 2013 trended downward as the percentage of purchase money mortgages increased, and by the last quarter were in the 740s. More specifically, new guarantees with FICO scores less than 700 made up about 15 percent of new business in 2013 compared to 11 percent of new business in 2012. Average FICO credit scores at the end of 2013 were roughly 25 points higher than the average FICO scores prior to conservatorship.

The conservatorships of the Enterprises, combined with Treasury's financial support, have stabilized the Enterprises, but not restored them to a sound financial condition. The Enterprises remain exposed to credit, counterparty and operational risks. Credit risk management remains a key priority for both Enterprises given their substantial amount of remaining legacy distressed assets and ongoing stress in certain housing markets. In addition, counterparty risk remains an area of concern, especially given the evolving changes in the mortgage industry, and the greater prominence of new types of seller/servicers. For example, there have been significant transfers of mortgage servicing for Enterprise portfolios from banking organizations to non-depository institutions. While non-depository institutions often provide more effective servicing, they also represent a new type of counterparty risk. Operational risk also remains a focus because of challenges related to legacy systems, record keeping and ongoing concerns about human capital and key person dependencies. The Enterprises have made progress in addressing human capital and key person dependency issues and are taking appropriate steps to resolve other risk management issues.

Consistent with their statutory missions, the Enterprises have continued providing liquidity in the secondary mortgage market during their conservatorships. This has helped ensure that mortgage credit remains available. However, as noted above, the credit quality of the Enterprises' new business remains elevated, which has limited the Enterprises' presence in some segments of the mortgage market such as first-time home buyers and traditionally underserved segments of the market. In that regard, FHFA and the Enterprises made progress on developing a new representation and warranty framework to provide greater certainty to lenders on their exposure, and additional refinements are under consideration. These changes are intended to reduce unnecessary constraints on lending.

Both Enterprises also continue to serve an important role in efforts to limit preventable foreclosures, both to mitigate Enterprise losses as well as to enhance stability in housing markets and local communities. These efforts are essential to improving the financial performance and risk profile of the Enterprises. The Enterprises completed 448,000 foreclosure alternative actions in 2013, including 243,000 loan modifications. Since conservatorship, the Enterprises have completed 3.1 million foreclosure alternative actions, including over 1.6 million permanent loan modifications. In addition, while increases in mortgage rates have slowed refinance activity, refinances under HARP totaled 900,000 in 2013, which brought the total number of refinances under HARP to 3.1 million.

The Enterprises cannot remain in conservatorship permanently. FHFA and the Enterprises made good progress on achieving the goals set out in FHFA's Strategic Plan for the Enterprises as further specified in the 2013 Conservatorship Scorecard. In particular, expanding private sector participation is essential for the long-term health of the mortgage market, and the 2013 goal of executing multiple risk-sharing transactions on $30 billion of mortgages for each Enterprise was met or exceeded. Progress was also made on developing common data standards, reducing the Enterprises' retained portfolios, and developing the Common Securitization Platform.

Directing the Enterprises' operations as the conservatorships lengthen presents its own set of challenges for FHFA. In particular, it is critical that the Enterprises dedicate appropriate resources to maintaining safe and sound operations in the face of uncertainty regarding the long-term prospects of the Enterprises' operations and charters.

FHLBanks

As of December 31, 2013, all 12 FHLBanks exceeded the minimum 4 percent leverage ratio. The weighted average regulatory capital-to-assets ratio for the FHLBank System was 6.0 percent at year-end 2013, as compared to 6.8 percent at the end of 2012. All FHLBanks were profitable for the year. The FHLBanks' advance business continues to operate with no credit losses. The quality of the FHLBanks' investments in private-label mortgage-backed securities had been a heightened supervisory concern, but as these securities have paid down and market conditions improved, that concern has abated.

As of year-end 2013, one FHLBank remained under an FHFA enforcement action. In November 2013, FHFA amended a consent order originally executed with the FHLBank of Seattle in 2010. Although the Seattle FHLBank's overall financial performance continued to improve during 2013, weaknesses persist due to deteriorated value of the institution's private-label mortgage-backed securities, elevated operational risk, poor earnings, and insufficient retained earnings. The revised consent order requires FHFA's non-objection before the Seattle FHLBank pays dividends or repurchases or redeems capital stock. In recognition of steady quarterly earnings, improved market value of equity position, and improved private-label mortgage-backed securities values, FHFA allowed the Seattle FHLBank to repurchase and redeem a small amount of excess capital stock and mandatorily redeemable capital stock, respectively, and pay minimal dividends during 2013.

The overall scale of the FHLBanks' advance operations increased during 2013, with $498.6 billion of advances outstanding at year-end 2013, an increase of $72.9 billion from year-end 2012. Much of this increase, or about $56.2 billion, was from increased advance borrowing from large member institutions. Despite this increase, advances remain low from a historical perspective.

Even in an environment of relatively weak advance demand, the FHLBanks met their mission of providing liquidity to their members. Typically, advance demand is cyclical. It falls when funding market conditions are robust or deposit growth is strong, as is the case today, and increases when market conditions are weak and liquidity is constrained in the banking system. The FHLBanks' also met their mission through their support of the Affordable Housing Program (AHP), which is a source of funds to support local affordable housing initiatives. The FHLBanks provided $296 million in AHP funds in 2013.

As can be seen from the discussion above, 2013 was a critical year in FHFA's oversight of the Enterprises and FHLBanks. While many challenges remain, the accomplishments of the past year provide a solid foundation for continued progress in 2014. The framework presented in FHFA's 2014 Strategic Plan for the Conservatorships of Fannie Mae and Freddie Mac builds off that foundation, and adjusts the goals of the conservatorships to reflect changes that have occurred over the last five years.

Melvin L. Watt
Chairman
Federal Housing Finance Oversight Board

Jacob J. Lew
Secretary
U.S. Department of the Treasury

Shaun Donovan
Secretary
U.S. Department of Housing and Urban Development

Mary Jo White
Chair
Securities and Exchange Commission

FHFA 2013
Annual Report to Congress

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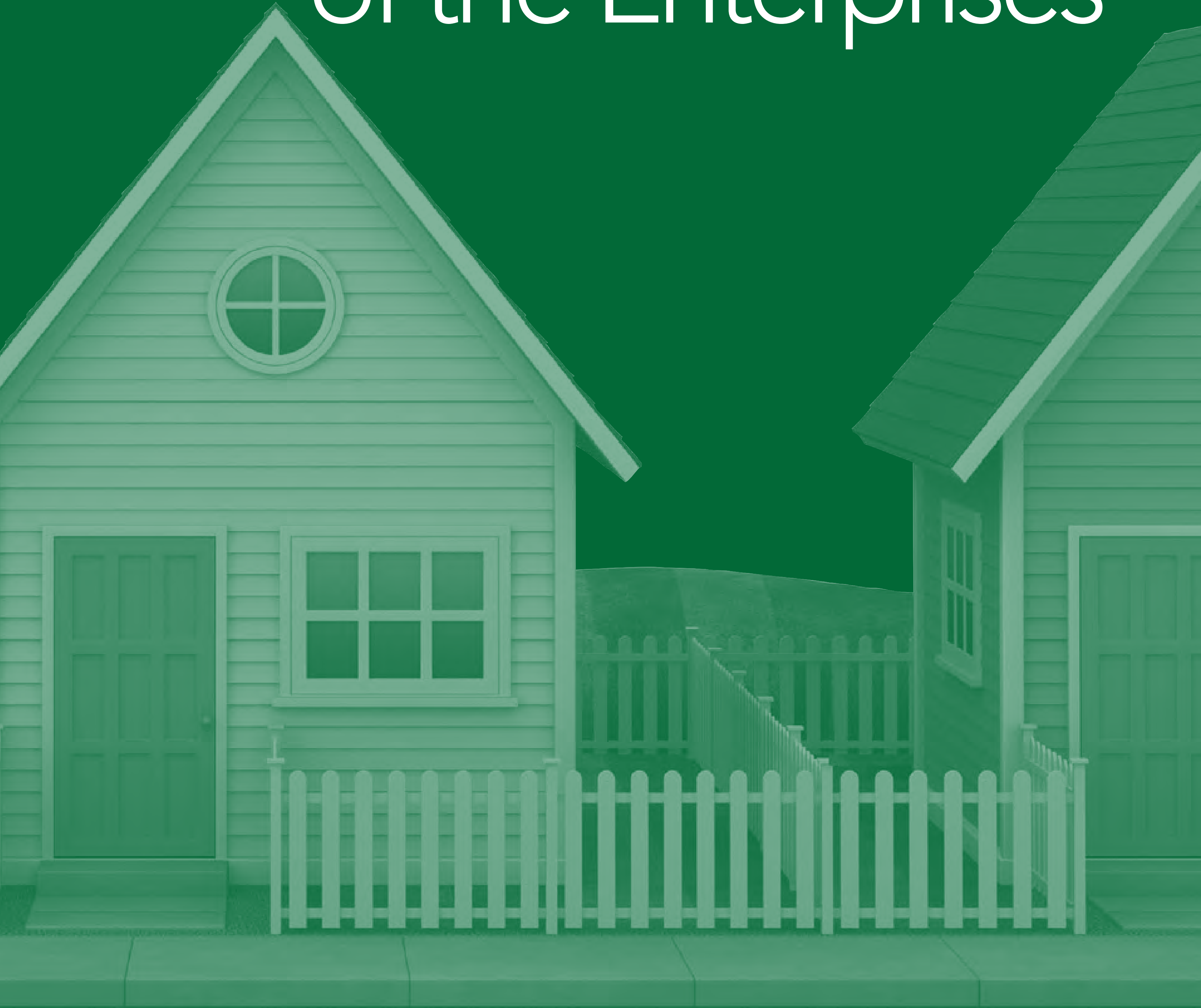
Conservatorships of the Enterprises



The Federal Housing Finance Agency (FHFA) was established by the Housing and Economic Recovery Act of 2008 (HERA) and is responsible for the effective supervision, regulation, and housing mission oversight of the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), and the Federal Home Loan Bank System, which includes 12 Banks and the Office of Finance. The agency's mission is to ensure that these regulated entities operate in a safe and sound manner so that they serve as a reliable source of liquidity and funding for housing finance and community investment.

As part of HERA, Congress granted the Director of FHFA the discretionary authority to appoint FHFA as conservator or receiver of Fannie Mae, Freddie Mac (together, the "Enterprises"), or any of the Federal Home Loan Banks upon determining that specified criteria had been met. On September 6, 2008, FHFA exercised this authority and placed Fannie Mae and Freddie Mac into conservatorships. Since they were placed into conservatorships, Fannie Mae and Freddie Mac together have received $187.5 billion in taxpayer support under the Senior Preferred Stock Purchase Agreements executed with the U.S. Department of the Treasury. FHFA continues to oversee these conservatorships.

In 2013, FHFA focused the activities of Fannie Mae and Freddie Mac on the needs of the secondary mortgage market. Two documents detail FHFA's overall conservatorship objectives for the Enterprises in 2013. First, FHFA issued a Strategic Plan for Enterprise Conservatorships on February 21, 2012. Second, FHFA issued a 2013 Scorecard for Enterprise Conservatorships on March 4, 2013. The 2013 Conservatorship Scorecard set measurable goals and targets toward achieving three strategic goals – Build, Contract and Maintain – and preparing the Enterprises for any transition policymakers set forth.

During the course of 2013, FHFA also issued two progress reports concerning the agency's 2013 conservatorship objectives. On April 30, 2013, FHFA released "A Progress Report on the Common Securitization Infrastructure." On November 25, 2013, FHFA released "A Progress Report on the Implementation of FHFA's Strategic Plan for Enterprise Conservatorships."

2013 Strategic Initiatives

In 2013, FHFA worked to implement three goals set forth in the 2012 Strategic Plan and the 2013 Scorecard for Enterprise Conservatorships:

1. **Build.** Build a new infrastructure for the secondary mortgage market.
2. **Contract.** Gradually contract the Enterprises' dominant presence in the marketplace while simplifying and shrinking their operations.
3. **Maintain.** Maintain foreclosure prevention activities and credit availability for new and refinanced mortgages.

BUILD.

Build a new infrastructure for the secondary mortgage market.

FHFA made progress on a variety of projects designed to ensure Fannie Mae and Freddie Mac will meet the needs of a future housing finance system. Three elements included as part of the 2013 Conservatorship Scorecard are the Common Securitization Platform, the Uniform Mortgage Data Program and the Contractual and Disclosure Framework.

Common Securitization Platform

Throughout 2013, FHFA worked with Fannie Mae and Freddie Mac on the development of a Common

Securitization Platform (CSP) to perform major aspects of the securitization process. As part of this effort, FHFA and the Enterprises worked toward developing five modules – data validation, security issuance, disclosure, master servicing and bond administration functions – to implement core securitization functions.

Following FHFA's October 2012 White Paper, *Building a New Infrastructure for the Secondary Mortgage Market*, FHFA included the CSP in the Enterprises' 2013 Conservatorship Scorecard. The 2013 Scorecard expressed FHFA's expectation that the Enterprises would, in conjunction with FHFA, continue the foundational development of the CSP. Additionally, the 2013 Conservatorship Scorecard required that each Enterprise develop a plan to integrate with the CSP.

The Enterprises made significant progress on these goals throughout the year. To highlight ongoing work toward developing the CSP in 2013, FHFA released progress reports addressing CSP efforts on April 30, 2013 and November 25, 2013. Achievement of the longer-term objectives of the CSP remains a significant undertaking, as implementation of the CSP encompasses both a complex technology project and significant changes in Enterprise business processes.

Uniform Mortgage Data Program and Contractual and Disclosure Framework

During 2013 FHFA also continued efforts with the Uniform Mortgage Data Program, which the agency launched in 2010. Developing and implementing mortgage data standards is essential to improving accuracy, increasing transparency, effectively assessing risk, and creating efficiencies for the Enterprises and mortgage industry participants. Improved data collection in the earliest stages of the mortgage process will help the Enterprises identify potential problems and improve the quality of the mortgages they purchase.

FHFA began work with the Enterprises to create a Uniform Closing Dataset in 2013 in anticipation of the Consumer Financial Protection Bureau's final Integrated Mortgage Disclosure requirements, which will go into effect in August 2015. The Uniform Closing Dataset involves creating standard data fields to collect the information on this disclosure and identifying how market participants should collect and submit this data to the Enterprises.

In consultation with FHFA and other Federal agencies, the Enterprises also began the process of updating the Uniform Loan Application Dataset. In 2013, this effort worked to identify new data fields to be collected on the Uniform Residential Loan Application, as well as some data fields that are no longer needed.

Finally, as part of the 2013 Scorecard's Build objective, the Enterprises also worked toward development of a Contractual and Disclosure Framework intended to more closely align Fannie Mae and Freddie Mac and potentially serve as a model for the future of the mortgage market.

CONTRACT.

Gradually contract the Enterprises' dominant presence in the marketplace while simplifying and shrinking their operations.

In the 2013 Conservatorship Scorecard, FHFA placed the highest weight (50 percent of the total Scorecard) on the contract goal. To move this goal forward, FHFA set forth three priorities in 2013: 1) executing credit risk transfers for single-family mortgage credit guarantee businesses, 2) reducing the Enterprises' retained portfolios, and 3) reducing the Enterprises' multifamily portfolios.

Credit Risk Transfers

Throughout 2013, the Enterprises worked to develop and execute transactions that transfer single-family mortgage credit risk to private investors. The 2013 Conservatorship Scorecard expressed FHFA's expectation that each Enterprise would demonstrate the viability of multiple types of risk transfer transactions involving single-family loans with an unpaid principal balance (UPB) of at least $30 billion. In preparation for these transactions, FHFA directed the Enterprises to release historical data on the credit performance of relevant mortgages. The Enterprises made this data available during the first half of 2013. During the year, each Enterprise executed multiple transactions and met the $30 billion UPB goal.

During 2013, most of the risk transferred occurred through pre-funded capital markets transactions. This included Freddie Mac completing two Structured Agency Credit Risk (STACR) transactions and Fannie Mae completing one Connecticut Avenue Securities (CAS) transaction. These debt securities pay investors premiums sufficient to account for their risk of losing principal should there be credit losses on the reference pool of mortgages otherwise guaranteed by an Enterprise. In buying the debt, investors fully fund potential credit losses up front, which results in no counterparty risk for the Enterprises. These risk transfer transactions attracted a large number and variety of investors.

Both Enterprises also transferred mortgage credit risk in separate transactions with insurers. Fannie Mae executed a pool insurance policy with National Mortgage Insurance. Freddie Mac executed a transaction that transferred to Arch Reinsurance, a global reinsurer, a portion of the residual credit risk that the Enterprise had retained on the reference pool of mortgages underlying the first STACR transaction.

The Enterprises made major steps in 2013 in executing risk transfers that advance scalability and have the potential to be viable means to lessen taxpayers' exposure to credit risk both currently and in a post-conservatorship world.

Reducing Retained Portfolios

Reducing the Enterprises' retained portfolios is required by the Senior Preferred Stock Purchase Agreement (PSPA) between each Enterprise and the U.S. Department of the Treasury. In August 2012, the U.S. Department of the Treasury modified the PSPAs to accelerate the required rate of reduction in each Enterprise's retained portfolio to 15 percent per year. The PSPAs also require that each Enterprise reduce its retained portfolio to $250 billion by the end of 2018.

For 2013, the PSPA required that each retained portfolio be reduced to no more than $553 billion. By the end of 2013, each Enterprise's retained portfolio was below the target amount. Within the retained portfolio reduction target, FHFA set a further sub-goal of reducing less liquid asset balances by 5 percent from their December 31, 2012 levels. Both Enterprises also met this sub-goal.

Reductions in Enterprise Multifamily Portfolios

In addition, the 2013 Conservatorship Scorecard established the expectation that each Enterprise would reduce the volume of its new multifamily business during 2013. The goal of this contraction was to attract private capital into the market and reduce the Enterprises' footprint. Each Enterprise implemented a plan and reduced their multifamily volume by 10 percent during 2013.

MAINTAIN.

Maintain foreclosure prevention activities and credit availability for new and refinanced mortgages.

Representation and Warranty Framework

The 2013 Conservatorship Scorecard required the Enterprises to address the uncertainty surrounding pre-conservatorship representation and warranty claims, as well as moving the industry to a state of enhanced transparency for the resolution of future claims. Both Enterprises took significant actions to achieve these objectives by year's end. On January 1, 2013, Fannie Mae and Freddie Mac implemented a new seller Representation and Warranty Framework (Framework) for conventional loans. Instead of conducting most quality control reviews on the back-end after a loan has defaulted, the new Framework moves the Enterprises toward a more upfront process that selects loan samples for review soon after the loans are delivered to the Enterprises. Additionally, under this new Framework:

- Lenders are relieved of certain repurchase obligations when there are 36 consecutive and on-time monthly payments made by the borrower beginning at the point an Enterprise acquires the loan.
- HARP loans are eligible for relief after an acceptable 12-month payment history beginning at the point an Enterprise acquires the loan.
- Early feedback is provided to lenders on the quality control results of each reviewed loan, not just those loans that resulted in a repurchase request.
- The Enterprises provide enhanced tools to assist lenders to improve loan quality.

Home Affordable Refinance Program

The Home Affordable Refinance Program (HARP), introduced in April 2009, is a key way in which Fannie Mae and Freddie Mac ensure credit availability for refinanced mortgages. HARP gives borrowers whose mortgages are owned or guaranteed by Fannie Mae or Freddie Mac and who have loan-to-value ratios greater than 80 percent and are current on their mortgages the opportunity to refinance into mortgages with more affordable payments. From April 2009 through November 2013, over 3 million loans have refinanced through HARP.

In April 2013, FHFA extended HARP through 2015 and launched a public outreach campaign to increase HARP awareness and encourage borrowers to take advantage of the program. The campaign was initiated in and around Chicago, Cleveland, Detroit, Southern California/Riverside, Las Vegas, Atlanta, Miami, Tampa, and Orlando. In addition, the new campaign includes a HARP website (www.harp.gov), a series of virtual events in targeted markets that were covered extensively by local media, customizable tools to help lenders promote HARP, and a working relationship with Zillow.

Loss Mitigation and Foreclosure Prevention Efforts

In 2013, FHFA and the Enterprises announced enhancements to the Servicing Alignment Initiative (SAI), including a Streamlined Modification Initiative. This new modification option was added to the home retention tools offered by the Enterprises to provide severely delinquent borrowers another path to avoid foreclosure. This modification addresses the challenges many delinquent homeowners experienced in obtaining loan modifications by eliminating administrative barriers associated with document collection and evaluation by servicers. Eligible borrowers must demonstrate a willingness and ability to pay by making three scheduled trial payments, after which the mortgage will be permanently modified.

Further loss mitigation and foreclosure prevention actions taken in 2013 included extending the Home Affordable Modification Program (HAMP) through the end of 2015 to align with the extension announced by the U.S. Department of the Treasury. Additionally, the Enterprises adjusted certain servicer incentives in support of successful modification outcomes. FHFA also required the Enterprises to update their servicing requirements – including early intervention, foreclosure alternatives, referrals, suspension, and error resolution provisions – to be consistent with the Consumer Financial Protection Bureau's (CFPB) Servicing Regulations that became effective on January 10, 2014.

Mortgage Insurance

The Enterprises also continued efforts that began in 2012 to align master policy requirements and require mortgage insurer counterparties to the Enterprises to modify their master policies to reflect the requirement changes. During 2013, the Enterprises approved each insurer's master policy and directed the insurers to file the master policies and any related endorsements with the insurance regulators in the states in which they do business.

Other Conservatorship Activities

Pre-Conservatorship Representation and Warranty Resolutions

The 2013 Conservatorship Scorecard indicated that each Enterprise should complete its review of pre-conservatorship loan acquisitions and demand repayment for representation and warranty selling violations to eliminate uncertainties for lenders, as well as focus resources on current and future issues.

The Enterprises used two strategies to achieve this objective, and resolution of legacy loan representation and warranty demands returned more than $20 billion to the Enterprises during 2013. The first strategy was identifying selling breaches and issuing repurchase or make-whole demands to lenders based on loan-by-loan file reviews. The Enterprises received a combined $4.2 billion in legacy loan recoveries through this individual loan repurchase request process.

The Enterprises' second strategy provided certainty in future dealings with some lenders through resolution of pending and future legal loan repurchase demands in exchange for lump sum payments. During 2013, Fannie Mae executed this type of agreement with nine large lenders and 10 smaller entities, recovering approximately $13.6 billion. During the same period, Freddie Mac also concluded similar agreements with nine large lenders, representing recoveries totaling approximately $2.4 billion.

Private-Label Mortgage-Backed Securities

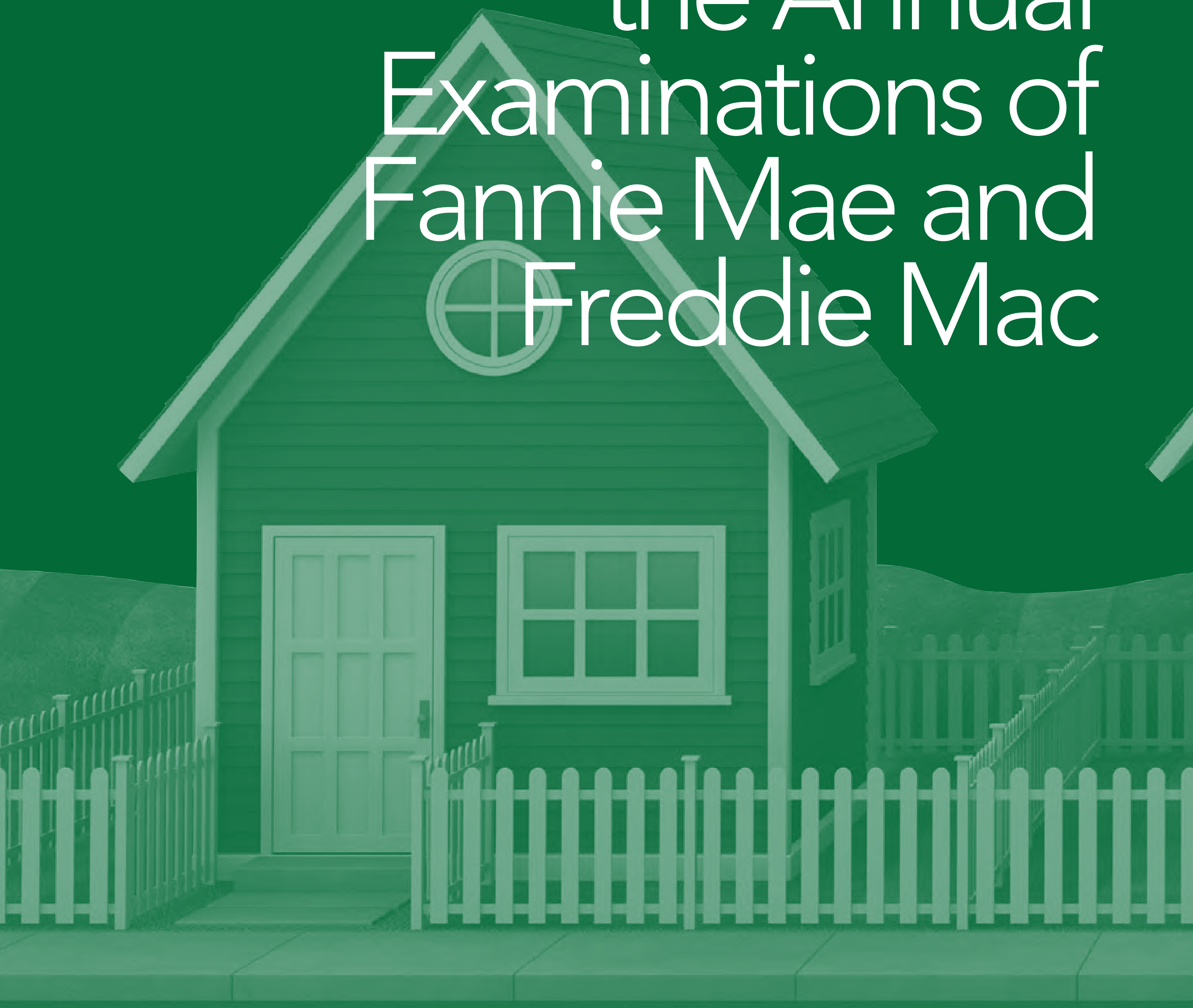
In 2013, FHFA continued work on lawsuits filed in 2011 against 18 financial institutions, certain of their officers and directors, and various unaffiliated lead underwriters. The suits allege violations of both federal securities laws and state laws in the sale of residential private-label mortgage-backed securities (MBS) to the Enterprises between 2005 and 2007. The complaints, filed under statutory authority granted by HERA, reflect FHFA's conclusion that the Enterprises incurred losses because of misrepresentations and other improper actions by the firms and individuals named in the suits.

Throughout 2013, FHFA recovered nearly $8 billion on behalf of taxpayers through settlements with financial institutions in some of these matters. Settlement amounts result from a consideration of various factors, including statutory calculations, number of securities, unique circumstances of each matter, and litigation risks.

Enterprise Compensation

The 2013 Executive Compensation Plan incorporated the changes made in the 2012 plan. During 2013, FHFA also directed the Enterprises to terminate their defined benefit pension plans, which provide a predefined monthly annuity, to eliminate the risk in these plans. Freddie Mac and Fannie Mae currently offer defined contribution plans, which are market competitive and provide employees and future retirees with an appropriate level of retirement benefit.

Report of the Annual Examinations of Fannie Mae and Freddie Mac



Examination Authority

This report is based on the results and conclusions of the 2013 annual examinations of the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac), which were performed by FHFA under authority of section 1317(a) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended (12 U.S.C. § 4517(a)).

A key component of FHFA's mission is to ensure that Fannie Mae and Freddie Mac (Enterprises) are operating in a safe and sound manner so they may continue to serve as a reliable source of liquidity and funding for housing finance and community investment.

Supervisory Program

In its annual examination, FHFA assesses the financial safety and soundness, i.e., financial performance, condition, and overall risk management practices of Fannie Mae and Freddie Mac. FHFA utilizes three approaches to carry out its supervisory responsibilities: ongoing monitoring, targeted examinations, and risk assessments. The assessments contained in this report are based on an examination of the books and records of the Enterprises, on statements made to examiners by directors, officers, employees, and agents of the Enterprise, and on information obtained from other sources.

2013 Examination Scope

In 2013, our examination activities included a series of targeted examinations and ongoing monitoring. In addition, we assessed the Enterprise's remediation of previously identified Matters Requiring Attention (MRAs) and the responses of the Boards of Directors and management to deficiencies and weaknesses identified by the Enterprises' internal audit departments and external auditors.

Rating System

FHFA published a final notice in the Federal Register on November 13, 2012, and Advisory Bulletin 2012-03, *FHFA Examination Rating System*, on December 19, 2012, describing the CAMELSO rating system, which became effective with the 2013 annual Report of Examination.

The term CAMELSO is the acronym used to describe the following seven components:

- ***C****apital* ***A****sset Quality*
- ***M****anagement*
- ***E****arnings*
- ***L****iquidity*
- ***S****ensitivity to market risk and*
- ***O****perational risk.*

The CAMELSO rating system is the framework FHFA uses to report examination findings and conclusions to the Boards of Directors at Fannie Mae and Freddie Mac.

Report of the Annual Examination of Fannie Mae

(Federal National Mortgage Association)

Overall Condition

The Board of Directors (Board) and management continued to make progress throughout 2013 to improve the Enterprise's risk profile and strengthen oversight. These efforts include continuing the reduction in problem loans, maintaining the quality of new mortgages acquired since 2009, developing plans to address legacy systems along with the accompanying operational risk, and remediating matters requiring attention (MRAs) and high priority audit matters.

Although progress has been made, significant challenges remain, including credit risk charge-offs arising from the legacy book of business[1], the need for stronger governance, the unsustainability of current earnings combined with the Enterprise's inability to retain earnings to augment capital given the terms of the PSPA and heightened operational risk related to a large number of active strategic initiatives.

Corporate Governance

In 2013, FHFA has increasingly held the Enterprise to heightened supervisory expectations that are commensurate with the size and nature of the risks taken by the Enterprise and reflective of the prominent role of the Enterprise in the mortgage market. However, the Enterprise is still striving to meet those expectations. Increased focus on strong governance throughout the Enterprise should be a top priority for the Board and senior management in 2014.

Credit Risk Management

The Enterprise has seen a significant positive trend in its credit risk profile, with the single-family portfolio experiencing a substantial improvement in credit quality. That improvement resulted largely from the adoption of more conservative underwriting; improvements in macroeconomic factors, as reflected by significant home price appreciation in recent years; and management's focus on reducing the level of problem assets through loan modifications, short sales, real estate owned (REO) dispositions and liquidation of assets in the retained mortgage portfolio.

Legacy Portfolio

In spite of improvements in overall credit quality, the burden of excessive problem assets will continue to weigh heavily on the firm. At year-end 2013, the Enterprise had a large portfolio of distressed assets composed primarily of troubled debt restructurings[2] and nonaccrual loans[3]. The Enterprise still has a significant volume of seriously delinquent loans (mortgages that are 90 days or more past due) and a large standing inventory of REO properties. Fannie Mae continues to feel the financial impact of its legacy book with the high level of credit losses and delinquencies associated with that portfolio. Nearly three-quarters of Fannie Mae's seriously delinquent mortgages have been past due for 180 days or longer. Resolving and minimizing the financial impact of these delinquencies will be one of the biggest challenges facing the Enterprise in 2014.

Information Systems

The level of operational risk at the Enterprise remains high and largely reflects the elevated risk associated with implementation of the Multi-Year Investment Plan

1 Legacy Book includes mortgages originated prior to 2009.

2 Troubled debt restructurings are mortgage loans in which concessions are granted.

3 Nonaccrual loans are defined as mortgages where the payment of principal and interest is 60 or more days past due.

(Plan)[4], a large-scale project designed to upgrade and replace Fannie Mae's outdated and inflexible information systems. Management has made significant progress in stabilizing the current information technology environment, with improvements in the change management process, reductions in production outages, and establishment of an out-of-region data center, which is a critical component for supporting information systems and providing business continuity in the event of a disaster.

Fannie Mae's existing information systems require a high level of manual intervention, which may limit the Enterprise's ability to fully harness the information it needs to oversee and manage risk. Further, the increasing sophistication of external threats, including cybercrime and threats to data security will remain a concern as management implements the Plan.

Third-Party Relationships

FHFA is holding the Enterprise to rigorous standards for managing third party relationships, particularly in light of the operational risk associated with specialty servicers, which has placed added significance on the need to adopt higher standards for monitoring those relationships. FHFA has advised the Enterprise that it expects the application of new standards for monitoring third-party relationships to be appropriately inclusive and to capture other third parties engaged by the Enterprise. FHFA expects these standards to be designed to address the unique characteristics and risks posed by third-parties, especially in light of the diversity of relationships the Enterprise currently maintains. These standards should fully consider business continuity issues for both the third party and the Enterprise. The Enterprise has acknowledged FHFA's expectations and is working to meet them. Effective management oversight will require enhancements to existing practices, including additional due diligence on third parties, to minimize operational and financial risk arising from those relationships.

Mortgage Servicing Right Transfers

Heightened standards for third party relationships are of particular importance, as Fannie Mae's traditional large servicing counterparties, depository institutions, have been steadily reducing their mortgage servicing units and transferring mortgage servicing rights to a small number of specialty servicers. Specialty servicers have introduced a new level of risk to the Enterprise, as these counterparties may lack the financial strength and prudential regulatory oversight of depository institutions. Mortgage servicing transfers have fueled unprecedented growth of specialty servicers, which potentially exposes the Enterprise to an elevated level of operational and financial risk in the event that one of those firms is unable to fulfill its contractual obligations.

Retained Mortgage Portfolio

Under the terms of the PSPA, Fannie Mae cannot use its retained earnings to augment capital, and draws from the U.S. Department of the Treasury are the Enterprise's only source of additional capital. The PSPA also requires the Enterprise to achieve certain yearly reduction targets for the retained mortgage portfolio. However, the process of liquidating the retained mortgage portfolio may pose a significant risk to the Enterprise, as the portfolio contains many assets that are less marketable and difficult to price. As the retained mortgage portfolio contracts, the portion of assets that are less liquid and subject to significant price volatility will increase. The Enterprise should have a comprehensive strategy that incorporates likely alternative reduction strategies and accompanying financial implications in order for senior management to be fully informed when making decisions on liquidating assets.

Sustainability of Earnings

Although Fannie Mae's 2013 net income of $84.0 billion reflects a considerable increase over the $17.2 billion reported for 2012, the level of earnings is unsustainable, as it was largely driven by nonrecurring and volatile sources of income. Most notably, Fannie Mae recognized a nonrecurring net tax benefit and an

[4] The Plan is a project designed to prioritize and sequence the Enterprise's strategic initiatives and align project work against Enterprise capabilities.

increase in credit-related income. Notwithstanding the benefit that credit-related income provided to 2013 earnings, high levels of problem assets are likely to continue to apply downward pressure on earnings. In addition, it is likely the Enterprise will see a reduction in future income from settlements from securities litigation and representation and warranty claims. Future earnings will also be adversely impacted by the mandated decrease in the size of Fannie Mae's retained mortgage portfolio. Finally, although earnings are expected to remain positive for the foreseeable future, the level of future earnings will be sensitive to macroeconomic conditions.

Affordable Housing Goals for Fannie Mae

Under HERA and FHFA regulations, Fannie Mae is subject to the following:

1. **Low-income home purchase goal**, for home purchase mortgages to families with incomes no greater than 80 percent of area median income.

2. **Very low-income home purchase goal**, for home purchase mortgages to families with incomes no greater than 50 percent of area median income.

3. **Low-income areas home purchase subgoal**, for mortgages to families living in census tracts with tract incomes no greater than 80 percent of area median income, or families with incomes no greater than 100 percent of area median income who live in census tracts with a minority population of 30 percent or more and a tract median income of less than 100 percent of area median income.

4. **Low-income areas home purchase goal**, which includes mortgages that meet the criteria under the low-income areas home purchase subgoal as well as mortgages to families with incomes no greater than 100 percent of area median income who live in a federally declared disaster area.

5. **Low-income refinance goal**, for refinance mortgages to families with incomes no greater than 80 percent of area median income.

6. **Low-income multifamily goal**, for rental units for families in multifamily properties with incomes no greater than 80 percent of area median income.

7. V**ery low-income multifamily subgoal**, for rental units for families in multifamily properties with incomes no greater than 50 percent of area median income.

Figure 1 shows the goals FHFA established for 2012 and 2013 and official figures on Fannie Mae's goal performance in 2012. These results are based on FHFA's analysis of loan-level data Fannie Mae provided to FHFA in early 2013. It also shows the goal levels and preliminary figures on goal performance in 2013, based on information Fannie Mae submitted in its March 2014 *Annual Housing Activities Report for 2013*.

Since 2010, the single-family housing goals have included both preset benchmark levels and a comparison of goal performance with the corresponding figures on the goal-qualifying shares of conventional conforming mortgages in the primary mortgage market in each year. FHFA bases this later calculation on an analysis of mortgage origination data as reported by lenders in accordance with the Home Mortgage Disclosure Act (HMDA).

If Fannie Mae's performance on a single-family goal falls short of the benchmark, the Enterprise is still deemed to have met the goal if its performance meets or exceeds the corresponding share of mortgages originated in the primary mortgage market. These market-based figures are also shown for 2012 in Figure 1.

The market-based figures for 2013 will not be available until September 2014.

FHFA does not use the same process to look back at the multifamily goals because of the different nature of the goals, and because there are no data available on either the number or proportion of affordable multifamily units. Instead, FHFA relies on a variety of sources to estimate the size of the multifamily market.

Classification	Definition
Low income	Earning no more than 80 percent of area median income
Very low income	Earning no more than 50 percent of area median income

Fannie Mae's goal performance in 2012 exceeded the benchmark levels for all of its single-family and multifamily goals. In some previous years, Fannie Mae's performance on one or more single-family goals fell short of the benchmark level, but it was deemed to have passed the goal because it met or exceeded the market performance for that year. The market figures for 2012 are shown for reference in Figure 1, though they are not relevant to Fannie Mae's passing any of the goals in that year. However, the market comparisons will be relevant for 2013, because Fannie Mae reported that its performance on the very low-income home purchase goal (6 percent) fell short of the benchmark level (7 percent).

In October 2013, FHFA notified Fannie Mae of its official performance figures for 2012 and also of the market-based figures for the single-family goals for 2012.

HERA also requires Fannie Mae to report on its financing of low-income units in multifamily properties of a limited size. In a September 2010 rule, FHFA defined multifamily properties of a limited size as those containing from 5 to 50 units. Fannie Mae financed 16,801 low-income rental units in small multifamily properties in 2012, and 13,827 units in 2013.

Figure 1 • Fannie Mae Housing Goals and Performance for 2012-2013

Category	2012 Benchmarks	2012 Performance & Market		2013 Benchmarks	2013 Performance[c]
		Performance[a]	Market[b]		
SINGLE-FAMILY GOALS[d]					
Low-income home purchase goal	23.0%	25.6%	26.6%	23.0%	23.8%
Very low-income home purchase goal	7.0%	7.3%	7.7%	7.0%	6.0%
Low-income areas home purchase subgoal	11.0%	13.1%	13.6%	11.0%	14.0%
Low-income areas home purchase goal[e]	20.0%	22.3%	20.5%	21.0%	21.6%
Low-income refinance goal	20.0%	21.8%	22.3%	20.0%	24.3%
MULTIFAMILY GOALS (units)					
Low-income goal	285,000	375,924	N/A	265,000	326,597
Very low-income goal	80,000	108,878	N/A	70,000	78,071

Source: Federal Housing Finance Agency

[a] *Official performance in 2012 as determined by FHFA, based on analysis of Fannie Mae loan-level data.*

[b] *Goal-qualifying shares of single-family home purchase or refinance conventional conforming mortgages originated in the primary mortgage market, based on FHFA analysis of 2012 Home Mortgage Disclosure Act (HMDA) data. Market performance for 2013 will be determined by FHFA later in 2014.*

[c] *Performance as reported by Fannie Mae in its March 2014 Annual Housing Activities Report. Official performance on all goals in 2013 will be determined by FHFA after review of Fannie Mae loan-level data. Low-income refinance goal for 2012-13 included credit for qualifying permanent loan modifications.*

[d] *Minimum percentages of all dwelling units financed by Fannie Mae's acquisitions of home purchase or refinance mortgages on owner-occupied properties.*

[e] *Includes mortgages to borrowers with incomes no greater than median income in federally declared disaster areas.*

Note: For the single-family goals, if an Enterprise's performance falls short of the benchmark, its performance is also measured against the goal-qualifying share of mortgages originated in the primary mortgage market, as determined by FHFA analysis of HMDA data.

Report of the Annual Examination of Freddie Mac

(Federal Home Loan Mortgage Corporation)

Overall Condition

The Enterprise took positive steps during 2013 to improve and strengthen risk management and internal controls, augment management with key hires for senior positions, and improve asset quality. Despite these improvements, the Enterprise continues to operate with a high level of problem mortgage loans and private-label securities acquired from before conservatorship, and the current level of earnings is not sustainable because of non-recurring items and the planned reduction in the retained mortgage investment portfolio.

Under the terms of the PSPA with the U.S. Department of the Treasury, Freddie Mac does not have the ability to generate capital internally and its Applicable Capital Reserve Amount will shrink over the coming years. Operational risk, including information technology, remains a concern primarily because of insufficient business recovery capabilities and the complexities involved with a number of major strategic initiatives. Finally, external events outside of the control of the Board of Directors and management could drastically affect the Enterprise's future state.

Freddie Mac has benefitted from improving economic conditions and increasing housing prices. The Board and senior management have guided Freddie Mac to an improved, yet still elevated, risk profile. Moreover, significant incremental improvements in the risk profile may be difficult to achieve going forward. FHFA's supervisory focus for 2014 will be on the Board and senior management's ability to further address its legacy risk, demonstrate the sustainability of financial performance, and respond to an uncertain and changing environment.

Corporate Governance

The overall quality of corporate governance is satisfactory. The risk profile for the Enterprise has continued to decrease, due in part to steady oversight by the Board and executive management. The positive steps outlined in the prior report that the CEO has taken to address legacy control issues, specifically identifying risk and control deficiencies and establishing a framework to address the deficiencies, continue to advance.

These benefits, however, are difficult to identify and measure in the short term. Further management attention is required in the areas of single-family credit risk and operational risk, including information technology, to reduce the risk profile to acceptable levels.

Credit Risk Management

Despite loss mitigation efforts and robust home price appreciation, the seriously delinquent loan rate for the 2005-2008 single-family mortgage book remains a major source of credit risk. The increase in servicing by nontraditional servicers, especially those expanding into the loan origination business, highlights the importance of comprehensive credit analysis and strong contingency planning processes.

Asset quality remains a supervisory concern despite a year-over-year improvement in single-family credit metrics. The chief source of concern is the year-end 2013 single-family seriously delinquent mortgage rate, which is five times greater than the rate in 2006. Freddie Mac also has a high level of private-label mortgage-backed securities, residual risk from modifications and relief refinances, and ongoing counterparty credit risk. These risks are somewhat mitigated by the higher quality of the single-family book of business acquired since 2009, which represents a growing proportion of the total book.

Retained Mortgage Investment Portfolio

One likely impact on future earnings is the mandated decrease in size of the mortgage-related investments portfolio. This portfolio generates a relatively higher portion of net income compared to the single-family guarantee business at a fraction of the size; it must decrease by at least 15 percent per year. The current economic and business environment has reduced the efficacy of prepayment models, thereby compromising the reliability of interest rate risk metrics. The effect is more pronounced on distressed or illiquid assets, which are targeted for disposal but remain a substantial portion of the retained mortgage investment portfolio.

FHFA will continue to monitor Freddie Mac's initiatives to reduce illiquid assets in a well-controlled and economically sensible manner. Basis risk continues to be the largest risk in the retained mortgage investment portfolio.

Sustainability of Financial Performance

Financial performance continues to improve. Net income of $48.7 billion in 2013, though the highest ever recorded for Freddie Mac, is unsustainable due to numerous one-time items and business imperatives. The largest single contributor was a nonrecurring tax benefit. Other meaningful supplements to net income that are unlikely to recur in the amounts seen in 2013 include legal settlements from securities litigation and representation and warranty claims and a net benefit, or negative provision, for the allowance for loan losses.

Business Continuity and Information Security

Business continuity and disaster recovery capabilities, while being addressed, currently do not protect the Enterprise fully from business disruption. In addition, FHFA will continue to monitor the operational risk management framework, particularly changes to processes for identifying, aggregating, measuring, and tracking operational risk. Other factors contributing to the inherently high quantity of risk include changing information security, cybercrime threats and vulnerabilities, the magnitude of data and privacy management requirements necessary to maintain vast amounts of mortgage data, and limited systems flexibility.

Strategic Initiatives and Compliance

The mandate for the Enterprise to develop and interface with the Common Securitization Platform and other FHFA strategic initiatives could increase operational risk due to finite resources and the need for new business processes. These factors, along with uncertainty over the Enterprise's future state and related external events beyond the control of management, will continue to elevate operational risk and may increase the likelihood of operational incidents. In addition, areas requiring compliance controls and reviews – FHFA regulations, supervisory guidance, policy initiatives, and directives, and the PSPA, among others – are expanding and could strain the Enterprise's ability to manage compliance risk appropriately.

Affordable Housing Goals for Freddie Mac

Under HERA and FHFA regulations, Freddie Mac is subject to the following:

1. **Low-income home purchase goal,** for home purchase mortgages to families with incomes no greater than 80 percent of area median income.
2. **Very low-income home purchase goal,** for home purchase mortgages to families with incomes no greater than 50 percent of area median income.
3. **Low-income areas home purchase subgoal,** for mortgages to families living in census tracts with tract incomes no greater than 80 percent of area median income, or families with incomes no greater than 100 percent of area median income who live in census tracts with a minority population of 30 percent or more and a tract median income of less than 100 percent of area median income.

4. **Low-income areas home purchase goal,** which includes mortgages that meet the criteria under the low-income areas home purchase subgoal as well as mortgages to families with incomes no greater than 100 percent of area median income who live in a federally declared disaster area.

5. **Low-income refinance goal,** for refinance mortgages to families with incomes no greater than 80 percent of area median income.

6. **Low-income multifamily goal,** for rental units for families in multifamily properties with incomes no greater than 80 percent of area median income.

7. **Very low-income multifamily subgoal,** for rental units for families in multifamily properties with incomes no greater than 50 percent of area median income.

Figure 2 shows the goals FHFA established for 2012 and 2013 and official figures on Freddie Mac's goal performance in 2012. These results are based on FHFA's analysis of loan-level data Freddie Mac provided to FHFA in early 2013. It also shows the goal levels and preliminary figures on goal performance in 2013, based on information Freddie Mac submitted in its March 2014 Annual Housing Activities Report for 2013.

Since 2010, the single-family housing goals have included both preset benchmark levels and a comparison of goal performance with the corresponding figures on the goal-qualifying shares of conventional conforming mortgages in the primary mortgage market in each year. FHFA bases this process on an analysis of mortgage origination data, as reported by lenders in accordance with the Home Mortgage Disclosure Act (HMDA).

If Freddie Mac's performance on a single-family goal falls short of the benchmark, the Enterprise is still deemed to have met the goal if its performance exceeds the corresponding goal-qualifying share of mortgages originated in the primary mortgage market. These market-based figures are also shown for 2012 in Figure 2.

Classification	Definition
Low income	Earning no more than 80 percent of area median income
Very low income	Earning no more than 50 percent of area median income

The market-based figures for 2013 will not be available until September 2014.

FHFA does not use the same process to look back at the multifamily goals because of the different nature of the goals, and because there are no data available on either the number or proportion of affordable multifamily units. Instead, FHFA relies on a variety of sources to estimate the size of the multifamily market.

Freddie Mac's goal performance in 2012 exceeded the benchmark levels for all of its single-family and multifamily goals. In some previous years, Freddie Mac's performance on one or more single-family goals fell short of the benchmark level, but it was deemed to have passed the goal because it exceeded the market performance for that year. The market figures for 2012 are shown for reference in Figure 2, though they are not relevant to Freddie Mac's passing any of the goals in that year. However, the market comparisons will be relevant for 2013, because Freddie Mac reported that its performance on the very low-income home purchase goal (5.5 percent) fell short of the benchmark level (7 percent), its performance on the low-income home purchase goal (21.8 percent) fell short of the benchmark level (23 percent), and its performance on the low-income areas home purchase goal (20 percent) fell short of the benchmark level (21 percent).

In October 2013, we notified Freddie Mac of its official performance figures for 2012 and also of the market-based figures for the single-family goals for 2012.

HERA also requires Freddie Mac to report on its financing of low-income units in multifamily properties of a limited size. In a September 2010 rule, FHFA defined multifamily properties of a limited size as those containing from 5 to 50 units. Freddie Mac reported that it financed 829 low-income rental units in small multifamily properties in 2012, and 1,128 such units in 2013.

Figure 2 • Freddie Mac Housing Goals and Performance for 2012-2013

Category	2012 Benchmarks	2012 Performance & Market		2013 Benchmarks	2013 Performance[c]
		Performance[a]	Market[b]		
SINGLE-FAMILY GOALS[d]					
Low-income home purchase goal	23.0%	24.4%	26.6%	23.0%	21.8%
Very low-income home purchase goal	7.0%	7.1%	7.7%	7.0%	5.5%
Low-income areas home purchase subgoal	11.0%	11.4%	13.6%	11.0%	12.3%
Low-income areas home purchase goal[e]	20.0%	20.6%	23.2%	21.0%	20.0%
Low-income refinance goal	20.0%	22.4%	22.3%	20.0%	24.1%
MULTIFAMILY GOALS (units)					
Low-income goal	225,000	298,529	N/A	215,000	255,057
Very low-income goal	59,000	60,084	N/A	50,000	56,979

Source: Federal Housing Finance Agency

[a] *Official performance in 2012 as determined by FHFA, based on analysis of Ffreddie Mac loan-level data.*

[b] *Goal-qualifying shares of single-family home purchase or refinance conventional conforming mortgages originated in the primary mortgage market, based on FHFA analysis of 2012 Home Mortgage Disclosure Act (HMDA) data. Market performance for 2013 will be determined by FHFA later in 2014.*

[c] *Performance as reported by Freddie Mac in its March 2014 Annual Housing Activities Report. Official performance on all goals in 2013 will be determined by FHFA after review of Freddie Mac loan-level data. Low-income refinance goal for 2012-13 included credit for qualifying permanent loan modifications.*

[d] *Minimum percentages of all dwelling units financed by Freddie Mac's acquisitions of home purchase or refinance mortgages on owner-occupied properties.*

[e] *Includes mortgages to borrowers with incomes no greater than median income in federally declared disaster areas.*

Note: For the single-family goals, if an Enterprise's performance falls short of the benchmark, its performance is also measured against the goal-qualifying share of mortgages originated in the primary mortgage market, as determined by FHFA analysis of HMDA data.

Special Accounting Considerations

Summary

In 2013, several accounting events had significant impacts on the Enterprises' reported financial results. Fannie Mae and Freddie Mac reported levels of 2013 net income are greater than at any prior time in their respective histories. Their historically high net income was driven by reversals of previously accrued losses associated with deferred tax assets (DTA) and their allowance for loan and lease losses (ALLL)—plus revenue from legal settlements of representation and warranties claims and lawsuits regarding private-label securities that the Enterprises purchased as investments. FHFA does not expect benefits of this nature to be repeated in future years and does not expect the 2013 levels of net income to be approached anytime in the foreseeable future.

The benefit amounts are summarized below, followed by a discussion of the underlying accounting guidance and its implementation. (This section is limited to a discussion of the two unique drivers of income. For a discussion of the financial condition of the Enterprises, see separate discussions in the sections in the Annual Exam Results for Fannie Mae and Freddie Mac.) The unique benefits to net income discussed in this section are as follows:[5]

Release of the Deferred Tax Asset Valuation Allowance

Both Enterprises have historically reported large net DTAs on their balance sheets. DTAs are recognized based upon the expected future tax consequences of existing temporary differences between the financial reporting and the tax-reporting basis of assets and liabilities. For example, a loss is recorded in GAAP income when it is deemed probable and reasonably estimable, while the tax deduction for a defaulted loan may be taken on the federal tax return within the tax year of foreclosure.

Fannie Mae and Freddie Mac reported 2013 net income greater than any prior time in their respective histories. These historically high amounts of net income were largely driven by certain unique and very large benefits to income. FHFA does not expect benefits of this nature to be repeated in future years.

The applicable accounting standard requires entities to reduce DTAs using a valuation allowance (VA) if, based on all available evidence, it is more likely than not that some or all of the DTAs will not be realized. The VA reduces the DTA to the amount that is more likely than not to be realized based on management's expectation that the entity will earn sufficient future otherwise taxable income to apply the DTA. When they entered into conservatorships in 2008, both Enterprises determined it was more likely than not that the DTAs would not be realized and, accordingly, established VAs against their net DTAs. Changes in the VA, which occurred during the years following Q3 2008, resulted in corresponding effects upon the draws on the U.S. Treasury under the PSPA.

[5] On pages 73 and 90 (Tables 3 and 12), the net income and credit expense figures for 2009 include $20.6 billion and $4.8 billion, respectively, for Fannie Mae and Freddie Mac, for losses recognized principally on acquired credit-impaired loans. Under GAAP, in years subsequent to 2009, such losses are not recognized due to the consolidation of formerly off-balance sheet GSE-guaranteed MBS trusts.

During 2013, both Enterprises concluded that the weight of all available evidence, both positive and negative, indicated their VAs were no longer necessary. Enterprise management considered updated estimates of future taxable income, which indicated that it was more likely than not that the DTA would be realized in the future. The VA release amounted to over half of 2013 net income for both Enterprises. However, if a similar credit crisis were to occur, a VA may have to be re-established against the DTA account then on the balance sheet, which could substantially reduce net income (or increase in net loss) at that time.

Reversal of Credit Expenses Provisioned in Prior Years

Under GAAP, loan losses are recognized in net income when they are "probable and estimable." Loss provisions are based upon the incurred default rate adjusted for current trends and conditions, and the loss severity rate. Early in the credit crisis home prices declined rapidly and delinquency rates rose dramatically—ultimately resulting in great increases in both Enterprises' ALLLs. Freddie Mac's ALLL peaked at the end of 2010 and Fannie Mae's ALLL peaked at the end of 2011. In the last two years, the converse has occurred as the factors that characterized the early stages of the credit crisis have changed dramatically: the economy is improving and strategies to resolve delinquent loans, like FHFA's servicing alignment initiative, are taking hold.

In their 2013 Forms 10-K, both Enterprises indicated they expect this turnaround to continue, but at a flattened pace. Therefore, the recent large reductions in credit expense and their contribution to net income are not expected to continue. In their respective releases on 2013 earnings results, the Enterprises stated the following:

> **Page 1, Fannie Mae release, February 21, 2014:**
>
> **Introduction**
>
> While Fannie Mae expects to be profitable for the foreseeable future, the company does not expect to repeat its 2013 financial results, as those results were positively affected by the release of the company's valuation allowance against its deferred tax assets, a significant increase in home prices during the year, and the large number of resolutions the company reached relating to representation and warranty matters and servicing matters.

> **Page 3, Freddie Mac release, February 27, 2014:**
>
> **Sustainability of Earnings**
>
> The level of earnings Freddie Mac has experienced in recent periods is not sustainable over the long term. Freddie Mac's recent financial results, particularly the level of loan loss provisioning, have benefited significantly from strong home-price appreciation, which is beginning to moderate.

From the height of the crisis to 2013 Fannie Mae credit expenses fell $85 billion -- from a 2009 high of $73.5 billion in expense to an $11.8 billion contribution to net income. Freddie Mac credit expenses fell $32.4 billion -- from a 2009 high of $29.8 billion in expense to a $2.6 billion contribution to net income. Moreover, in 2013 credit expense reversals contributed 14 percent of net income for Fannie Mae and 5.3 percent for Freddie

Mac. The Enterprises attribute the large change to home price increases, declining newly delinquent loans and representation and warranty settlements for loans purchased pre-conservatorship. In their respective releases on 2013 earnings results, the Enterprises stated the following:

Page 1, Fannie Mae release, February 21, 2014:

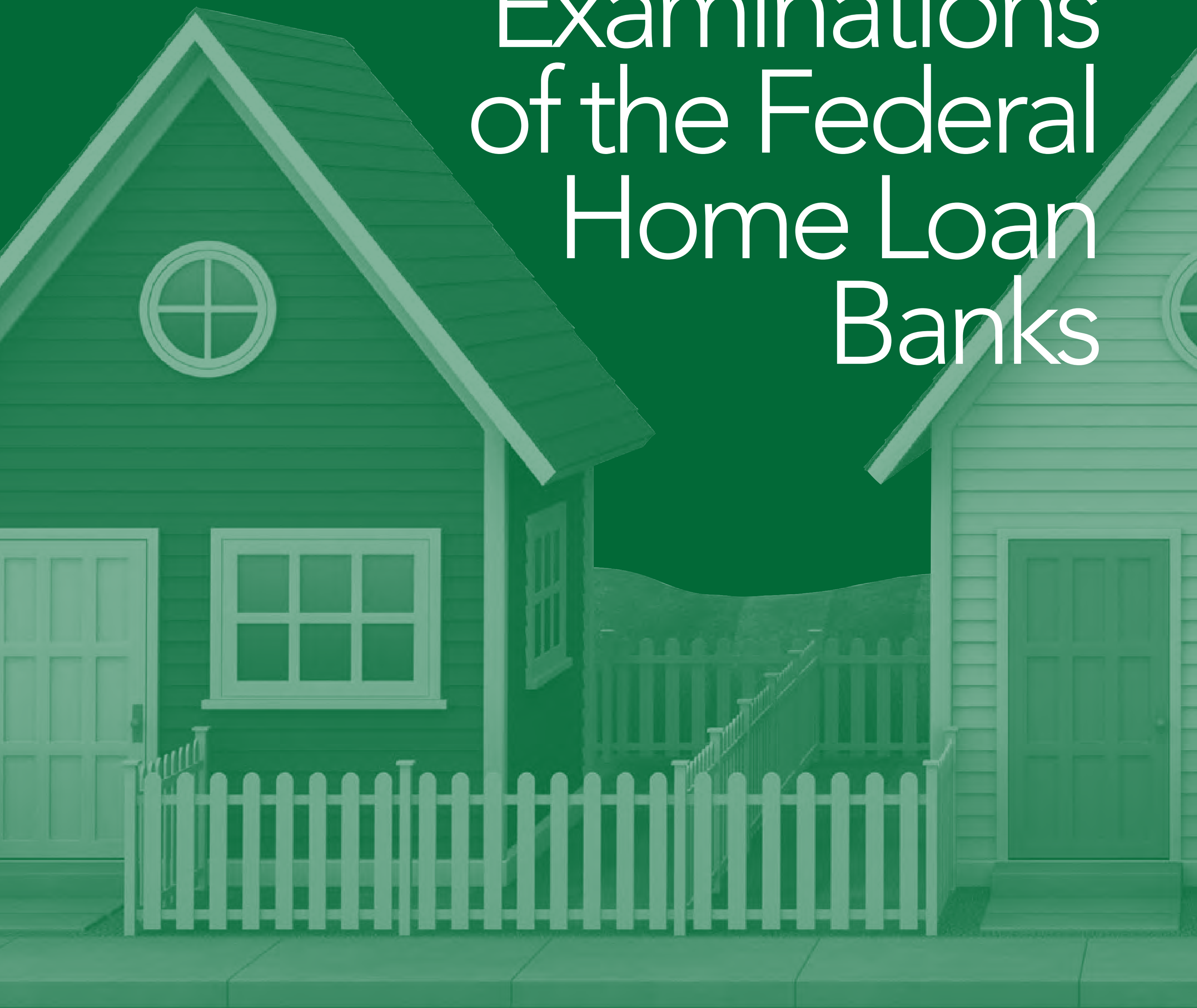
Fannie Mae's strong 2013 pre-tax results were driven by continued stable revenues, credit-related income, and fair value gains. Credit-related income was positively affected by an increase in home prices, a decline in serious delinquency rates, and updated assumptions and data used to estimate the company's allowance for loan losses in 2013. Fannie Mae's 2013 financial results also were positively affected by the release of the company's valuation allowance against its deferred tax assets and the large number of resolutions the company entered into during the year relating to representation and warranty matters and servicing matters.

Page 1, Freddie Mac release, February 27, 1014:

Financial results were positively impacted by the following significant items:

- Full-year tax benefit of $23.3 billion driven by release of deferred tax asset valuation allowance
- Pre-tax benefit of legal settlements of $6.0 billion for fourth quarter and $7.7 billion for full year
- Continued improvement in home prices which contributed to reduced loan loss provisioning
- Fair value gains on derivative portfolio and non-agency mortgage-related securities
- Recent level of earnings is not sustainable over the long term

Report of the Examinations of the Federal Home Loan Banks



Examination Authority and Scope

Section 20 of the Federal Home Loan Bank Act (12 U.S.C. § 1440) requires FHFA to examine each Federal Home Loan Bank (FHLBank) at least annually. FHFA's Division of FHLBank Regulation is responsible for carrying out on-site examinations and ongoing supervision of the FHLBank System. The FHLBank System includes the 12 FHLBanks (Boston, New York, Pittsburgh, Atlanta, Cincinnati, Indianapolis, Chicago, Des Moines, Dallas, Topeka, San Francisco, and Seattle) and the Office of Finance, which is a joint office of the FHLBanks.

The Division of FHLBank Regulation's oversight of FHLBanks promotes both safe and sound operation and achievement of their housing finance and community investment mission. In 2013, FHFA examined all FHLBanks and the Office of Finance. An examiner-in-charge and a team of examiners conduct each annual examination with support from financial analysts, economists, and accountants.

In addition, FHFA examiners visit the FHLBanks between examinations to follow up on examination findings and discuss emerging issues. The agency designates a separate examiner-in-charge for each FHLBank and the Office of Finance who serves as the principal point of contact for the management of examinations at the assigned FHLBank.

FHFA examiners use a risk-based approach to supervision. Risk-based supervision is designed to:

- Identify existing and potential risks that could harm a regulated entity;
- Evaluate the overall integrity and effectiveness of each regulated entity's risk management systems and controls; and
- Determine compliance with laws and regulations applicable to the regulated entity.

The FHLBanks saw substantial asset growth in 2013 driven by advances to members. They also recorded strong net income of $2.5 billion. Each of the FHLBanks was profitable in each quarter of 2013.

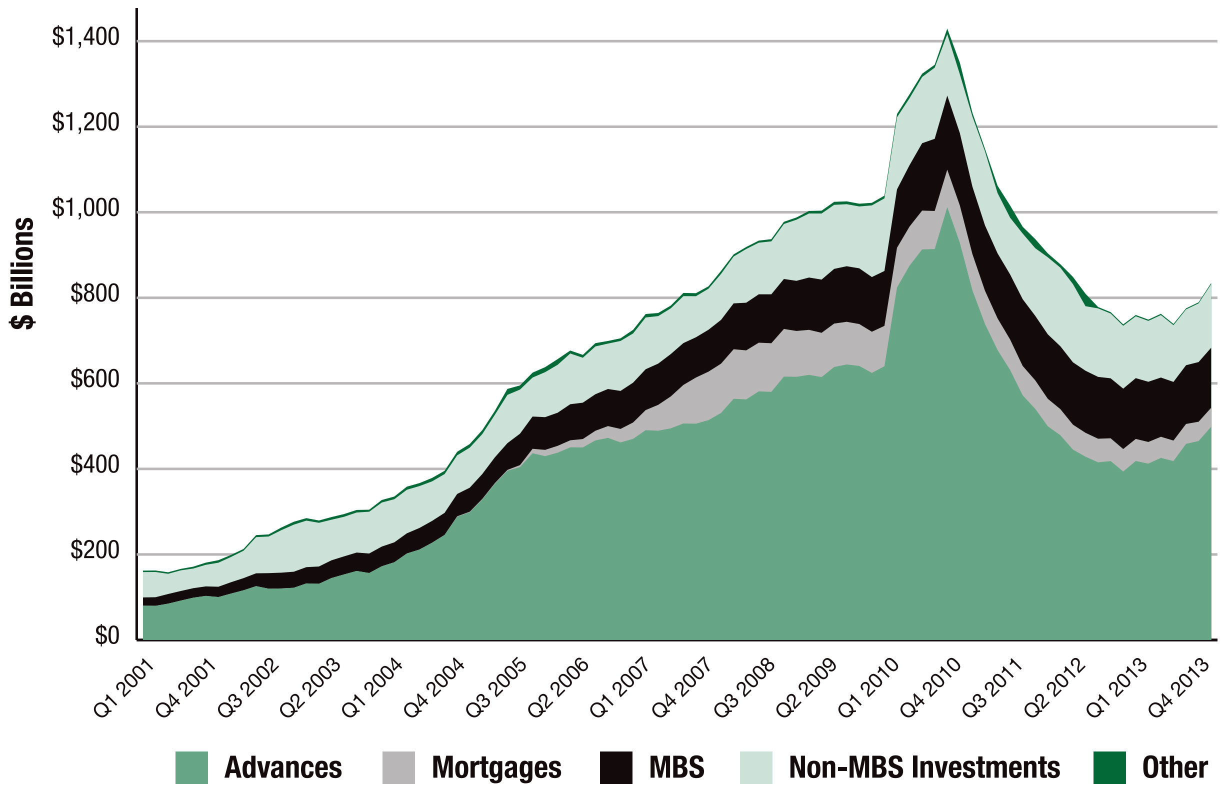
Examiners communicate all findings to FHFA management and any matters requiring attention to the FHLBank's Board of Directors and management. In addition, examiners obtain a commitment from the Board and management to correct significant deficiencies in a timely manner and then verify the effectiveness of corrective actions. Examiners collaborate with FHFA analysts, modelers, economists, accountants, and attorneys in carrying out the supervision of the FHLBanks. FHFA's Division of Supervision Policy and Support provides some staff to augment the Division of FHLBank Regulation's supervision.

The Division of FHLBank Regulation maintains an off-site monitoring program that reviews monthly and quarterly financial reports and other information, such as FHLBank board and committee minutes, data on FHLBank investments, and information related to member activity. The Division monitors debt issuances by the Office of Finance and tracks financial market trends. The Division and other FHFA groups review FHLBank documents, such as the Board of Directors' compensation packages for each FHLBank, and analyze responses to a wide array of periodic and ad hoc information requests, including an annual survey of FHLBank collateral and collateral management practices, unsecured credit data, liquidity, advances, and periodic data on certain FHLBank investment holdings.

Financial Overview

The FHLBanks saw substantial asset growth in 2013 driven by advances to members. They also recorded

Figure 3 • Historical Portfolio Composition of the Federal Home Loan Banks



Source: Federal Housing Finance Agency

strong net income of $2.5 billion. Each of the FHLBanks was profitable in each quarter of 2013.

Total assets increased by $71.9 billion, or 9 percent, in 2013 to $834.5 billion – the first annual increase in total assets since 2008. At the end of the year, aggregate assets were at their highest quarter-end level since March 31, 2011 (Figure 3). Advances increased by 17 percent, investments increased by less than 2 percent, and mortgages decreased by 10 percent. At year-end 2013, advances were 60 percent of total assets, investments 35 percent, and mortgages 5 percent.

In 2013, advances increased by $72.9 billion to $498.6 billion. This was the second consecutive year in which advances increased following three years of declines. At year-end 2013, advances were at their highest quarter-end level since March 31, 2010. The increase in advances in 2013 was the largest since 2007, when the liquidity crisis led to significant member borrowing. During 2013, 10 of the 12 FHLBanks reported gains in advances. The increase in aggregate advances was heavily concentrated among several members and several FHLBanks. Affiliates of four large bank holding companies – Bank of America, Citigroup, JP Morgan Chase, and Wells Fargo – increased their advances by a combined $56.2 billion and accounted for 27 percent of outstanding FHLBank advances at the end of 2013 (Figure 4).

Investments represented 35 percent of the aggregate balance sheet at the end of 2013. Total investments increased by less than 2 percent during the year to $289 billion as of December 31, 2013. Private-label mortgage-backed securities (MBS) continued to run off, while agency MBS and cash and liquidity investments increased slightly. The aggregate investment portfolio of the FHLBanks consists of 35 percent cash and liquidity, 41 percent agency and Ginnie Mae MBS, 7 percent private-label MBS, and 17 percent other investments (principally agency debt securities and federally-backed student loan asset-backed securities).

Figure 4 • Total FHLBank Advance Holdings (par value, $ Billions)

Holding Company	2010 Q4	2011 Q4	2012 Q4	2013 Q4
Bank of America Corporation	43.8	26.6	14.4	28.9
Citigroup Inc.	28.7	15.8	20.4	25.2
JP Morgan Chase & Co.	25.2	17.8	42.0	61.8
Wells Fargo & Company	7.9	2.6	2.2	19.1
Top 4 Holding Companies	**105.6**	**62.8**	**79.0**	**135.1**
Other Members	358.3	340.4	334.5	357.3
Aggregate Advances	**463.9**	**403.2**	**413.4**	**492.4**
Top 4 Share	**22.8%**	**15.6%**	**19.1%**	**27.4%**

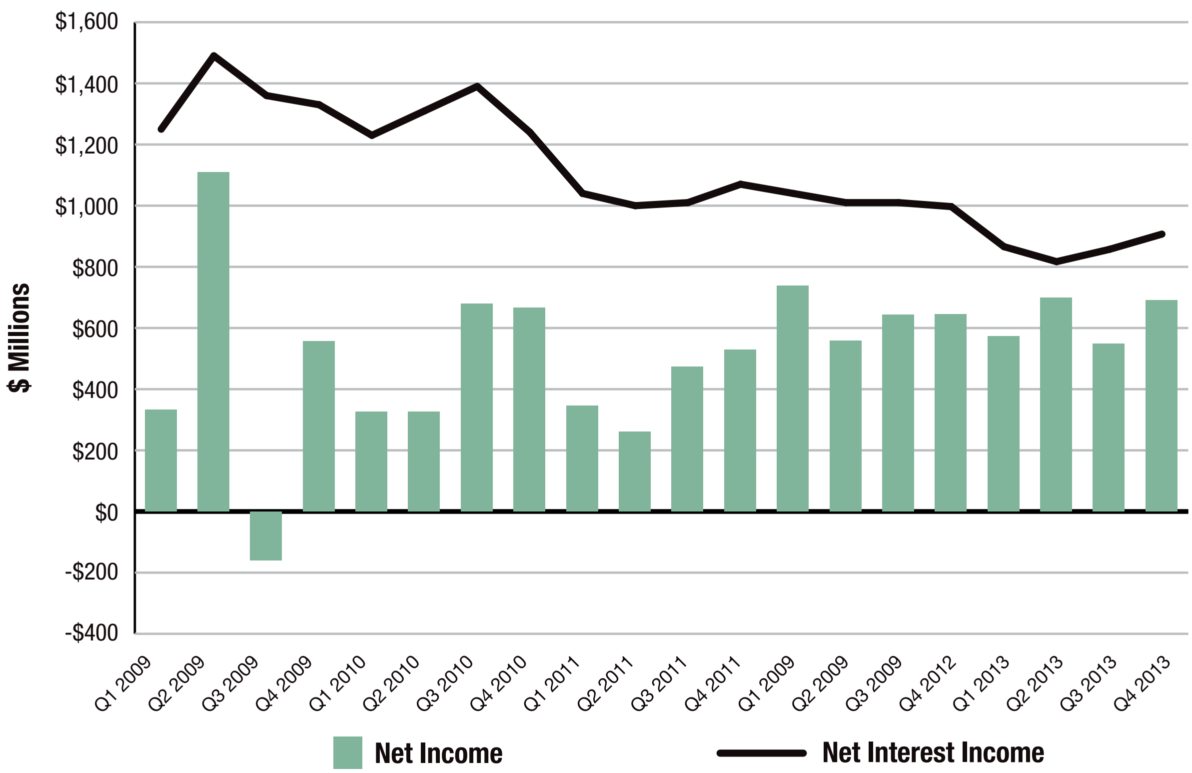
Mortgages declined by 10 percent during 2013 to $44.4 billion at year-end. Eight FHLBanks purchased mortgages from their members in 2013.

The FHLBanks reported aggregate net income of $2.5 billion in 2013, the second most profitable year since 2007 and down only slightly from $2.6 billion in 2012.

For the fourth consecutive year, all 12 FHLBanks were profitable. Earnings were relatively stable despite a reduction in net interest income, as gains on derivatives and legal settlements were offsetting factors (Figure 5).

Poor performance of private-label MBS had a much smaller effect on the FHLBanks in 2013 than it had

Figure 5 • Quarterly Net Interest Income and Net Income



Source: Federal Housing Finance Agency

from 2009 to 2012. In 2013 the FHLBanks recorded impairment charges on these securities of only $15 million, down from $113 million in 2012 and down from a high of $2.4 billion in 2009. Private-label MBS now account for 2.5 percent of assets.

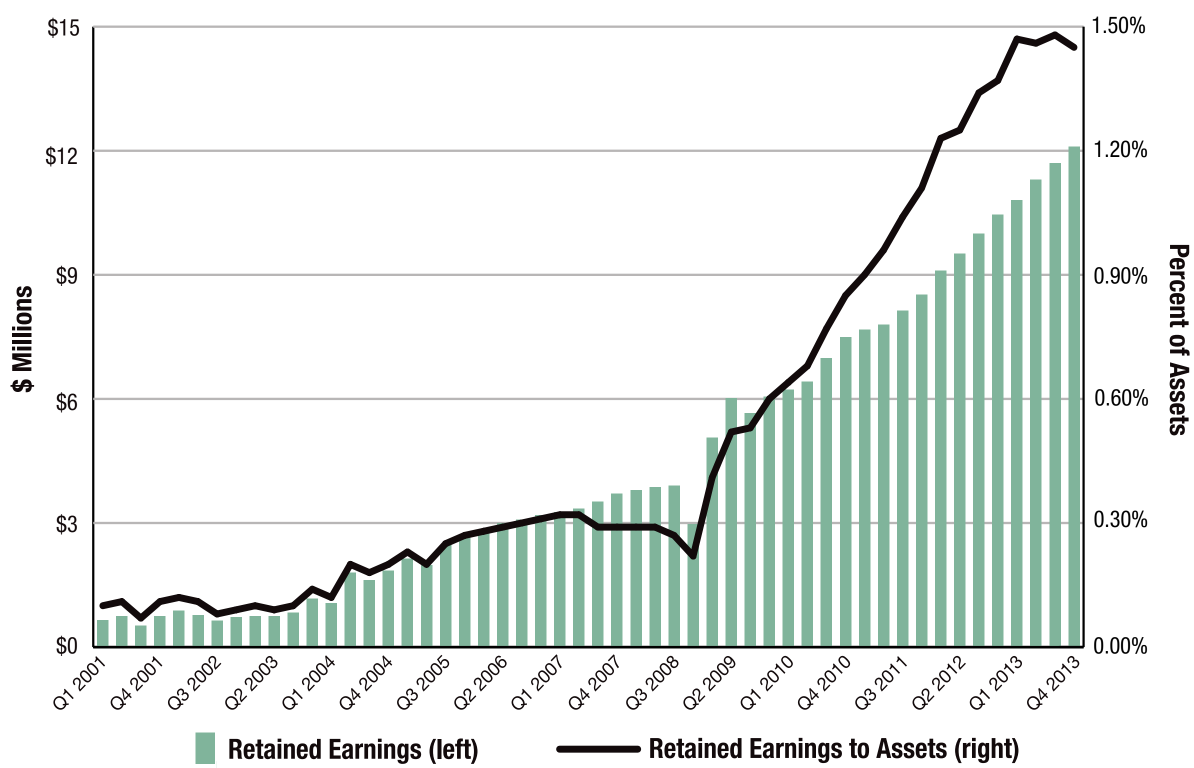
The FHLBanks continued to build their retained earnings in 2013. Aggregate retained earnings totaled $12.1 billion, or 1.45 percent of assets, at the end of 2013. This represents significant growth from the immediate aftermath of the financial crisis. At year-end 2008, the FHLBanks held $2.9 billion of aggregate retained earnings, representing 0.22 percent of assets (Figure 6).

Until the third quarter of 2011, the FHLBanks were required to use 20 percent of pre-assessment income to pay the interest on bonds issued by the Resolution Funding Corporation (REFCORP), the proceeds from which were used to resolve the savings and loan crisis of the late 1980s. After satisfying the total obligation with the July 2011 payment, the FHLBanks entered into the Joint Capital Enhancement Agreement, which requires each FHLBank to direct the funds previously paid to REFCORP into a restricted retained earnings account. The agreement prevents the FHLBanks from using restricted retained earnings to pay dividends and requires that they continue to build the retained earn ings account until it equals 1 percent of the FHLBanks' consolidated obligations. At year-end 2013, the aggre gate balance of restricted retained earnings was $1.2 billion, or 0.16 percent of total consolidated obligations outstanding.

In 2013, the FHLBanks contributed $293 million to fund their Affordable Housing Programs. The FHLBanks will commit these funds to assist in the purchase, construction, or rehabilitation of low-income housing in 2014. Since the inception of the Affordable Housing Program in 1989, the FHLBanks have contributed a total of $4.6 billion.

At the end of 2013, the FHLBanks had a total of 7,504 members. The membership consisted of 934 savings associations, 5,052 commercial banks, 1,215 credit

Figure 6 • Retained Earnings of the Federal Home Loan Banks



Source: Federal Housing Finance Agency

unions, 285 insurance companies, and 18 community development financial institutions. Approximately 57 percent of FHLBank members were active borrowers.

Capital

An FHLBank must hold sufficient regulatory capital to meet the greater of the total capital requirement or the risk-based capital requirements. All FHLBanks met these requirements at year-end 2013. All FHLBanks met the minimum regulatory capital ratio of 4 percent of assets. Regulatory capital ratios ranged from 4.6 percent to 9.6 percent and averaged 6.0 percent.

The FHLBanks' regulatory capital generally consists of the amounts paid by member institutions for FHLBank capital stock and the retained earnings of the FHLBank. The regulatory capital of FHLBanks at December 31, 2013, was $50.5 billion, consisting of $33.4 billion of capital stock, $12.1 billion of retained earnings, and $5 billion of other regulatory capital, which is principally mandatorily redeemable capital stock arising out of capital stock redemption requests by members or any capital stock held by a nonmember.

Asset Quality

Asset quality was adequate at most FHLBanks, though a few FHLBanks exhibited higher than average levels of risk or had risk-management practices that were of greater concern. Examiners determined the FHLBanks of Boston, Chicago, Pittsburgh, San Francisco, and Seattle have relatively higher credit risk exposure, principally as a result of legacy exposures to private-label MBS that have been declining over time.

While generally improving, private-label MBS continues to be the most significant credit risk associated with the FHLBanks. Private-label MBS are a relatively low proportion of aggregated FHLBank assets, though several FHLBanks still have significant exposures. Credit losses on these securities are highly dependent on the level and direction of housing prices. With improvements in the national economy during 2013, credit losses on private-label MBS declined, but the securities remain sensitive to risk.

Poor performance of private-label MBS had a much smaller effect on the FHLBanks in 2013 than it had from 2009 to 2012.

The credit risk of the advances portfolio is low. The FHLBanks require members to fully secure advances with eligible collateral before borrowing from the FHLBank. No FHLBank has ever had a credit loss from advances to a member. The quality and value of collateral are fundamental in protecting the FHLBanks from credit losses on advances. The FHLBanks apply a discount to the market value of the collateral, known as a "haircut," based on the FHLBank's assessment of the risk of the asset.

Notwithstanding the low overall risk of advances, some FHLBanks exhibit business concentrations to a few large borrowers and some have large exposures to insurance company members. Lending to insurance companies presents different risks relative to lending to insured depository institutions, in part because each state has its own laws and regulatory framework for insurance companies, though there is some similarity of these laws among states.

The FHLBanks had mortgage holdings of $44.4 billion at the end of 2013, down from $49.4 billion at the end of 2012. The mortgage holdings are fixed-rate, written to sound underwriting standards to qualified borrowers, and most are well seasoned. The originating members or supplemental mortgage insurance provide credit enhancement for the mortgages. Delinquency rates have been low relative to the market as a whole. The serious delinquency rate of all mortgage loans held by the FHLBanks was 1.9 percent at year-end 2013.

In 2013, examiners found that some FHLBanks needed to improve their credit analytics of members or of member collateral. Examiners also found issues with private-label MBS analyses and the quality control processes for mortgage loans purchased from member institutions.

Asset quality was adequate at most FHLBanks, though a few FHLBanks exhibited higher than average levels of risk or had risk-management practices that were of greater concern.

Management

The effective management of an FHLBank involves engaged, capable, and experienced directors and senior management, a coherent strategy and business plan, clear lines of responsibility and accountability, and appropriate risk limits and controls.

Overall, governance of the FHLBanks was adequate in 2013, though examiners identified several areas where the FHLBanks could improve. Examiners noted problems with internal risk assessments, policies, and limits at some FHLBanks. Examiners also identified issues with internal audit, strategic planning, and some violations of FHFA regulations. Notably, the FHLBanks addressed many examination issues found in previous examinations, including issues related to board governance, compliance, and management reporting.

Earnings

The FHLBanks reported aggregate net income of $2.5 billion in 2013 – the second most profitable year since 2007 and down only slightly from $2.6 billion in 2012. Return on assets was 32 basis points in 2013 and return on equity was 5.86 percent – down from 34 basis points and 6.44 percent in 2012. The metrics, however, remain strong given the current environment of low interest rates, which tends to depress FHLBank income. Many FHLBanks continue to benefit from robust spreads on mortgages and MBS.

While earnings have generally been strong, some FHLBanks relied on non-mission related assets to generate income. Approximately 35 percent of FHLBank assets were not mission-related, and at individual FHLBanks the percentage was as high as 63 percent at year-end 2013.

Liquidity

At year-end 2013, the FHLBanks held $101 billion of cash and liquidity investments, representing 12 percent of assets. The aggregate liquidity portfolio of the FHLBanks consisted of 46 percent cash, 30 percent federal funds sold, 20 percent reverse repurchase agreements, and 4 percent negotiable certificates of deposit. The year-end cash balance was atypical. Cash increases and federal funds sold decrease on the last day of each quarter due to muted demand and low returns in the federal funds market. Average cash balances are much lower and average federal funds sold much higher over the quarter.

In 2013, all FHLBanks consistently met their liquidity requirements. Additionally, the FHLBanks maintain ready access to the agency debt markets at favorable rates.

Sensitivity to Market Risk

Mortgage assets continue to be the greatest source of market risk for the FHLBanks. Mortgage assets are typically longer-dated instruments than most other FHLBank assets, have less predictable cash flows, and, in the case of private-label MBS, have experienced the greatest swings in market value. Mortgage assets were $184.7 billion or 22.1 percent of total assets at the end of 2013, down slightly from $187.9 billion or 24.6 percent at the end of 2012. These assets were composed of mortgage loans purchased from member institutions and MBS.

Some FHLBanks with significant mortgage holdings hedge the market risk by extensive use of callable bonds to fund those assets. Some FHLBanks use a more complicated hedging strategy that involves interest-rate swaps, swaptions (options to enter into interest-rate swaps), and options. FHLBanks with floating-rate MBS with embedded rate caps tend to use interest-rate caps (a type of derivative) to hedge these positions.

The FHLBanks are also exposed to some "basis risk," which can arise when the index for a floating-rate asset does not move identically with the index for the supporting floating-rate liability. Different movements of the two index rates will lead to a widening or narrowing of the spread or "basis" between the yield on the asset and the cost of the associated liability.

Figure 7 • Market Value of Equity-to-Par Value of Capital Stock by Various Interest-Rate Changes

Parallel Interest Rate Change in Basis Points	-200	-100	-50	Base	50	100	200
Boston	1.21	1.20	1.20	**1.19**	1.19	1.18	1.15
New York	1.24	1.24	1.23	**1.21**	1.20	1.20	1.18
Pittsburgh	1.30	1.30	1.30	**1.28**	1.27	1.26	1.24
Atlanta	1.35	1.35	1.35	**1.35**	1.34	1.33	1.27
Cincinnati	1.09	1.08	1.06	**1.05**	1.04	1.02	1.00
Indianapolis	1.55	1.62	1.68	**1.71**	1.72	1.72	1.69
Chicago	2.69	2.64	2.62	**2.60**	2.59	2.59	2.61
Des Moines	1.15	1.20	1.22	**1.21**	1.20	1.19	1.16
Dallas	1.77	1.77	1.78	**1.76**	1.72	1.67	1.56
Topeka	1.72	1.71	1.69	**1.69**	1.69	1.68	1.65
San Francisco	1.49	1.47	1.46	**1.45**	1.44	1.42	1.39
Seattle	1.04	1.06	1.07	**1.08**	1.07	1.06	1.04

The System's market value of equity, which is the estimated market value of the System's assets less the market value of its liabilities, is an important indicator of the FHLBanks' ability to redeem stock at par. Because all stock transactions occur at the par value of $100 per share, the market value of an FHLBank's equity should equal or exceed the par value of aggregated FHLBank shares of capital stock. The FHLBanks' market value of equity to the par value of capital stock ratios continued to improve in 2013, demonstrating improved financial condition, reduced risk and balances of private-label MBS, and increased retained earnings. The ratio at year-end 2013 was 1.35, up from 1.24 at the end of 2012, and up from 0.54 at the end of 2008. All FHLBanks reported a ratio greater than 1.00 by the end of 2013.

Figure 7 shows the ratio at each FHLBank at year-end 2013 and the estimated change to the ratio in certain interest rate change scenarios, which are based on model results provided by the FHLBanks. Most FHLBanks show only modest changes in these interest rate scenarios. The largest changes are a decline of 0.16 in a down 200 basis point scenario at the FHLBank of Indianapolis, and a decline of 0.20 in the up 200 basis point scenario at the FHLBank of Dallas. Despite these and other negative sensitivities, the FHLBanks report ratios above 1.00 for all 6 rate-change scenarios.

Uncertainty about private-label MBS adjustments related to market risk metrics, prepayment speeds, and the effects of extremely low interest rates at short maturities all continue to increase model risk.

Operational Risk

The FHLBanks engage in financial transactions that require financial models, technological resource systems, ledger accounting systems, and other processes that inherently expose them to operational risks.

Operational risk management is generally adequate, though examiners found several areas in need of attention in 2013 and expressed concern with operational risk at certain FHLBanks, as some internal FHLBank programs require additional deliberation, planning, or resources. In 2013, FHFA offered recommendations for improvements for IT, security, and the FHLBanks' administration of the Affordable Housing Program (AHP).

Mission Orientation of the FHLBanks

FHFA has a Core Mission Activities (CMA) regulation (12 C.F.R. § 1265.2) that describes the mission of the FHLBanks as providing financial products and services to members and housing associates (principally state housing finance agencies) that assist and enhance those institutions' financing of housing and community lending. Advances have historically been the primary mission asset of the FHLBanks, although the CMA regulation includes some other types of assets, such as mortgage loans that qualify as Acquired Member Assets (AMA), in the definition of core mission activities.

With growth in system advances, the overall mission orientation of the FHLBanks' balance sheet improved somewhat during 2013. Advances represented 60 percent of FHLBank assets at the end of 2013, up from 56 percent at the end of 2012, although below the recent peak of 71 percent reached in September 2008. The proportion of investments to assets decreased slightly during 2013, from 37 percent to slightly less than 35 percent. At year-end 2013, advances were less than 50 percent of total assets at three FHLBanks.

FHLBank Affordable Housing Program

The Federal Home Loan Bank Act requires each of the 12 FHLBanks to establish an Affordable Housing Program (AHP) to help finance the construction, purchase, or rehabilitation of housing. AHP funds two programs – a competitive application program and a homeownership set-aside program.

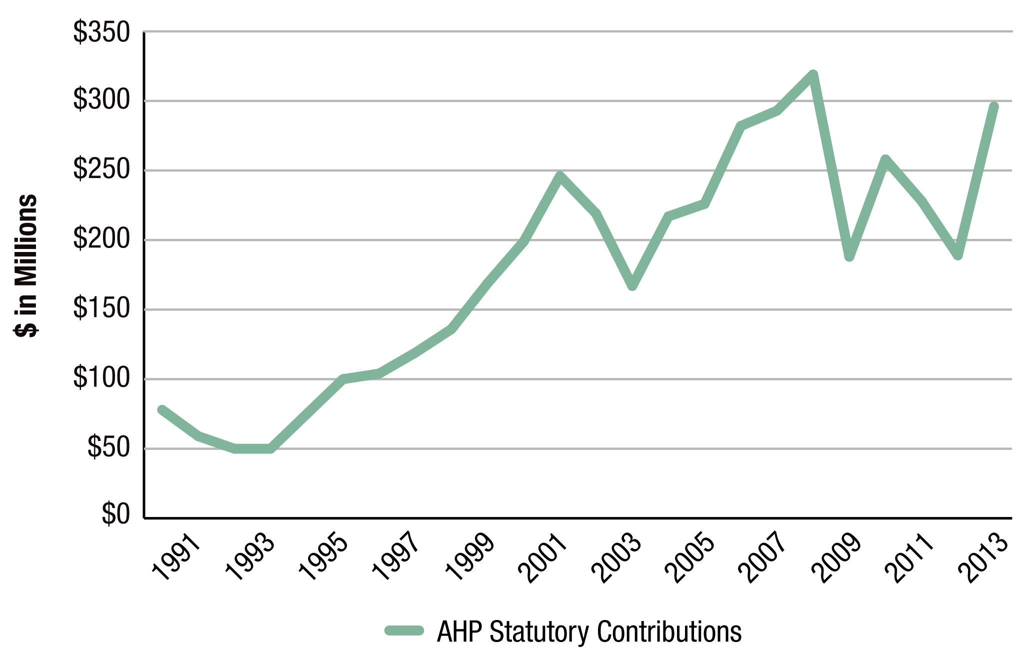
Eligible rental housing projects must have at least 20 percent of housing units occupied by, and affordable to, households with incomes at or below 50 percent of the area median income. Eligible owner-occupied housing must be occupied by households with incomes at or below 80 percent of the area median income.

From 1990, when AHP funds were first awarded, through year end 2013, the FHLBanks have awarded nearly $4.5 billion in AHP subsidies and assisted 724,186 households.

The AHP differs from other housing programs in the following ways:

1. The applicant for the subsidy is a FHLBank member financial institution that passes the subsidy through to an eligible beneficiary in the form of subsidized advances or grants.

Figure 8 • FHLBank AHP Statutory Contributions (1990-2013)



Source: Federal Housing Finance Agency

2. Each FHLBank annually funds its AHP with 10 percent of its preceding year's net earnings, subject to a minimum $100 million contribution by the FHLBank System as a whole.

The AHP catalyzes private financing for affordable housing.

In 2013, the FHLBanks made more than $296 million in AHP subsidies available nationwide (see Figure 8).

The amount of AHP funding available to FHLBank members varies according to FHLBank earnings. Beginning in 1995, the FHLBanks have been required to collectively contribute a minimum of $100 million to their AHP. If an FHLBank does not have earnings in a given year, it is not required to make contributions to its AHP for the following year. The FHLBanks have always exceeded the minimum $100 million threshold.

Additional Sources of Financing

The Federal Home Loan Bank Act specifically requires FHFA to coordinate AHP with other federal affordable housing programs. AHP is unique because it subsidizes private financing from FHLBank members that is then used in combination with federal, state and local, and charitable grant and loan programs.

In 2013, projects funded by AHP also relied on a number of other sources of funding. The most frequently used source of funding with AHP was the low-income housing tax credit, which supported 292 (approximately 48 percent) of the 612 projects approved for AHP funds. The HOME Investment Partnerships Program and the Community Development Block Grant Program were among the other programs used with AHP funds. Sixty-seven percent of AHP projects received additional funding from federal programs (see Figure 9).

Figure 9 • Number of 2013 Approved AHP Projects Receiving Federal Funds

Community Development Block Grant Program	70
HOME Investment Partnerships Program	208
Low-Income Housing Tax Credit Program	292
Federal Housing Administration Programs	17
Other Federal Housing Programs	105
Projects Not Receiving Funding From Federal Sources	197

Source: Federal Housing Finance Agency

Data as of December 31, 2013, excluding withdrawn projects. The numbers add up to more than the total number of projects (607) because some projects receive federal funding from more than one source.

Figure 10 • 2013 AHP Competitive Application Program Overview

	Rental Housing Projects	Owner-Occupied Housing Projects	Total Housing Projects
Total Number of Awarded Projects	448	159	607
Subsidy Awarded ($ in Millions)	$220	$33	$253
Number of Housing Units	23,844	3,738	27,582
Average Subsidy per Unit	$9,248	$8,867	$9,197
Number of Very Low-Income Housing Units [a]	17,512	1,982	19,494

Source: Federal Housing Finance Agency

Data as of December 31, 2013, withdrawn projects. Dollars have been rounded

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

AHP Competitive Application Program

The AHP competitive program accepts applications from members on behalf of project sponsors, typically non-profit corporations or housing finance agencies. More than three quarters of all of the units funded under the competitive program in 2013 were rental housing units (see Figure 10).

AHP Homeownership Set-Aside Program

In addition to the competitive program, an FHLBank may set aside up to the greater of $4.5 million or 35 percent of its AHP annual contributions to fund home-ownership programs. In 2013, the combined total of the FHLBanks' set-aside program was $68 million.

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

The maximum permissible amount of subsidy per household is $15,000. In 2013, the average subsidy for all households participating in the set-aside was $6,835. The most common use of set-aside assistance has been for down payment and closing cost assistance to borrowers. Since 2007 the number of set-aside grants used for owner-occupied home rehabilitation (such as lead-based paint removal, weather proofing, and accessibility retrofits) has trended up, from 215 to 1642 in 2012. In 2013, 1483 grants were used for home rehabilitation.

Figure 11 • 2013 Non-Depository CDFI Members of the Federal Home Loan Bank System

Community Development Financial Institutions Members of the Federal Home Loan Bank System

FHLBank	CDFI Name	City	State
Atlanta	Self-Help Ventures Fund	Durham	NC
Boston	Coastal Enterprises, Inc.	Wiscasset	ME
Chicago	IFF	Chicago	IL
Cincinnati	Cincinnati Development Fund	Cincinnati	OH
Cincinnati	Community Ventures Corporation	Lexington	KY
Cincinnati	Federation of Appalachian Housing Enterprises, Inc.	Berea	KY
Cincinnati	Ohio Capital Finance Corporation	Columbus	OH
Dallas	Brazos Valley CDC, Inc.	Bryan	TX
Dallas	Gulf Coast Renaissance Corporation	Gulfport	MS
Dallas	Rio Grande Valley Multibank Corporation	Brownsville	TX
Des Moines	Neighborhood Finance Corporation	Des Moines	IA
Indianapolis	Metro Community Development, Inc.	Flint	MI
New York	AAFE Community Development Fund, Inc.	New York	NY
New York	The Community Development Trust, Inc.	New York	NY
San Francisco	Century Housing Corporation	Culver City	CA
San Francisco	Clearinghouse Community Development Financial Institution	Lake Forest	CA
San Francisco	Low Income Investment Fund	San Francisco	CA
San Francisco	Raza Development Fund, Inc.	Phoenix	AZ

Source: Federal Housing Finance Agency.

Data as of December 31, 2013.

FHLBank Community Investment and Community Investment Cash Advance Programs

The FHLBanks' Community Investment Program (CIP) offers specialized advances to FHLBank members at the cost of the FHLBanks' consolidated obligations of comparable maturities, taking into account reasonable administrative costs. CIP funds can provide housing for households with incomes at or below 115 percent of area median income. CIP funds also may be used for economic development projects in low- and moderate-income neighborhoods or to benefit low- and moderate-income households. In 2013, the FHLBanks issued almost $2.7 billion in CIP advances for housing projects and $26 million for economic development projects.

The Community Investment Cash Advance Program (CICA) offers low-cost, long-term advances for members and housing associates, such as state and local housing finance agencies and economic development finance authorities, to finance economic development projects. In 2013, the FHLBanks issued approximately $2.7 billion in CICA advances for community development projects such as commercial, industrial, manufacturing, social services, and public facilities.

CDFI Membership in FHLBanks

Community Development Financial Institutions (CDFIs) certified by the U.S. Department of the Treasury are eligible to become members of the FHLBank System in two ways. Those CDFIs that are insured depositories, such as federally insured banks, thrifts, and credit unions, are eligible to apply for membership as federally insured depositories.

HERA authorized non-depository CDFIs, such as community development loan funds, to also apply for membership in an FHLBank. At the end of 2013, there were 18 non-depository CDFI members of the FHLBank System. (See Figure 11.)

FHLBank Housing Goals

In December 2010, FHFA published a final rule establishing housing goals for the FHLBanks in the Federal Register. The FHLBanks' housing goals performance is based on single-family whole loans purchased from their members through their acquired member assets programs. FHLBanks may elect whether to participate in an acquired member assets program. In 2013, 8 of the 12 FHLBanks purchased whole loans through these programs. The housing goals measure the extent that these programs are serving low- and very low-income families residing in low-income areas.

In 2013, the FHLBanks made more than $296 million in AHP subsidies available nationwide.

The housing goals for the FHLBanks are consistent with the single-family housing goals for Fannie Mae and Freddie Mac (according to the statutory intent of the HERA), but they take into account the unique characteristics of the FHLBanks.

To be subject to housing goals, the total unpaid principal balance of loans purchased through the acquired member asset programs held by an FHLBank must exceed $2.5 billion in a given year. This volume threshold ensures that an FHLBank has sufficient mortgage purchase volume for a housing goals program. However, mortgage purchase volumes did not individually exceed $2.5 billion at any of the FHLBanks, so none of the FHLBanks were subject to housing goals in 2013.

Director Compensation

The FHLBanks are governed by Boards of Directors ranging in size from 14 to 18. The majority of directors are officers or directors of member institutions with the remaining (at least 40 percent) being independent directors. Independent directors must reside in the FHLBank district but are not officers of an FHLBank or directors, officers or employees of a member of the FHLBank on which they serve as directors.

Before HERA, FHLBank Directors' compensation had statutory caps. In 2009, with the implementation of HERA, the caps were lifted, and the FHLBanks were

With growth in system advances, the overall mission orientation of the FHLBanks' balance sheet improved somewhat during 2013. Advances represented 60 percent of FHLBank assets at the end of 2013, up from 56 percent at the end of 2012.

allowed to pay reasonable compensation for the time required of their Board of Directors and necessary expenses, subject to FHFA review.

The 12 FHLBanks and the Office of Finance (OF) provide FHFA with their Director Compensation Policy (the "Policy"), which establishes the maximum compensation for directors, the criteria each director needs to meet to receive that compensation, and the timing of payments for the upcoming year. FHFA reviews each Policy to ensure the FHLBank withholds compensation if the director does not participate in a sufficient number of meetings or is found not to be a contributing member of the Board. All of the FHLBanks and the OF have provisions for withholding compensation if a director's attendance falls below a certain level. Based on the attendance reports and compensation paid report that each of the entities submitted, FHFA found that all FHLBanks and the OF complied with their policies and that four banks reduced director compensation paid to individual directors based on attendance.

The following table (Figure 12) shows the maximum compensation available to the directors at each FHLBank and the OF for 2013.

The individual FHLBanks have taken different approaches to compensating their Boards. Some moved their directors swiftly to the market median; others have taken a more measured approach. The FHLBanks did contract with a compensation consulting firm to provide market data on directors compensation. All of the FHLBanks are within the range of comparable compensation levels that firm provided.

The FHLBanks and the OF must also report all compensation paid and expenses reimbursed or incurred by the FHLBank in support of the Board. As shown in Figure 13, director compensation and expenses incurred varied considerably across FHLBanks. Expenses included in the total expenses reported also varied significantly from FHLBank to FHLBank. In 2014 FHFA will require more detailed and consistent reporting on board expenses.

The composition of the OF Board of Directors is significantly different from the FHLBanks. The OF Board consists of 5 independent directors plus the 12 FHLBank Presidents. The FHLBank Presidents are not compensated for their role on the OF Board.

Figure 12 • 2013 Annual Maximum Compensation for Federal Home Loan Bank Directors

	Chair	Vice Chair	Audit Com Chair	Other Committee Chairs	All Other Directors
Atlanta	$70,000	$65,000	$65,000	$60,000	$55,000
Boston	$75,000	$65,000	$65,000	$60,000	$55,000
Chicago	$90,000	$80,000	$80,000	$75,000	$70,000
Cincinnati	$98,000	$85,000	$87,000	$84,000	$70,000
Dallas	$77,500	$72,500	$72,500	$60,000	$55,000
Des Moines	$90,000	$85,000	$80,000	$75,000	$65,000
Indianapolis	$110,000	$85,000	$85,000	$85,000	$75,000
New York	$100,000	$85,000	$85,000	$85,000	$75,000
Pittsburgh	$86,000	$78,000	$78,000	$78,000	$70,000
San Francisco	$95,000	$90,000	$85,000	$85,000	$70,000
Seattle	$70,000	$65,000	$65,000	$60,000	$55,000
Topeka	$100,000	$85,000	$85,000	$85,000	$75,000
Office of Finance	$125,000		$100,000		$85,000

Figure 13 • 2013 Compensation and Expenses Paid to Federal Home Loan Banks Board of Directors

Bank	Total Compensation Paid	Total Expenses Paid	Total Cost
Atlanta	$822,142.84	$511,053.87	$1,333,196.71
Dallas	$962,500.00	$434,703.90	$1,397,203.90
Indianapolis	$1,455,000.00	$360,033.20	$1,815,033.20
Topeka	$1,200,000.00	$286,993.00	$1,486,993.00
Cincinnati	$1,431,500.00	$257,091.30	$1,688,591.30
Chicago	$1,250,000.00	$205,989.39	$1,455,989.39
San Francisco	$1,161,943.39	$194,709.33	$1,356,652.72
Des Moines	$1,150,000.00	$191,601.69	$1,341,601.69
Pittsburgh	$1,219,350.33	$187,732.13	$1,407,082.46
New York	$1,380,548.00	$160,806.53	$1,541,354.53
Boston	$880,225.00	$153,534.72	$1,033,759.72
Seattle	$818,888.88	$117,321.89	$936,210.77
Office of Finance	$480,000.00	$182,441.52	$662,441.52
Bank High	**$1,455,000.00**	**$511,053.87**	**$1,815,033.20**
Bank Low	**$818,888.88**	**$117,321.89**	**$936,210.77**
Bank Median	**$1,180,971.70**	**$200,349.36**	**$1,402,143.18**
Bank Average	**$1,144,341.54**	**$255,130.91**	**$1,399,472.45**

District 1 • The Federal Home Loan Bank of Boston[6]

At year-end, the FHLBank of Boston was the eighth largest FHLBank with $44.6 billion of total assets. At its July 2013 examination, FHFA had supervisory concerns about the FHLBank. The level of credit risk in the private-label MBS portfolio, although declining, remained elevated. Other factors affecting FHFA's assessment of the FHLBank included deficiencies in corporate governance, including key management turnover, and operational risk issues. The number of deficiencies cited at the 2013 examination was lower than at the prior examination, which reflected favorably on management and the board.

Notwithstanding examination concerns, gradual improvement in condition has continued. Net income totaled $212 million in 2013 – the fourth consecutive year of positive earnings. In 2013, several earnings metrics exceeded averages for the FHLBank System. The FHLBank's net interest spread was 56 basis points and the return on assets was 54 basis points during 2013.

The FHLBank paid dividends at an average rate of 0.38 percent in 2013 while boosting retained earnings by $201 million to $789 million or 1.77 percent of assets at year-end 2013, up from 1.46 percent at year-end 2012. The level of retained earnings exceeded the amount the FHLBank's internal retained earnings model indicated to be sufficient for the risks in the FHLBank's operations. The FHLBank had regulatory capital of $4.38 billion at December 31, 2013, an increase of $38 million from year-end 2012. This exceeded the $1.8 billion requirement (4.0 percent of assets) by $2.5 billion. GAAP capital declined in 2013, primarily from the loss of one of the FHLBank's largest shareholders and the reclassification of capital stock held by that former member to a GAAP liability.

Advances totaled $27.5 billion, representing 62 percent of assets. No borrower held more than 15 percent of the FHLBank's advances. The private-label MBS portfolio totaled $1.2 billion in carrying value, or 2.7 percent of assets, with 85 percent of the portfolio rated below investment grade.

6 This summary reflects conclusions made at the time of FHFA's 2013 examination of the FHLBank of Boston supplemented by year-end financial information.

District 2 • The Federal Home Loan Bank of New York[7]

At year-end, the FHLBank of New York was the largest FHLBank with $128 billion of total assets. At its July 2013 examination, FHFA found the overall condition of the FHLBank to be satisfactory and that the FHLBank continued its pattern of strong earnings and low overall risk. However, FHFA also found that the FHLBank needed to enhance transparency in its risk limit structure, improve its oversight of home equity lines of credit pledged as collateral and related processes, and improve its procedures related to the testing of new products prior to implementation.

Significant factors affecting the FHLBank's financial condition and performance include high profitability, strong capital levels, and a low-risk balance sheet. Advances of $90.8 billion represent 71 percent of total assets – the third highest ratio in the FHLBank System. The FHLBank of New York's advance portfolio has been greater than 70 percent of assets since 2001. The FHLBank holds the third smallest portfolio of private-label MBS relative to total assets in the System at 0.3 percent. As a result, credit-related losses have been infrequent and minimal.

Profitability at the FHLBank of New York remains strong. Net income totaled $305 million in 2013. Net interest income, however, continued a gradual downward trend, declining from $506 million in 2011 and $466 million in 2012 to $421 million in 2013. The decline resulted from less advantageous funding spreads and declining yields on its advances and investment portfolios. Advance yields were lower as higher-yielding advances prepaid and higher-yielding investments in MBS paid down.

Despite challenges related to tighter funding spreads and declining yields, the FHLBank consistently generated strong earnings, which drove growth in retained earnings. Retained earnings totaled $999 million, or 0.78 percent of assets, as of December 31, 2013. The FHLBank maintains a relatively strong risk-adjusted capital position.

Insurance companies represent a small number of the FHLBank's members but accounted for a significant proportion of total outstanding advances. The FHLBank has seven life insurance company members with a total of $16.5 billion of advances outstanding, representing 19 percent of total advances. Lending to insurance companies involves risks that are different than those involved in lending to depository institutions.

7 This summary reflects conclusions made at the time of FHFA's 2013 examination of the FHLBank of New York supplemented by year-end financial information.

District 3 • The Federal Home Loan Bank of Pittsburgh[8]

At year-end, the FHLBank of Pittsburgh was the sixth largest FHLBank with $70.7 billion in total assets. At its April 2013 examination, FHFA had supervisory concerns about the FHLBank. The FHLBank had weaknesses in asset quality related to legacy investments in private-label MBS, sub-par earnings, and compliance problems. Positive trends noted at the examination included a marked slowdown in credit impairment charges on private-label MBS, a declining private-label MBS portfolio, an improving level of retained earnings, and a satisfactory market value of equity relative to the par value of the FHLBank's capital stock. FHFA cited considerably fewer deficiencies at the 2013 examination relative to the 2012 examination, reflecting favorably on the FHLBank's management and board.

The FHLBank's financial condition continued to improve during 2013. The FHLBank earned $197 million of net interest income and $148 million of net income. The FHLBank generated a net interest spread of 0.28 percent (the second lowest in the FHLBank System), a return on assets of 0.24 percent (third-lowest in the System), and a return on equity of 4.32 percent (second lowest in the System). The FHLBank's lower-than-average profitability resulted from a relatively high level of advances, which generally are less profitable than other investments, and from legacy higher-cost debt. A portion of this debt matured in the second half of 2013.

The FHLBank's regulatory capital ratio was 5.16 percent, and it held $686 million in retained earnings, which represented 0.97 percent of total assets. At year-end, the FHLBank's market value of equity was 128 percent of the par value of its member capital stock. The FHLBank held $50.2 billion of advances (71 percent of total assets, second highest percentage in the System), $17 billion of investments (24 percent of total assets), and $3.2 billion of mortgages (5 percent of total assets), which compared with aggregate FHLBank averages of 60 percent advances, 35 percent investments, and 5 percent mortgages. During 2013, advances growth added $6.1 billion, or 9 percent, to the FHLBank's balance sheet.

The FHLBank had 297 members at year-end 2013. Of these, 179 were commercial banks, 78 were thrifts, and the remaining 40 members were credit unions and insurance companies. Though the FHLBank benefited from growth in advance borrowing by its largest members, its advance lending was also highly concentrated among large members. The FHLBank's four largest borrowers held 74 percent of total advances, and its 10 largest held 84 percent of total advances – the highest concentrations in the System.

8 This summary reflects conclusions made at the time of FHFA's 2013 examination of the FHLBank of Pittsburgh supplemented by year-end financial information.

District 4 • The Federal Home Loan Bank of Atlanta[9]

At year-end, the FHLBank of Atlanta was the second largest FHLBank with $122.3 billion of total assets. At its January 2013 examination, FHFA found the overall condition of the FHLBank to be satisfactory. The key factors contributing to the FHLBank's overall satisfactory condition included its mission-oriented balance sheet, continued growth in retained earnings, and declining credit risk due to a shrinking portfolio of private-label MBS. Though declining, credit risk remained a moderate concern. FHFA had concerns about the FHLBank's monitoring of assets that posed heightened credit risk, as well as deficiencies related to managerial or executive oversight of information technology.

The financial condition and performance of the FHLBank compared satisfactorily with other FHLBanks. While performance metrics have been below FHLBank averages, they reflect the FHLBank's business model, which emphasizes providing low-cost advances to its members. The FHLBank's advances represent 70 percent of total assets – the highest ratio in the FHLBank System. Though the FHLBank has a large and diverse membership base, advances are concentrated among its 10 largest borrowers, which represent approximately 75 percent of total borrowings. The concentration has contributed to volatility in advance balances at the FHLBank.

Credit risk is declining as the private-label MBS portfolio runs off, but remains a concern because this portfolio is still relatively large. Credit impairment on private-label MBS has slowed, allowing the FHLBank to generate consistently positive income and grow retained earnings. During 2013, the carrying value of the private-label MBS portfolio declined by 22 percent to $4.2 billion, representing 3 percent of total assets.

Net income totaled $338 million in 2013, up from $270 million in 2012. The increase reflects a one-time gain from the settlement of a private-label MBS lawsuit, as well as lower credit impairment charges on private-label MBS. Consistent earnings allowed Atlanta to increase its retained earnings by $221 million in 2013. At year-end, retained earnings were 1.35 percent of assets, up from 1.16 percent at year-end 2012.

9 This summary reflects conclusions made at the time of FHFA's 2013 examination of the FHLBank of Atlanta supplemented by year-end financial information.

District 5 • The Federal Home Loan Bank of Cincinnati[10]

At year-end, the FHLBank of Cincinnati was the third largest FHLBank with $103.2 billion in total assets. At its January 2013 examination, FHFA found the overall condition of the FHLBank to be satisfactory but that the FHLBank needed to enhance operational risk management, increase the transparency of its strategic initiatives, implement income sensitivity limits, document and support internal audit reports, and fill unexpected staff vacancies. The FHLBank satisfactorily resolved or made progress on each of the findings from the 2012 examination.

Throughout the year, the FHLBank's financial condition and performance were satisfactory, and its net income ranked fifth in the FHLBank System. As a result, the FHLBank provided a strong dividend return to members.

Total assets at the FHLBank grew $21.6 billion during 2013, driven primarily by a net increase in advances of $11.4 billion. At year-end, the FHLBank had $103.2 billion in assets and $65.3 billion in advances. Also during 2013, advances to the FHLBank's largest borrower increased from $26 billion to $42 billion. Concentration of advances to this member intensified, reaching 64 percent of the advance portfolio at year-end. Retained earnings rose to $621 million, up from $538 million at the end of 2012. The FHLBank's balance sheet at year-end 2013 was 63 percent advances, 30 percent investments (including cash), and 7 percent mortgage loans.

The FHLBank reported net income of $261million in 2013, up from $235 million in 2012. The higher net income resulted from increases in earning assets and occurred despite declines in key profitability metrics. Return on equity declined to 5.10 percent in 2013 from 6.20 percent in 2012; and return on assets fell to 0.28 percent from 0.35 percent. The declining measures resulted from the FHLBank's increased proportion of advances to assets, as advance margins are narrow relative to some alternative FHLBank investments. The FHLBank paid an average annual dividend of 4.18 percent, the highest in the FHLBank System for 2013.

10 This summary reflects conclusions made at the time of FHFA's 2013 examination of the FHLBank of Cincinnati supplemented by year-end financial information.

District 6 • The Federal Home Loan Bank of Indianapolis[11]

At year-end, the FHLBank of Indianapolis was the ninth largest FHLBank with $37.8 billion of total assets. At its September 2013 examination, FHFA found the overall condition of the FHLBank to be satisfactory and that the FHLBank's credit risk profile was also satisfactory, with the private-label MBS portfolio declining, member credit risk improving, and acquired mortgage assets continuing to perform well. FHFA, however, did find that the FHLBank had elevated operational risk because of difficulties in implementing a new information technology core banking system, insufficient risk management, and inadequate information security independence. The FHLBank substantially remediated prior examination findings; however, it had not fully resolved some matters related to unsecured credit management.

The FHLBank's 2013 financial condition and performance was acceptable. Total assets declined during the year by 8 percent, driven by declines in its investment portfolio by 36 percent and its advances portfolio by 4 percent. Advances represented a relatively low proportion of assets at 46 percent. Acquired mortgage assets offset some of these declines, growing by 3 percent. The shrinking private-label MBS portfolio and improving housing market fundamentals contributed to further declines in impairment charges and improved earnings for 2013.

Net income totaled $218 million in 2013, up from $143 million in 2012. The primary drivers of the increase in earnings were other non-interest income, which increased $51 million; derivative gains of $17 million compared to a $13 million loss in the prior year; and net interest income, which increased $8 million. Consistently positive income has driven growth in retained earnings, which represent 1.99 percent of assets as of December 31, 2013, greater than the FHLBank System average of 1.45 percent.

The FHLBank's private-label MBS portfolio, which has been the source of elevated credit risk in recent years, is shrinking. The carrying value of the portfolio declined by 29 percent during 2013 and finished the year at $635 million. Contraction in the size of the portfolio, coupled with improvements in housing prices, resulted in lower credit impairment charges in 2013 than in previous years. Credit losses on private-label MBS totaled $1.9 million in 2013, down from $3.8 million in 2012, $26.8 million in 2011, and $69.8 million in 2010.

11 This summary reflects conclusions made at the time of FHFA's 2013 examination of the FHLBank of Indianapolis supplemented by year-end financial information.

District 7 • The Federal Home Loan Bank of Chicago[12]

At year-end, the FHLBank of Chicago was the seventh largest FHLBank with $68.8 billion of total assets. At its October 2013 examination, FHFA had supervisory concerns about the FHLBank because of lingering asset quality weaknesses related to legacy investments in private-label MBS. Management and operational risk challenges centered on enhancement and expansion of its information technology and business operations in Mortgage Partnership Finance®. While management and the board remediated all the 2012 examination findings, in some cases, such as findings addressing MPF quality control and income simulation, the Bank addressed the technical requirements of the remediation but not the full intent of the finding.

During 2013, the FHLBank's financial condition continued to improve with strong earnings (although driven primarily by non-traditional assets) and high retained earnings relative to total assets. Profitability was strong, largely because of profitable long-dated investments and associated funding that was favorable to the FHLBank. Net income totaled $343 million with return on assets unchanged from the prior year at 53 basis points. Return on equity was high at 9.71 percent and return on capital stock was 21.83 percent.

While advances increased by 62 percent to $23.5 billion, advances as a percentage of total assets remained low at 34 percent. The FHLBank's balance sheet consisted of 53 percent investments, which were primarily long-term agency MBS and other long-term securities, and 11 percent whole loan mortgages. The FHLBank held $44.1 billion in investments and mortgage loans at year-end 2013. The FHLBank's challenge is to transition from its current, investment-heavy configuration to an advance-focused institution.

The carrying value of the FHLBank's private-label MBS portfolio was $1.3 billion, down 16 percent from year-end 2012. Despite this contraction, the size and credit quality of the private-label MBS portfolio remained substantial drivers of credit risk. Most of the carrying value of this portfolio was rated below investment grade.

The FHLBank's capital position was strong with significant, steady improvement in recent years resulting from its strong earnings coupled with a low percentage of earnings paid out in dividends. Retained earnings increased 20 percent to $2 billion or 2.95 percent of total assets. Capital stock remained relatively unchanged in 2013 at $1.7 billion.

[12] This summary reflects conclusions made at the time of FHFA's 2013 examination of the FHLBank of Chicago supplemented by year-end financial information.

District 8 • The Federal Home Loan Bank of Des Moines[13]

At year-end, the FHLBank of Des Moines was the fifth largest FHLBank with $73 billion in total assets. At its January 2013 examination, FHFA found the overall condition of the FHLBank to be satisfactory and that its financial condition and performance remained strong. Even so, FHFA found that the FHLBank needed to enhance its market risk management practices and demonstrate the effectiveness of its hedging strategies. FHFA also found that the FHLBank's operational risk was elevated primarily because of the FHLBank's ongoing implementation of an information technology core banking system conversion. The FHLBank's high volume of insurance company advances requires continued diligence by its board and management to assess and mitigate potential credit risks with these members.

During 2013, the FHLBank of Des Moines remained profitable and maintained an adequate capital position for its risk profile. While the FHLBank had minimal credit risk exposure to its MBS portfolio due to its limited holdings in private-label MBS, it had substantial interest rate risk exposure to whole loan mortgages, which required increased monitoring and oversight.

The FHLBank had net income of $110 million for 2013 – consistent with its $111 million in net income for 2012 and up from $78 million in 2011. Profitability, while stable, was somewhat below average compared with the other FHLBanks, which is primarily attributed to a higher percentage of lower yielding advances, a lower amount of MBS investments relative to total investments, and the lingering effects of legacy debt that was used to fund whole mortgage loans at less than advantageous spreads. The FHLBank's return on assets for 2013 was 0.20 percent compared with the FHLBank System average of 0.32 percent.

At year-end, regulatory capital totaled $3.4 billion or 4.6 percent of assets. The FHLBank's capital to assets ratio is below system average, but it has little excess redeemable stock. Retained earnings, which total $678 million at December 31, 2013, remained adequate.

Advances increased substantially during 2013, increasing to $45.7 billion, up from $26.6 billion at year-end 2012. The increase in advances was primarily the result of significant borrowings by one large commercial bank member, which now has 42 percent of outstanding advances. The FHLBank's lending to insurance company members, which presents unique risks, is among the highest in the System. Investments in whole loan mortgages totaled $6.6 billion or 9 percent of assets.

13 This summary reflects conclusions made at the time of FHFA's 2013 examination of the FHLBank of Des Moines supplemented by year-end financial information.

District 9 • The Federal Home Loan Bank of Dallas[14]

At year-end, the FHLBank of Dallas was the smallest of the 12 FHLBanks with $30.2 billion of total assets. At the time of its April 2013 examination, FHFA found the overall condition to be satisfactory, though it had several operational risk events caused by human error and systemic non-adherence to policy. The FHLBank's overall financial risk profile remained low, and its capital position was strong. Declining advance volume remained the predominant financial long-term challenge for the FHLBank. Additionally, the FHLBank's operating expenses were the highest, relative to assets, in the FHLBank System. FHFA also found that the FHLBank had governance challenges in enterprise risk management and operational risk controls that it needed to address. The FHLBank has experienced significant turnover in the Chief Risk Officer position. Its Board of Directors and Chief Executive Officer must support the Chief Risk Officer's role and ensure access to the Board. Management has established a project team to strengthen processes, and the Board has committed to address operational and compliance failures.

Advances totaled $16 billion, second lowest in the System and just 53 percent of total assets as of December 31, 2013. Advance volumes have declined steadily since 2008 and are currently at 1998 levels. In 2013, approximately $2.4 billion in outstanding advances rolled off. The low advance activity has both structural and cyclical causes. Consolidation in the market has caused the FHLBank to lose some key members, and current members' advance demand is low.

Operating expenses were 0.20 percent of assets in 2013, the highest ratio in the FHLBank System and nearly double the System average ratio of 0.11 percent. Though the FHLBank has reduced the absolute level of operating expenses by almost 10 percent in recent years, combined salary and other overhead expenses have not contracted apace with the FHLBank's balance sheet.

Reflecting the FHLBank's lower credit and market risk profiles, earnings metrics, such as return on assets at 0.27 percent and return on equity of 5.15 percent, are slightly less than System averages. Despite its lower earnings levels, the FHLBank maintains a strong reported risk-adjusted capital position. Retained earnings total $655 million, or 2.17 percent of total assets. This ratio ranks third in the System and highlights the FHLBank's strong capital position relative to its low risk profile.

[14] This summary reflects conclusions made at the time of FHFA's 2013 examination of the FHLBank of Dallas supplemented by year-end financial information.

District 10 • The Federal Home Loan Bank of Topeka[15]

With total assets of $34.0 billion, the FHLBank of Topeka is the second smallest FHLBank. The overall condition of the FHLBank is satisfactory. Topeka has stable core earnings, a strong capital position, and a low risk profile. However, the FHLBank's exposures to insurance company lending and whole loan mortgages are significantly greater than System averages.

The financial condition and performance of the FHLBank of Topeka compare favorably with other FHLBanks. The FHLBank has remained consistently profitable, with minimal credit losses on private-label MBS and a large portfolio of whole loan mortgages. As a result, Topeka has built a strong capital position. The FHLBank's generally low risk profile enhances capital adequacy. Management continues efforts to align the FHLBank's balance sheet with the housing mission focus of the System.

After declining the last two years, advances grew in 2013 by 5.1 percent to $17.4 billion and now make up 51.3 percent of assets. Insurance companies hold 18.0 percent of the FHLBank's outstanding advances. Because of the size and unique risks of this portfolio, management must diligently monitor insurance company lending and mitigate potential risks.

Mortgages represent 17.5 percent of assets, the highest ratio in the System. However, after a period of significant growth, that trend has peaked, with the portfolio only growing by 0.15 percent in 2013. While the credit quality of the mortgage portfolio is high, the relative size of the portfolio and the elevated market risk associated with mortgage assets merit vigilant oversight.

Topeka reported net income of $119.0 million in 2013, up from $110.3 million in 2012 and $77.3 million in 2011. The resulting return on average assets of 0.33 percent was consistent with the System mark of 0.32 percent. The FHLBank has generated consistent positive earnings, due in part to minimal credit losses on its small private-label MBS portfolio. A stable core earnings stream also contributes to Topeka's consistent income. Net interest income totaled $215.8 million in 2013, down slightly from $217.2 million in 2012.

The stable earnings are driven by active debt management that lowers interest expense and the large portfolio of relatively high-yielding mortgages. The resulting net interest margin of 0.61 percent is well in excess of the System average of 0.44 percent. The FHLBank paid quarterly dividends at an average rate of 2.42 percent during 2013. Retained earnings grew by 17.9 percent in 2013 and represent 1.67 percent of total assets, compared to the System average of 1.45 percent.

Management should continue to monitor the FHLBank's exposure to whole loan mortgages and advances to insurance companies and large members. The FHLBank should also maintain its focus on improved AHP project administration and operational risk controls.

[15] This summary reflects conclusions made at the time of FHFA's 2013 examination of the FHLBank of Topeka supplemented by year-end financial information.

District 11 • The Federal Home Loan Bank of San Francisco[16]

At year-end, the FHLBank of San Francisco was the fourth largest FHLBank with $85.8 billion in total assets. At its July 2013 examination, FHFA found the FHLBank's overall condition to be satisfactory. Examiners identified the most significant issues for the FHLBank to include declining advances and exposure to below investment grade private-label MBS. FHFA also found that the FHLBank needed to enhance its credit risk model and its evaluation of member collateral. The board and management should continue to focus on strategic planning, particularly with regard to operating expenses and projected earnings as a result of a significantly smaller balance sheet and changes to overall asset composition.

The FHLBank's advances have declined dramatically since 2007. At year-end 2007, the FHLBank's advances totaled $251 billion. By December 31, 2013, the FHLBank's advances totaled just $44.4 billion. In addition to a decline in advance demand among members in general, the declining advance volume reflects the loss of some of the FHLBank's largest members resulting from member failures, mergers, and bank charter dissolutions.

Potential risk from the FHLBank's substantial private-label MBS portfolio remained a concern in 2013. Although credit losses on the private-label MBS portfolio declined substantially during the year, the ultimate repayment of the private-label MBS is uncertain particularly under adverse business, financial, and economic conditions. Although at year-end the FHLBank's retained earnings were among the highest in the FHLBank System, it had a need for higher retained earnings because of the risk of private-label MBS.

The financial performance of the FHLBank has been strong in recent years, but significant changes in the composition of assets and projected declines in spreads will likely reduce future earnings. Return on assets was 35 basis points and a net interest spread was 52 basis points during 2013, which compares favorably to System averages. Strong earnings principally result from wide spreads realized on agency and private-label MBS holdings. The wide spreads, however, are expected to wane over the next several years. Furthermore, 64 percent of the Bank's total advances were concentrated in the FHLBank's six largest borrowers, and one former member will repay its advances of $3 billion within the next three years.

The FHLBank's 2013 operating expenses on an absolute basis were the highest in the System. Although strong earnings helped to offset these expenses, further anticipated declines in income may reduce the FHLBank's ability to support its current cost structure. In response to these concerns, the FHLBank plans to increase participation in certain Mortgage Partnership Finance programs and to expand advances to insurance companies. The board and management must continue to evaluate potential risks from these activities.

16 This summary reflects conclusions made at the time of FHFA's 2013 examination of the FHLBank of San Francisco supplemented by year-end financial information.

District 12 • The Federal Home Loan Bank of Seattle[17]

At year-end, the FHLBank of Seattle was the third smallest FHLBank with $35.9 billion of total assets. At its April 2013 examination, FHFA had supervisory concerns about the overall condition of the FHLBank and identified high credit and operational risks. The FHLBank's year-end retained earnings were not sufficient to support the overall risk profile, earnings continued to be low, and future earnings prospects appeared weak. FHFA found the state of the FHLBank's information technology infrastructure continued to create an unacceptable level of operational risk. Its information technology systems were deficient in architecture, infrastructure, information security, and applications, and the majority of business applications would not fit future business needs and did not have sustainable technical characteristics. Further, all data stores and several key operating systems had no support or were near the end of standard lifecycles. While management had stabilized some aspects of operations, these information technology weaknesses have been outstanding for many years and still require aggressive remedial actions. The FHLBank continues to merit heightened supervisory attention, and its future financial performance and condition remain vulnerable to adverse changes in the economic environment.

At year-end, the composition of the Bank's capital stock was not indicative of a healthy FHLBank. Also at year-end, 59 percent, or $1.7 billion, of the FHLBank's member stock was under a redemption request or held by a non-member (known as mandatorily redeemable capital stock and counted as a liability under GAAP). Moreover, $1.1 billion of that $1.7 billion was past its contractual five-year redemption date. Although the FHLBank has had positive earnings in recent years and has experienced a significant increase in the market value of its equity, earnings declined in 2013 and future earnings may not be adequate to support needed enhancements to the FHLBank's operations. Net income totaled $61 million in 2013, down from $71 million in 2012 and $84 million in 2011.

Earnings remain reliant on the leveraging of mandatorily redeemable capital stock into investments. FHFA remains concerned about the sustainability of earnings derived from the FHLBank's advance business. The proportion of interest income from advances remained low in 2013, and reliance on investment revenue remained high. Investments make up a greater portion of the FHLBank's balance sheet than any other FHLBank. Advances totaled $10.9 billion at year-end. Although advances increased slightly during 2013, the FHLBank's advance portfolio remained the smallest in the FHLBank System. Advances represented just 30 percent of assets and generated only 25 percent of the FHLBank's interest income in 2013. Advances totaling $3.8 billion to one inactive member will begin to pay down in 2015. The small scale of the advance business coupled with relatively high fixed operating expenses creates uncertainty around the FHLBank's ability to redeem its capital stock on a timely basis and eventually return to normal operations.

Although credit risk has recently declined, it remained elevated because of the poor credit quality of the FHLBank's private-label MBS portfolio. At year-end, approximately 89 percent of the carrying value of the $1.8 billion private-label MBS portfolio was rated below investment grade, and the FHLBank remained exposed to possible credit losses if housing markets were to deteriorate.

[17] This summary reflects conclusions made at the time of FHFA's 2013 examination of the FHLBank of Seattle supplemented by year-end financial information.

Office of Finance[18]

The FHLBanks' Office of Finance issues debt on behalf of the FHLBanks. Located in Reston, Virginia, the Office of Finance has no asset portfolio, balance sheet, or financial statements. Consequently, the institution has no credit or market risk. All debt issued on behalf of the FHLBanks is the joint and several liability of all the FHLBanks.

The Office of Finance's Board is composed of 17 members, including 5 independent directors and each of the 12 FHLBank presidents. One independent director serves as Chairman of the Board.

On behalf of the FHLBanks, the Office of Finance issued $341 billion of bonds during 2013, reflecting a decrease in bond issuances since 2012 of 18 percent. A total of $965 billion of term discount notes were issued in 2013, a decrease of 12 percent for the FHLBank System from the prior year. Overnight discount notes outstanding averaged $8.5 billion or a decrease of 14 percent from the 2012 levels.

The Office of Finance prepares and distributes the combined financial reports for the FHLBanks. The Office of Finance also facilitates various System-wide initiatives.

The Office of Finance's Board and management enhanced corporate governance and operational risk management processes during 2013. However, at its June 2013 examination, FHFA found weaknesses in the organization's risk control self-assessment. These weaknesess, along with ongoing changes to the senior management team, require the Board's continued attention. Additionally, FHFA determined that improvements to policies and procedures, dealer compliance, enterprise risk management, internal audit, and vendor management would enhance the organization's overall operation.

[18] This summary reflects conclusions made at the time of examination supplemented by year-end financial information.

Regulations and Guidance

In 2013, FHFA issued 30 rules, proposed rules, final rules, and policy guidance documents. Many of the regulations met specific statutory requirements, but some were regulations FHFA determined to be necessary or appropriate to support its mission as regulator and conservator for some or all of the 14 regulated entities.

The following tables summarize the rules, proposed rules, final rules, and policy guidance documents, both proposed and final, that the agency issued during 2013. The tables also indicate if a proposed rule or policy guidance has been adopted in final form since the proposal was published.

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

Regulations: All Regulated Entities (Enterprises and Federal Home Loan Banks)

	Rule/Regulation Title	Reference	Date (2013)	Description/Explanation/Comments
Proposed	Credit Risk Retention	78 FR 57928; 12 CFR Part 1234	September 20	This rule, proposed jointly by FHFA, the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (Board), Federal Deposit Insurance Corporation (FDIC), Securities Exchange Commission (SEC), and the U.S. Department of Housing and Urban Development (HUD), would implement the requirements of section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), requiring a securitizer to retain at least 5 percent of the credit risk of any asset that the securitizer, through the issuance of an asset-backed security (ABS), transfers to a third party, and prohibiting the securitizer from hedging or otherwise transferring the credit risk that the securitizer is required to retain.
	Appraisals for Higher-Risk Mortgage Loans—Supplemental Proposal	78 FR 48547; 12 CFR Part 1222	August 8	See below; adopted in final form December 6, 2013.
	Golden Parachute and Indemnification Payments	78 FR 28452; 12 CFR Part 1231	May 14	This rule re-proposed the Golden Parachute proposed rule that was published in 2009. This re-proposal solicited comments on the appropriate treatment of golden parachute arrangements entered into before the effective date of the rule, and also responded to public comments received by FHFA on the golden parachute provisions, and provided clarification regarding coverage of retirement plans, which had been the subject of significant concern expressed in the comments. The final rule was published on January 28, 2014 (79 FR 4394) and went into effect February 27, 2014.
Final	Appraisals for Higher-Priced Mortgage Loans—Supplemental Final	78 FR 78520; 12 CFR Part 1222	December 26	This regulation implements a Dodd-Frank Act provision requiring a regulation. The supplemental proposal, issued jointly by FHFA, the Bureau of Consumer Financial Protection (CFPB), OCC, the Board, FDIC, and National Credit Union Administration (NCUA), would amend Regulation Z, which implements the Truth in Lending Act (TILA). Because it applies only to institutions in the primary mortgage market that originate mortgage loans, and because FHFA's regulated entities—Fannie Mae, Freddie Mac, and the Federal Home Loan Banks—operate in the secondary mortgage markets, it does not affect or change FHFA's regulation codified at 12 CFR part 1222. The regulation was published on December 26, 2013, and went into effect January 18, 2014.

Regulations: All Regulated Entities (Enterprises and Federal Home Loan Banks), continued

	Rule/Regulation Title	Reference	Date (2013)	Description/Explanation/Comments
Final	Suspended Counterparty Program	78 FR 63007; 12 CFR Part 1227	October 23	This regulation, an interim final rule, codifies the procedures FHFA follows under its existing Suspended Counterparty Program, established in June 2012. The interim final rule requires the regulated entities to submit reports to FHFA when they become aware that an individual or institution, and any affiliates thereof, with which they are doing or have done business has committed fraud or other financial misconduct. The interim final rule sets forth the procedures for FHFA issuance of proposed and final suspension orders. Proposed suspension orders include an opportunity for response by the affected individual or institution and by the regulated entities. A final suspension order may be issued if FHFA determines that the covered misconduct is of a type that would likely cause significant financial or reputational harm to a regulated entity or otherwise threaten the safe and sound operation of a regulated entity. Final suspension orders direct the regulated entities to cease or refrain from doing business with the individuals or institutions for a specified period of time or permanently. The interim final rule went into effect October 23, 2013.
	Stress Testing of Regulated Entities	78 FR 59219; 12 CFR Part 1238	September 26	This regulation implements a Dodd-Frank Act provision requiring certain financial companies to conduct annual stress tests to determine whether the companies have the capital necessary to absorb losses as a result of adverse economic conditions. The final rule, adopted in coordination with the Board and the Federal Insurance Office, establishes the stress test framework, including the methodology, reporting, and publication requirements. FHFA separately published the scenarios that are to be used by the regulated entities in applying the stress test methodology, and will continue to publish them on an annual basis. The final rule is comparable to rules adopted by the Board, OCC, and FDIC. The regulation went into effect on October 28, 2013.
	Executive Compensation	78 FR 28442; 12 CFR Part 1230	May 14	This regulation, an interim final rule, sets forth requirements and processes with respect to compensation paid by the regulated entities to their executive officers. The Safety and Soundness Act requires FHFA to prohibit the payment of excessive compensation to the regulated entities' executive officers. The interim final rule went into effect on June 13, 2013. FHFA subsequently published a final rule on January 28, 2014 (79 FR 4389) which went into effect on February 27, 2014.
	Repeal of Disclosure Regulations	78 FR 15869; 12 CFR Parts 998, 1730	March 13	This regulation repeals two obsolete regulations issued by FHFA's predecessor agencies, the Office of Federal Housing Enterprise Oversight (OFHEO) and the Federal Housing Finance Board (Finance Board) with respect to the entities regulated by OFHEO and the Finance Board. The regulations being repealed govern securities disclosures made by the entities. The applicable statutes have been amended so that no FHFA regulations are needed on the subject of the regulated entities' securities disclosure obligations. The repeal was effective April 12, 2013.
	Appraisals for Higher-Priced Mortgage Loans	78 FR 10367; 12 CFR Part 1222	February 13	This regulation, jointly issued by the Board, CFPB, FDIC, FHFA, NCUA, and OCC, implements a Dodd-Frank Act provision requiring appraisals for ''higher-risk mortgages.'' For mortgages with an annual percentage rate that exceeds the average prime offer rate by a specified percentage, the final rule requires creditors to obtain an appraisal or appraisals meeting certain specified standards, provide applicants with a notification regarding the use of the appraisals, and give applicants a copy of the written appraisals used. The regulation went into effect January 18, 2014.

Regulations: Federal Home Loan Banks

	Rule/Regulation Title	Reference	Date (2013)	Description/Explanation/Comments
Proposed	Removal of References to Credit Ratings in Certain Regulations Governing the Federal Home Loan Banks	78 FR 30784; 12 CFR Parts 1267, 1269, 1270	May 23	See below; adopted in final form November 8, 2013.
	Information Sharing Among Federal Home Loan Banks	78 FR 6045; 12 CFR Part 1260	January 29	See below; adopted in final form December 6, 2013.
Final	Information Sharing Among Federal Home Loan Banks	78 FR 73407; 12 CFR Part 1260	December 6	This regulation implements section 20A of the Federal Home Loan Bank Act, which requires FHFA to make available to each FHLBank information relating to the financial condition of all other Banks. The regulation went into effect January 6, 2014.
	Removal of References to Credit Ratings in Certain Regulations Governing the Federal Home Loan Banks	78 FR 67004; 12 CFR Parts 1267, 1269, 1270	November 8	This regulation implements section 939A of the Dodd-Frank Act, under which Federal agencies must review regulations that require the use of an assessment of the creditworthiness of a security or money market instrument and any references to, or requirements in, such regulations regarding credit ratings issued by credit rating organizations registered with the SEC as nationally recognized statistical rating organizations (NRSROs), and to remove such references or requirements. To implement this provision, FHFA removed a number of references and requirements in certain safety and soundness regulations affecting the FHLBanks. To replace the provisions that referenced NRSRO ratings, FHFA added requirements that the Banks apply internal analytic standards and criteria to determine the credit quality of a security or obligation, subject to FHFA oversight and review through the examination and supervisory process. The regulation went into effect May 7, 2014.

Regulations: Enterprises

	Rule/Regulation Title	Reference	Date (2013)	Description/Explanation/Comments
Proposed	Enterprise Underwriting Standards (PACE); (Withdrawal of Proposed Rule)	78 FR 46295; 12 CFR Part 1254	July 31	FHFA withdrew the proposed rule concerning underwriting standards for the Enterprises, relating to mortgage assets affected by Property Assessed Clean Energy (PACE) programs. The proposed rule, published June 15, 2012, (77 FR 3958) was withdrawn July 31, 2013.

Regulations: Agency Operations

	Rule/Regulation Title	Reference	Date (2013)	Description/Explanation/Comments
Proposed	Production of FHFA Records, Information, and Employee Testimony in Legal Proceedings (Touhy)	78 FR 9336; 12 CFR Part 1215	February 8	See below; adopted July 3, 2013.
	Availability of Non-Public Information	78 FR 6042; 12 CFR Parts 911, 1214	January 29	See below; adopted July 3, 2013.
Final	Availability of Non-Public Information	78 FR 39957; 12 CFR Parts 911, 1214	July 3	This regulation prohibits the unauthorized disclosure of FHFA non-public information. It replaces rules issued by FHFA's predecessor agencies, OFHEO and the Finance Board. The regulation went into effect August 2, 2013.
	Production of FHFA Records, Information, and Employee Testimony in Third-Party Legal Proceedings (Touhy)	78 FR 39959; 12 CFR Part 1215	July 3	This regulation governs the production of FHFA records, information or employee testimony in connection with legal proceedings in which neither the United States nor FHFA is a party. This regulation establishes requirements and procedures for parties to submit demands or requests for FHFA information, and the factors for FHFA to consider in determining whether FHFA employees will provide records, information or testimony relating to their official duties. The regulation went into effect August 2, 2013.
	Rules of Practice and Procedure: Enterprise and Federal Home Loan Bank Housing Goals Related Enforcement Amendment	78 FR 37101; 12 CFR Part 1209	June 20	This regulation amends the procedures that govern FHFA's enforcement proceedings to extend them to cases in which the regulated entities fail to submit or follow a housing plan, or an Enterprise fails to submit information on its housing activities. The regulation went into effect July 22, 2013.

Regulations: Housing Goals and Mission

	Rule/Regulation Title	Reference	Date (2013)	Description/Explanation/Comments
Final	Relocation of Regulations	78 FR 2319; 12 CFR Parts 1201, 1225, 1228, 1229, 1231, 1233, 1235-1237, 1261, 1263-1267, 1269-1274, 1278, 1281, 1282, 1290-1292; also removed and relocated 12 CFR Parts 952, 975, 977, 978, 995, 996	January 11	This regulation relocates six Finance Board regulations to new locations within the FHFA chapter of the Code of Federal Regulations without any substantive modification. The regulations relate to: Community Investment Cash Advance Programs (CICA); Federal Home Loan Bank (Bank) collection, settlement, and processing of payment instruments; miscellaneous Bank authorities; Bank requests for information from the federal banking regulators; Financing Corporation (FICO) operations; and Bank assistance for the Resolution Funding Corporation (RefCorp). This final rule also creates a general definitions section to be located at the beginning of the FHFA chapter to facilitate the use of common terms found throughout the chapter. The regulation went into effect February 11, 2013.

Policy Guidance: Regulated Entities and the Office of Finance

Policy Subject	Reference	Date (2013)	Description/Explanation/Comments
Advisory Bulletin on Model Risk Management Guidance	AB-2013-07	November 20	Sets the minimum thresholds, based on the extent and scale of model development for each regulated entity and the Office of Finance, for FHFA's supervisory expectations for model risk management by outlining the framework of baseline control and governance requirements.
Advisory Bulletin on FHFA Enforcement Policy	AB 2013-03	May 31	Disseminates the internal FHFA policy for taking enforcement actions, when determined appropriate, to address compliance with laws, rules, or regulations; supervisory guidance, examination findings, or failure to comply with final agency orders; capital deficiencies; failure to meet prudential standards; and/or unsafe or unsound practices or conditions.

Policy Guidance: Enterprises and the Federal Home Loan Banks

Policy Subject	Reference	Date (2013)	Description/Explanation/Comments
Advisory Bulletin on Clarification of Implementation for Advisory Bulletin 2012-02, Framework for Adversely Classifying Loans, Other Real Estate Owned, and Other Assets and Listing Assets for Special Mention	AB-2013-02	May 13	Clarifies that the implementation of the asset classification framework set forth in AB 2012-02 may occur in two phases. The asset classification provision to be implemented by January 1, 2014 and the charge-off provisions should be implemented no later than January 1, 2015.
Advisory Bulletin on Contingency Planning for High-Risk or High-Volume Counterparties	AB-2013-01	April 1	Establishes guidelines for contingency plans for high-risk or high-volume counterparties at the regulated entities. The guidelines describe the criteria Fannie Mae, Freddie Mac and the FHLBanks should use to develop plans for managing counterparty credit risk exposures.

Policy Guidance: Federal Home Loan Banks

Policy Subject	Reference	Date (2013)	Description/Explanation/Comments
Advisory Bulletin on Collateralization of Advances and Other Credit Products; Perfection and Control of Collateral	AB-2013-10	December 23	Communicates FHFA's expectations on credit risk management practices that ensure the FHLBank advances remain "fully secured," as required by statute, relative to the perfection and control of collateral, when accepting particular types of collateral.
Advisory Bulletin on Collateralization of Advances and Other Credit Products to Insurance Company Members	AB-2013-09	December 23	Provides guidance on credit risk management practices to ensure FHLBank advances remain fully secured when lending to insurance company members.
Advisory Bulletin on Guidance on On-Site Monitoring of Projects under the Affordable Housing Competitive Application Program	AB-2013-08	December 13	Provides guidance to the FHLBanks on incorporating site visits into their project monitoring policies and procedures for certain projects awarded funds under the competitive application program of the Affordable Housing Program (AHP). Describes the existing monitoring requirements of the AHP regulation and provides guidance to the FHLBanks on how they may meet those requirements by identifying risks and conditions that may warrant a visit to the project site.
Advisory Bulletin on Guidance on Scoring Tie-Break Methodologies in the Affordable Housing Competitive Application Program	AB-2013-06	October 8	Provides guidance under the AHP regulation, 12 CFR Part 1291, on how the FHLBanks may treat AHP competitive program applications in the event that two or more applications have identical scores in the same funding round and there is insufficient AHP subsidy to approve all of the tied applications.
Advisory Bulletin on Rescission of Division of Bank Regulation Advisory Bulletins	AB-2013-04	July 16	Rescinds 29 ABs issued between 1996 and 2007 by the Finance Board relating to the examination of the FHLBanks.

Policy Guidance: Enterprises

Policy Subject	Reference	Date (2013)	Description/Explanation/Comments
Advisory Bulletin on Management of Deficiency Balances	AB-2013-05	September 16	Establishes supervisory expectations for deficiency balance management at the Enterprises. Describes factors that should be considered when deciding whether to pursue recovery of deficiency balances as part of a deficiency balance management program.

Policy Guidance: Agency Safety and Soundness Examination Manual

Policy Subject	Reference	Date (2013)	Description/Explanation/Comments
FHFA Examination Manual		December 19	The FHFA Examination Manual comprises an overview of the examination process and 25 modules that provide examination instructions and work programs organized by risk category or line of business or activity. The examination manual serves as a reference tool and describes standards and expectations for the examinations of the regulated entities and the Office of Finance.

Research and Publications

During 2013, FHFA published annual reports required by statute as well as research papers related to housing and market conditions. Reports and publications are posted on the agency website (fhfa.gov).

Reports to Congress

Pursuant to requirements in HERA, FHFA submitted three annual Reports to Congress in 2013: the 2013 Guarantee Fee Study, 2013 Annual Housing Report and 2013 FHLBank Collateral Study.

Guarantee Fee Study

HERA requires FHFA to conduct an on-going study of the guarantee fees charged by Fannie Mae and Freddie Mac. In December 2013, FHFA released its fifth annual guarantee-fee study report, *Fannie Mae and Freddie Mac Single-Family Guarantee Fees in 2011 and 2012*. The report examines the fees charged by the Enterprises for guaranteeing conventional single-family mortgages, including the amount of these fees and the criteria used to determine them. The guarantee fee study utilized aggregated data collected from the Enterprises.

Annual Housing Report

FHFA submitted its fifth Annual Housing Report to Congress in October 2013, which detailed Enterprise housing goal performance in 2012. The report also included information on other aspects of FHFA and Enterprise activities.

FHLBank Advance Collateral Study

HERA requires FHFA to submit to Congress an annual report on the collateral pledged to the Federal Home Loan Banks to secure advances. In September 2013, FHFA released its fifth Report on Collateral Pledged to Federal Home Loan Banks, which included the results of FHFA's 2013 Collateral Data Survey.

House Price Index and Related Research

FHFA continued to publish its widely followed House Price Index (HPI) in 2013. As in prior years, FHFA expanded the number of indexes released for public use. Responding to strong public interest, FHFA also extended the number of cities covered in both its "purchase-only" and "expanded-data" series. The number of cities covered by the purchase-only series, which is calculated using real estate sales prices from mortgages purchased or guaranteed by the Enterprises, was increased four-fold from 25 to 100. The expanded-data series, which adds FHA and county recorder data into the pool of information available for index calibration, was extended to cover 50 metropolitan areas. Previously, those indexes were only available for 25 cities.

The "Highlights" articles accompanying FHFA's 2013 HPI releases covered a number of topics. FHFA released an in-depth "Highlights" article about the transition to a new set of metropolitan statistical area (MSA) definitions announced by the Office of Management and Budget (OMB) in early 2013. This article provided summary and detailed information concerning the specific areas affected by the MSA reconfigurations. Other articles analyzed the magnitude of HPI revisions and the relative precision of indexes for newly covered metropolitan areas and evaluated differences in recent price trends measured across two of the HPI series.

Public Use Database

The Safety and Soundness Act requires FHFA to make available to the public loan-level data submitted by the Enterprises in the reports required under section 309(m) of Fannie Mae's Charter Act and section 307(e) of Freddie Mac's Charter Act, except for certain proprietary information and personally identifiable information. FHFA is required to make publicly available data elements required to be reported under HMDA at the census tract level. The Safety and Soundness Act also requires FHFA to make public certain high-cost securitized loan data it collects to compare the characteristics of high-cost loans the Enterprises purchase and securitize. FHFA is required to release the data by September 30 of the year following the year the mortgages were acquired by the Enterprises. FHFA has released this data to the public for 2012 through its Public Use Database (PUDB).

Historical Database (MIRS)

The Federal Housing Finance Agency conducts the Monthly Interest Rate Survey. To conduct this survey, FHFA asks a sample of mortgage lenders to report the terms and conditions on all single-family, fully amortized, purchase-money, non-farm loans that they close during the last five business days of the month. The survey excludes FHA-insured and VA-guaranteed loans, multifamily loans, mobile home loans, and loans created by refinancing another mortgage. FHFA collects and consolidates this data and then makes available to the public monthly information on interest rates, loan terms, and house prices by property type (all, new, previously occupied), and by loan type (fixed- or adjustable-rate), as well as information on 15-year and 30-year fixed-rate loans. In addition, quarterly information on conventional loans by major metropolitan area and by FHLBank district is also made available. FHFA's website provides annual and monthly data from 1973 to 2014.

Research Publications: Working Papers, Mortgage Market Notes, and Research Papers

Continuing FHFA's longstanding program of publishing stand-alone research, FHFA released three Working Papers in 2013. The first of these Working Papers, *Distressed Sales and the FHFA House Price Index*, was released in August 2013. In the paper, FHFA assessed the accuracy of its approach in identifying distressed sales—which include short sales and sales of bank-owned properties—in current data sources. FHFA's methodology was benchmarked against independent data from Florida and it found that FHFA's approach evidenced strong reliability. The paper also set forth and evaluated a technique for measuring trends in price discounts for distressed sales.

FHFA released the second Working Paper, *Generating Historically-Based Stress Scenarios Using Parsimonious Factorization,* in October 2013. This paper describes a robust empirical approach to generating plausible, yet stressful, historically-based interest rate shocks, which can be applied to any market environment. These interest rate shocks can be readily linked to movements in other key risk factors and used to measure market risk on institutions with large fixed-income portfolios.

FHFA released the third Working Paper, *Impacts of Down Payment Underwriting Standards on Loan Performance - Evidence from the GSEs and FHA Portfolios*, in December 2013. The paper quantifies the relationship between down payment requirements and loan performance in terms of the cumulative rates of serious delinquency and foreclosure, controlling for borrower and loan characteristics and housing market conditions. The paper found that the lifetime delinquency and foreclosure rates increase monotonically and nonlinearly as original LTV rises. The magnitude of these impacts is sensitive to the borrower's credit score and debt-to-income levels.

In October 2013, FHFA released a Mortgage Market Note, *A Study of First-Time Homebuyers*, which estimated annual first-time homebuyer shares using 20 years of loan-level mortgage data from the Enterprises and FHA. It also compared mortgage and borrower characteristics of first-time and other homebuyers.

FHFA also published its annual synopsis of housing and mortgage market conditions in December 2013. This report evaluated 2012 data reflecting home prices, mortgage rates, mortgage delinquencies and other indicators of market conditions during the year.

FHFA Operations and Performance

A. Performance and Program Assessment

During FY 2013, the agency continued to operate under its *Strategic Plan for Fiscal Years 2013-2017* that was released in 2012. The plan sets four strategic goals:

1) Safe and sound housing GSEs.
2) Stability, liquidity, and access in housing finance.
3) Preserve and conserve Enterprise assets.
4) Prepare for the future of housing finance in the United States.

On December 16, 2013, FHFA published its annual *Performance and Accountability Report* (PAR), detailing the agency's performance and achievements for FY 2013. For the sixth consecutive year, the Association of Government Accountants awarded FHFA the Certificate for Excellence in Accountability Reporting (CEAR) for FY 2013. The CEAR award is presented to agencies that have demonstrated excellence in integrating performance and accountability reporting. Only agencies with unqualified opinions on their financial reports from an independent auditor are eligible to be considered.

For FY 2013, FHFA met or exceeded 17 (68 percent) out of 25 of its performance measures and did not meet seven (28 percent). Performance information for one measure was not available at the end of FY 2013. In FY 2012 FHFA met 92 percent of performance targets.

Also in FY 2013, FHFA reviewed its information security program through its internal audit function in compliance with the Federal Information Security Management Act (FISMA).

An independent external audit firm, contracted by the FHFA-OIG, conducted the FY 2013 FISMA audit of the FHFA information security program. The independent auditor concluded that FHFA was generally compliant with FISMA, other Federal legislation, and applicable OMB guidance.

Also developed and released in FY 2013, was the agency's *FY 2014 Annual Performance Plan* (APP), which includes performance measures for monitoring progress toward meeting the strategic and performance goals described in the Strategic Plan. The measures in this APP were arrived at through an iterative review process with FHFA executive leaders.

Performance Highlights

Below are highlights of FHFA's key activities and accomplishments by strategic goal:

1 • Safe and Sound Housing GSEs

a) **Uniform Examination Rating System –** Initiated a new standardized examination rating system for Fannie Mae, Freddie Mac and the Federal Home Loan Banks. Effective January 2013, each regulated entity is now assigned a common composite rating based on Capital, Asset Quality, Management, Earnings, Liquidity, Sensitivity to market risk, and Operational risk (CAMELSO).

b) **Examiner Commissioning Program –** Launched the Housing Finance Examiner Commissioning Program. The main objective of the program is to provide examiners with broad-based knowledge to conduct successful risk-based examinations.

c) **Qualified Mortgage Rule –** Directed the Enterprises to adopt several new requirements established by the Consumer Financial Protection Bureau (CFPB) regulations implementing certain provisions of the Dodd-Frank Act.

d) Derivatives Clearing – Consistent with the requirements of the Dodd-Frank Act, the FHLBanks began clearing certain types of their derivatives with a derivatives clearing organization (DCO) through a futures commission merchant (FCM). This action represents a marked change from the FHLBanks' historical practice of entering into derivatives in the over-the-counter (OTC) market directly with each counterparty.

2 • Stability, Liquidity, and Access in Housing Finance

a) Representations and Warranties – Introduced a new program that provides lenders with representations and warranties relief on the credit underwriting of the borrower, property, and project as early as 36 months after acquisition. The intent of this new framework is to provide lenders with greater certainty around repurchase exposure and liability to help improve the availability of credit.

b) Force-Placed Insurance – Directed the Enterprises to align their lender-placed insurance policies and restrict practices that create incentives for servicers to seek out higher-priced coverage.

c) New Streamlined Modification Initiative – Directed the Enterprises to offer a simplified loan modification option (with reduced paperwork requirements and lower mortgage payments) to help struggling borrowers stay in their homes.

d) National Education Campaign for Home Affordable Refinance Program (HARP) – Launched a nationwide media campaign, which is supported by a new website, www.HARP.gov, designed to educate and inform homeowners about the benefits of refinancing through HARP.

3 • Preserve and Conserve Enterprise Assets

a) Enterprises Infrastructure – Worked to update the Enterprises' outmoded securitization infrastructures by replacing them with a common and more efficient securitization model.

b) Conservator's Scorecard – Published the 2013 Conservator's Scorecard, setting forth performance goals for the Enterprises in furtherance of the Conservatorship Strategic Plan.

c) Litigation Developments – Continued to pursue numerous legal actions that sought to recover losses or avoid liability for the Enterprises. The FHFA filed 18 lawsuits in 2011 against financial institutions over private-label mortgage-backed securities sold to the Enterprises. As of October 2013, four of these lawsuits have been settled out of court. These settlements have resulted in payments of more than $4.8 billion from financial institutions to the Enterprises, which are then passed on to the Treasury Department. By pursuing such legal actions when practical and cost-effective, the FHFA will be able to minimize taxpayer losses during the Enterprises' conservatorships.

d) Risk-Sharing – Worked with the Enterprises to investigate and develop several transaction structures to share the Enterprises' single-family mortgage credit risk with the private sector. In July 2013, Freddie Mac completed a credit risk transaction, known as the Structured Agency Credit Risk (STACR) transaction. Fannie Mae executed a similar transaction in October and Freddie Mac closed a second STACR transaction in November. Together, each Enterprise met FHFA's scorecard target for $30 billion in risk-sharing transactions using multiple types of transactions.

4 • Prepare for the Future of Housing Finance in the U.S.

a) Common Securitization Infrastructure – Contined to develop a Common Securitization Infrastructure for housing finance to include a Common Securitization Platform and a Contractual and Disclosure Framework (CDF). Throughout 2013, FHFA worked with Fannie Mae and Freddie Mac on the development of a Common Securitization Platform to perform major aspects of the securitization process. As part of this effort, FHFA and the Enterprises worked toward developing five modules – data validation, security issuance, disclosure, master servicing and bond administration functions – to implement core securitization functions. Additionally, the Enterprises also worked toward development of a Contractual and Disclosure Framework intended to more closely align Fannie Mae and Freddie Mac and potentially serve as a model for the future of the mortgage market.

b) Data Standardization – Worked with the Mortgage Industry Standards Maintenance Organization (MISMO) to ensure that mortgage data points are accurately defined and specified for industry adoption.

Figure 14 • FHFA Financial Highlights ($ in Millions)

	2013	2012	Increase
Total Budgetary Resources	$ 324	$ 305	6%
Assessments	$ 225	$ 224	0%
2012 Balance Forward	$ 46	$ 28	65%
Offsetting Collections	$ 42	$ 42	0%
Recoveries of 2012 Unpaid Obligations	$ 12	$ 11	9%
Obligations Incurred	$ 285	$ 259	10%
Gross Outlays	$ 278	$ 262	6%

Source: Federal Housing Finance Agency

B. Financial Operations

• Financial Highlights

HERA authorizes FHFA to collect annual assessments from its regulated entities to pay its costs and expenses and maintain a working capital fund. Under HERA, annual assessments are levied against the Enterprises and the FHLBanks to cover the cost and expenses of the agency's operations for supervision of the regulated entities.

In FY 2013, FHFA had $324.1 million in total budgetary resources. These budgetary resources were composed of $225.4 million in assessments, $45.5 million in unobligated balance brought forward from FY 2012, and $11.5 million in recoveries of prior year unpaid obligations and $41.6 million in spending authority from offsetting collections. Obligations incurred increased $25.6 million to $284.7 million in FY 2013. Gross outlays increased $15.3 million to $277.6 million in FY 2013.

• Federal Management System and Strategy

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

FHFA, including FHFA-OIG, uses the Treasury Department's Bureau of the Fiscal Service for its accounting services and financial management system. FHFA is responsible for overseeing the Bureau of the Fiscal Services' performance of accounting services for the agency. Additionally, FHFA uses the National Finance Center, a service provider within the Department of Agriculture, for its payroll and personnel processing. The agency has streamlined accounting processes by electronically interfacing data from charge cards, investment activities, the GovTrip travel system, the PRISM procurement system, and the National Finance Center payroll system to FMS.

• Management Report on Final Action

FHFA must report information on final actions taken by management on certain audit reports as required by the Inspector General Act of 1978. FHFA-OIG identified $256,343 in disallowed costs and $105,000 for funds that could be put to better use for FY 2013.

• Unqualified Audit Opinions in FY 2013

For the fifth consecutive year, FHFA has received an unmodified (clean) opinion on its financial statements from the U.S. Government Accountability Office (GAO). FHFA had no material internal control weaknesses, and our FY 2013 financial and performance data were reliable and complete in accordance with Office of Management and Budget Circular A-123 and A-136.

Historical Data Tables

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Table 1. Fannie Mae Mortgage Purchases

Period	Business Activity ($ in Millions)			
	Purchases			
	Single-Family[a] ($)	Multifamily[a] ($)	Total Mortgages[a] ($)	Mortgage-Related Securities[b] ($)
4Q13	116,847	6,961	123,808	9,405
3Q13	184,083	5,741	189,824	8,259
2Q13	211,386	7,607	218,993	9,722
1Q13	220,926	8,249	229,175	9,462
Annual Data				
2013	733,242	28,558	761,800	36,848
2012	835,994	33,394	869,388	26,874
2011	558,249	24,226	582,475	20,760
2010	607,827	17,302	625,129	44,495
2009	700,253	19,912	720,165	161,562
2008	582,947	34,288	617,235	77,523
2007	659,366	45,302	704,668	69,236
2006	524,379	20,646	545,025	102,666
2005	537,004	21,485	558,489	62,232
2004	588,119	16,386	604,505	176,385
2003	1,322,193	31,196	1,353,389	408,606
2002	804,192	16,772	820,964	268,574
2001	567,673	19,131	586,804	209,124
2000	227,069	10,377	237,446	129,716
1999	316,136	10,012	326,148	169,905
1998	354,920	11,428	366,348	147,260
1997	159,921	6,534	166,455	50,317
1996	164,456	6,451	170,907	46,743
1995	126,003	4,966	130,969	36,258
1994	158,229	3,839	162,068	25,905
1993	289,826	4,135	293,961	6,606
1992	248,603	2,956	251,559	5,428
1991	133,551	3,204	136,755	3,080
1990	111,007	3,180	114,187	1,451
1989	80,510	4,325	84,835	Not Applicable Before 1990
1988	64,613	4,170	68,783	
1987	73,942	1,733	75,675	
1986	77,223	1,877	79,100	
1985	42,543	1,200	43,743	
1984	27,713	1,106	28,819	
1983	26,339	140	26,479	
1982	25,929	10	25,939	
1981	6,827	2	6,829	
1980	8,074	27	8,101	
1979	10,798	9	10,807	
1978	12,302	3	12,305	
1977	4,650	134	4,784	
1976	3,337	295	3,632	
1975	3,646	674	4,320	
1974	4,746	2,273	7,019	
1973	4,170	2,082	6,252	
1972	2,596	1,268	3,864	
1971	2,742	1,298	4,040	

Source: Fannie Mae

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

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

Table 1a. Fannie Mae Mortgage Purchases Detail by Type of Loan

Period	Purchases ($ in Millions)[a]											
	Single-Family Mortgages								Multifamily Mortgages			Total Mortgage Purchases ($)
	Conventional				FHA/VA/RD[c]			Total Single-Family Mortgages ($)	Conventional ($)	FHA/RD[c] ($)	Total Multifamily Mortgages ($)	
	Fixed-Rate[b] ($)	Adjustable-Rate ($)	Seconds ($)	Total ($)	Fixed-Rate[c] ($)	Adjustable-Rate ($)	Total ($)					
4Q13	112,592	3,794	2	116,388	7	452	459	116,847	6,961	0	6,961	123,808
3Q13	177,833	5,754	4	183,591	7	485	492	184,083	5,741	0	5,741	189,824
2Q13	206,476	4,359	3	210,838	71	477	548	211,386	7,607	0	7,607	218,993
1Q13	216,425	3,878	4	220,307	125	494	619	220,926	8,249	0	8,249	229,175
Annual Data												
2013	713,326	17,785	13	731,124	210	1,908	2,118	733,242	28,558	0	28,558	761,800
2012	806,065	27,142	19	833,226	613	2,155	2,768	835,994	33,394	0	33,394	869,388
2011	517,469	36,837	27	554,333	524	3,392	3,916	558,249	24,226	0	24,226	582,475
2010	565,531	38,023	68	603,622	516	3,689	4,205	607,827	17,299	3	17,302	625,129
2009	663,763	23,108	0	686,871	1,136	12,246	13,382	700,253	19,517	395	19,912	720,165
2008	517,673	46,910	6	564,589	1,174	17,184	18,358	582,947	34,288	0	34,288	617,235
2007	583,253	64,133	34	647,420	1,237	10,709	11,946	659,366	45,302	0	45,302	704,668
2006	429,930	85,313	130	515,373	1,576	7,430	9,006	524,379	20,644	2	20,646	545,025
2005	416,720	111,935	116	528,771	2,285	5,948	8,233	537,004	21,343	142	21,485	558,489
2004	527,456	46,772	51	574,279	9,967	3,873	13,840	588,119	13,684	2,702	16,386	604,505
2003	1,236,045	64,980	93	1,301,118	18,032	3,043	21,075	1,322,193	28,071	3,125	31,196	1,353,389
2002	738,177	48,617	40	786,834	15,810	1,548	17,358	804,192	15,089	1,683	16,772	820,964
2001	534,115	25,648	1,137	560,900	5,671	1,102	6,773	567,673	17,849	1,282	19,131	586,804
2000	187,236	33,809	726	221,771	4,378	920	5,298	227,069	9,127	1,250	10,377	237,446
1999	293,188	12,138	1,198	306,524	8,529	1,084	9,613	316,137	8,858	1,153	10,011	326,148
1998	334,367	14,273	1	348,641	5,768	511	6,279	354,920	10,844	584	11,428	366,348
1997	136,329	21,095	3	157,427	2,062	432	2,494	159,921	5,936	598	6,534	166,455
1996	146,154	15,550	3	161,707	2,415	334	2,749	164,456	6,199	252	6,451	170,907
1995	104,901	17,978	9	122,888	3,009	106	3,115	126,003	4,677	289	4,966	130,969
1994	139,815	16,340	8	156,163	1,953	113	2,066	158,229	3,620	219	3,839	162,068
1993	274,402	14,420	29	288,851	855	120	975	289,826	3,919	216	4,135	293,961
1992	226,332	21,001	136	247,469	1,055	79	1,134	248,603	2,845	111	2,956	251,559
1991	114,321	17,187	705	132,213	1,300	38	1,338	133,551	3,183	21	3,204	136,755
1990	95,011	14,528	654	110,193	799	15	814	111,007	3,165	15	3,180	114,187
1989	60,794	17,692	521	79,007	1,489	14	1,503	80,510	4,309	16	4,325	84,835
1988	35,767	27,492	433	63,692	823	98	921	64,613	4,149	21	4,170	68,783
1987	60,434	10,675	139	71,248	2,649	45	2,694	73,942	1,463	270	1,733	75,675
1986	58,251	7,305	498	66,054	11,155	14	11,169	77,223	1,877	0	1,877	79,100
1985	29,993	10,736	871	41,600	927	16	943	42,543	1,200	0	1,200	43,743
1984	17,998	8,049	937	26,984	729	0	729	27,713	1,106	0	1,106	28,819
1983	18,136	4,853	1,408	24,397	1,942	0	1,942	26,339	128	12	140	26,479
1982	19,311	3,210	1,552	24,073	1,856	0	1,856	25,929	0	10	10	25,939
1981	4,260	107	176	4,543	2,284	0	2,284	6,827	0	2	2	6,829
1980	2,802	0	0	2,802	5,272	0	5,272	8,074	0	27	27	8,101
1979	5,410	0	0	5,410	5,388	0	5,388	10,798	0	9	9	10,807
1978	5,682	0	0	5,682	6,620	0	6,620	12,302	0	3	3	12,305
1977	2,366	0	0	2,366	2,284	0	2,284	4,650	0	134	134	4,784
1976	2,513	0	0	2,513	824	0	824	3,337	0	295	295	3,632
1975	547	0	0	547	3,099	0	3,099	3,646	0	674	674	4,320
1974	1,128	0	0	1,128	3,618	0	3,618	4,746	0	2,273	2,273	7,019
1973	939	0	0	939	3,231	0	3,231	4,170	0	2,082	2,082	6,252
1972	55	0	0	55	2,541	0	2,541	2,596	0	1,268	1,268	3,864
1971	0	0	0	0	2,742	0	2,742	2,742	0	1,298	1,298	4,040

Source: Fannie Mae

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

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

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

Table 1b. Fannie Mae Purchases of Mortgage-Related Securities – Part 1

Period	Purchases ($ in Millions)[a]														
	Fannie Mae Securities				Other Securities									Mortgage Revenue Bonds ($)	Total Mortgage-Related Securities ($)
	Single-Family		Multi-family ($)	Total Fannie Mae[b] ($)	Freddie Mac				Ginnie Mae				Total Private-Label[b] ($)		
	Fixed-Rate[b] ($)	Adjustable-Rate ($)			Single-Family Fixed-Rate ($)	Single-Family Adjustable-Rate ($)	Multi-family ($)	Total Freddie Mac ($)	Single-Family Fixed-Rate ($)	Single-Family Adjustable-Rate ($)	Multi-family ($)	Total Ginnie Mae ($)			
4Q13	5,554	274	2,013	7,841	515	56	0	571	988	5	0	993	0	0	9,405
3Q13	4,692	304	1,386	6,382	1,252	31	0	1,283	570	24	0	594	0	0	8,259
2Q13	6,262	225	1,400	7,887	1,007	50	0	1,057	748	30	0	778	0	0	9,722
1Q13	4,998	214	2,623	7,835	1,058	80	0	1,138	486	3	0	489	0	0	9,462
Annual Data															
2013	21,506	1,017	7,422	29,945	3,832	217	0	4,049	2,792	62	0	2,854	0	0	36,848
2012	14,327	842	8,786	23,955	1,102	16	0	1,118	1,745	56	0	1,801	0	0	26,874
2011	6,052	1,025	11,020	18,097	1,908	207	0	2,115	447	93	8	548	0	0	20,760
2010	27,694	301	8,000	35,995	7,095	117	0	7,212	1,263	1	24	1,288	0	0	44,495
2009	92,189	326	5,531	98,046	61,861	158	0	62,019	1,495	0	0	1,495	0	2	161,562
2008	56,894	10,082	1,023	67,999	3,649	3,168	0	6,817	0	128	0	128	2,295	284	77,523
2007	16,126	8,277	506	24,909	2,017	4,055	0	6,072	0	35	0	35	37,435	785	69,236
2006	23,177	14,826	429	38,432	1,044	5,108	0	6,152	77	0	0	77	57,787	218	102,666
2005	8,273	6,344	888	15,505	121	3,449	0	3,570	0	0	0	0	41,369	1,788	62,232
2004	42,214	21,281	1,159	64,654	6,546	8,228	0	14,774	0	0	0	0	90,833	6,124	176,385
2003	341,461	5,842	1,225	348,528	19,340	502	0	19,842	36	0	0	36	34,032	6,168	408,606
2002	238,711	4,219	1,572	244,502	7,856	101	0	7,957	4,425	0	0	4,425	7,416	4,273	268,574
2001	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	180,582	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	20,072	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	333	3,513	4,624	209,124
2000				104,904				10,171				2,493	8,466	3,682	129,716
1999				125,498				6,861				17,561	16,511	3,474	169,905
1998				104,728				21,274				2,738	15,721	2,799	147,260
1997				39,033				2,119				3,508	4,188	1,469	50,317
1996				41,263				779				2,197	777	1,727	46,743
1995				30,432				2,832				20	752	2,222	36,258
1994				21,660				571				2,321	0	1,353	25,905
1993				6,275				0				0	0	331	6,606
1992				4,930				0				0	0	498	5,428
1991				2,384				0				0	0	696	3,080
1990				977				0				0	0	474	1,451

Source: Fannie Mae

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

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

Table 1b. Fannie Mae Purchases of Mortgage-Related Securities – Part 2, Private-Label Detail

Period	Purchases ($ in Millions)[a]								
	Private-Label								
	Single-Family								
		Subprime		Alt-A		Other			
	Manufactured Housing ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multifamily ($)	Total Private-Label ($)
4Q13	0	0	0	0	0	0	0	0	0
3Q13	0	0	0	0	0	0	0	0	0
2Q13	0	0	0	0	0	0	0	0	0
1Q13	0	0	0	0	0	0	0	0	0
Annual Data									
2013	0	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0
2009	0	0	0	0	0	0	0	0	0
2008	0	0	637	175	0	0	987	496	2,295
2007	0	343	15,628	38	5,250	0	178	15,998	37,435
2006	0	0	35,606	1,504	10,469	0	518	9,690	57,787
2005	0	0	24,469	3,574	12,535	118	571	102	41,369
2004	0	176	66,827	7,064	14,935	221	1,509	101	90,833
2003	0	0	25,769	7,734	370	98	0	61	34,032
2002	56	181	4,963	1,756	0	43	381	36	7,416
2001	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	3,513
2000									8,466
1999									16,511
1998									15,721
1997									4,188
1996									777
1995									752

Source: Fannie Mae

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

Table 2. Fannie Mae MBS Issuances

Period	Business Activity ($ in Millions)			
	MBS Issuances[a]			
	Single-Family MBS ($)	Multifamily MBS ($)	Total MBS ($)	Multiclass MBS[b] ($)
4Q13	117,809	7,755	125,564	22,722
3Q13	186,459	6,373	192,832	20,517
2Q13	206,978	8,201	215,179	37,842
1Q13	221,865	9,074	230,939	40,156
Annual Data				
2013	733,111	31,403	764,514	121,237
2012	827,749	37,738	865,487	151,239
2011	564,606	34,066	598,672	139,819
2010	603,247	26,499	629,746	179,767
2009	791,418	16,435	807,853	100,846
2008	536,951	5,862	542,813	67,559
2007	622,458	7,149	629,607	112,563
2006	476,161	5,543	481,704	124,856
2005	500,759	9,379	510,138	123,813
2004	545,635	6,847	552,482	94,686
2003	1,196,730	23,336	1,220,066	260,919
2002	731,133	12,497	743,630	170,795
2001	514,621	13,801	528,422	139,403
2000	204,066	7,596	211,662	39,544
1999	292,192	8,497	300,689	55,160
1998	315,120	11,028	326,148	84,147
1997	143,615	5,814	149,429	85,415
1996	144,201	5,668	149,869	30,780
1995	106,269	4,187	110,456	9,681
1994	128,385	2,237	130,622	73,365
1993	220,485	959	221,444	210,630
1992	193,187	850	194,037	170,205
1991	111,488	1,415	112,903	112,808
1990	96,006	689	96,695	68,291
1989	66,489	3,275	69,764	41,715
1988	51,120	3,758	54,878	17,005
1987	62,067	1,162	63,229	9,917
1986	60,017	549	60,566	2,400
1985	23,142	507	23,649	Not Issued Before 1986
1984	13,087	459	13,546	
1983	13,214	126	13,340	
1982	13,970	Not Issued Before 1983	13,970	
1981	717		717	

Source: Fannie Mae

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

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

Table 3. Fannie Mae Earnings

Period	Earnings ($ in Millions)					
	Net Interest Income[a,b] ($)	Guarantee Fee Income[a] ($)	Administrative Expenses ($)	Credit-Related Expense/ (Income)[c] ($)	Net Income (Loss) ($)	Return on Equity[d] (%)
4Q13	4,851	49	632	(1,082)	6,457	N/A
3Q13	5,582	51	646	(3,774)	8,737	N/A
2Q13	5,667	51	626	(5,715)	10,084	N/A
1Q13	6,304	54	641	(1,217)	58,685	N/A
Annual Data						
2013	22,404	205	2,545	(11,788)	83,963	N/A
2012	21,501	212	2,367	(1,106)	17,224	N/A
2011	19,281	227	2,370	27,498	(16,855)	N/M
2010	16,409	202	2,597	26,614	(14,014)	N/M
2009	14,510	7,211	2,207	73,536	(71,969)	N/M
2008	8,782	7,621	1,979	29,809	(58,707)	N/M
2007	4,581	5,071	2,669	5,012	(2,050)	(8.3)
2006	6,752	4,250	3,076	783	4,059	11.3
2005	11,505	4,006	2,115	428	6,347	19.5
2004	18,081	3,784	1,656	363	4,967	16.6
2003	19,477	3,432	1,454	353	8,081	27.6
2002	18,426	2,516	1,156	273	3,914	15.2
2001	8,090	1,482	1,017	78	5,894	39.8
2000	5,674	1,351	905	94	4,448	25.6
1999	4,894	1,282	800	127	3,912	25.2
1998	4,110	1,229	708	261	3,418	25.2
1997	3,949	1,274	636	375	3,056	24.6
1996	3,592	1,196	560	409	2,725	24.1
1995	3,047	1,086	546	335	2,144	20.9
1994	2,823	1,083	525	378	2,132	24.3
1993	2,533	961	443	305	1,873	25.3
1992	2,058	834	381	320	1,623	26.5
1991	1,778	675	319	370	1,363	27.7
1990	1,593	536	286	310	1,173	33.7
1989	1,191	408	254	310	807	31.1
1988	837	328	218	365	507	25.2
1987	890	263	197	360	376	23.5
1986	384	175	175	306	105	9.5
1985	139	112	142	206	(7)	(0.7)
1984	(90)	78	112	86	(71)	(7.4)
1983	(9)	54	81	48	49	5.1
1982	(464)	16	60	36	(192)	(18.9)
1981	(429)	0	49	(28)	(206)	(17.2)
1980	21	Not Available Before 1981	44	19	14	0.9
1979	322		46	35	162	11.3
1978	294		39	36	209	16.5
1977	251		32	28	165	15.3
1976	203		30	25	127	13.8
1975	174		27	16	115	14.1
1974	142		23	17	107	14.7
1973	180		18	12	126	20.3
1972	138		13	5	96	18.8
1971	49		15	4	61	14.4

Source: Fannie Mae

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

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

b Interest income net of interest expense.

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

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

Table 4. Fannie Mae Balance Sheet

End of Period	Balance Sheet ($ in Millions)								
	Total Assets[a,b] ($)	Total Mortgage Assets[a,c] ($)	Nonmortgage Investments[d] ($)	Total Debt Outstanding[a] ($)	Shareholders' Equity (Deficit)[a] ($)	Senior Preferred Stock ($)	Fair Value of Net Assets[a] ($)	Mortgage Assets Held for Investment (Gross)[e] ($)	Indebtedness[f] ($)
4Q13	3,270,108	3,122,719	55,281	3,234,523	9,591	117,149	(33,318)	490,701	534,211
3Q13	3,281,222	3,115,813	56,696	3,240,121	11,617	117,149	(39,858)	516,259	570,098
2Q13	3,280,665	3,102,945	56,277	3,240,535	13,243	117,149	(24,039)	565,198	608,433
1Q13	3,320,675	3,099,411	107,756	3,232,543	62,368	117,149	(57,222)	597,779	635,698
Annual Data									
2013	3,270,108	3,122,719	55,281	3,234,523	9,591	117,149	(33,318)	490,701	534,211
2012	3,222,422	3,094,127	50,450	3,189,517	7,224	117,149	(66,451)	633,054	621,779
2011	3,211,484	3,072,709	95,848	3,189,872	(4,571)	112,578	(127,795)	708,414	742,293
2010	3,221,972	3,103,772	44,503	3,197,000	(2,517)	88,600	(120,212)	788,771	793,878
2009	869,141	745,271	57,782	774,554	(15,281)	60,900	(98,701)	769,252	785,775
2008	912,404	767,989	71,550	870,393	(15,314)	1,000	(105,150)	Not Applicable Before 2009	Not Applicable Before 2009
2007	882,547	723,620	86,875	796,299	44,011	Not Applicable Before 2008	35,799		
2006	843,936	726,434	56,983	767,046	41,506		43,699		
2005	834,168	736,803	46,016	764,010	39,302		42,199		
2004	1,020,934	925,194	47,839	953,111	38,902		40,094		
2003	1,022,275	919,589	59,518	961,280	32,268		28,393		
2002	904,739	820,627	39,376	841,293	31,899		22,130		
2001	799,948	706,347	65,982	763,467	18,118		22,675		
2000	675,224	607,731	52,347	642,682	20,838		20,677		
1999	575,308	523,103	37,299	547,619	17,629		20,525		
1998	485,146	415,434	58,515	460,291	15,453		14,885		
1997	391,673	316,592	64,596	369,774	13,793		15,982		
1996	351,041	286,528	56,606	331,270	12,773		14,556		
1995	316,550	252,868	57,273	299,174	10,959		11,037		
1994	272,508	220,815	46,335	257,230	9,541		10,924		
1993	216,979	190,169	21,396	201,112	8,052		9,126		
1992	180,978	156,260	19,574	166,300	6,774		9,096		
1991	147,072	126,679	9,836	133,937	5,547		Not Available Before 1992		
1990	133,113	114,066	9,868	123,403	3,941				
1989	124,315	107,981	8,338	116,064	2,991				
1988	112,258	100,099	5,289	105,459	2,260				
1987	103,459	93,665	3,468	97,057	1,811				
1986	99,621	94,123	1,775	93,563	1,182				
1985	99,076	94,609	1,466	93,985	1,009				
1984	87,798	84,135	1,840	83,719	918				
1983	78,383	75,247	1,689	74,594	1,000				
1982	72,981	69,356	2,430	69,614	953				
1981	61,578	59,629	1,047	58,551	1,080				
1980	57,879	55,589	1,556	54,880	1,457				
1979	51,300	49,777	843	48,424	1,501				
1978	43,506	42,103	834	40,985	1,362				
1977	33,980	33,252	318	31,890	1,173				
1976	32,393	31,775	245	30,565	983				
1975	31,596	30,820	239	29,963	861				
1974	29,671	28,666	466	28,168	772				
1973	24,318	23,589	227	23,003	680				
1972	20,346	19,652	268	19,239	559				
1971	18,591	17,886	349	17,672	460				

Source: Fannie Mae

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

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

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

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

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

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

Table 4a. Fannie Mae Total MBS Outstanding Detail

End of Period	Single-Family Mortgages ($ in Millions)[a]							Multifamily Mortgages ($ in Millions)[a]			($ in Millions)	
	Conventional				FHA/VA[b]							
	Fixed-Rate ($)	Adjustable-Rate ($)	Seconds ($)	Total ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Total ($)	Conventional ($)	FHA/ RD[b] ($)	Total Multi-family ($)	Total MBS Outstanding[a] ($)	Multiclass MBS Outstanding[c] ($)
4Q13	2,386,128	119,084	402	2,505,614	11,383	97	11,480	125,045	1,276	126,321	2,643,415	480,200
3Q13	2,360,874	121,773	426	2,483,073	11,770	102	11,872	119,331	1,290	120,621	2,615,566	482,481
2Q13	2,321,263	125,797	457	2,447,517	12,191	106	12,297	114,511	1,338	115,849	2,575,663	496,505
1Q13	2,290,828	131,781	487	2,423,096	13,422	110	13,532	106,823	1,435	108,258	2,544,886	501,282
Annual Data												
2013	2,386,128	119,084	402	2,505,614	11,383	97	11,480	125,045	1,276	126,321	2,643,415	480,200
2012	2,267,031	137,836	515	2,405,382	14,188	114	14,302	99,899	1,463	101,362	2,521,046	503,349
2011	2,192,594	149,825	643	2,343,062	16,243	130	16,373	72,634	1,639	74,273	2,433,708	516,471
2010	2,172,092	150,378	805	2,323,275	17,167	144	17,311	57,206	1,785	58,991	2,399,577	507,268
2009	2,190,357	179,655	25	2,370,037	15,026	171	15,197	46,628	927	47,555	2,432,789	480,057
2008	2,035,020	203,206	31	2,238,257	12,903	214	13,117	37,298	787	38,085	2,289,459	481,137
2007	1,850,150	214,245	0	2,064,395	14,982	275	15,257	38,218	1,039	39,257	2,118,909	490,692
2006	1,484,147	230,667	0	1,714,814	18,615	454	19,069	42,184	1,483	43,667	1,777,550	456,970
2005	1,290,354	232,689	0	1,523,043	23,065	668	23,733	50,346	1,796	52,142	1,598,918	412,060
2004	1,243,343	75,722	0	1,319,065	31,389	949	32,336	47,386	9,260	56,646	1,408,047	368,567
2003	1,112,849	87,373	0	1,200,222	36,139	1,268	37,407	53,720	9,171	62,891	1,300,520	398,516
2002	875,260	75,430	0	950,690	36,057	1,247	37,304	47,025	5,420	52,445	1,040,439	401,406
2001	752,211	60,842	772	813,825	4,519	1,207	5,726	42,713	1,181	43,894	863,445	392,457
2000	599,999	61,495	1,165	662,659	6,778	1,298	8,076	35,207	780	35,987	706,722	334,508
1999	586,069	51,474	1,212	638,755	7,159	1,010	8,169	31,518	703	32,221	679,145	335,514
1998	545,680	56,903	98	602,681	5,340	587	5,927	28,378	157	28,535	637,143	361,613
1997	483,982	70,106	7	554,095	3,872	213	4,085	20,824	134	20,958	579,138	388,360
1996	460,866	65,682	9	526,557	4,402	191	4,593	16,912	111	17,023	548,173	339,798
1995	431,755	63,436	13	495,204	5,043	91	5,134	12,579	313	12,892	513,230	353,528
1994	415,692	55,780	18	471,490	5,628	0	5,628	8,908	319	9,227	486,345	378,733
1993	405,383	49,987	28	455,398	7,549	0	7,549	8,034	325	8,359	471,306	381,865
1992	360,619	45,718	43	406,380	9,438	0	9,438	8,295	331	8,626	424,444	312,369
1991	290,038	45,110	89	335,237	11,112	0	11,112	8,599	336	8,935	355,284	224,806
1990	225,981	42,443	121	268,545	11,380	0	11,380	7,807	343	8,150	288,075	127,278
1989	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	216,512	64,826
1988											170,097	26,660
1987											135,734	11,359
1986											95,568	Not Issued Before 1987
1985											54,552	
1984											35,738	
1983											25,121	
1982											14,450	
1981											717	
1980											Not Issued Before 1981	

Source : Fannie Mae

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

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

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

Table 5. Fannie Mae Mortgage Assets Held for Investment Detail[a]

End of Period	($ in Millions)			
	Whole Loans[b,c] ($)	Fannie Mae Securities[b,d] ($)	Other Mortgage-Related Securities[b,d,e] ($)	Mortgage Assets Held for Investment (Gross)[f] ($)
4Q13	314,664	129,841	46,196	490,701
3Q13	328,405	137,240	50,614	516,259
2Q13	343,742	151,829	69,627	565,198
1Q13	351,999	170,208	75,572	597,779
Annual Data				
2013	314,664	129,841	46,196	490,701
2012	371,708	183,964	77,382	633,054
2011	398,271	220,061	90,082	708,414
2010	427,074	260,429	101,268	788,771
2009	416,543	220,245	132,464	769,252
2008	429,493	228,950	133,753	792,196
2007	403,577	180,163	144,163	727,903
2006	383,045	199,644	146,243	728,932
2005	366,680	234,451	136,758	737,889
2004	400,157	344,404	172,648	917,209
2003	397,633	405,922	105,313	908,868
2002	323,244	380,383	96,152	799,779
2001	167,405	431,776	109,270	708,452
2000	152,634	351,066	106,551	610,251
1999	149,231	281,714	93,122	524,067
1998	155,779	197,375	61,361	414,515
1997	160,102	130,444	26,132	316,678
1996	167,891	102,607	16,554	287,052
1995	171,481	69,729	12,301	253,511
1994	170,909	43,998	7,150	222,057
1993	163,149	24,219	3,493	190,861
1992	134,597	20,535	2,987	158,119
1991	109,251	16,700	3,032	128,983
1990	101,797	11,758	3,073	116,628
1989	95,729	11,720	3,272	110,721
1988	92,220	8,153	2,640	103,013
1987	89,618	4,226	2,902	96,746
1986	94,167	1,606	2,060	97,833
1985	97,421	435	793	98,649
1984	87,205	477	427	88,109
1983	77,983	Not Available Before 1984	273	78,256
1982	71,777		37	71,814
1981	61,411		1	61,412
1980	57,326		1	57,327
1979	51,096		1	51,097
1978	43,315		Not Available Before 1979	43,315
1977	34,377			34,377
1976	32,937			32,937
1975	31,916			31,916
1974	29,708			29,708
1973	24,459			24,459
1972	20,326			20,326
1971	18,515			18,515

Source: Fannie Mae

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

b Unpaid principal balance.

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

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

e Includes mortgage revenue bonds.

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

Table 5a. Fannie Mae Mortgage Assets Held for Investment Detail – Whole Loans

End of Period	Whole Loans ($ in Millions)[a]								
	Single-Family					Multifamily			Total Whole Loans ($)
	Conventional				Total FHA/VA/RD[c] ($)	Conventional ($)	Total FHA/RD[c] ($)	Total ($)	
	Fixed-Rate[b] ($)	Adjustable-Rate ($)	Seconds ($)	Total ($)					
4Q13	224,174	13,171	156	237,501	39,399	37,497	267	37,764	314,664
3Q13	229,521	14,043	160	243,724	39,941	44,451	289	44,740	328,405
2Q13	238,101	15,224	164	253,489	40,672	49,284	297	49,581	343,742
1Q13	240,165	16,568	169	256,902	40,763	54,029	305	54,334	351,999
Annual Data									
2013	224,174	13,171	156	237,501	39,399	37,497	267	37,764	314,664
2012	251,081	18,008	170	269,259	40,886	61,251	312	61,563	371,708
2011	255,914	23,490	185	279,589	41,555	76,765	362	77,127	398,271
2010	248,335	31,526	207	280,068	51,783	94,792	431	95,223	427,074
2009	208,915	34,602	213	243,730	52,399	119,829	585	120,414	416,543
2008	223,881	44,157	215	268,253	43,799	116,742	699	117,441	429,493
2007	240,090	43,278	261	283,629	28,202	90,931	815	91,746	403,577
2006	255,490	46,820	287	302,597	20,106	59,374	968	60,342	383,045
2005	261,214	38,331	220	299,765	15,036	50,731	1,148	51,879	366,680
2004	307,048	38,350	177	345,575	10,112	43,396	1,074	44,470	400,157
2003	335,812	19,155	233	355,200	7,284	33,945	1,204	35,149	397,633
2002	282,899	12,142	416	295,457	6,404	19,485	1,898	21,383	323,244
2001	140,454	10,427	917	151,798	5,069	8,987	1,551	10,538	167,405
2000	125,786	13,244	480	139,510	4,763	6,547	1,814	8,361	152,634
1999	130,614	6,058	176	136,848	4,472	5,564	2,347	7,911	149,231
1998	135,351	7,633	206	143,190	4,404	5,590	2,595	8,185	155,779
1997	134,543	10,389	268	145,200	4,631	7,388	2,883	10,271	160,102
1996	137,507	12,415	323	150,245	4,739	9,756	3,151	12,907	167,891
1995	137,032	14,756	423	152,211	4,780	11,175	3,315	14,490	171,481
1994	133,882	16,475	537	150,894	4,965	11,681	3,369	15,050	170,909
1993	123,308	19,175	772	143,255	5,305	11,143	3,446	14,589	163,149
1992	91,500	22,637	1,355	115,492	6,097	9,407	3,601	13,008	134,597
1991	69,130	19,763	2,046	90,939	6,962	7,641	3,709	11,350	109,251
1990	61,873	19,558	1,851	83,282	8,524	6,142	3,849	9,991	101,797
1989	55,638	20,751	1,614	78,003	9,450	3,926	4,350	8,276	95,729
1988	53,090	20,004	1,561	74,655	10,480	2,699	4,386	7,085	92,220
1987	55,913	13,702	1,421	71,036	11,652	2,448	4,482	6,930	89,618
1986	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	94,167
1985									97,421
1984									87,205
1983									77,983
1982									71,777
1981									61,411
1980									57,326
1979									51,096
1978									43,315
1977									34,377
1976									32,937
1975									31,916
1974									29,708
1973									24,459
1972									20,326
1971									18,515

Source: Fannie Mae

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

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

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

Table 5b. Fannie Mae Mortgage Assets Held for Investment Detail – Part 1, Mortgage-Related Securities

End of Period	Mortgage-Related Securities ($ in Millions)[a]													
	Fannie Mae Securities[b] ($)				Other Securities									
	Single-Family				Freddie Mac				Ginnie Mae					
					Single-Family				Single-Family					
	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Fannie Mae ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Freddie Mac ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Ginnie Mae ($)	Total Private-Label ($)	Total Other Securities[c] ($)
4Q13	94,722	12,710	22,409	129,841	4,758	3,366	0	8,124	859	8	32	899	30,854	39,877
3Q13	100,523	13,232	23,485	137,240	5,287	3,541	0	8,828	906	15	32	953	34,025	43,806
2Q13	112,905	13,935	24,989	151,829	6,237	3,860	0	10,097	869	17	32	918	51,293	62,308
1Q13	128,168	14,775	27,265	170,208	7,054	4,116	0	11,170	1,207	5	32	1,244	55,128	67,542
Annual Data														
2013	94,722	12,710	22,409	129,841	4,758	3,366	0	8,124	859	8	32	899	30,854	39,877
2012	140,118	15,717	28,129	183,964	6,911	4,363	0	11,274	1,012	5	32	1,049	56,573	68,896
2011	172,502	19,189	28,370	220,061	8,888	5,621	0	14,509	1,003	7	33	1,043	63,631	79,183
2010	217,075	23,406	19,948	260,429	10,005	7,327	0	17,332	1,393	8	24	1,425	69,986	88,743
2009	203,577	16,272	396	220,245	29,783	11,607	0	41,390	1,119	137	21	1,277	75,344	118,011
2008	207,867	20,637	446	228,950	18,420	14,963	0	33,383	1,343	153	21	1,517	83,406	118,306
2007	158,863	20,741	559	180,163	16,954	14,425	0	31,379	1,575	34	50	1,659	94,810	127,848
2006	194,702	4,342	600	199,644	17,304	12,773	0	30,077	1,905	0	56	1,961	97,281	129,319
2005	230,546	3,030	875	234,451	18,850	9,861	0	28,711	2,273	0	57	2,330	86,915	117,956
2004	339,138	3,869	1,397	344,404	29,328	8,235	0	37,563	4,131	1	68	4,200	108,809	150,572
2003	400,863	3,149	1,910	405,922	30,356	558	0	30,914	6,993	0	68	7,061	46,979	84,954
2002	373,958	3,827	2,598	380,383	32,617	207	0	32,824	15,436	0	85	15,521	28,157	76,502
2001	417,796	5,648	8,332	431,776	42,516	287	26	42,829	18,779	1	109	18,889	29,175	90,893
2000	Not Available Before 2001	Not Available Before 2001	Not Available Before 2001	351,066	Not Available Before 2001	Not Available Before 2001	Not Available Before 2001	33,290	Not Available Before 2001	Not Available Before 2001	Not Available Before 2001	23,768	34,266	91,324
1999				281,714				25,577				23,701	31,673	80,951
1998				197,375				23,453				8,638	19,585	51,676
1997				130,444				5,262				7,696	5,554	18,512
1996				102,607				3,623				4,780	1,486	9,889
1995				69,729				3,233				2,978	747	6,958
1994				43,998				564				3,182	1	3,747
1993				24,219				Not Available Before 1994				972	2	974
1992				20,535								168	3	171
1991				16,700								180	93	273
1990				11,758								191	352	543
1989				11,720								202	831	1,033
1988				8,153								26	810	836
1987				4,226								Not Available Before 1988	1,036	1,036
1986				1,606									1,591	1,591
1985				435									Not Available Before 1986	Not Available Before 1986
1984				477										
1983				Not Available Before 1984										

Source: Fannie Mae

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

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

c Excludes mortgage revenue bonds.

Table 5b. Fannie Mae Mortgage Assets Held for Investment Detail – Part 2, Mortgage-Related Securities, Private-Label Detail

End of Period	Mortgage-Related Securities ($ in Millions)[a]								
	Private-Label								
	Single-Family								
	Manufactured Housing ($)	Subprime		Alt-A		Other		Multifamily ($)	Total Private-Label ($)
		Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)		
4Q13	1,902	218	12,104	3,512	7,641	168	1,322	3,987	30,854
3Q13	1,958	223	12,373	3,636	7,858	173	1,378	6,426	34,025
2Q13	2,016	286	14,150	5,873	9,941	179	1,408	17,440	51,293
1Q13	2,082	292	14,467	6,159	10,304	185	1,444	20,195	55,128
Annual Data									
2013	1,902	218	12,104	3,512	7,641	168	1,322	3,987	30,854
2012	2,140	299	14,794	6,423	10,656	190	1,477	20,594	56,573
2011	2,387	331	16,207	6,232	13,438	208	1,590	23,238	63,631
2010	2,660	361	17,678	7,119	15,164	237	1,700	25,067	69,986
2009	2,485	391	20,136	7,515	16,990	255	1,849	25,723	75,344
2008	2,840	438	24,113	8,444	19,414	286	2,021	25,850	83,406
2007	3,316	503	31,537	9,221	23,254	319	1,187	25,473	94,810
2006	3,902	268	46,608	10,722	24,402	376	1,282	9,721	97,281
2005	4,622	431	46,679	11,848	21,203	634	1,455	43	86,915
2004	5,461	889	73,768	11,387	14,223	2,535	487	59	108,809
2003	6,522	1,437	27,738	8,429	383	1,944	428	98	46,979
2002	9,583	2,870	6,534	3,905	20	3,773	1,325	147	28,157
2001	10,708	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	299	29,175
2000	Not Available Before 2001							Not Available Before 2001	34,266
1999									31,673
1998									19,585
1997									5,554
1996									1,486
1995									747
1994									1
1993									2
1992									3
1991									93
1990									352
1989									831
1988									810
1987									1,036
1986									1,591

Source: Fannie Mae

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

Table 5b. Fannie Mae Mortgage Assets Held for Investment Detail – Part 3, Mortgage-Related Securities

End of Period	Mortgage-Related Securities ($ in Millions)		($ in Millions)			
	Mortgage Revenue Bonds[a] ($)	Total Mortgage-Related Securities[a,b] ($)	Unamortized Premiums, Discounts, Deferred Adjustments, & Fair-Value Adjustments on Securities and Loans[b,c] ($)	Mortgage Assets Held for Investment (Net)[b] ($)	Mortgage Assets Held for Investment (Gross)[b,d] ($)	Limit on Mortgage Assets Held for Investment (Gross)[e] ($)
4Q13	6,319	176,037	(10,302)	480,399	490,701	552,500
3Q13	6,808	187,854	(10,028)	506,231	516,259	N/A
2Q13	7,319	221,456	(10,119)	555,079	565,198	N/A
1Q13	8,030	245,780	(6,079)	591,700	597,779	N/A
Annual Data						
2013	6,319	176,037	(10,302)	480,399	490,701	552,500
2012	8,486	261,346	(6,267)	626,787	633,054	650,000
2011	10,899	310,143	(9,784)	698,630	708,414	729,000
2010	12,525	361,697	(12,284)	776,487	788,771	810,000
2009	14,453	352,709	(23,981)	745,271	769,252	900,000
2008	15,447	362,703	(24,207)	767,989	Not Applicable Before 2009	Not Applicable Before 2009
2007	16,315	324,326	(4,283)	723,620		
2006	16,924	345,887	(2,498)	726,434		
2005	18,802	371,209	(1,086)	736,803		
2004	22,076	517,052	7,985	925,194		
2003	20,359	511,235	10,721	919,589		
2002	19,650	476,535	20,848	820,627		
2001	18,377	541,046	(2,104)	706,347		
2000	15,227	457,617	(2,520)	607,731		
1999	12,171	374,836	(964)	523,103		
1998	9,685	258,736	919	415,434		
1997	7,620	156,576	(86)	316,592		
1996	6,665	119,161	(525)	286,527		
1995	5,343	82,030	(643)	252,868		
1994	3,403	51,148	(1,242)	220,815		
1993	2,519	27,712	(692)	190,169		
1992	2,816	23,522	(1,859)	156,260		
1991	2,759	19,732	(2,304)	126,679		
1990	2,530	14,831	(2,562)	114,066		
1989	2,239	14,992	(2,740)	107,981		
1988	1,804	10,793	(2,914)	100,099		
1987	1,866	7,128	(3,081)	93,665		
1986	469	Not Available Before 1987	(3,710)	94,123		
1985	Not Available Before 1986		(4,040)	95,250		
1984			(3,974)	84,695		
1983			(3,009)	75,782		
1982			(2,458)	69,842		
1981			(1,783)	59,949		
1980			(1,738)	55,878		
1979			(1,320)	49,777		
1978			(1,212)	42,103		
1977			(1,125)	33,252		
1976			(1,162)	31,775		
1975			(1,096)	30,821		
1974			(1,042)	28,665		
1973			(870)	23,579		
1972			(674)	19,650		
1971			(629)	17,886		

Source: Fannie Mae

N/A = not applicable

[a] Unpaid principal balance.

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

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

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

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

Table 6. Fannie Mae Financial Derivatives

End of Period	Financial Derivatives - Notional Amount Outstanding ($ in Millions)						
	Interest Rate Swaps[a] ($)	Interest Rate Caps, Floors, and Corridors ($)	Foreign Currency Contracts ($)	Over-the-Counter Futures, Options, and Forward Rate Agreements[b] ($)	Mandatory Mortgage Purchase & Sell Commitments ($)	Other ($)	Total ($)
4Q13	413,738	500	1,042	137,450	72,937	0	625,667
3Q13	467,074	500	1,032	154,450	100,724	0	723,780
2Q13	570,828	4,500	988	172,720	159,785	0	908,821
1Q13	596,166	6,500	1,116	149,420	149,678	0	902,880
Annual Data							
2013	413,738	500	1,042	137,450	72,937	0	625,667
2012	572,349	6,500	1,195	121,910	159,057	0	861,011
2011	426,688	7,000	1,032	178,470	101,435	0	714,625
2010	502,578	7,000	1,560	176,010	119,870	0	807,018
2009	661,990	7,000	1,537	174,680	121,947	0	967,154
2008	1,023,384	500	1,652	173,060	71,236	0	1,269,832
2007	671,274	2,250	2,559	210,381	55,366	0	941,830
2006	516,571	14,000	4,551	210,271	39,928	0	785,321
2005	317,470	33,000	5,645	288,000	39,194	0	683,309
2004	256,216	104,150	11,453	318,275	40,600	0	730,694
2003	598,288	130,350	5,195	305,175	43,560	0	1,082,568
2002	253,211	122,419	3,932	275,625	Not Available Before 2003	0	655,187
2001	299,953	75,893	8,493	148,800		0	533,139
2000	227,651	33,663	9,511	53,915		0	324,740
1999	192,032	28,950	11,507	41,081		1,400	274,970
1998	142,846	14,500	12,995	13,481		3,735	187,557
1997	149,673	100	9,968	0		1,660	161,401
1996	158,140	300	2,429	0		350	161,219
1995	125,679	300	1,224	29		975	128,207
1994	87,470	360	1,023	0		1,465	90,317
1993	49,458	360	1,023	0		1,425	52,265
1992	24,130	0	1,177	0		1,350	26,658
1991	9,100	0	Not Available Before 1992	50		1,050	10,200
1990	4,800	0		25		1,700	6,525

Source: Fannie Mae

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

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

Table 7. Fannie Mae Nonmortgage Investments

End of Period	Nonmortgage Investments ($ in Millions)[a]					
	Federal Funds and Eurodollars ($)	Asset-Backed Securities ($)	Repurchase Agreements[b] ($)	Commercial Paper and Corporate Debt[c] ($)	Other[d] ($)	Total ($)
4Q13	0	0	38,975	0	16,306	55,281
3Q13	0	0	40,300	0	16,396	56,696
2Q13	0	0	37,800	0	18,477	56,277
1Q13	0	0	79,350	0	28,406	107,756
Annual Data						
2013	0	0	38,975	0	16,306	55,281
2012	0	0	32,500	0	17,950	50,450
2011	0	2,111	46,000	0	47,737	95,848
2010	5,000	5,321	6,750	0	27,432	44,503
2009	44,900	8,515	4,000	364	3	57,782
2008	45,910	10,598	8,000	6,037	1,005	71,550
2007	43,510	15,511	5,250	13,515	9,089	86,875
2006	9,410	18,914	0	27,604	1,055	56,983
2005	8,900	19,190	0	16,979	947	46,016
2004	3,860	25,644	70	16,435	1,829	47,839
2003	12,575	26,862	111	17,700	2,270	59,518
2002	150	22,312	181	14,659	2,074	39,376
2001	16,089	20,937	808	23,805	4,343	65,982
2000	7,539	17,512	87	8,893	18,316	52,347
1999	4,837	19,207	122	1,723	11,410	37,299
1998	7,926	20,993	7,556	5,155	16,885	58,515
1997	19,212	16,639	6,715	11,745	10,285	64,596
1996	21,734	14,635	4,667	6,191	9,379	56,606
1995	19,775	9,905	10,175	8,629	8,789	57,273
1994	17,593	3,796	9,006	7,719	8,221	46,335
1993	4,496	3,557	4,684	0	8,659	21,396
1992	6,587	4,124	3,189	0	5,674	19,574
1991	2,954	2,416	2,195	0	2,271	9,836
1990	5,329	1,780	951	0	1,808	9,868
1989	5,158	1,107	0	0	2,073	8,338
1988	4,125	481	0	0	683	5,289
1987	2,559	25	0	0	884	3,468
1986	1,530	0	0	0	245	1,775
1985	1,391	0	0	0	75	1,466
1984	1,575	0	0	0	265	1,840
1983	9	0	0	0	227	236
1982	1,799	0	0	0	631	2,430
1981	Not Available Before 1982	Not Available Before 1982	Not Available Before 1982	Not Available Before 1982	Not Available Before 1982	1,047
1980						1,556
1979						843
1978						834
1977						318
1976						245
1975						239
1974						466
1973						227
1972						268
1971						349

Source: Fannie Mae

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

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

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

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

Table 8. Fannie Mae Mortgage Asset Quality

End of Period	Mortgage Asset Quality				
	Single-Family Serious Delinquency Rate[a] (%)	Multifamily Serious Delinquency Rate[b] (%)	Credit Losses as a Proportion of the Guarantee Book of Business[c, d] (%)	Real Estate Owned as a Proportion of the Guarantee Book of Business[d] (%)	Credit-Enhanced Outstanding as a Proportion of the Guarantee Book of Business[e] (%)
4Q13	2.38	0.10	0.15	0.38	19.6
3Q13	2.55	0.18	0.15	0.37	19.5
2Q13	2.77	0.28	0.21	0.34	19.0
1Q13	3.02	0.39	0.20	0.33	18.8
Annual Data					
2013	2.38	0.10	0.15	0.38	19.6
2012	3.29	0.24	0.48	0.35	18.8
2011	3.91	0.59	0.61	0.37	18.4
2010	4.48	0.71	0.77	0.53	19.1
2009	5.38	0.63	0.45	0.30	21.2
2008	2.42	0.30	0.23	0.23	23.9
2007	0.98	0.08	0.05	0.13	23.7
2006	0.65	0.08	0.02	0.09	22.3
2005	0.79	0.32	0.01	0.08	21.8
2004	0.63	0.11	0.01	0.07	20.5
2003	0.60	0.29	0.01	0.06	22.6
2002	0.57	0.08	0.01	0.05	26.8
2001	0.55	0.27	0.01	0.04	34.2
2000	0.45	0.07	0.01	0.05	40.4
1999	0.47	0.11	0.01	0.06	20.9
1998	0.56	0.23	0.03	0.08	17.5
1997	0.62	0.37	0.04	0.10	12.8
1996	0.58	0.68	0.05	0.11	10.5
1995	0.56	0.81	0.05	0.08	10.6
1994	0.47	1.21	0.06	0.10	10.2
1993	0.48	2.34	0.04	0.10	10.6
1992	0.53	2.65	0.04	0.09	15.6
1991	0.64	3.62	0.04	0.07	22.0
1990	0.58	1.70	0.06	0.09	25.9
1989	0.69	3.20	0.07	0.14	Not Available Before 1990
1988	0.88	6.60	0.11	0.15	
1987	1.12	Not Available Before 1988	0.11	0.18	
1986	1.38		0.12	0.22	
1985	1.48		0.13	0.32	
1984	1.65		0.09	0.33	
1983	1.49		0.05	0.35	
1982	1.41		0.01	0.20	
1981	0.96		0.01	0.13	
1980	0.90		0.01	0.09	
1979	0.56		0.02	0.11	
1978	0.55		0.02	0.18	
1977	0.46		0.02	0.26	
1976	1.58		0.03	0.27	
1975	0.56		0.03	0.51	
1974	0.51		0.02	0.52	
1973	Not Available Before 1974		0.00	0.61	
1972			0.02	0.98	
1971			0.01	0.59	

Source: Fannie Mae

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

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

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

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

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

Table 9. Fannie Mae Capital

End of Period	Capital ($ in Millions)[a]									
	Minimum Capital Requirement			Risk-Based Capital Requirement						
	Core Capital[b] ($)	Minimum Capital Requirement[c] ($)	Minimum Capital Surplus (Deficit)[d] ($)	Total Capital[e] ($)	Risk-Based Capital Requirement[f] ($)	Risk-Based Capital Surplus (Deficit)[g] ($)	Market Capitalization[h] ($)	Core Capital/ Total Assets[i] (%)	Core Capital/ Total Assets Plus Unconsolidated MBS[i, j] (%)	Common Share Dividend Payout Rate[k] (%)
4Q13	(108,811)	28,472	(137,283)	N/A	N/A	N/A	3,486	(3.33)	(3.31)	N/A
3Q13	(106,651)	29,355	(136,006)	N/A	N/A	N/A	1,517	(3.25)	(3.24)	N/A
2Q13	(105,145)	30,627	(135,772)	N/A	N/A	N/A	1,633	(3.20)	(3.19)	N/A
1Q13	(55,860)	32,435	(88,295)	N/A	N/A	N/A	793	(1.68)	(1.67)	N/A
Annual Data										
2013	(108,811)	28,472	(137,283)	N/A	N/A	N/A	3,486	(3.33)	(3.31)	N/A
2012	(110,350)	30,862	(141,212)	N/A	N/A	N/A	295	(3.42)	(3.41)	N/A
2011	(115,967)	32,463	(148,430)	N/A	N/A	N/A	233	(3.61)	(3.59)	N/A
2010	(89,516)	33,676	(123,192)	N/A	N/A	N/A	336	(2.78)	(2.76)	N/A
2009	(74,540)	33,057	(107,597)	N/A	N/A	N/A	1,314	(8.58)	(2.26)	N/A
2008	(8,641)	33,552	(42,193)	N/A	N/A	N/A	825	(0.95)	(0.27)	N/M
2007	45,373	31,927	13,446	48,658	24,700	23,958	38,946	5.14	1.51	N/M
2006	41,950	29,359	12,591	42,703	26,870	15,833	57,735	4.97	1.60	32.4
2005	39,433	28,233	11,200	40,091	12,636	27,455	47,373	4.73	1.62	17.2
2004	34,514	32,121	2,393	35,196	10,039	25,157	69,010	3.38	1.42	42.1
2003	26,953	31,816	(4,863)	27,487	27,221	266	72,838	2.64	1.16	20.8
2002	20,431	27,688	(7,257)	20,831	17,434	3,397	63,612	2.26	1.05	34.5
2001	25,182	24,182	1,000	25,976	Not Applicable Before 2002	Not Applicable Before 2002	79,281	3.15	1.51	23.0
2000	20,827	20,293	533	21,634			86,643	3.08	1.51	26.0
1999	17,876	17,770	106	18,677			63,651	3.11	1.43	28.8
1998	15,465	15,334	131	16,257			75,881	3.19	1.38	29.5
1997	13,793	12,703	1,090	14,575			59,167	3.52	1.42	29.4
1996	12,773	11,466	1,307	13,520			39,932	3.64	1.42	30.4
1995	10,959	10,451	508	11,703			33,812	3.46	1.32	34.6
1994	9,541	9,415	126	10,368			19,882	3.50	1.26	30.8
1993	8,052	7,064	988	8,893			21,387	3.71	1.17	26.8
1992	Not Applicable Before 1993	Not Applicable Before 1993	Not Applicable Before 1993	Not Applicable Before 1993			20,874	Not Applicable Before 1993	Not Applicable Before 1993	23.2
1991							18,836			21.3
1990							8,490			14.7
1989							8,092			12.8
1988							3,992			11.2
1987							2,401			11.7
1986							3,006			8.0
1985							1,904			30.1
1984							1,012			N/A
1983							1,514			13.9
1982							1,603			N/A
1981							502			N/A
1980							702			464.2
1979							Not Available Before 1980			45.7
1978										30.3
1977										31.8
1976										33.6
1975										31.8
1974										29.6
1973										18.1
1972										15.2
1971										18.7

Sources: Fannie Mae and FHFA

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

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

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

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

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

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

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

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

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

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

j Unconsolidated MBS are those held by third parties.

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

Table 10. Freddie Mac Mortgage Purchases

Period	Business Activity ($ in Millions)			
	Purchases[a]			
	Single-Family ($)	Multifamily ($)	Total Mortgages[b] ($)	Mortgage-Related Securities[c] ($)
4Q13	63,167	7,072	70,239	20,662
3Q13	97,833	5,266	103,099	41,563
2Q13	129,858	7,490	137,348	37,965
1Q13	131,884	6,044	137,928	23,421
Annual Data				
2013	422,742	25,872	448,614	123,611
2012	426,849	28,774	455,623	71,446
2011	320,793	20,325	341,118	120,001
2010	386,378	15,372	401,750	51,828
2009	475,350	16,571	491,921	238,835
2008	357,585	23,972	381,557	297,614
2007	466,066	21,645	487,711	231,039
2006	351,270	13,031	364,301	241,205
2005	381,673	11,172	392,845	325,575
2004	354,812	12,712	367,524	223,299
2003	701,483	15,292	716,775	385,078
2002	533,194	10,654	543,848	299,674
2001	384,124	9,510	393,634	248,466
2000	168,013	6,030	174,043	91,896
1999	232,612	7,181	239,793	101,898
1998	263,490	3,910	267,400	128,446
1997	115,160	2,241	117,401	35,385
1996	122,850	2,229	125,079	36,824
1995	89,971	1,565	91,536	39,292
1994	122,563	847	123,410	19,817
1993	229,051	191	229,242	Not Available Before 1994
1992	191,099	27	191,126	
1991	99,729	236	99,965	
1990	74,180	1,338	75,518	
1989	76,765	1,824	78,589	
1988	42,884	1,191	44,075	
1987	74,824	2,016	76,840	
1986	99,936	3,538	103,474	
1985	42,110	1,902	44,012	
1984	Not Available Before 1985	Not Available Before 1985	21,885	
1983			22,952	
1982			23,671	
1981			3,744	
1980			3,690	
1979			5,716	
1978			6,524	
1977			4,124	
1976			1,129	
1975			1,716	
1974			2,185	
1973			1,334	
1972			1,265	
1971			778	

Source: Freddie Mac

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

b Consists of loans purchased from lenders, as well as those loans covered under other guarantee commitments.

c Not included in total mortgages. From 2002 to 2013, amounts include non-Freddie Mac mortgage-related securities as well as repurchased Freddie Mac mortgage-backed securities (MBS) held for investment. Before 2002, amounts exclude Freddie Mac real estate mortgage investment conduits and other structured securities backed by Ginnie Mae MBS. Amounts in 2010 through 2013, include purchases of Freddie Mac MBS, most accounted for as debt extinguishments under Generally Accepted Accounting Principles rather than as investment in securities.

Table 10a. Freddie Mac Mortgage Purchases Detail by Type of Loan

Period	Purchases ($ in Millions)[a]											
	Single-Family Mortgages								Multifamily Mortgages			Total Mortgage Purchases ($)
	Conventional				FHA/VA[d]			Total Single-Family Mortgages ($)				
	Fixed-Rate[b] ($)	Adjustable-Rate[c] ($)	Seconds ($)	Total ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Total ($)		Conventional ($)	FHA/RD ($)	Total Multifamily Mortgages ($)	
4Q13	61,113	2,033	0	63,146	21	0	21	63,167	7,072	0	7,072	70,239
3Q13	92,863	4,940	0	97,803	30	0	30	97,833	5,266	0	5,266	103,099
2Q13	124,968	4,855	0	129,823	35	0	35	129,858	7,490	0	7,490	137,348
1Q13	127,661	4,179	0	131,840	44	0	44	131,884	6,044	0	6,044	137,928
Annual Data												
2013	406,605	16,007	0	422,612	130	0	130	422,742	25,872	0	25,872	448,614
2012	408,576	18,075	0	426,651	198	0	198	426,849	28,774	0	28,774	455,623
2011	294,918	25,685	0	320,603	190	0	190	320,793	20,325	0	20,325	341,118
2010	368,352	17,435	0	385,787	591	0	591	386,378	15,372	0	15,372	401,750
2009	470,355	3,615	0	473,970	1,380	0	1,380	475,350	16,571	0	16,571	491,921
2008	327,006	30,014	0	357,020	565	0	565	357,585	23,972	0	23,972	381,557
2007	387,760	78,149	0	465,909	157	0	157	466,066	21,645	0	21,645	487,711
2006	272,875	77,449	0	350,324	946	0	946	351,270	13,031	0	13,031	364,301
2005	313,842	67,831	0	381,673	0	0	0	381,673	11,172	0	11,172	392,845
2004	293,830	60,663	0	354,493	319	0	319	354,812	12,712	0	12,712	367,524
2003	617,796	82,270	0	700,066	1,417	0	1,417	701,483	15,292	0	15,292	716,775
2002	468,901	63,448	0	532,349	845	0	845	533,194	10,654	0	10,654	543,848
2001	353,056	30,780	0	383,836	288	0	288	384,124	9,507	3	9,510	393,634
2000	145,744	21,201	0	166,945	1,068	0	1,068	168,013	6,030	0	6,030	174,043
1999	224,040	7,443	0	231,483	1,129	0	1,129	232,612	7,181	0	7,181	239,793
1998	256,008	7,384	0	263,392	98	0	98	263,490	3,910	0	3,910	267,400
1997	106,174	8,950	0	115,124	36	0	36	115,160	2,241	0	2,241	117,401
1996	116,316	6,475	0	122,791	59	0	59	122,850	2,229	0	2,229	125,079
1995	75,867	14,099	0	89,966	5	0	5	89,971	1,565	0	1,565	91,536
1994	105,902	16,646	0	122,548	15	0	15	122,563	847	0	847	123,410
1993	208,322	20,708	1	229,031	20	0	20	229,051	191	0	191	229,242
1992	175,515	15,512	7	191,034	65	0	65	191,099	27	0	27	191,126
1991	91,586	7,793	206	99,585	144	0	144	99,729	236	0	236	99,965
1990	56,806	16,286	686	73,778	402	0	402	74,180	1,338	0	1,338	75,518
1989	57,100	17,835	1,206	76,141	624	0	624	76,765	1,824	0	1,824	78,589
1988	34,737	7,253	59	42,049	835	0	835	42,884	1,191	0	1,191	44,075
1987	69,148	4,779	69	73,996	828	0	828	74,824	2,016	0	2,016	76,840
1986	96,105	2,262	90	98,457	1,479	0	1,479	99,936	3,538	0	3,538	103,474
1985	40,226	605	34	40,865	1,245	0	1,245	42,110	1,902	0	1,902	44,012

Source: Freddie Mac

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

b From 2002 to 2013, includes loans guaranteed by U.S. Department of Agriculture Rural Development (RD) loan programs.

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

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

Table 10b. Freddie Mac Purchases of Mortgage-Related Securities – Part 1

Period	Purchases ($ in Millions)[a]														
	Freddie Mac Securities[b]				Other Securities										
					Fannie Mae				Ginnie Mae[c]						
	Single-Family				Single-Family				Single-Family						
	Fixed-Rate ($)	Adjustable-Rate ($)	Multifamily ($)	Total Freddie Mac ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multifamily ($)	Total Fannie Mae ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multifamily ($)	Total Ginnie Mae ($)	Total Private-Label ($)	Mortgage Revenue Bonds ($)	Total Mortgage-Related Securities[c] ($)
4Q13	14,177	26	0	14,203	235	0	0	235	0	0	0	0	6,224	0	20,662
3Q13	32,780	94	0	32,874	3,300	0	0	3,300	0	0	0	0	5,389	0	41,563
2Q13	29,225	590	0	29,815	716	0	0	716	0	0	0	0	7,434	0	37,965
1Q13	18,426	175	0	18,601	0	50	0	50	0	0	0	0	4,770	0	23,421
Annual Data															
2013	94,608	885	0	95,493	4,251	50	0	4,301	0	0	0	0	23,817	0	123,611
2012	49,607	3,542	119	53,268	0	170	0	170	0	0	0	0	18,008	0	71,446
2011	94,543	5,057	472	100,072	5,835	2,297	0	8,132	0	0	0	0	11,797	0	120,001
2010	40,462	923	382	41,767	0	373	0	373	0	0	0	0	9,688	0	51,828
2009	176,974	5,414	0	182,388	43,298	2,697	0	45,995	0	0	27	27	10,245	180	238,835
2008	192,701	26,344	111	219,156	49,534	18,519	0	68,053	0	0	8	8	10,316	81	297,614
2007	111,976	26,800	2,283	141,059	2,170	9,863	0	12,033	0	0	0	0	76,134	1,813	231,039
2006	76,378	27,146	0	103,524	4,259	8,014	0	12,273	0	0	0	0	122,230	3,178	241,205
2005	106,682	29,805	0	136,487	2,854	3,368	0	6,222	64	0	0	64	179,962	2,840	325,575
2004	72,147	23,942	146	96,235	756	3,282	0	4,038	0	0	0	0	121,082	1,944	223,299
2003	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	266,989	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	47,806	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	166	69,154	963	385,078
2002				192,817				45,798				820	59,376	863	299,674
2001				157,339				64,508				1,444	24,468	707	248,466
2000				58,516				18,249				3,339	10,304	1,488	91,896
1999				69,219				12,392				3,422	15,263	1,602	101,898
1998				107,508				3,126				319	15,711	1,782	128,446
1997				31,296				897				326	1,494	1,372	35,385
1996				33,338				Not Available Before 1997				Not Available Before 1997	Not Available Before 1997	Not Available Before 1997	36,824
1995				32,534											39,292
1994				19,817											19,817

Source: Freddie Mac

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

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

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

Table 10b. Freddie Mac Purchases of Mortgage-Related Securities – Part 2, Private-Label Detail

Period	Purchases ($ in Millions)[a]								
	Private-Label								
	Single-Family								
	Manufactured Housing ($)	Subprime		Alt-A[b]		Other[c]		Multifamily[c] ($)	Total Private-Label ($)
		Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)		
4Q13	0	0	0	0	0	2	0	6,222	6,224
3Q13	0	0	0	0	0	21	0	5,368	5,389
2Q13	0	0	0	0	0	3	0	7,431	7,434
1Q13	0	0	0	0	0	0	0	4,770	4,770
Annual Data									
2013	0	0	0	0	0	26	0	23,791	23,817
2012	0	0	0	0	0	21	0	17,987	18,008
2011	0	0	0	0	0	77	0	11,720	11,797
2010	0	0	0	0	0	3,172	0	6,516	9,688
2009	0	0	0	0	0	7,874	0	2,371	10,245
2008	0	60	46	0	618	8,175	0	1,417	10,316
2007	127	843	42,824	702	9,306	48	0	22,284	76,134
2006	0	116	74,645	718	29,828	48	0	16,875	122,230
2005	0	Not Available Before 2006	Not Available Before 2006	Not Available Before 2006	Not Available Before 2006	2,191	162,931	14,840	179,962
2004	0					1,379	108,825	10,878	121,082
2003	0					Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	69,154
2002	318								59,376
2001	0								24,468
2000	15								10,304
1999	3,293								15,263
1998	1,630								15,711
1997	36								1,494

Source: Freddie Mac

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

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

c Includes non-Freddie Mac mortgage-related securities purchased for other guarantee transactions, including Ginnie Mae mortgage-backed securities, as well as non-agency securities held for investment. Purchases for 2009 and 2010 include amounts related to housing finance agency bonds acquired and resecuritized under a bond initiative program.

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Table 11. Freddie Mac MBS Issuances

Period	Business Activity ($ in Millions)			
	MBS Issuances[a]			
	Single-Family MBS[b] ($)	Multifamily MBS ($)	Total MBS[b] ($)	Multiclass MBS[c] ($)
4Q13	65,167	7,360	72,527	25,969
3Q13	101,262	5,454	106,716	27,656
2Q13	133,423	7,597	141,020	26,385
1Q13	135,647	4,856	140,503	31,426
Annual Data				
2013	435,499	25,267	460,766	111,436
2012	446,162	20,317	466,479	124,376
2011	304,629	12,632	317,261	166,539
2010	384,719	8,318	393,037	136,366
2009	472,461	2,951	475,412	86,202
2008	352,776	5,085	357,861	64,305
2007	467,342	3,634	470,976	133,321
2006	358,184	1,839	360,023	169,396
2005	396,213	1,654	397,867	208,450
2004	360,933	4,175	365,108	215,506
2003	705,450	8,337	713,787	298,118
2002	543,716	3,596	547,312	331,672
2001	387,234	2,357	389,591	192,437
2000	165,115	1,786	166,901	48,202
1999	230,986	2,045	233,031	119,565
1998	249,627	937	250,564	135,162
1997	113,758	500	114,258	84,366
1996	118,932	770	119,702	34,145
1995	85,522	355	85,877	15,372
1994	116,901	209	117,110	73,131
1993	208,724	0	208,724	143,336
1992	179,202	5	179,207	131,284
1991	92,479	0	92,479	72,032
1990	71,998	1,817	73,815	40,479
1989	72,931	587	73,518	39,754
1988	39,490	287	39,777	12,985
1987	72,866	2,152	75,018	0
1986	96,798	3,400	100,198	2,233
1985	37,583	1,245	38,828	2,625
1984	Not Available Before 1985	Not Available Before 1985	18,684	1,805
1983			19,691	1,685
1982			24,169	Not Issued Before 1983
1981			3,526	
1980			2,526	
1979			4,546	
1978			6,412	
1977			4,657	
1976			1,360	
1975			950	
1974			46	
1973			323	
1972			494	
1971			65	

Source: Freddie Mac

a Based on unpaid principal balances. Excludes mortgage loans and mortgage-related securities traded but not yet settled. Includes issuance of other guarantee commitments for mortgages not in the form of a security.

b Includes mortgage-backed securities (MBS), real estate mortgage investment conduits (REMICs), other structured securities, and other guarantee transactions. From 2002 to 2013, includes Freddie Mac REMICs and other structured securities backed by Ginnie Mae MBS. Before 2002, excludes Freddie Mac REMICs and other structured securities backed by Ginnie Mae MBS. Amounts are not included in total MBS issuances if the activity represents a resecuritization of Freddie Mac MBS.

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

Table 12. Freddie Mac Earnings

Period	Earnings ($ in Millions)					
	Net Interest Income[a] ($)	Guarantee Fee Income[a] ($)	Administrative Expenses ($)	Credit-Related (Benefit) Expenses[b] ($)	Net Income (Loss) ($)	Return on Equity[c] (%)
4Q13	3,783	78	474	(158)	8,613	N/M
3Q13	4,276	70	455	(1,217)	30,486	N/M
2Q13	4,144	63	444	(733)	4,988	N/M
1Q13	4,265	60	432	(497)	4,581	N/M
Annual Data						
2013	16,468	271	1,805	(2,605)	48,668	N/M
2012	17,611	201	1,561	1,949	10,982	N/M
2011	18,397	170	1,506	11,287	(5,266)	N/M
2010	16,856	143	1,597	17,891	(14,025)	N/M
2009	17,073	3,033	1,685	29,837	(21,553)	N/M
2008	6,796	3,370	1,505	17,529	(50,119)	N/M
2007	3,099	2,635	1,674	3,060	(3,094)	(21.0)
2006	3,412	2,393	1,641	356	2,327	9.8
2005	4,627	2,076	1,535	347	2,113	8.1
2004	9,137	1,382	1,550	140	2,937	9.4
2003	9,498	1,653	1,181	2	4,816	17.7
2002	9,525	1,527	1,406	126	10,090	47.2
2001	7,448	1,381	1,024	39	3,158	20.2
2000	3,758	1,243	825	75	3,666	39.0
1999	2,926	1,019	655	159	2,223	25.5
1998	2,215	1,019	578	342	1,700	22.6
1997	1,847	1,082	495	529	1,395	23.1
1996	1,705	1,086	440	608	1,243	22.6
1995	1,396	1,087	395	541	1,091	22.1
1994	1,112	1,108	379	425	983	23.3
1993	772	1,009	361	524	786	22.3
1992	695	936	329	457	622	21.2
1991	683	792	287	419	555	23.6
1990	619	654	243	474	414	20.4
1989	517	572	217	278	437	25.0
1988	492	465	194	219	381	27.5
1987	319	472	150	175	301	28.2
1986	299	301	110	120	247	28.5
1985	312	188	81	79	208	30.0
1984	213	158	71	54	144	52.0
1983	125	132	53	46	86	44.5
1982	30	77	37	26	60	21.9
1981	34	36	30	16	31	13.1
1980	54	23	26	23	34	14.7
1979	55	18	19	20	36	16.2
1978	37	14	14	13	25	13.4
1977	31	9	12	8	21	12.4
1976	18	3	10	(1)	14	9.5
1975	31	3	10	11	16	11.6
1974	42	2	8	33	5	4.0
1973	31	2	7	15	12	9.9
1972	10	1	5	4	4	3.5
1971	10	1	Not Available Before 1972	Not Available Before 1972	6	5.5

Source: Freddie Mac

N/M = not meaningful

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

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

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

Table 13. Freddie Mac Balance Sheet

End of Period	Balance Sheet ($ in Millions)[a]								
	Total Assets ($)	Total Mortgage Assets[b] ($)	Nonmortgage Investments ($)	Total Debt Outstanding ($)	Stockholders' Equity ($)	Senior Preferred Stock ($)	Fair-Value of Net Assets ($)	Mortgage Assets Held for Investment (Gross)[c] ($)	Indebtedness[d] ($)
4Q13	1,966,061	1,855,095	69,019	1,940,751	12,835	72,336	(41,200)	461,024	511,345
3Q13	1,981,785	1,875,159	72,664	1,935,577	33,436	72,336	(18,100)	497,814	520,347
2Q13	1,967,518	1,889,694	64,681	1,945,916	7,357	72,336	(42,000)	521,219	525,785
1Q13	1,979,386	1,903,572	51,064	1,955,849	9,971	72,336	(50,500)	534,150	534,617
Annual Data									
2013	1,966,061	1,855,095	69,019	1,940,751	12,835	72,336	(41,200)	461,024	511,345
2012	1,989,856	1,912,929	58,076	1,967,042	8,827	72,336	(58,300)	557,544	552,472
2011	2,147,216	2,062,713	39,342	2,131,983	(146)	72,171	(78,400)	653,313	674,314
2010	2,261,780	2,149,586	74,420	2,242,588	(401)	64,200	(58,600)	696,874	728,217
2009	841,784	716,974	26,271	780,604	4,278	51,700	(62,500)	755,272	805,073
2008	850,963	748,747	18,944	843,021	(30,731)	14,800	(95,600)	804,762	Not Applicable Before 2009
2007	794,368	710,042	41,663	738,557	26,724	Not Applicable Before 2008	12,600	720,813	
2006	804,910	700,002	68,614	744,341	26,914		31,800	703,959	
2005	798,609	709,503	57,324	740,024	25,691		30,900	710,346	
2004	795,284	664,582	62,027	731,697	31,416		30,900	653,261	
2003	803,449	660,531	53,124	739,613	31,487		27,300	645,767	
2002	752,249	589,899	91,871	665,696	31,330		22,900	567,272	
2001	641,100	503,769	89,849	578,368	19,624		18,300	497,639	
2000	459,297	385,451	43,521	426,899	14,837		Not Available Before 2001	385,693	
1999	386,684	322,914	34,152	360,711	11,525			324,443	
1998	321,421	255,670	42,160	287,396	10,835			255,009	
1997	194,597	164,543	16,430	172,842	7,521			164,421	
1996	173,866	137,826	22,248	156,981	6,731			137,755	
1995	137,181	107,706	12,711	119,961	5,863			107,424	
1994	106,199	73,171	17,808	93,279	5,162			73,171	
1993	83,880	55,938	18,225	49,993	4,437			55,938	
1992	59,502	33,629	12,542	29,631	3,570			33,629	
1991	46,860	26,667	9,956	30,262	2,566			26,667	
1990	40,579	21,520	12,124	30,941	2,136			21,520	
1989	35,462	21,448	11,050	26,147	1,916			21,448	
1988	34,352	16,918	14,607	26,882	1,584			16,918	
1987	25,674	12,354	10,467	19,547	1,182			12,354	
1986	23,229	13,093	Not Available Before 1987	15,375	953			13,093	
1985	16,587	13,547		12,747	779			13,547	
1984	13,778	10,018		10,999	606			10,018	
1983	8,995	7,485		7,273	421			7,485	
1982	5,999	4,679		4,991	296			4,679	
1981	6,326	5,178		5,680	250			5,178	
1980	5,478	5,006		4,886	221			5,006	
1979	4,648	4,003		4,131	238			4,003	
1978	3,697	3,038		3,216	202			3,038	
1977	3,501	3,204		3,110	177			3,204	
1976	4,832	4,175		4,523	156			4,175	
1975	5,899	4,878		5,609	142			4,878	
1974	4,901	4,469		4,684	126			4,469	
1973	2,873	2,521		2,696	121			2,521	
1972	1,772	1,726		1,639	110			1,726	
1971	1,038	935		915	107			935	

Source: Freddie Mac

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

b Excludes allowance for loan losses.

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

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

Table 13a. Freddie Mac Total MBS Outstanding Detail[a]

	Single-Family Mortgages ($ in Millions)					Multifamily Mortgages ($ in Millions)			($ in Millions)	
	Conventional									
End of Period	Fixed-Rate[b] ($)	Adjustable-Rate[c] ($)	Seconds[d] ($)	Total ($)	Total FHA/VA[d]	Conventional ($)	FHA/RD ($)	Multifamily Mortgages ($)	Total MBS Outstanding[e] ($)	Multiclass MBS Outstanding[f] ($)
4Q13	1,306,504	72,187	1	1,378,692	3,152	71,793	0	71,793	1,453,637	402,309
3Q13	1,287,547	73,450	1	1,360,998	3,245	65,337	0	65,337	1,429,580	398,816
2Q13	1,286,756	73,762	1	1,360,519	3,112	60,395	0	60,395	1,424,026	407,071
1Q13	1,282,065	75,097	1	1,357,163	3,282	53,668	0	53,668	1,414,113	416,664
Annual Data										
2013	1,306,504	72,187	1	1,378,692	3,152	71,793	0	71,793	1,453,637	402,309
2012	1,269,642	76,095	1	1,345,738	3,452	49,542	0	49,542	1,398,732	427,630
2011	1,303,916	81,977	2	1,385,895	4,106	32,080	0	32,080	1,422,081	451,716
2010	1,357,124	84,471	2	1,441,597	4,434	21,954	0	21,954	1,467,985	429,115
2009	1,364,796	111,550	3	1,476,349	3,544	15,374	0	15,374	1,495,267	448,329
2008	1,242,648	142,495	4	1,385,147	3,970	13,597	0	13,597	1,402,714	517,654
2007	1,206,495	161,963	7	1,368,465	4,499	8,899	0	8,899	1,381,863	526,604
2006	967,580	141,740	12	1,109,332	5,396	8,033	0	8,033	1,122,761	491,696
2005	836,023	117,757	19	953,799	6,289	14,112	0	14,112	974,200	437,668
2004	736,332	91,474	70	827,876	9,254	15,140	0	15,140	852,270	390,516
2003	649,699	74,409	140	724,248	12,157	15,759	0	15,759	752,164	347,833
2002	647,603	61,110	5	708,718	12,361	8,730	0	8,730	729,809	392,545
2001	609,290	22,525	10	631,825	14,127	7,132	0	7,132	653,084	299,652
2000	533,331	36,266	18	569,615	778	5,708	0	5,708	576,101	309,185
1999	499,671	33,094	29	532,794	627	4,462	0	4,462	537,883	316,168
1998	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	478,351	260,504
1997									475,985	233,829
1996									473,065	237,939
1995									459,045	246,336
1994									460,656	264,152
1993									439,029	265,178
1992									407,514	218,747
1991									359,163	146,978
1990									316,359	88,124
1989									272,870	52,865
1988									226,406	15,621
1987									212,635	3,652
1986									169,186	5,333
1985									99,909	5,047
1984									70,026	3,214
1983									57,720	1,669
1982									42,952	Not Issued Before 1983
1981									19,897	
1980									16,962	
1979									15,316	
1978									12,017	
1977									6,765	
1976									2,765	
1975									1,643	
1974									780	
1973									791	
1972									444	
1971									64	

Source: Freddie Mac

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

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

c From 2001 to 2013, includes MBS with underlying mortgages classified as balloon/reset loans. Freddie Mac discontinued purchase of balloon/reset mortgages on January 1, 2014.

d From 2002 to 2013, includes resecuritizations of non-Freddie Mac securities.

e Excludes mortgage loans and mortgage-related securities traded but not yet settled. From 2002 to 2013, amounts include real estate mortgage investment conduits and other structured securities, other guarantee transactions, and other guarantee commitments of mortgage loans and MBS held by third parties.

f Amounts are included in total MBS outstanding column.

Table 14. Freddie Mac Mortgage Assets Held for Investment Detail

End of Period	($ in Millions)			
	Whole Loans[a] ($)	Freddie Mac Securities[a] ($)	Other Mortgage-Related Securities[a] ($)	Mortgage Assets Held for Investment (Gross)[b, c] ($)
4Q13	181,308	168,034	111,682	461,024
3Q13	190,771	183,278	123,765	497,814
2Q13	201,729	184,639	134,851	521,219
1Q13	212,509	178,659	142,982	534,150
Annual Data				
2013	181,308	168,034	111,682	461,024
2012	221,313	186,763	149,468	557,544
2011	253,970	223,667	175,676	653,313
2010	234,746	263,603	198,525	696,874
2009	138,816	374,615	241,841	755,272
2008	111,476	424,524	268,762	804,762
2007	82,158	356,970	281,685	720,813
2006	65,847	354,262	283,850	703,959
2005	61,481	361,324	287,541	710,346
2004	61,360	356,698	235,203	653,261
2003	60,270	393,135	192,362	645,767
2002	63,886	341,287	162,099	567,272
2001	62,792	308,427	126,420	497,639
2000	59,240	246,209	80,244	385,693
1999	56,676	211,198	56,569	324,443
1998	57,084	168,108	29,817	255,009
1997	48,454	103,400	Not Available Before 1998	164,421
1996	46,504	81,195		137,755
1995	43,753	56,006		107,424
1994	Not Available Before 1995	30,670		73,171
1993		15,877		55,938
1992		6,394		33,629
1991		Not Available Before 1992		26,667
1990				21,520
1989				21,448
1988				16,918
1987				12,354
1986				13,093
1985				13,547
1984				10,018
1983				7,485
1982				4,679
1981				5,178
1980				5,006
1979				4,003
1978				3,038
1977				3,204
1976				4,175
1975				4,878
1974				4,469
1973				2,521
1972				1,726
1971				935

Source: Freddie Mac

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

[b] Excludes allowance for loan losses.

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

Table 14a. Freddie Mac Mortgage Assets Held for Investment Detail – Whole Loans

End of Period	Whole Loans ($ in Millions)[a]								
	Single-Family					Multifamily			Total Whole Loans ($)
	Conventional				Total FHA/VA[c] ($)	Conventional ($)	FHA/RD ($)	Total ($)	
	Fixed-Rate[b] ($)	Adjustable-Rate ($)	Seconds ($)	Total ($)					
4Q13	115,073	6,511	0	121,584	553	59,168	3	59,171	181,308
3Q13	118,160	7,125	0	125,285	663	64,820	3	64,823	190,771
2Q13	123,320	7,994	0	131,314	1,106	69,306	3	69,309	201,729
1Q13	128,465	9,030	0	137,495	1,299	73,712	3	73,715	212,509
Annual Data									
2013	115,073	6,511	0	121,584	553	59,168	3	59,171	181,308
2012	133,506	9,953	0	143,459	1,285	76,566	3	76,569	221,313
2011	156,361	13,804	0	170,165	1,494	82,308	3	82,311	253,970
2010	130,722	16,643	0	147,365	1,498	85,880	3	85,883	234,746
2009	50,980	2,310	0	53,290	1,588	83,935	3	83,938	138,816
2008	36,071	2,136	0	38,207	548	72,718	3	72,721	111,476
2007	21,578	2,700	0	24,278	311	57,566	3	57,569	82,158
2006	19,211	1,233	0	20,444	196	45,204	3	45,207	65,847
2005	19,238	903	0	20,141	255	41,082	3	41,085	61,481
2004	22,055	990	0	23,045	344	37,968	3	37,971	61,360
2003	25,889	871	1	26,761	513	32,993	3	32,996	60,270
2002	33,821	1,321	3	35,145	705	28,033	3	28,036	63,886
2001	38,267	1,073	5	39,345	964	22,480	3	22,483	62,792
2000	39,537	2,125	9	41,671	1,200	16,369	Not Available Before 2001	16,369	59,240
1999	43,210	1,020	14	44,244	77	12,355		12,355	56,676
1998	47,754	1,220	23	48,997	109	7,978		7,978	57,084
1997	40,967	1,478	36	42,481	148	5,825		5,825	48,454
1996	Not Available Before 1997	Not Available Before 1997	Not Available Before 1997	Not Available Before 1997	Not Available Before 1997	4,746		4,746	46,504
1995						3,852		3,852	43,753

Source: Freddie Mac

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

b From 2001 to 2013, includes U.S.Department of Agriculture Rural Development (RD) loan programs.

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

Table 14b. Freddie Mac Mortgage Assets Held for Investment Detail – Part 1, Mortgage-Related Securities

End of Period	Mortgage-Related Securities ($ in Millions)[a]													
	Freddie Mac Securities[b]				Other Securities									
	Single-Family				Fannie Mae				Ginnie Mae					
					Single-Family				Single-Family					
	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Freddie Mac ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Fannie Mae ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Ginnie Mae ($)	Total Private-Label ($)	Total Other Securities ($)
4Q13	137,164	28,083	2,787	168,034	7,240	9,421	3	16,664	150	78	15	243	91,237	108,144
3Q13	150,642	29,816	2,820	183,278	10,723	9,981	3	20,707	160	81	15	256	99,013	119,976
2Q13	149,531	32,079	3,029	184,639	9,128	10,704	31	19,863	172	84	16	272	110,457	130,592
1Q13	141,891	34,061	2,707	178,659	9,643	11,490	60	21,193	186	88	15	289	116,310	137,792
Annual Data														
2013	137,164	28,083	2,787	168,034	7,240	9,421	3	16,664	150	78	15	243	91,237	108,144
2012	147,751	36,630	2,382	186,763	10,864	12,518	84	23,466	202	91	15	308	120,038	143,812
2011	174,440	46,219	3,008	223,667	16,543	15,998	128	32,669	253	104	16	373	134,841	167,883
2010	206,974	54,534	2,095	263,603	21,238	18,139	316	39,693	296	117	27	440	148,515	188,648
2009	294,958	77,708	1,949	374,615	36,549	28,585	528	65,662	341	133	35	509	163,816	229,987
2008	328,965	93,498	2,061	424,524	35,142	34,460	674	70,276	398	152	26	576	185,041	255,893
2007	269,896	84,415	2,659	356,970	23,140	23,043	922	47,105	468	181	82	731	218,914	266,750
2006	282,052	71,828	382	354,262	25,779	17,441	1,214	44,434	707	231	13	951	224,631	270,016
2005	299,167	61,766	391	361,324	28,818	13,180	1,335	43,333	1,045	218	30	1,293	231,594	276,220
2004	304,555	51,737	406	356,698	41,828	14,504	1,672	58,004	1,599	81	31	1,711	166,411	226,126
2003	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	393,135	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	74,529	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	2,760	107,301	184,590
2002				341,287				78,829				4,878	70,752	154,459
2001				308,427				71,128				5,699	42,336	119,163
2000				246,209				28,303				8,991	35,997	73,291
1999				211,198				13,245				6,615	31,019	50,879
1998				168,108				3,749				4,458	16,970	25,177
1997				103,400				Not Available Before 1998				6,393	Not Available Before 1998	Not Available Before 1998
1996				81,195								7,434		
1995				56,006								Not Available Before 1996		
1994				30,670										
1993				15,877										
1992				6,394										

Source: Freddie Mac

a Based on unpaid principal balances.

b From 2001 to 2013, includes real estate mortgage investment conduits and other structured securities backed by Ginnie Mae mortgage-backed securities.

Table 14b. Freddie Mac Mortgage Assets Held for Investment Detail – Part 2, Mortgage-Related Securities, Private-Label Detail

End of Period	Mortgage-Related Securities ($ in Millions)[a]								
	Private-Label								
	Single-Family							Multifamily ($)	Total Private-Label ($)
	Manufactured Housing ($)	Subprime		Alt-A[b]		Other[c]			
		Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)		
4Q13	778	116	39,583	1,417	9,594	0	10,426	29,323	91,237
3Q13	799	120	40,664	1,512	10,284	0	10,755	34,879	99,013
2Q13	818	294	41,620	1,618	11,512	0	11,190	43,405	110,457
1Q13	842	301	43,017	1,696	12,645	0	11,617	46,192	116,310
Annual Data									
2013	778	116	39,583	1,417	9,594	0	10,426	29,323	91,237
2012	862	311	44,086	1,774	13,036	0	12,012	47,957	120,038
2011	960	336	48,696	2,128	14,662	0	13,949	54,110	134,841
2010	1,080	363	53,855	2,405	16,438	0	15,646	58,728	148,515
2009	1,201	395	61,179	2,845	18,594	0	17,687	61,915	163,816
2008	1,326	438	74,413	3,266	21,801	0	19,606	64,191	185,041
2007	1,472	498	100,827	3,720	26,343	0	21,250	64,804	218,914
2006	1,510	408	121,691	3,626	31,743	0	20,893	44,760	224,631
2005	1,680	Not Available Before 2006	Not Available Before 2006	Not Available Before 2006	Not Available Before 2006	4,749	181,678	43,487	231,594
2004	1,816					8,243	115,168	41,184	166,411
2003	2,085					Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	107,301
2002	2,394								70,752
2001	2,462								42,336
2000	2,896								35,997
1999	4,693								31,019
1998	1,711								16,970

Source: Freddie Mac

[a] Based on unpaid principal balances.

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

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

Table 14b. Freddie Mac Mortgage Assets Held for Investment Detail – Part 3, Mortgage-Related Securities

	Mortgage-Related Securities ($ in Millions)		($ in Millions)			
End of Period	Mortgage Revenue Bonds[a] ($)	Total Mortgage-Related Securities[a] ($)	Unamortized Premiums, Discounts, Deferred Fees, Plus Unrealized Gains/ Losses on Available-for-Sale Securities[b] ($)	Mortgage Assets Held for Investment (Net)[c] ($)	Mortgage Assets Held for Investment (Gross)[d] ($)	Limit on Mortgage Assets Held for Investment (Gross)[e] ($)
4Q13	3,538	279,716	N/A	N/A	461,024	552,500
3Q13	3,789	307,043	N/A	N/A	497,814	650,000
2Q13	4,259	319,490	N/A	N/A	521,219	650,000
1Q13	5,190	321,641	N/A	N/A	534,150	650,000
Annual Data						
2013	3,538	279,716	N/A	N/A	461,024	552,500
2012	5,656	336,231	N/A	N/A	557,544	650,000
2011	7,793	399,343	N/A	N/A	653,313	729,000
2010	9,877	462,128	N/A	N/A	696,874	810,000
2009	11,854	616,456	(38,298)	716,974	755,272	900,000
2008	12,869	693,286	(56,015)	748,747	804,762	Not Applicable Before 2009
2007	14,935	638,655	(10,771)	710,042	720,813	
2006	13,834	638,112	(3,957)	700,002	703,959	
2005	11,321	648,865	(843)	709,503	710,346	
2004	9,077	591,901	11,321	664,582	653,261	
2003	7,772	585,497	14,764	660,531	645,767	
2002	7,640	503,386	22,627	589,899	567,272	
2001	7,257	434,847	6,130	503,769	497,639	
2000	6,953	326,453	(242)	385,451	385,693	
1999	5,690	267,767	(1,529)	322,914	324,443	
1998	4,640	197,925	661	255,670	255,009	
1997	3,031	Not Available Before 1998	122	164,543	164,421	
1996	1,787		71	137,826	137,755	
1995	Not Available Before 1996		282	107,706	107,424	
1994			Not Available Before 1995 and after 2009	73,171	73,171	
1993				55,938	55,938	
1992				33,629	33,629	
1991				26,667	26,667	
1990				21,520	21,520	
1989				21,448	21,448	
1988				16,918	16,918	
1987				12,354	12,354	
1986				13,093	13,093	
1985				13,547	13,547	
1984				10,018	10,018	
1983				7,485	7,485	
1982				4,679	4,679	
1981				5,178	5,178	
1980				5,006	5,006	
1979				4,003	4,003	
1978				3,038	3,038	
1977				3,204	3,204	
1976				4,175	4,175	
1975				4,878	4,878	
1974				4,469	4,469	
1973				2,521	2,521	
1972				1,726	1,726	
1971				935	935	

Source: Freddie Mac

N/A = not available

[a] Based on unpaid principal balances.

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

[c] Excludes allowance for loan losses.

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

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

Table 15. Freddie Mac Financial Derivatives

End of Period	Financial Derivatives – Notional Amount Outstanding ($ in Millions)									
	Interest Rate Swaps[a] ($)	Interest Rate Caps, Floors, and Corridors ($)	Foreign Currency Contracts ($)	Over-the-Counter Futures, Options, and Forward Rate Agreements ($)	Treasury-Based Contracts[b] ($)	Exchange-Traded Futures, Options and Other Derivatives ($)	Credit Derivatives[c] ($)	Commitments[d] ($)	Other[e] ($)	Total ($)
4Q13	524,624	19,000	528	103,010	270	50,000	5,386	18,731	3,477	725,026
3Q13	559,703	19,000	519	95,652	10,079	10,000	5,575	26,690	3,537	730,755
2Q13	570,813	19,000	498	73,572	11,550	19,969	6,032	38,271	3,594	743,299
1Q13	539,107	21,000	492	82,020	850	19,969	7,709	23,986	3,617	698,750
Annual Data										
2013	524,624	19,000	528	103,010	270	50,000	5,386	18,731	3,477	725,026
2012	547,491	28,000	1,167	90,585	1,185	39,938	8,307	25,530	3,628	745,831
2011	503,893	28,000	1,722	182,974	2,250	41,281	10,190	14,318	3,621	788,249
2010	721,259	28,000	2,021	207,694	4,193	211,590	12,833	14,292	3,614	1,205,496
2009	705,707	35,945	5,669	287,193	540	159,659	14,198	13,872	3,521	1,226,304
2008	766,158	36,314	12,924	251,426	28,403	106,610	13,631	108,273	3,281	1,327,020
2007	711,829	0	20,118	313,033	0	196,270	7,667	72,662	1,302	1,322,881
2006	440,879	0	29,234	252,022	2,000	20,400	2,605	10,012	957	758,109
2005	341,008	45	37,850	193,502	0	86,252	2,414	21,961	738	683,770
2004	178,739	9,897	56,850	224,204	2,001	127,109	10,926	32,952	114,100	756,778
2003	287,592	11,308	46,512	349,650	8,549	122,619	15,542	89,520	152,579	1,083,871
2002	290,096	11,663	43,687	277,869	17,900	210,646	17,301	191,563	117,219	1,177,944
2001	442,771	12,178	23,995	187,486	13,276	358,500	10,984	121,588	0	1,170,778
2000	277,888	12,819	10,208	113,064	2,200	22,517	N/A	N/A	35,839	474,535
1999	126,580	19,936	1,097	172,750	8,894	94,987	Not Applicable Before 2000	Not Applicable Before 2000	0	424,244
1998	57,555	21,845	1,464	63,000	11,542	157,832			0	313,238
1997	54,172	21,995	1,152	6,000	12,228	0			0	95,547
1996	46,646	14,095	544	0	651	0			0	61,936
1995	45,384	13,055	0	0	24	0			0	58,463
1994	21,834	9,003	0	0	0	0			0	30,837
1993	17,888	1,500	0	0	0	0			0	19,388

Source: Freddie Mac

N/A = not available

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

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

c Amounts included in "Other" in 2000, not applicable in prior years.

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

e Includes prepayment management agreement and swap guarantee derivatives.

Table 16. Freddie Mac Nonmortgage Investments

End of Period	Nonmortgage Investments ($ in Millions)[a]					
	Federal Funds and Eurodollars ($)	Asset-Backed Securities ($)	Repurchase Agreements ($)	Commercial Paper and Corporate Debt ($)	Other[b] ($)	Total ($)
4Q13	0	0	62,383	0	6,636	69,019
3Q13	0	0	41,023	0	31,641	72,664
2Q13	0	2	40,149	0	24,530	64,681
1Q13	0	89	38,646	0	12,329	51,064
Annual Data						
2013	0	0	62,383	0	6,636	69,019
2012	0	292	37,563	0	20,221	58,076
2011	0	302	12,044	2,184	24,812	39,342
2010	3,750	44	42,774	441	27,411	74,420
2009	0	4,045	7,000	439	14,787	26,271
2008	0	8,794	10,150	0	0	18,944
2007	162	16,588	6,400	18,513	0	41,663
2006	19,778	32,122	3,250	11,191	2,273	68,614
2005	9,909	30,578	5,250	5,764	5,823	57,324
2004	18,647	21,733	13,550	0	8,097	62,027
2003	7,567	16,648	13,015	5,852	10,042	53,124
2002	6,129	34,790	16,914	13,050	20,988	91,871
2001	15,868	26,297	17,632	21,712	8,340	89,849
2000	2,267	19,063	7,488	7,302	7,401	43,521
1999	10,545	10,305	4,961	3,916	4,425	34,152
1998	20,524	7,124	1,756	7,795	4,961	42,160
1997	2,750	2,200	6,982	3,203	1,295	16,430
1996	9,968	2,086	6,440	1,058	2,696	22,248
1995	110	499	9,217	1,201	1,684	12,711
1994	7,260	0	5,913	1,234	3,401	17,808
1993	9,267	0	4,198	1,438	3,322	18,225
1992	5,632	0	4,060	53	2,797	12,542
1991	2,949	0	4,437	0	2,570	9,956
1990	1,112	0	9,063	0	1,949	12,124
1989	3,527	0	5,765	0	1,758	11,050
1988	4,469	0	9,107	0	1,031	14,607
1987	3,177	0	5,859	0	1,431	10,467

Source: Freddie Mac

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

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

Table 17. Freddie Mac Mortgage Asset Quality

End of Period	Mortgage Asset Quality				
	Single-Family Delinquency Rate[a] (%)	Multifamily Delinquency Rate[b] (%)	Credit Losses/Average Total Mortgage Portfolio[c] (%)	REO/Total Mortgage Portfolio[d] (%)	Credit-Enhanced[e]/ Total Mortgage Portfolio[d] (%)
4Q13	2.39	0.09	0.09	0.25	16.0
3Q13	2.58	0.05	0.12	0.24	14.0
2Q13	2.79	0.09	0.39	0.22	13.0
1Q13	3.03	0.16	0.46	0.24	13.0
Annual Data					
2013	2.39	0.09	0.27	0.25	16.0
2012	3.25	0.19	0.64	0.24	13.0
2011	3.58	0.22	0.68	0.30	14.0
2010	3.84	0.26	0.72	0.36	15.0
2009	3.98	0.20	0.41	0.23	16.0
2008	1.83	0.05	0.20	0.17	18.0
2007	0.65	0.02	0.03	0.08	17.0
2006	0.42	0.06	0.01	0.04	16.0
2005	0.53	0.00	0.01	0.04	17.0
2004	0.73	0.06	0.01	0.05	19.0
2003	0.86	0.05	0.01	0.06	21.0
2002	0.77	0.13	0.01	0.05	27.4
2001	0.62	0.15	0.01	0.04	34.7
2000	0.49	0.04	0.01	0.04	31.8
1999	0.39	0.14	0.02	0.05	29.9
1998	0.50	0.37	0.04	0.08	27.3
1997	0.55	0.96	0.08	0.11	15.9
1996	0.58	1.96	0.10	0.13	10.0
1995	0.60	2.88	0.11	0.14	9.7
1994	0.55	3.79	0.08	0.18	7.2
1993	0.61	5.92	0.11	0.16	5.3
1992	0.64	6.81	0.09	0.12	Not Available Before 1993
1991	0.61	5.42	0.08	0.14	
1990	0.45	2.63	0.08	0.12	
1989	0.38	2.53	0.08	0.09	
1988	0.36	2.24	0.07	0.09	
1987	0.36	1.49	0.07	0.08	
1986	0.42	1.07	Not Available Before 1987	0.07	
1985	0.42	0.63		0.10	
1984	0.46	0.42		0.15	
1983	0.47	0.58		0.15	
1982	0.54	1.04		0.12	
1981	0.61	Not Available Before 1982		0.07	
1980	0.44			0.04	
1979	0.31			0.02	
1978	0.21			0.02	
1977	Not Available Before 1978			0.03	
1976				0.04	
1975				0.03	
1974				0.02	

Source: Freddie Mac

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

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

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

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

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

Table 18. Freddie Mac Capital[a]

End of Period	Capital ($ in Millions)									
	Minimum Capital Requirement			Risk-Based Capital Requirement						
	Core Capital[b] ($)	Minimum Capital Requirement[c] ($)	Regulatory Capital Surplus (Deficit)[c] ($)	Total Capital[d] ($)	Risk-Based Capital Requirement[e] ($)	Risk-Based Capital Surplus (Deficit)[f] ($)	Market Capitalization[g] ($)	Core Capital/ Total Assets[h] (%)	Core Capital/ Total Assets plus Unconsolidated MBS[i] (%)	Common Share Dividend Payout Rate[j] (%)
4Q13	(59,495)	21,404	(80,899)	N/A	N/A	N/A	1,885	(3.03)	(2.94)	N/A
3Q13	(37,672)	22,025	(59,697)	N/A	N/A	N/A	819	(1.90)	(1.85)	N/A
2Q13	(63,800)	21,592	(85,392)	N/A	N/A	N/A	878	(3.24)	(3.18)	N/A
1Q13	(61,817)	21,779	(83,596)	N/A	N/A	N/A	442	(3.12)	(3.08)	N/A
Annual Data										
2013	(59,495)	21,404	(80,899)	N/A	N/A	N/A	1,885	(3.03)	(2.94)	N/A
2012	(60,571)	22,063	(82,634)	N/A	N/A	N/A	169	(3.04)	(3.02)	N/A
2011	(64,322)	24,405	(88,727)	N/A	N/A	N/A	136	(3.00)	(3.03)	N/A
2010	(52,570)	25,987	(78,557)	N/A	N/A	N/A	195	(2.32)	(2.37)	N/A
2009	(23,774)	28,352	(52,126)	N/A	N/A	N/A	953	(2.82)	(1.02)	N/A
2008	(13,174)	28,200	(41,374)	N/A	N/A	N/A	473	(1.55)	(0.58)	N/M
2007	37,867	26,473	11,394	40,929	14,102	26,827	22,018	4.77	1.74	N/M
2006	35,365	25,607	9,758	36,742	15,320	21,422	44,896	4.39	1.83	63.9
2005	35,043	24,791	10,252	36,781	11,282	25,499	45,269	4.35	1.97	56.4
2004	34,106	23,715	10,391	34,691	11,108	23,583	50,898	4.29	2.07	30.7
2003	32,416	23,362	9,054	33,436	5,426	28,010	40,158	4.03	2.08	15.6
2002	28,990	22,339	6,651	24,222	4,743	19,479	40,590	3.85	1.96	6.2
2001	20,181	19,014	1,167	Not Applicable Before 2002	Not Applicable Before 2002	Not Applicable Before 2002	45,473	3.15	1.56	18.9
2000	14,380	14,178	202				47,702	3.13	1.39	20.0
1999	12,692	12,287	405				32,713	3.28	1.37	20.1
1998	10,715	10,333	382				44,797	3.33	1.34	20.7
1997	7,376	7,082	294				28,461	3.79	1.10	21.1
1996	6,743	6,517	226				19,161	3.88	1.04	21.3
1995	5,829	5,584	245				14,932	4.25	0.98	21.1
1994	5,169	4,884	285				9,132	4.87	0.91	20.5
1993	4,437	3,782	655				9,005	5.29	0.85	21.6
1992	Not Applicable Before 1993	Not Applicable Before 1993	Not Applicable Before 1993				8,721	Not Applicable Before 1993	Not Applicable Before 1993	23.1
1991							8,247			21.6
1990							2,925			23.2
1989							4,024			24.3

Sources: Freddie Mac and FHFA

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

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

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

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

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

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

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

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

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

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

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

Table 19. Federal Home Loan Banks Combined Statement of Income

End of Period	($ in Millions)				
	Net Interest Income ($)	Operating Expenses ($)	Affordable Housing Program Assessment ($)	REFCORP Assessment [a, b] ($)	Net Income ($)
4Q13	879	256	83	0	680
3Q13	854	218	67	0	537
2Q13	832	211	77	0	730
1Q13	850	205	67	0	580
Annual Data					
2013	3,415	889	293	0	2,527
2012	4,052	840	297	0	2,606
2011	4,175	855	189	159	1,599
2010	5,234	860	229	498	2,081
2009	5,432	813	258	572	1,855
2008	5,243	732	188	412	1,206
2007	4,516	714	318	703	2,827
2006	4,293	671	295	647	2,612
2005	4,207	657	282	625	2,525
2004	4,171	547	225	505	1,994
2003	3,877	450	218	490	1,885
2002	3,722	393	168	375	1,507
2001	3,446	364	220	490	1,970
2000	3,313	333	246	553	2,211
1999	2,534	282	199	Not Applicable Before 2000	2,128
1998	2,116	258	169		1,778
1997	1,772	229	137		1,492
1996	1,584	219	119		1,330
1995	1,401	213	104		1,300
1994	1,230	207	100		1,023
1993	954	197	75		884
1992	736	207	50		850
1991	1,051	264	50		1,159
1990	1,510	279	60		1,468

Source : Federal Home Loan Bank System Office of Finance

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

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

Table 20. Federal Home Loan Banks Combined Balance Sheet

End of Period	Total Assets ($)	Advances to Members Outstanding ($)	Mortgage Loans Held ($)	Mortgage-Related Securities ($)	Consolidated Obligations ($)	Capital Stock ($)	Retained Earnings ($)	Regulatory Capital[a]	Regulatory Capital/Total Assets
	($ in Millions)								
4Q13	834,200	498,599	44,442	140,310	767,141	33,375	12,206	50,577	6.06
3Q13	789,104	465,110	45,170	139,457	721,728	32,285	11,766	49,864	6.32
2Q13	774,983	458,461	46,632	137,253	705,506	32,680	11,452	51,079	6.59
1Q13	738,706	418,297	47,953	137,141	669,364	32,618	10,916	49,601	6.71
Annual Data									
2013	834,200	498,599	44,442	140,310	767,141	33,375	12,206	50,577	6.06
2012	762,675	425,748	49,424	138,522	692,416	33,538	10,447	50,989	6.69
2011	766,352	418,156	53,377	140,156	697,385	35,542	8,521	52,934	6.91
2010	878,109	478,589	61,191	146,881	800,998	41,735	7,552	57,356	6.53
2009	1,015,583	631,159	71,437	152,028	934,876	44,982	6,033	60,153	5.92
2008	1,349,053	928,638	87,361	169,170	1,258,267	49,551	2,936	59,625	4.42
2007	1,271,800	875,061	91,610	143,513	1,178,916	50,253	3,689	56,051	4.41
2006	1,016,469	640,681	97,974	130,228	934,214	42,001	3,143	47,247	4.65
2005	997,389	619,860	105,240	122,328	915,901	42,043	2,600	46,102	4.62
2004	924,751	581,216	113,922	124,417	845,738	40,092	1,744	42,990	4.65
2003	822,418	514,037	113,438	97,867	740,721	37,703	1,098	38,801	4.72
2002	763,052	489,338	60,455	96,386	673,383	35,186	716	35,904	4.71
2001	696,254	472,540	27,641	86,730	621,003	33,288	749	34,039	4.89
2000	653,687	437,861	16,149	77,385	591,606	30,537	728	31,266	4.78
1999	583,212	395,747	2,026	62,531	525,419	28,361	654	29,019	4.98
1998	434,002	288,189	966	52,232	376,715	22,287	465	22,756	5.24
1997	348,575	202,265	37	47,072	304,493	18,833	341	19,180	5.50
1996	292,035	161,372	0	42,960	251,316	16,540	336	16,883	5.78
1995	272,661	132,264	0	38,029	231,417	14,850	366	15,213	5.58
1994	239,076	125,893	0	29,967	200,196	13,095	271	13,373	5.59
1993	178,897	103,131	0	22,217	138,741	11,450	317	11,766	6.58
1992	162,134	79,884	0	20,123	114,652	10,102	429	10,531	6.50
1991	154,556	79,065	0	Not Available Before 1992	108,149	10,200	495	Not Available Before 1992	Not Available Before 1992
1990	165,742	117,103	0		118,437	11,104	521		

Source: Federal Home Loan Bank System Office of Finance

[a] The sum of regulatory capital amounts reported in call reports filed by each Federal Home Loan Bank plus the combining adjustment for Federal Home Loan Bank System retained earnings reported by the Office of Finance.

Table 21. Federal Home Loan Banks Net Income

End of Period	($ in Millions)													
	Atlanta	Boston	Chicago	Cincinnati	Dallas	Des Moines	Indianapolis	New York	Pittsburgh	San Francisco	Seattle	Topeka	Combining Adjustment	System Total
4Q13	110	85	40	64	18	37	80	89	44	74	14	37	(11)	680
3Q13	71	38	75	72	30	30	29	61	43	50	21	29	(12)	537
2Q13	86	36	148	62	22	16	70	85	32	104	10	29	32	730
1Q13	71	53	81	64	18	27	39	70	29	81	16	25	7	580
Annual Data														
2013	338	212	343	261	88	110	218	305	148	308	61	119	16	2,527
2012	270	207	375	235	81	111	143	361	130	491	71	110	21	2,606
2011	184	160	224	138	48	78	110	244	38	216	90	77	(8)	1,599
2010	278	107	366	164	105	133	111	276	8	399	21	34	79	2,081
2009	283	(187)	(65)	268	148	146	120	571	(37)	515	(162)	237	18	1,855
2008	254	(116)	(119)	236	79	127	184	259	19	461	(199)	28	(7)	1,206
2007	445	198	111	269	130	101	122	323	237	652	71	150	18	2,827
2006	414	196	188	253	122	89	118	285	216	542	26	136	27	2,612
2005	344	135	244	220	242	228	153	230	192	369	2	136	30	2,525
2004	294	90	365	227	65	100	131	161	119	293	83	93	(27)	1,994
2003	207	92	437	171	113	135	134	46	69	323	144	88	(74)	1,885
2002	267	76	205	178	(50)	46	81	234	(27)	292	147	58	0	1,507
2001	162	113	164	189	114	74	104	285	85	425	178	77	0	1,970
2000	298	146	129	193	129	124	127	277	173	377	139	99	0	2,211
1999	282	137	131	173	109	132	125	244	184	332	165	90	24	2,128
1998	221	116	111	176	99	116	111	186	143	294	154	81	(30)	1,778
1997	192	103	99	135	87	110	98	144	110	249	129	65	(29)	1,492
1996	165	96	92	116	95	111	80	131	97	219	118	58	(48)	1,330
1995	159	92	73	91	91	103	74	136	82	200	87	50	63	1,300
1994	120	69	57	68	78	76	71	126	58	196	75	45	(16)	1,024
1993	114	57	49	33	39	50	53	117	62	163	122	35	(12)	884
1992	124	52	51	41	26	47	59	141	58	131	93	33	(5)	850
1991	158	88	58	51	38	46	64	156	57	316	58	64	7	1,159

Source: Federal Home Loan Bank System Office of Finance

Rows may not add due to rounding.

Table 22. Federal Home Loan Banks Advances Outstanding

End of Period	($ in Millions)												
	Atlanta	Boston	Chicago	Cincinnati	Dallas	Des Moines	Indianapolis	New York	Pittsburgh	San Francisco	Seattle	Topeka	System Total
4Q13	89,588	27,517	23,489	65,270	15,979	45,650	17,337	90,765	50,247	44,395	10,935	17,425	498,599
3Q13	78,193	22,555	14,843	65,857	16,634	45,787	18,796	89,121	39,506	44,213	10,800	18,805	465,110
2Q13	89,450	21,463	16,663	65,093	18,354	26,513	19,101	84,702	40,570	46,288	11,447	18,817	458,461
1Q13	80,260	19,900	14,403	58,282	15,722	24,802	18,950	71,723	39,994	46,713	9,966	17,582	418,297
Annual Data													
2013	89,588	27,517	23,489	65,270	15,979	45,650	17,337	90,765	50,247	44,395	10,935	17,425	498,599
2012	87,503	20,790	14,530	53,944	18,395	26,614	18,129	75,888	40,498	43,750	9,135	16,573	425,748
2011	86,971	25,195	15,291	28,424	18,798	26,591	18,568	70,864	30,605	68,164	11,292	17,394	418,156
2010	89,258	28,035	18,901	30,181	25,456	29,253	18,275	81,200	29,708	95,599	13,355	19,368	478,589
2009	114,580	37,591	24,148	35,818	47,263	35,720	22,443	94,349	41,177	133,559	22,257	22,254	631,159
2008	165,856	56,926	38,140	53,916	60,920	41,897	31,249	109,153	62,153	235,664	36,944	35,820	928,638
2007	142,867	55,680	30,221	53,310	46,298	40,412	26,770	82,090	68,798	251,034	45,524	32,057	875,061
2006	101,476	37,342	26,179	41,956	41,168	21,855	22,282	59,013	49,335	183,669	27,961	28,445	640,681
2005	101,265	38,068	24,921	40,262	46,457	22,283	25,814	61,902	47,493	162,873	21,435	27,087	619,860
2004	95,867	30,209	24,192	41,301	47,112	27,175	25,231	68,508	38,980	140,254	14,897	27,490	581,216
2003	88,149	26,074	26,443	43,129	40,595	23,272	28,925	63,923	34,662	92,330	19,653	26,882	514,037
2002	82,244	26,931	24,945	40,063	36,869	23,971	28,944	68,926	29,251	81,237	20,036	25,921	489,338
2001	71,818	24,361	21,902	35,223	32,490	20,745	26,399	60,962	29,311	102,255	24,252	22,822	472,540
2000	58,249	21,594	18,462	31,935	30,195	21,158	24,073	52,396	25,946	110,031	26,240	17,582	437,861
1999	45,216	22,488	17,167	28,134	27,034	22,949	19,433	44,409	36,527	90,514	26,284	15,592	395,747
1998	33,561	15,419	14,899	17,873	22,191	18,673	14,388	31,517	26,050	63,990	21,151	8,477	288,189
1997	23,128	12,052	10,369	14,722	13,043	10,559	11,435	19,601	16,979	49,310	15,223	5,844	202,265
1996	16,774	9,655	10,252	10,882	10,085	10,306	9,570	16,486	12,369	39,222	10,850	4,921	161,372
1995	13,920	8,124	8,282	8,287	9,505	11,226	7,926	15,454	9,657	25,664	9,035	5,185	132,264
1994	14,526	8,504	6,675	7,140	8,039	9,819	7,754	14,509	8,475	25,343	8,899	6,212	125,893
1993	11,340	7,208	4,380	4,274	10,470	6,362	6,078	12,162	6,713	23,847	5,889	4,407	103,131
1992	9,301	5,038	2,873	2,415	7,322	3,314	5,657	8,780	3,547	23,110	5,025	3,502	79,884

Source: Federal Home Loan Bank System Office of Finance

Table 23. Federal Home Loan Banks Regulatory Capital[a]

End of Period	($ in Millions)												
	Atlanta	Boston	Chicago	Cincinnati	Dallas	Des Moines	Indianapolis	New York	Pittsburgh	San Francisco	Seattle	Topeka	Combining Adjustment[b]	System Total
4Q13	6,563	4,297	3,703	5,435	1,782	3,379	2,379	6,594	3,648	7,925	2,958	1,824	90	50,577
3Q13	5,955	4,124	3,559	5,426	1,809	3,359	2,626	6,470	3,140	8,486	2,967	1,840	104	49,864
2Q13	6,408	4,049	3,460	5,397	1,771	2,723	2,600	6,254	3,786	9,621	2,966	1,928	116	51,079
1Q13	5,891	4,031	3,323	5,163	1,702	2,617	2,455	5,564	3,787	10,161	2,975	1,848	84	49,601
Annual Data														
2013	6,563	4,297	3,703	5,435	1,782	3,379	2,379	6,594	3,648	7,925	2,958	1,824	90	50,577
2012	6,373	4,259	3,347	4,759	1,793	2,694	2,677	5,714	3,807	10,751	2,987	1,751	77	50,989
2011	7,257	4,251	4,527	3,845	1,765	2,684	2,515	5,292	3,871	12,176	2,958	1,738	56	52,934
2010	8,877	4,004	4,962	3,887	2,061	2,746	2,695	5,304	4,419	13,640	2,871	1,826	64	57,356
2009	9,185	3,876	4,502	4,151	2,897	2,953	2,830	5,874	4,415	14,657	2,848	1,980	-15	60,153
2008	8,942	3,658	4,327	4,399	3,530	3,174	2,701	6,112	4,157	13,539	2,687	2,432	-33	59,625
2007	8,080	3,421	4,343	3,877	2,688	3,125	2,368	5,025	4,295	13,859	2,660	2,336	-26	56,051
2006	6,394	2,542	4,208	4,050	2,598	2,315	2,111	4,025	3,655	10,865	2,303	2,225	-44	47,247
2005	6,225	2,675	4,507	4,130	2,796	2,346	2,349	3,900	3,289	9,698	2,268	1,990	-71	46,102
2004	5,681	2,240	4,793	4,002	2,846	2,453	2,132	4,005	2,791	7,959	2,166	2,023	-101	42,990
2003	5,030	2,490	4,542	3,737	2,666	2,226	1,961	3,765	2,344	5,858	2,456	1,800	-74	38,801
2002	4,577	2,323	3,296	3,613	2,421	1,889	1,935	4,296	1,824	5,687	2,382	1,661	0	35,904
2001	4,165	2,032	2,507	3,240	2,212	1,574	1,753	3,910	1,970	6,814	2,426	1,436	0	34,039
2000	3,649	1,905	1,701	2,841	2,166	1,773	1,581	3,747	2,175	6,292	2,168	1,267	0	31,266
1999	3,433	1,868	1,505	2,407	1,862	2,264	1,446	3,093	2,416	5,438	2,098	1,190	0	29,019
1998	2,427	1,530	1,299	1,952	1,570	1,526	1,179	2,326	1,827	4,435	1,813	894	-24	22,756
1997	2,077	1,344	1,159	1,694	1,338	1,320	1,090	1,881	1,440	3,545	1,495	791	6	19,180
1996	1,846	1,239	1,091	1,377	1,150	1,245	903	1,616	1,230	3,150	1,334	666	35	16,883
1995	1,615	1,201	941	1,128	1,168	1,217	799	1,531	1,030	2,719	1,148	632	83	15,213
1994	1,488	1,091	749	961	944	905	676	1,281	924	2,627	1,094	612	20	13,373
1993	1,423	927	648	692	914	652	584	1,251	740	2,440	934	526	36	11,766
1992	1,333	843	564	563	661	515	548	1,181	566	2,453	782	474	48	10,531
1991	1,367	807	525	517	645	450	515	1,234	492	2,924	652	514	53	10,695

Source: Federal Home Loan Bank System Office of Finance

a For the Federal Home Loan Bank of Chicago and for all other FHLBanks before 2005, amounts for regulatory capital are from call reports filed by each Federal Home Loan Bank. Except for the Federal Home Loan Bank of Chicago, amounts for 2005 through 2013 are as reported by the Office of Finance.

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

Table 24. Loan Limits

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

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

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

[b] The Housing and Economic Recovery Act of 2008 prescribed the formula used to set maximum loan limits for mortgages acquired in 2012, 2013 and 2014.

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

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

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

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

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

Source: Federal Housing Administration

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

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

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

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

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

Table 25. Mortgage Interest Rates

Period	Average Commitment Rates on Loans		Effective Rates on Closed Loans	
	Conventional		Conventional	
	30-Year Fixed-Rate ($)	One-Year Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)
4Q13	4.3	2.6	4.5	N/A
3Q13	4.4	2.7	4.5	N/A
2Q13	3.7	2.6	3.7	N/A
1Q13	3.5	2.6	3.6	N/A
Annual Data				
2013	4.0	2.6	4.1	N/A
2012	3.7	2.7	4.7	N/A
2011	4.5	3.0	4.8	N/A
2010	4.7	3.8	4.9	N/A
2009	5.0	4.7	5.2	N/A
2008	6.0	5.2	6.2	5.8
2007	6.3	5.6	6.5	6.3
2006	6.4	5.5	6.7	6.4
2005	5.9	4.5	6.1	5.5
2004	5.8	3.9	6.0	5.2
2003	5.8	3.8	5.9	5.0
2002	6.5	4.6	6.7	5.7
2001	7.0	5.8	7.1	6.4
2000	8.1	7.0	8.3	7.1
1999	7.4	6.0	7.4	6.5
1998	6.9	5.6	7.2	6.5
1997	7.6	5.6	7.9	6.9
1996	7.8	5.7	8.0	7.1
1995	7.9	6.1	8.2	7.1
1994	8.4	5.4	8.2	6.4
1993	7.3	4.6	7.5	5.7
1992	8.4	5.6	8.5	6.6
1991	9.3	7.1	9.7	8.3
1990	10.1	8.4	10.4	9.2
1989	10.3	8.8	10.5	9.4
1988	10.3	7.9	10.4	8.5
1987	10.2	7.8	9.9	8.5
1986	10.2	8.4	10.5	9.4
1985	12.4	10.1	12.4	10.9
1984	13.9	11.5	13.2	12.0
1983	13.2	Not Available Before 1984	13.0	12.3
1982	16.0		Not Available Before 1983	Not Available Before 1983
1981	16.6			
1980	13.7			
1979	11.2			
1978	9.6			
1977	8.9			
1976	8.9			
1975	9.1			
1974	9.2			
1973	8.0			
1972	7.4			
	Not Available Before 1972			

Sources: Freddie Mac for average commitment rates; Federal Housing Finance Agency for effective rates

N/A = not available

Table 26. Housing Market Activity[a]

Period	Housing Starts (units in thousands)			Home Sales (units in thousands)	
	One- to Four-Unit Housing Starts	Multifamily Housing Starts	Total Housing Starts	Sales of New One- to Four-Unit Homes	Sales of Existing One- to Four-Unit Homes
4Q13[b]	N/A	337	1,016	441	4,343
3Q13[b]	N/A	273	887	388	4,697
2Q13[b]	N/A	258	736	442	4,507
1Q13[b]	N/A	312	957	449	4,337
Annual Data					
2013	632	295	927	428	4,484
2012	547	234	781	368	4,128
2011	442	167	609	306	3,787
2010	483	104	587	323	3,708
2009	457	97	554	375	3,870
2008	640	266	906	485	3,665
2007	1,078	277	1,355	776	4,398
2006	1,508	293	1,801	1,051	5,677
2005	1,757	311	2,068	1,283	6,180
2004	1,653	303	1,956	1,203	5,958
2003	1,533	315	1,848	1,086	5,446
2002	1,397	308	1,705	973	4,974
2001	1,310	293	1,603	908	4,735
2000	1,270	299	1,569	877	4,603
1999	1,334	307	1,641	880	4,649
1998	1,314	303	1,617	886	4,495
1997	1,178	296	1,474	804	3,964
1996	1,206	271	1,477	757	3,797
1995	1,110	244	1,354	667	3,519
1994	1,234	224	1,457	670	3,544
1993	1,155	133	1,288	666	3,427
1992	1,061	139	1,200	610	3,151
1991	876	138	1,014	509	2,886
1990	932	260	1,193	534	2,914
1989	1,059	318	1,376	650	3,010
1988	1,140	348	1,488	676	3,513
1987	1,212	409	1,621	671	3,436
1986	1,263	542	1,805	750	3,474
1985	1,166	576	1,742	688	3,134
1984	1,206	544	1,750	639	2,829
1983	1,181	522	1,703	623	2,697
1982	743	320	1,062	412	1,990
1981	797	288	1,084	436	2,419
1980	962	331	1,292	545	2,973
1979	1,316	429	1,745	709	3,827
1978	1,558	462	2,020	817	3,986
1977	1,573	414	1,987	819	3,650
1976	1,248	289	1,538	646	3,064
1975	956	204	1,160	549	2,476
1974	956	382	1,338	519	2,272
1973	1,250	795	2,045	634	2,334
1972	1,450	906	2,357	718	2,252
1971	1,272	781	2,052	656	2,018

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

N/A = not available

[a] Components may not add to totals due to rounding.

[b] Seasonally adjusted annual rates.

Table 27. Weighted Repeat Sales House Price Index (Annual Data)[a]

Period	USA	New England	Mid-Atlantic	South Atlantic	East North Central	West North Central	East South Central	West South Central	Mountain	Pacific
4Q13	7.60	4.07	3.21	8.20	6.18	4.63	4.09	5.81	11.74	15.97
3Q13	8.37	4.90	3.77	8.44	6.15	5.79	5.15	6.02	12.40	18.98
2Q13	7.59	4.15	2.93	7.94	5.24	5.01	3.91	6.25	12.75	16.56
1Q13	7.04	2.60	1.78	7.80	4.39	4.32	4.41	6.28	13.56	14.90
Annual Data										
2013	7.60	4.07	3.21	8.20	6.18	4.63	4.09	5.81	11.74	15.97
2012	5.49	0.61	1.38	5.52	2.85	4.45	3.33	5.53	13.18	10.95
2011	(2.30)	(1.82)	(3.52)	(2.48)	(2.49)	(1.20)	(0.89)	1.05	(3.62)	(4.64)
2010	(4.08)	(2.14)	(1.51)	(5.60)	(3.06)	(3.33)	(4.57)	(2.35)	(7.66)	(5.46)
2009	(2.24)	(1.41)	(1.51)	(3.66)	(1.99)	(0.50)	(0.75)	1.05	(7.18)	(3.35)
2008	(9.86)	(6.37)	(4.84)	(13.88)	(7.38)	(4.29)	(4.02)	(1.97)	(14.13)	(21.71)
2007	(2.46)	(2.08)	0.31	(3.53)	(3.36)	(0.60)	1.91	3.42	(3.34)	(9.67)
2006	3.07	(1.73)	2.65	5.10	0.03	2.13	6.12	6.26	6.75	0.42
2005	10.19	6.28	9.96	14.66	3.45	4.90	7.42	6.75	17.89	18.14
2004	10.16	10.45	12.26	12.81	4.34	5.60	5.23	4.42	12.73	21.69
2003	7.85	10.67	10.98	8.50	4.72	5.56	3.98	3.16	6.92	15.59
2002	7.68	13.41	11.80	8.19	4.53	5.60	3.34	3.62	5.56	13.99
2001	6.75	11.99	9.48	7.28	4.81	6.15	3.32	3.98	5.35	9.71
2000	6.99	12.61	8.51	6.39	5.18	6.39	2.85	5.52	5.60	11.39
1999	6.22	10.18	6.88	5.80	5.15	5.50	3.85	5.53	5.64	8.74
1998	5.69	7.92	4.83	4.51	4.89	6.41	4.77	5.51	4.76	8.86
1997	3.31	4.48	2.07	3.36	3.38	3.73	2.78	3.03	3.15	4.10
1996	2.79	2.61	0.85	2.75	4.51	3.98	3.94	2.39	3.70	1.01
1995	2.65	0.77	0.04	2.45	4.95	4.72	4.72	3.09	4.84	(0.70)
1994	2.89	0.52	(0.63)	3.41	4.88	4.52	5.11	3.17	8.49	(1.08)
1993	2.72	(1.87)	0.01	2.32	4.66	6.12	4.67	4.66	9.53	(2.63)
1992	2.76	(0.49)	1.83	2.17	4.73	4.28	4.09	3.82	6.63	(1.12)
1991	3.13	(2.21)	1.53	3.07	4.70	3.77	4.06	3.99	5.61	1.87
1990	1.19	(7.17)	(2.50)	0.42	3.81	1.21	0.38	0.50	2.38	5.65
1989	5.58	0.84	2.55	4.41	5.92	3.06	2.82	2.42	2.60	18.35
1988	5.64	4.17	6.67	5.83	6.43	2.73	2.49	(1.94)	0.83	16.42
1987	5.39	15.00	15.93	5.73	7.64	2.34	3.15	(8.13)	(2.97)	8.58
1986	7.24	21.16	17.49	6.54	7.18	3.77	5.41	(0.17)	2.61	6.39
1985	5.69	22.39	13.55	5.08	4.80	3.63	5.41	(1.55)	2.22	4.64
1984	4.67	14.94	11.27	4.48	2.81	3.48	4.25	0.14	2.53	4.07
1983	4.28	13.78	10.78	3.69	4.64	4.37	3.47	1.37	(1.12)	0.75
1982	2.76	7.43	7.04	3.10	(4.36)	1.65	4.99	5.39	5.40	3.16
1981	4.20	6.48	2.05	4.57	2.26	0.92	0.91	10.61	7.71	4.42
1980	6.57	5.61	8.84	9.38	1.79	3.68	4.21	8.32	5.71	10.27
1979	12.42	14.44	15.40	11.96	8.25	10.41	8.79	14.43	14.44	16.43
1978	13.35	17.33	5.09	10.23	14.97	13.75	12.27	16.79	17.05	16.86
1977	14.32	6.84	12.22	9.16	14.47	15.35	10.42	13.92	17.90	25.59
1976	8.35	8.97	(1.02)	5.03	7.91	8.07	6.29	10.29	11.24	20.10

Source: Federal Housing Finance Agency

[a] Figures reported are four-quarter percentage price changes. Changes are calculated from fourth quarter of the prior year to fourth qurater of year denoted. Estimates use FHFA's "purchase-only" index for 1992 through the most recent period and the "all-transactions" index for prior years.

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

Mid-Atlantic: New Jersey, New York, Pennsylvania

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

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

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

East South Central: Alabama, Kentucky, Mississippi, Tennessee

West South Central: Arkansas, Louisiana, Oklahoma, Texas

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

Pacific: Alaska, California, Hawaii, Oregon, Washington

Federal Housing Finance Agency

KEY MANAGEMENT OFFICIALS AS OF DECEMBER 31, 2013

Edward J. DeMarco
Acting Director

Fred Graham
Deputy Director
Division of Federal Home Loan Bank Regulation

Jon Greenlee
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