



Federal Housing Finance Agency

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October 28, 2013

Mr. Timothy J. Mayopoulos
President and Chief Executive Officer
Fannie Mae
3900 Wisconsin Avenue, NW
Washington, DC 20016-2892

Re: Fannie Mae's Housing Goals Performance for 2012

Dear Mr. Mayopoulos:

The Federal Housing Finance Agency has reviewed Fannie Mae's performance under the Enterprise housing goals for 2012 and is providing this notice pursuant to section 1336 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended by the Housing and Economic Recovery Act of 2008.

As specified in 12 C.F.R. § 1282.12, the single-family housing goals include both a benchmark level established in advance by FHFA and a market level determined by FHFA based on its analysis of Home Mortgage Disclosure Act data for 2012. Fannie Mae meets a single-family housing goal if its official performance exceeds either the benchmark level or the market level as determined by FHFA. FHFA evaluated Fannie Mae's performance on the single-family housing goals based on the official performance figures shown below.

Single-Family Housing Goals	Benchmark level-- 2012	Market level--2012	Fannie Mae Official Performance Results-- 2012
Low-Income Home Purchase Goal	23%	26.6%	25.6%
Very Low-Income Home Purchase Goal	7%	7.7%	7.3%
Low-Income Areas Home Purchase Goal	20%	20.5%	22.3%
Low-Income Areas Home Purchase Subgoal	11%	13.6%	13.1%
Low-Income Refinance Goal	20%	22.3%	21.8%

For each housing goal, the percentages shown above reflect the proportion of mortgages that met the criteria for that goal. A housing unit may count towards more than one goal or subgoal in the performance year. The home purchase goals are based on Fannie Mae's acquisitions of purchase money

mortgages, while the refinance goal is based on Fannie Mae's acquisitions of refinance mortgages and loan modifications, where applicable.

Based on the above information, FHFA has determined that Fannie Mae achieved all of the single-family housing goals for 2012. However, FHFA notes that Fannie Mae's performance on several of the single-family housing goals lagged market performance. The market-based measure was added to the housing goals to provide more flexibility to the Enterprises in years where the market ends up trailing the benchmark levels. But as indicated in the Preamble to the September 14, 2010 final housing goals rule, FHFA still views the market level as a relevant measure for evaluating Enterprise performance in years when the market levels are higher than the benchmark levels.

Unlike the single-family goals, the multifamily goals are based solely on benchmark levels established in advance by FHFA in 12 C.F.R. § 1282.13. For 2012, those benchmark levels and Fannie Mae's official performance were as follows:

Multifamily Housing Goals	Goal target-- 2012	Fannie Mae Official Performance Results--2012
Low-Income Multifamily Goal (units financed)	285,000	375,924
Very Low-Income Multifamily Goal (units financed)	80,000	108,878

Based on this information, FHFA has determined that Fannie Mae achieved each of the multifamily housing goals for 2012.

If you have any questions, please contact me or Paul Manchester, Principal Economist, Office of Housing and Regulatory Policy, at 202-649-3115.

Sincerely,

Sandra Thompson
Deputy Director, Housing Mission and Goals