

**MBA Annual Conference
Atlanta, Georgia
October 25, 2010**

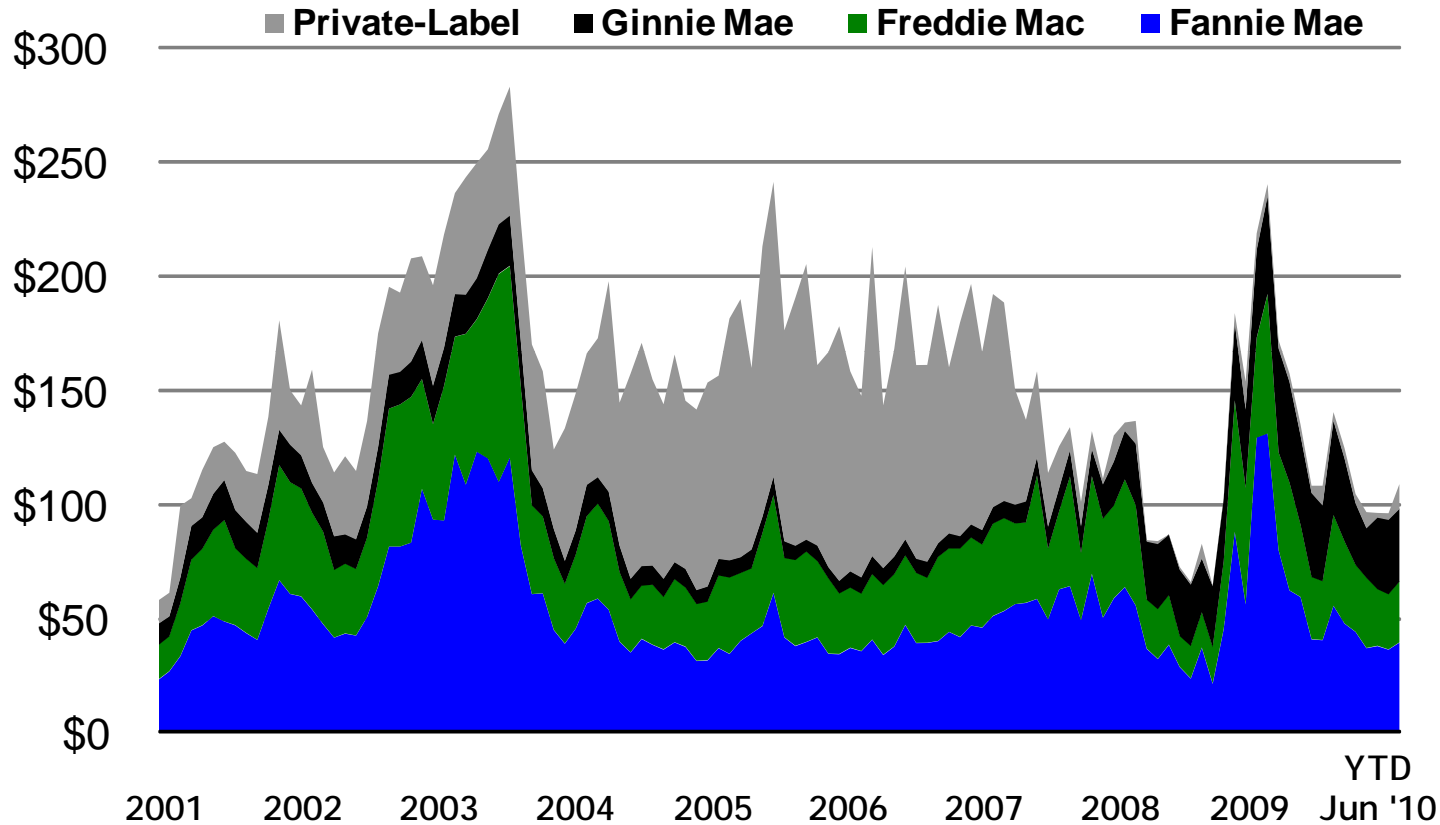


**Edward J. DeMarco
Acting Director
Federal Housing Finance Agency**

Enterprises' Market Share



MBS Issuance Volume (\$ in billions)



	2001	2002	2003	2004	2005	2006	2007	2008	2009	YTD Jun '10
Enterprises	67%	68%	70%	47%	41%	40%	58%	73%	72%	66%
Ginnie Mae	<u>13%</u>	<u>9%</u>	<u>8%</u>	<u>7%</u>	<u>4%</u>	<u>4%</u>	<u>5%</u>	<u>22%</u>	<u>25%</u>	<u>29%</u>
Total Agency	80%	77%	78%	54%	45%	44%	63%	95%	97%	95%

Sources:

Inside Mortgage Finance, Enterprise Monthly Volume Summaries.

Issuance figures exclude MBS issued backed by assets previously held in the Enterprises' portfolios.

Characteristics of Single-Family Mortgage Acquisitions



Percent of New Single-Family Business¹
(Categories overlap and are not additive)

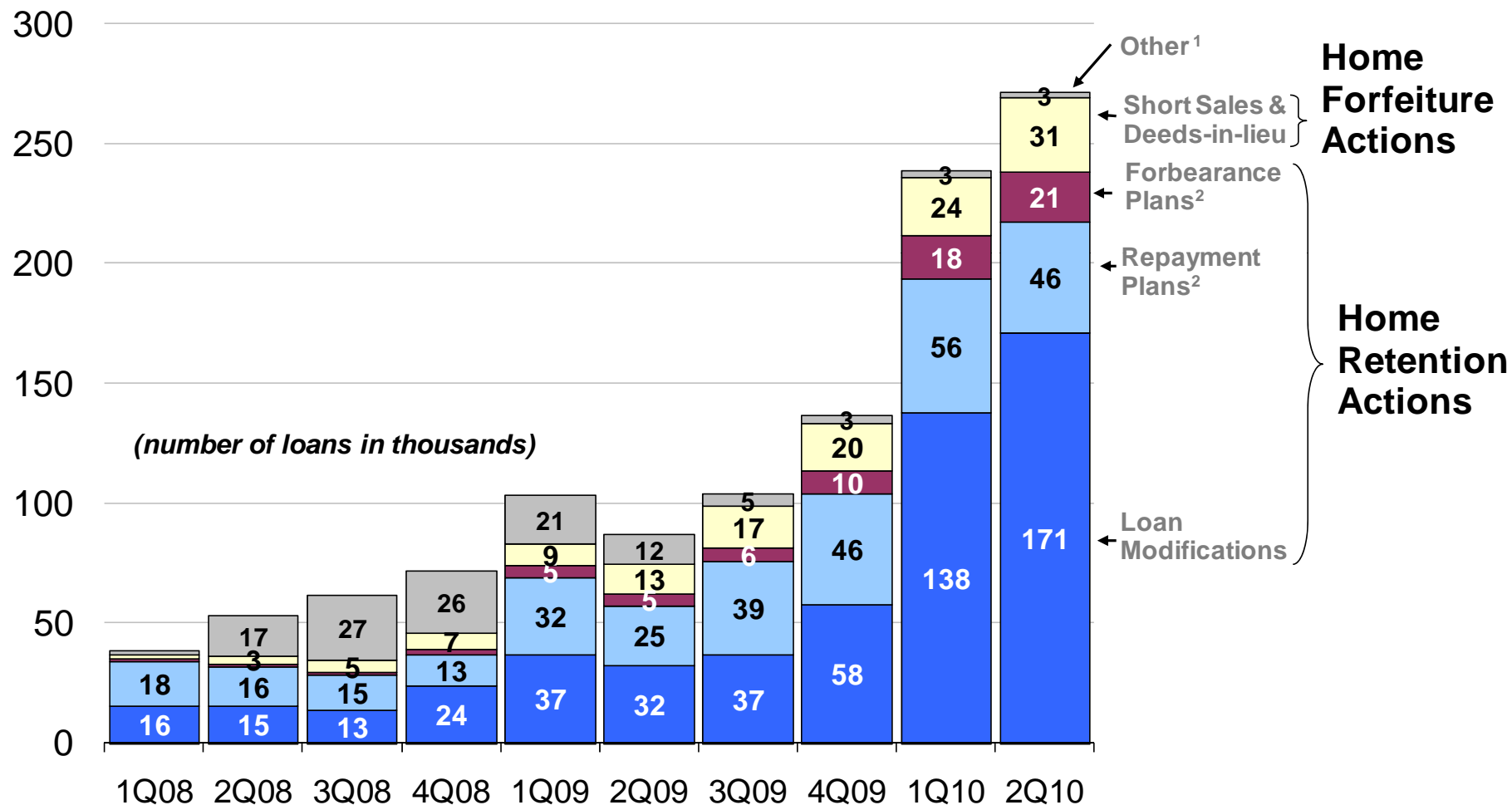
	Fannie Mae		Freddie Mac	
	2007	YTD Jun '10	2007	YTD Jun '10
Alt-A ²	17%	0%	22%	1%
Interest-Only	15%	2%	21%	0%
Credit Score <620	6%	1%	6%	1%
LTV >90 Percent	16%	8%	11%	9%
Average LTV	75%	69%	74%	70%
Average Credit Score	716	758	718	750

Capital Changes: January 1, 2008 - June 30, 2010



<i>\$ in billions</i>	Fannie Mae	Freddie Mac	Combined	
Beginning Capital ¹	\$44	\$27	\$71	
Equity Issuance ²	7	0	7	
Available Capital	\$51	\$27	\$78	
Capital Erosion				
Single-Family Guarantee Earnings	(\$109)	(\$58)	(\$166)	73%
Multifamily Earnings	(11)	(0)	(11)	5%
Investments Contribution ³	(11)	(11)	(21)	9%
Consolidation Accounting Adjustment	3	(12)	(8)	4%
Other	(3)	(3)	(6)	3%
Senior Preferred dividends	<u>(6)</u>	<u>(7)</u>	<u>(13)</u>	6%
Total Capital Erosion ⁴	(\$136)	(\$90)	(\$226)	100%
Capital deficit	(\$85)	(\$63)	(\$148)	
Treasury Senior Preferred draw ⁵	\$85	\$63	\$148	

Loss Mitigation Activity: Enterprises' Foreclosure Prevention Actions



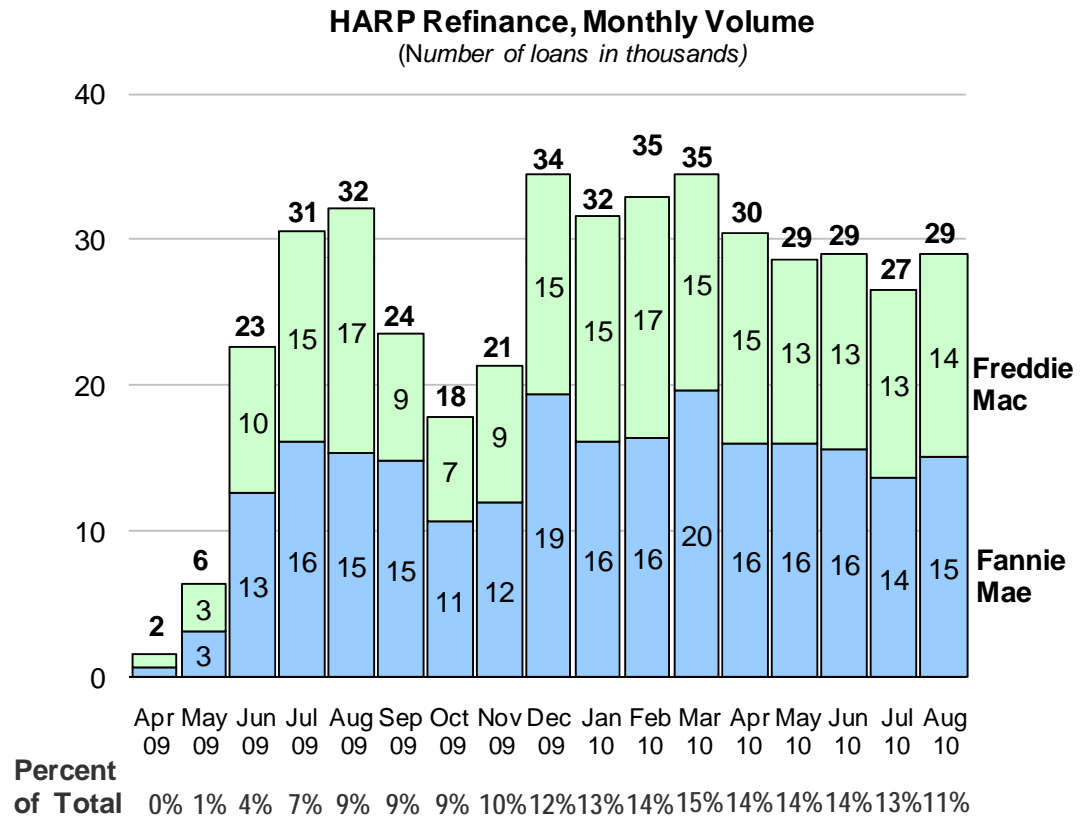
HARP Volume



Fannie Mae and Freddie Mac Refinance Volumes

	Inception to Date, August 2010 ¹
Total Refinances	
Fannie Mae	2,941,792
Freddie Mac	2,107,702
Total	<u>5,049,494</u>
HARP LTV >80% -105%	
Fannie Mae	227,388
Freddie Mac	191,550
Total	<u>418,938</u>
HARP LTV >105% -125%	
Fannie Mae	7,245
Freddie Mac	9,054
Total	<u>16,299</u>
All Other Streamlined Refis	
Fannie Mae	447,720
Freddie Mac	236,308
Total	<u>684,028</u>

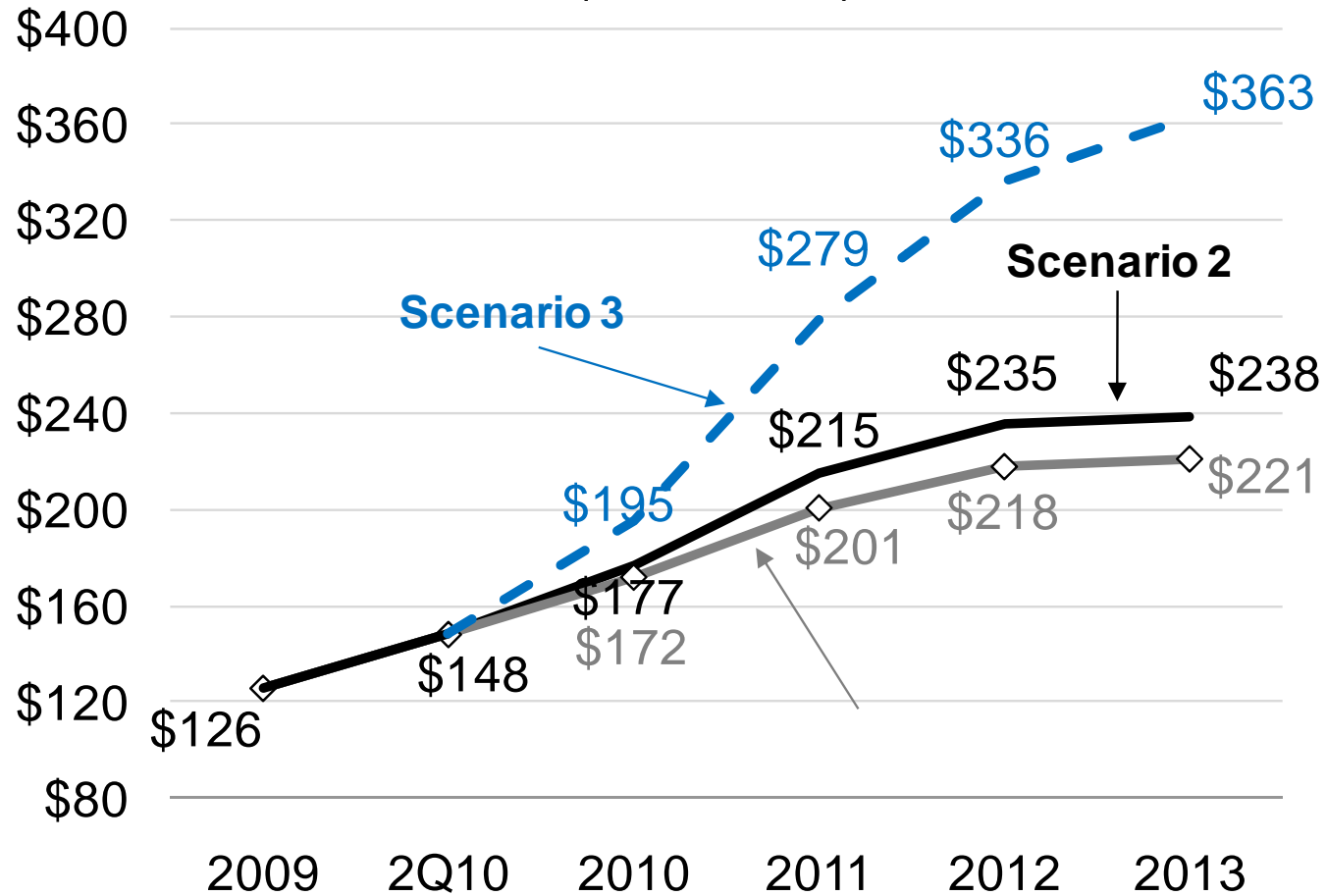
Fannie Mae and Freddie Mac HARP vs Total Refinance



Cumulative Treasury Draws



Fannie Mae and Freddie Mac Combined (*\$ in billions*)



Projected Additional Treasury Draws and Dividends



Projected Additional Treasury Draws and Dividends (Jul 2010 through Dec 2013)

	Current Draw as of 6/30/10		Scenario 1		Scenario 2		Scenario 3	
	Total Draw	Total Dividends	Additional Draw	Additional Dividends	Additional Draw	Additional Dividends	Additional Draw	Additional Dividends
<i>(\$ in billions)</i>								
Fannie Mae	\$85	\$6	\$65	\$43	\$77	\$45	\$172	\$59
Freddie Mac	<u>63</u>	<u>7</u>	<u>8</u>	<u>24</u>	<u>13</u>	<u>26</u>	<u>43</u>	<u>32</u>
Total	\$148	\$13	\$73	\$67	\$90	\$71	\$215	\$91

Footnotes



Characteristics of Single-Family Mortgage Acquisitions

- ¹ New business is defined as issuance of MBS plus purchases of whole loans and does not include purchases of mortgage-related securities.
- ² Refer to sources for Alt-A definitions. Freddie Mac's year-to-date figures include Alt-A purchases of \$1.5 billion due to a long-term standby commitment termination and a subsequent PC issuance. There was no change to the Alt-A exposure on these mortgages as a result of these transactions.

Capital Changes: January 1, 2008 - June 30, 2010

Totals may not sum due to rounding.

- ¹ Capital is defined as stockholders' equity.
- ² Fannie Mae's figure includes common and preferred stock issuance pre-conservatorship.
- ³ Investments contribution equals the sum of investments segment earnings, the change in the accumulated other comprehensive income (AOCI) component of stockholders' equity (excluding the consolidation adjustment related to AOCI), and the impact of accounting changes for securities impairments.
- ⁴ Included in total capital erosion for both Enterprises are losses attributable to the writedown of low income housing tax credits (LIHTC) investments to zero in the fourth quarter of 2009. \$5 billion of these LIHTC losses for Fannie Mae are included in Multifamily Earnings and \$3 billion of losses for Freddie Mac are included in Other. Also included in total capital erosion but spread among the business segments is the establishment of a deferred tax asset valuation allowance which reduced capital by \$21 billion for Fannie Mae and \$14 billion for Freddie Mac in 2008.
- ⁵ Total draws include amounts relating to the second quarter of 2010.

Loss Mitigation Activity

- ¹ Consists of HomeSaver Advance (Fannie Mae) and Charge-offs in lieu.
- ² Include loans that were 30+ days delinquent at initiation of the plan. In addition, the completed forbearance plans data has been revised to exclude HAMP.

HARP Volume

HARP Refinance Loans are defined as Fannie Mae to Fannie Mae and Freddie Mac to Freddie Mac first lien refinance loans with limited and no cash out that are owner occupied with LTV's over 80 to 125.

All Other Streamlined Refis are streamlined refinances that do not qualify as HARP >80% - 125% refinances. Fannie Mae implements streamlined refinances through the Refi Plus product for manual underwriting and DU Refi Plus product for loans underwritten through Desktop Underwriter. The product is available for refinances of existing Fannie Mae loans only. Freddie Mac implements streamlined refinances through the Relief Refinance Mortgage product. Loans may be originated by any Freddie Mac approved servicer.

¹Inception to Date - Since April 1, 2009