REPORT TO CONGRESS

2020

Federal Housing Finance Agency

Key Management Officials

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Director

Chris Bosland
Principal Deputy Director

Jason Cave
Deputy Director
Division of Resolutions

Debra Chew
Director
Office of Equal Opportunity and Fairness

Lynn Fisher
Deputy Director
Division of Research and Statistics

Kate Fulton
Chief Operating Officer

Andre D. Galeano
Deputy Director
Division of Bank Regulation

Sheila Greenwood
Director of External Relations
Office of Congressional Affairs
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Clinton Jones
General Counsel

Sharron P. A. Levine
Director
Office of Minority and Women Inclusion

Paul Miller
Deputy Director
Division of Enterprise Regulation

Nina Nichols
Deputy Director
Division of Accounting and Financial Standards

John Roscoe
Chief of Staff

Sandra Thompson
Deputy Director
Division of Housing Mission and Goals

Federal Housing Finance Oversight Board

Dr. Mark A. Calabria
Chairman

Janet L. Yellen
Secretary, U.S. Department of the Treasury

Marcia L. Fudge
Secretary, U.S. Department of Housing
and Urban Development

Gary Gensler
Chair, U.S. Securities and Exchange Commission

Office of the Inspector General

Laura S. Wertheimer
Inspector General

Federal Housing Finance Agency
Office of the Director

June 15, 2021

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

Honorable Patrick J. Toomey
Ranking Member
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, D.C. 20510

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

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

Dear Chairs and Ranking Members:

I am pleased to transmit the Federal Housing Finance Agency's (FHFA's) Report to Congress covering the activities of FHFA and its regulated entities in 2020. The Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act), as amended by the Housing and Economic Recovery Act of 2008 (HERA), requires the Director to submit an annual report to Congress addressing several topics related to the fulfillment of FHFA's statutory responsibilities and the financial condition of the regulated entities: Fannie Mae and Freddie Mac (the Enterprises) and the Federal Home Loan Banks (FHLBanks). This report meets all such requirements applicable as of December 31, 2020.

2020 was a difficult year for our country. The outbreak of the COVID-19 pandemic upended the lives of millions of American homeowners and renters.

I am proud to report that FHFA rose to the historic challenges of COVID-19 while continuing to fulfill our Agency's long-term statutory responsibilities.

COVID-19 Response

FHFA responded to COVID-19 swiftly and prudently, issuing its first policies before the national emergency declaration. As detailed in this report beginning on page 13, FHFA designed and executed a historic policy response that helped borrowers and renters stay safe in their homes while ensuring mortgage markets continued to function. These policies were developed through extraordinary efforts by Agency staff navigating the pandemic's disruptions of their own lives.

Building a World-Class Regulator

While developing and executing its COVID-19 response, FHFA continued taking important steps to strengthen itself as a world-class prudential regulator for years to come. As a result, FHFA exited 2020 even stronger than we entered it.

In January 2020, FHFA realigned its internal organization to ensure each part of the Agency has the resources it needs to fulfill our mission. We established a new Division of Research and Statistics (DRS) to build on and strengthen the Agency's research and analysis capabilities. We organized the Division of Accounting and Financial Standards to elevate accounting expertise into an Agency-wide resource. We created the Office of Equal Opportunity and Fairness to consolidate and elevate FHFA's Equal Employment Opportunity, anti-harassment, and alternative dispute resolution functions.

FHFA updated its official mission, vision, values, and Strategic Plan through Agency-wide collaboration and employee-driven processes. I have been encouraged by the Agency's strongly positive response to these ongoing efforts to build ourselves up as a world-class prudential regulator.

In the 2020 Federal Employee Viewpoint Survey (FEVS), FHFA saw year-over-year increases of roughly 20 points across questions measuring respect for senior leadership, senior leadership generating high levels of motivation and commitment, and senior leadership maintaining high standards of integrity and honesty. Similar increases were recorded for questions around performance recognition and accountability. FHFA personnel also reported a 10 point increase, to 91 percent, in respondents affirming, "My agency is successful at accomplishing its mission."

FHFA's work continues as we strengthen our capacities and understanding around significant emerging issues, such as climate and natural disaster risk and appraisal modernization.

FHFA has recognized that our mortgage finance system may be exposed to climate and natural disaster risk. As a safety and soundness regulator, FHFA is actively working to ensure we are accounting for these risks in our prudential supervision of Fannie Mae, Freddie Mac, and the Federal Home Loan Banks.

FHFA has already developed a strong framework for our regulated entities to respond to the impacts of natural disasters on borrowers and renters. That work served as the foundation for many of the Agency's COVID relief policies. These successful disaster responses positioned FHFA to look forward.

We are now focused on strengthening our capabilities to identify and assess the current and future exposure of our regulated entities to climate and natural disaster risk. And we are exploring ways to potentially enhance our supervisory and regulatory approach. To help coordinate FHFA's many efforts on climate and natural disaster risk, last year we established an Agency-wide working group made up of representatives from every major office and division.

In January 2021, FHFA released a Request for Input on climate and natural disaster risk management at the regulated entities. The RFI requested information on a range of topics, including disproportionate impact on low-income and minority communities, closing important data, modeling and research gaps, and enhancing FHFA's supervision and regulation.

In November 2020, the Agency finalized a regulatory capital framework for Fannie Mae and Freddie Mac that recognizes that the risks that climate change could pose are difficult to quantify but potentially material. Loss-absorbing capital, particularly in the form of common equity, is the strongest protection for financial institutions against any negative shock, including those from natural disasters or abrupt repricing. FHFA's first priority is thus building capital at the Enterprises.

Preparing to Responsibly End the Conservatorships

FHFA continued to take the steps necessary to prepare the Agency and the Enterprises to responsibly exit conservatorship as required by law.

FHFA's finalized regulatory capital framework for Fannie Mae and Freddie Mac sets out the capital standards the Enterprises must meet in order to pass the crucial safety and soundness threshold of being able to fulfill their mission through a downturn on the scale of the 2008 financial crisis.

In its historic activities-based review of the secondary mortgage market, the Financial Stability Oversight Council found that risk-based capital and leverage ratio requirements materially less than those in the proposed rule would likely not adequately mitigate the potential stability risk posed by the Enterprises.

FHFA worked with Treasury to allow the Enterprises to build up capital until they reach the level required under the rule. Treasury in turn requested a series of policy provisions in order to protect the taxpayers' investment in Fannie and Freddie. These agreements represent significant progress in strengthening the Enterprises and preparing them for a responsible exit from conservatorship. But more work is still needed.

Fannie and Freddie continue to lack the capital to survive a serious housing downturn. Newly allowed retained earnings allowed them to build a thin cushion that kept them from failing under the COVID shock. However, retained earnings alone are unlikely to build capital quickly enough for the Enterprises to survive the next downturn in the housing cycle.

FHFA is committed to continuing to work with Treasury to enable the Enterprises to raise enough private capital to protect the borrowers and renters who depend on a stable mortgage market from the consequences of the Enterprises failing in a downturn.

FHFA also continues to build its regulatory capabilities to fulfill the mission and responsibilities Congress has charged the Agency with. At the end of 2020, FHFA released proposed rules around resolution planning and liquidity standards. The resolution planning rule was finalized in May 2021.

After the capital rule, the finalization of the resolution planning rule is one of the last major regulatory pieces needed to give effect to Congress' intent in HERA. Just as with other large financial institutions, these plans will provide Fannie Mae, Freddie Mac and FHFA with a roadmap for preserving business continuity should they fail again. This rule helps create a stronger, more resilient housing finance system by protecting taxpayers and the mortgage market from harm if either Enterprise fails.

Only Congress has the power to enact legislative reforms necessary to address the structural flaws in the current housing finance system. To that end, in this report, I reiterate my recommendation that Congress authorize FHFA to examine third parties that do business with the regulated entities. The Enterprises' exposure to non-bank seller/servicers has grown significantly since 2008. Non-banks, which operate outside the federal prudential regulatory system, are expected to service most of the Enterprises' portfolios in 2021. A limited and tailored grant of examination authority should position FHFA to achieve its statutory mandate to ensure the safe and sound operations of the regulated entities as housing finance continues to evolve.

I encourage you to review all of the extraordinary accomplishments that FHFA achieved in 2020. We are committed to continuing to fulfill our mission of ensuring the regulated entities fulfill their own mission to serve as a reliable source of liquidity and funding for the housing finance market throughout the economic cycle.

Sincerely,

MARK A. CALABRIA
Director, Federal Housing Finance Agency

List of Common Abbreviations and Acronyms

AMA – Acquired Member Assets

AMI – Area Median Income

Bank Act – Federal Home Loan Bank Act of 1932

CDFI – Community Development Financial Institution

CRT – Credit Risk Transfer

CSP – Common Securitization Platform

CSS – Common Securitization Solutions, LLC

D&I – Diversity and Inclusion

Dodd-Frank Act – Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010

DTS – Duty to Serve

EEO – Equal Employment Opportunity

Enterprises – Fannie Mae and Freddie Mac

Fannie Mae – Federal National Mortgage Association

FHLBank(s) – Federal Home Loan Bank(s)

Freddie Mac – Federal Home Loan Mortgage Corporation

GAAP – Generally Accepted Accounting Principles

Ginnie Mae – Government National Mortgage Association

HERA – Housing and Economic Recovery Act of 2008

HPI – House Price Index

LIBOR – London Interbank Offered Rate

MBS – Mortgage-Backed Securities

OF – Office of Finance

PSPA – Senior Preferred Stock Purchase Agreement

Regulated Entities – Fannie Mae, Freddie Mac, and the FHLBanks

Safety and Soundness Act – Federal Housing Enterprises Financial Safety and Soundness Act of 1992

SOFR – Secured Overnight Financing Rate

UMBS – Uniform Mortgage-Backed Security

UPB – Unpaid Principal Balance

URLA – Uniform Residential Loan Application

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History of the Federal Housing Finance Agency

Fannie Mae and Freddie Mac (the Enterprises) and the Federal Home Loan Banks (FHLBanks) – collectively, the regulated entities – operate in the secondary mortgage market where they facilitate funding and liquidity for financial institutions or other lenders making residential mortgages. Congress created the FHLBank System (in 1932), Fannie Mae (in 1938), and Freddie Mac (in 1970) as private companies through authorizing statutes that contain mission directives, product authorizations and limitations, and corporate powers, and that establish their relationships to federal regulation, which has been entrusted to the Federal Housing Finance Agency (FHFA) since 2008.

In 2008, Fannie Mae and Freddie Mac faced financial crises. In the second half of 2007, the Enterprises reported a combined net loss of $8.7 billion.[1] By June 2008, as mortgage default rates and foreclosures continued to increase across the country, the Enterprises' combined capital totaled just 1 percent of their mortgage credit risk exposure, raising concerns about their financial viability.[2] Congress passed bipartisan legislation enhancing the ability of the federal government to take control of Fannie Mae and Freddie Mac with taxpayer support, and on July 30, 2008, President George W. Bush signed into law the Housing and Economic Recovery Act of 2008 (HERA), amending the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act).

In the Safety and Soundness Act as amended by HERA, Congress established FHFA to supervise, regulate, and oversee the housing missions of the Enterprises and the FHLBank System.[3] The creation of FHFA blended several former government entities: the Office of Federal Housing Enterprise Oversight (OFHEO), which previously regulated the Enterprises; the Federal Housing Finance Board, which previously regulated the FHLBanks; and legal and regulatory staff from the Department of Housing and Urban Development that previously oversaw Enterprise compliance with their statutory missions and certain affordable housing goals. Congress also created a framework for the Department of the Treasury (Treasury) to provide emergency financial support to the Enterprises. Through the Senior Preferred Stock Purchase Agreements (PSPAs) and their subsequent amendments, Fannie Mae and Freddie Mac each were provided access to over $200 billion of Treasury support. To date, the Enterprises together have received $191.5 billion in taxpayer-funded draws under the PSPAs.

In addition to regulatory and supervisory authorities, Congress granted the director of FHFA the discretionary authority to appoint the Agency as conservator (which OFHEO possessed) or receiver of the regulated entities upon determining that any of these entities were in an unsafe or unsound condition or met other criteria. On September 6, 2008, the director of FHFA exercised this authority and placed Fannie Mae and Freddie Mac into conservatorships. Nearly 13 years later, both Enterprises remain in conservatorships.

Congress created FHFA to "be an independent agency of the Federal Government."[4] FHFA's authorities related to safety and soundness supervision are modeled on those available to the nation's federal financial regulatory agencies, including the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation (FDIC), the Board of Governors of the Federal Reserve System, and the National Credit Union Administration. FHFA's authorities as conservator and receiver are modeled on those available to the FDIC.

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[1] "The Rescue of Fannie Mae and Freddie Mac," Federal Reserve Bank of New York, Staff Report No. 719, March 2015, at 9.

[2] Id. at 10.

[3] The FHLBank System includes the 11 FHLBanks and the Office of Finance, a joint office of the FHLBanks.

[4] 12 U.S.C. § 4511(a).

Core Statutory Authorities and Duties

The Safety and Soundness Act provides that FHFA's director "shall have general regulatory authority over each regulated entity and the Office of Finance, and shall exercise such general regulatory authority . . . to ensure that the purposes of this Act, the authorizing statutes, and any other applicable law are carried out."[5] Thus, the statute vests FHFA with the authorities, similar to those of other prudential financial regulators, to maintain the financial health of the regulated entities. FHFA is responsible for supervising the business and operations of the regulated entities to ensure that they are safe and sound and aligned with the missions set forth in their authorizing statutes. FHFA exercises these regulatory and supervisory authorities by issuing rules, policy guidance documents, and regulatory orders.

The Safety and Soundness Act requires FHFA to fulfill "two principal duties":

A. to oversee the prudential operations of each regulated entity; and

B. to ensure that—

   i. each regulated entity operates in a safe and sound manner, including maintenance of adequate capital and internal controls;

   ii. the operations and activities of each regulated entity foster liquid, efficient, competitive, and resilient national housing finance markets (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that maybe less than the return earned on other activities);

   iii. each regulated entity complies with this chapter and the rules, regulations, guidelines, and orders issued under this chapter and the authorizing statutes;

   iv. each regulated entity carries out its statutory mission only through activities that are authorized under and consistent with this chapter and the authorizing statues; and

   v. the activities of each regulated entity and the manner in which such regulated entity is operated are consistent with the public interest.[6]

To carry out its duties related to prudential oversight and safety and soundness, FHFA establishes or implements standards for the regulated entities and examines them – both on-site and through required reporting – to assess their financial condition and compliance with statutory and regulatory requirements. Based on its assessments, FHFA may require corrective actions, take enforcement actions, and, if certain criteria are met, place a regulated entity into conservatorship or receivership.

Supervision and Examination: Safety and Soundness and Risk Management

Under the Safety and Soundness Act, FHFA is required to conduct annual on-site examinations of the Enterprises and the FHLBanks "to determine the condition of the regulated entity for purposes of ensuring its financial safety and soundness" and may conduct an examination whenever the director determines it to be necessary or appropriate.[7] Under COVID-19, all examination activities have been conducted through FHFA's telework flexibilities as the Enterprises closed their headquarters and operated remotely.

For each regulated entity, FHFA prepares an annual Report of Examination (ROE) that assigns examination ratings and identifies weaknesses, deficiencies, and violations of rule or regulation. The 2020 ROEs were delivered to the directors and management of the Enterprises in March 2021 and to the FHLBanks periodically throughout the year based on FHFA's examination schedule.[8]

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[5] 12 U.S.C. § 4511(b)(2).

[6] 12 U.S.C. § 4513(a)(1).

[7] 12 U.S.C. § 4517(a), (b). Examination of the FHLBanks is also performed pursuant to Section 20 of the Federal Home Loan Bank Act. 12 U.S.C. § 1440.

[8] Unless otherwise specified, all dates in this report refer to 2020.

For each regulated entity, FHFA uses a risk-based approach to identify existing and emerging risks, evaluate the effectiveness of risk management systems and controls, and assess compliance with applicable laws and regulations. FHFA assesses the remediation of Matters Requiring Attention (MRA) previously identified by FHFA examiners and whether and to what extent the board of directors and management of each regulated entity have responded to deficiencies and weaknesses identified by internal audit departments and external auditors.

FHFA's supervisory activities also include ongoing monitoring. FHFA conducts continuous monitoring of Enterprise activities to identify significant matters that may affect an Enterprise's risk profile or financial condition, and targeted examinations that typically focus on a discrete business or functional area, program, product, model, process, or internal controls.

FHFA also conducts examinations and ongoing monitoring of the FHLBanks and the Office of Finance (OF). These examinations cover several areas and are risk focused and tailored to each institution's risk profile. The FHLBanks are also monitored on an ongoing basis, which supports examination activity and helps identify emerging risks between annual examinations.

FHFA uses the Capital, Asset quality, Management, Earnings, Liquidity, Sensitivity to market risk, and Operational risk (CAMELSO) rating system to report its safety and soundness examination findings and supervisory views.[9] Each regulated entity receives a composite rating on its overall condition and individual ratings for each of the framework's seven components, which are related to the regulated entity's financial condition and risk management.[10]

Conservatorship and Receivership Statutory Authorities and Duties

FHFA's authority as both conservator and regulator of the Enterprises is based upon statutory mandates, which include the following conservatorship authorities granted by HERA:

(D) …take such action as may be—

i. necessary to put the regulated entity in a sound and solvent condition; and

ii. appropriate to carry on the business of the regulated entity and preserve and conserve the assets and property of the regulated entity.[11]

Continuing the business of the Enterprises in conservatorships also incorporates the above-referenced responsibilities that are enumerated in 12 U.S.C. § 4513(a)(1).

Additionally, under the Emergency Economic Stabilization Act of 2008, FHFA has a statutory responsibility in its capacity as conservator to "implement a plan that seeks to maximize assistance for homeowners and use its authority to encourage the servicers of the underlying mortgages, and considering net present value to the taxpayer, to take advantage of… available programs to minimize foreclosures."[12]

HERA granted FHFA receivership authorities and duties as well. FHFA can initiate a receivership for any of the same 12 discretionary reasons a conservatorship can be initiated. FHFA is required to place an Enterprise into receivership if

i. the assets of the regulated entity are, and during the preceding 60 calendar days have been, less than the obligations of the regulated entity to its creditors and others; or

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[9] *See* FHFA Examination Rating System, Advisory Bulletin AB 2012-03 (December 19, 2012).

[10] The FHLBanks' Office of Finance is not a regulated entity; it receives only two component ratings and a composite rating.

[11] 12 U.S.C. § 4617(b)(2)(D).

[12] 12 U.S.C. § 5220(b)(1).

ii. the regulated entity is not, and during the preceding 60 calendar days has not been, generally paying the debts of the regulated entity (other than debts that are the subject of a bona fide dispute) as such debts become due.[13]

As receiver, FHFA shall place the regulated entity into liquidation and proceed to realize upon the assets of the regulated entity as FHFA deems appropriate. FHFA shall organize and operate a successor enterprise pursuant to the provisions of the Safety and Soundness act as amended by HERA.

Background on the Regulated Entities

The Enterprises are not government agencies; rather they are private, shareholder-owned corporations and their common stock is traded in securities markets. The Enterprises were created by Congress to provide stability in the secondary housing finance market and promote access to mortgage credit throughout the United States by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing.[14]

In the primary mortgage market, lenders loan money to borrowers to finance the purchase of a single-family home or a multifamily property (a residential building with five or more units). Mortgage servicers, sometimes the same entity as the lender, collect monthly mortgage payments from borrowers and manage the loans. The Enterprises transform bundles of single-family mortgages into collateral for financial instruments called mortgage-backed securities (MBS), and sell to investors a portion of the cash flows that come, via the servicers, from the loans underlying the MBS. The Enterprises guarantee the principal and interest payments to investors on behalf of mortgage borrowers and charge lenders a guarantee fee for taking on the credit risk associated with the purchased mortgages. The Enterprises also purchase multifamily mortgages.

The Federal Home Loan Bank Act of 1932 (Bank Act) established the FHLBank System. The current system includes 11 district FHLBanks, each serving a designated geographic area of the United States, and OF, which issues consolidated obligations to fund the FHLBank operations. Each FHLBank is a private, member-owned cooperative that provides a reliable source of liquidity to member financial institutions by making loans, known as advances, to member institutions and housing associates. The FHLBanks secure these advances with eligible collateral, which consists primarily of single-family mortgages, multifamily mortgages, government and agency securities, and commercial real estate loans.

Values and Organization of the Federal Housing Finance Agency

In 2020, FHFA updated the Agency's official values through an employee-driven process. FHFA's culture is built on a foundation of promoting diversity and inclusion in our internal practices and those of our regulated entities. As such, we expect all FHFA employees to emulate four core values. **Fairness**: We value varied perspectives and thoughts and treat others with impartiality. **Accountability**: We are responsible for carrying out our work with transparency and professional excellence. **Integrity**: We are committed to the highest ethical and professional standards to inspire trust and confidence in our work. **Respect**: We treat others with dignity, share information and resources, and collaborate.

FHFA's workforce includes highly skilled examiners, economists, financial and policy analysts, attorneys, and subject matter experts in banking, housing, insurance, technology, accounting, and the law. The director sets the course for the Agency, which is organized into divisions and offices.

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[13] 12 U.S.C. § 4617(b)(2)(E).

[14] *See* 12 U.S.C. § 1716 (Fannie Mae); 12 U.S.C. § 1451 note (Freddie Mac).

In January 2020, FHFA realigned its structure to strengthen the Agency's regulatory capabilities and prepare both the Agency and the Enterprises to responsibly exit and operate safely outside of conservatorship. Below is a summary of FHFA's principal organizational units and the key changes implemented in January 2020, including the creation of two new divisions and one new office.

The **Office of the Director** provides overall leadership and strategic direction for the Agency. The **Office of Congressional Affairs and Communications** resides in the Office of the Director and is responsible for all external and internal communications.

The **Office of the Chief Operating Officer** oversees FHFA's day-to-day support operations, including financial planning and budgeting, human resource management, information technology, facilities management, continuity of operations, contracting, quality assurance, program management, and audit follow-up functions. The office leads FHFA's efforts related to strategic planning and performance management and reporting.

The **Division of Enterprise Regulation** (DER) supervises the Enterprises and evaluates the safety and soundness of their financial condition and operations. World-class supervision of the Enterprises is critical to fulfilling the Agency's mission of fostering competitive, liquid, efficient, and resilient (CLEAR) national housing finance markets, and to preparing the Enterprises to responsibly exit the conservatorships. Using a risk-based supervisory approach, DER examiners conduct oversight through targeted examinations, ongoing monitoring and analysis activities, and issuing supervisory guidance to the Enterprises. DER prepares annual ROEs, which communicate DER's supervisory assessments of the Enterprises. The ROE assigns composite and component ratings in accordance with FHFA's supervisory rating system and communicates the principal examination conclusions and findings for the supervisory cycle. The division also provides support and advice to the Agency on supervisory issues, development of FHFA policy, and internal FHFA management activities.

The **Division of Federal Home Loan Bank Regulation** (DBR) supervises the FHLBanks and OF to ensure their safe and sound operation. DBR oversees and directs FHLBank examination activities, develops examination findings, and prepares ROEs. DBR monitors and assesses the financial condition and performance of the FHLBanks and OF and tests their compliance with laws and regulations through annual examinations, periodic visits, and off-site monitoring and analysis. The division establishes supervisory policy and regulation for the FHLBanks and conducts FHLBank-focused assessments. DBR also conducts Affordable Housing Program (AHP) examinations of each FHLBank annually to assess compliance with program regulations and policies and to evaluate the effectiveness of each FHLBank's AHP.

The **Division of Housing Mission and Goals** (DHMG) develops and oversees FHFA's housing and regulatory policy and the mission of the Enterprises and the FHLBanks. DHMG develops regulations for and oversees implementation of affordable housing goals and duty to serve requirements by the Enterprises, as well as affordable housing goals and the Affordable Housing Programs, Community Investment Programs, Community Investment Cash Advances programs, and Community Support Programs, of the 11 FHLBanks.

DHMG also monitors the Enterprises and FHLBanks for fair lending risk and conducts fair lending risk assessments and compliance reviews on the policies, programs, and activities of the regulated entities. In January 2020, DHMG created an Office of Multifamily Analytics and Policy to focus on policy development and analysis related to multifamily markets and realigned its Office of Housing and Regulatory Policy to be dedicated to single-family housing finance activities. DHMG coordinates FHFA activities related to policy development and analysis affecting housing finance and financial markets, and in support of FHFA's mission and the director's responsibilities as a member of the Federal Housing Finance Oversight Board, the Financial Stability Oversight Board, and the Financial Stability Oversight Council.

The Division of Conservatorship (DOC) was renamed the **Division of Resolutions** (DOR) in January 2020 to reflect its primary and long-run function and to align FHFA with other safety and soundness regulators. The division assists the director, as conservator, in carrying out conservatorship obligations and preparing the Enterprises to responsibly exit conservatorship. DOR work will continue this work begun by DOC, which involves facilitating communication between the Enterprises and FHFA as conservator to ensure that emerging issues are identified and resolved in a prompt and timely manner. It also involves working with the Enterprises' boards of directors and senior management to accomplish the goals of the conservatorships. DOR also oversees FHFA's receivership and resolution responsibilities, such as developing living wills and other contingency plans that will enable the Agency to resolve in a safe, sound, and timely manner issues related to financial stress, instability, and insolvency at the regulated entities.

The **Office of Minority and Women Inclusion** (OMWI) leads FHFA's efforts to advance diversity and inclusion (D&I) in all business and activities of the Agency, including among its workforce, at all levels, and supervises and examines the regulated entities' D&I programs. OMWI is responsible for increasing the participation of minority-, women-, and disabled-owned businesses in FHFA programs and contracts. This includes establishing and upholding standards for coordinating technical assistance to such businesses and evaluating the good faith efforts of FHFA contractors to promote diversity and ensure inclusion in their own workforce. OMWI's D&I Examinations branch conducts examinations of the Enterprises and FHLBank System to assess the D&I policies and practices of the regulated entities, issue supervisory guidance and communicate examination findings such as MRAs, violations, and recommendations, to ensure their compliance with D&I laws and regulations and adherence to D&I policies, strategic goals and objectives, and best practices.

The **Office of General Counsel** (OGC) supports the policy initiatives of the director within the framework of the statutes that the Agency is charged with administering and other applicable laws. OGC lawyers advise and support the director, executives, and FHFA staff on legal matters related to the functions, activities, and operations of FHFA and its regulated entities. The office provides support for regulations, enforcement actions, and supervision, conservatorship, and policy functions; brings and defends litigation; supports compliance with laws and regulations applicable to federal agencies; analyzes pending legislation and advises the director and Agency staff; and coordinates legal matters with other government agencies.

The **Division of Accounting and Financial Standards** (DAFS) was created in January 2020 to elevate the cross-agency roles of FHFA's Office of the Chief Accountant and Office of the Ombudsman. DAFS enables FHFA's accounting expertise to inform and support all Agency divisions and offices, identify financial institution trends and best practices, engage with external standard-setters, and provide guidance on fraud and related risks. It also assists with Federal Housing Finance Oversight Board responsibilities. The Office of the Ombudsman considers and helps resolve complaints and appeals from any regulated entity, OF, or any person who has a business relationship with a regulated entity or OF, concerning any matter relating to FHFA's regulation and supervision. Neither FHFA nor any of its employees may retaliate against a regulated entity, OF, or a person for submitting a complaint or an appeal to the Office of the Ombudsman.

The **Division of Research and Statistics** (DRS), created in January 2020, builds on and strengthens FHFA's economic research and data analytics functions, which are core competencies of effective regulators. DRS serves as a research, data, and statistical analysis center to support FHFA's divisions and offices engaged in oversight, supervision, rulemaking, and policy development. It examines trends and risks in housing

finance markets, advances modeling capabilities, develops and maintains data, and evaluates policy impacts. DRS also engages with research communities across the government, private, and philanthropic sectors.

The **Office of Equal Opportunity and Fairness** (OEOF), created in January 2020, houses FHFA's Equal Employment Opportunity (EEO), anti-harassment, and alternative dispute resolution (ADR) functions, creating a specialized service center for employees dealing with harassment, bullying, discrimination, or retaliation in the workplace. In addition to complaint processing, compliance reporting, harassment prevention, and ADR, OEOF provides training, guidance, and analysis to foster a model EEO workplace free from discrimination and harassment.

The **Office of Inspector General** (OIG) conducts independent audits, evaluations, and investigations to help FHFA achieve its mission and goals and guard against waste, fraud, and abuse. OIG informs the director, Congress, and the public of any problems or deficiencies relating to programs and operations. OIG activities assist FHFA staff and program participants by ensuring the effectiveness, efficiency, and integrity of FHFA's programs and operations.

Legislative Recommendations

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As detailed in this annual report, FHFA made progress in 2020 to ensure that each regulated entity operates in a safe and sound manner and that the operations and activities of each regulated entity foster liquid, efficient, competitive, and resilient national housing finance markets over the economic cycle, in particular during periods of financial stress. Notably, Fannie Mae and Freddie Mac (the Enterprises) reduced their combined leverage ratio from nearly 1,000 to 1 at the beginning of 2019 to approximately 160 to 1 by the end of 2020. FHFA finalized a new regulatory capital framework for the Enterprises and continues to develop a roadmap, with clear and appropriate milestones, to responsibly end the conservatorships.

Notwithstanding FHFA's administrative actions, the nation's housing finance system remains in urgent need of comprehensive reform. Only Congress can address the structural flaws in the housing finance system that were at the root of the 2008 financial crisis and that continue to pose risk to taxpayers and financial stability. Reform remains overdue, and Congress should advance legislation to enhance the safety and soundness of the regulated entities and move our country toward a stronger and more resilient housing finance system.

To that end, FHFA needs to be strengthened with additional regulatory and supervisory authorities to prepare for an eventual post-conservatorship environment and to solidify itself, consistent with congressional intent, as a world-class regulator. To ensure the Enterprises are well-regulated and well-capitalized outside of conservatorship, FHFA's authorities should be on par with those of other independent federal financial regulators. Specifically, and pursuant to the statutory requirements related to this annual report, FHFA recommends that Congress consider the following legislative reforms.

Chartering Authority

FHFA reiterates its recommendation that Congress provide FHFA with chartering authority, similar to that of other federal financial regulators such as the Office of the Comptroller of the Currency. Such authority would enable FHFA to charter competitors to the Enterprises. In the lead up to the financial crisis, the duopoly market structure, together with the Enterprises' congressional charters, size, and systemic importance, created a perception that the Enterprises were "too big to fail." Relying on that perception, each Enterprise was able to borrow at interest rates close to that of the debt of the federal government while maintaining unsafe and unsound levels of leverage. That and other regulatory advantages over private-sector competition fueled the Enterprises' rapid growth, while the Enterprises' leverage shifted risk to taxpayers, created moral hazard, and incentivized excessive risk taking.

Moving beyond the duopoly market structure is critical to ending taxpayer bailouts of "too big to fail" institutions. Chartering competitors would reduce the systemic importance of each Enterprise. That in turn would enhance FHFA's capacity to resolve an insolvent Enterprise, mitigate moral hazard, increase market discipline, and protect taxpayers against future bailouts. Newly chartered competitors also would increase efficiency and innovation within the national housing finance markets, driving down costs for borrowers and leading to new products and advances in underwriting.

To foster a level playing field, the congressional grant of chartering authority should permit FHFA to re-charter each Enterprise on the same charter that would be available to newly chartered competitors. That generally available charter should continue to require the re-chartered Enterprises and their competitors to support equitable access to the secondary market. To enhance safety and soundness regulation, FHFA should, like the federal banking regulators, have the authority to revoke an FHFA-granted charter in the event of ongoing mismanagement or other limited circumstances that threaten safety and soundness.

Service Provider Examination

The regulated entities rely on third-party service providers for a wide range of services, some of which are critical to their operations. These third-party relationships can pose risks related to information security, business continuity, and other safety and soundness issues. The Enterprises, for example, rely on non-bank servicers to collect payments from borrowers, advance some payments to investors in mortgage-backed securities, and perform loss mitigation on non-performing loans. FHFA expects each regulated entity to implement a program to manage these third-party risks. However, FHFA does not have the statutory authority to examine a regulated entity's service providers. As a result, FHFA must rely on provisions in the regulated entities' third-party contracts to obtain access to information about service providers that is necessary to fulfill FHFA's statutory safety and soundness responsibilities.

The Financial Stability Oversight Council and the Government Accountability Office each recommended that Congress authorize FHFA to examine third parties that do business with the regulated entities, and FHFA continues to concur with those recommendations. Specifically, FHFA recommends that Congress authorize FHFA to examine the records, operations, and facilities of each material service provider to a regulated entity for the limited purpose of identifying practices that could pose a safety and soundness risk to the regulated entity. A limited and tailored grant of examination authority should position FHFA to achieve its statutory mandate to ensure the safe and sound operations of the regulated entities.

Regulatory Capital

In 2008, Congress amended FHFA's authorizing statute to give FHFA relatively broad authority to prescribe regulatory capital requirements for the Enterprises. The 2008 amendments, however, did not remove some of the outdated definitions of regulatory capital from the original authorizing statute. Unlike the U.S. banking framework, these statutory definitions do not expressly authorize FHFA to provide by regulation for deductions or other adjustments for deferred tax assets (DTAs) and other capital elements that tend to have less loss-absorbing capacity during a period of financial stress.

The shortcomings in the statutory definitions of capital could pose safety and soundness risks. During the financial crisis, market confidence in the Enterprises collapsed in mid-2008 even when Fannie Mae and Freddie Mac had total capital, as defined by statute, of $55.6 billion and $42.9 billion, respectively. Questions about the Enterprises' solvency likely arose in part due to their sizeable DTAs, which had less loss-absorbing capacity during a period of negative income but still counted toward regulatory capital. In fact, after deducting its DTAs, Freddie Mac would have had a negative net worth as of June 30, 2008.

FHFA's regulatory capital framework for the Enterprises, as set forth in FHFA's adopted final rule, mitigates the risk posed by the existing statutory definitions of capital by prescribing supplemental capital requirements based on definitions of regulatory capital used by the federal banking regulators. While these supplemental requirements should ensure that each Enterprise maintains adequate high-quality regulatory capital, the supplemental requirements introduce some added complexity to an already complex framework. If Congress gave FHFA the same flexibility as the federal banking regulators by amending or removing the statutory capital definitions, FHFA could simplify the capital rule.

Fostering Competitive National Housing Finance Markets

Prior to their rapid growth in the 1980s and 1990s, the Enterprises' market share was historically much smaller than it is today. The Enterprises' footprint further increased during the 2008 financial crisis, as might have been expected. However, the Enterprises' role has not scaled back since, notwithstanding the more than 10 years of post-crisis economic expansion. This has left the housing finance system at risk of an even larger and more unprecedented role for the Enterprises in the event of another serious downturn.

As described in the Housing Reform Plan released by the Department of the Treasury in September 2019, FHFA agrees that a driver of the Enterprises' growth has been a regulatory framework that has become biased in favor of Enterprise-supported mortgage lending. FHFA's regulatory capital framework is an important step toward reducing the gap between the credit risk capital requirements of banking organizations and those that apply to the Enterprises with respect to similar mortgage exposures. FHFA will continue to support the efforts of the Consumer Financial Protection Bureau and other federal financial regulators to ensure that the special regulatory advantages afforded the Enterprises do not create opportunities for regulatory arbitrage or otherwise confer undue competitive advantages on the Enterprises. A congressional grant of chartering authority would significantly reduce any competitive advantage arising out of the perception that the Enterprises are "too big to fail." To further level the playing field with private-sector sources of capital, Congress should also consider other legislative reforms to remove unnecessary statutory exemptions and other special treatments afforded the Enterprises.

FHFA continues to stand ready to assist Congress in furthering these legislative recommendations. In the meantime, FHFA will work within its existing statutory authorities to address vulnerabilities in the housing finance system where possible.

Conservatorships of the Enterprises

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Since 2008, FHFA has served as conservator of Fannie Mae and Freddie Mac. These are the longest financial institution conservatorships in American history, as the longest bank conservatorship lasted 18 months.

FHFA entered 2020 with a renewed commitment to fulfilling its statutory obligation to restore the Enterprises to safe and sound condition and responsibly end the conservatorships. Despite the historic disruptions that the COVID-19 national emergency imposed on the housing market and the broader economy, FHFA continued making significant progress on its core goals for the conservatorships, as discussed in the second half of this chapter, while managing the conservatorships to protect American families and support the functioning of the mortgage markets.

The State of the Market Leading Up to the COVID-19 Crisis

At the start of 2020, the American housing market was in a strong position. A low interest rate environment and stable labor markets drove robust demand and price appreciation. Home price growth in the first quarter of 2020 outpaced annual growth from the same period a year before as falling interest rates and shrinking inventories for sale led prices higher just prior to the COVID-19 crisis. Nationwide, house prices increased 1.7 percent in the first quarter of 2020, a 5.7 percent increase from the first quarter of 2019. FHFA's seasonally adjusted monthly index for March was up 0.1 percent from February.

Since early 2019, existing home sales had been on a steady upward trajectory after declining throughout 2018 due to rising rates. The National Association of Realtors' months' supply of existing homes for sale in February 2020 reached its lowest level since the series started in 1999, driving home prices upward at a faster rate in the first quarter. Single-family housing starts in February 2020 reached the highest three-month rate since November 2006, on a seasonally adjusted basis, after more than 10 years of slow, steady increases.

In response to COVID-19, financial markets endured a severe dislocation in March. Uncertainty over the public health and the economic impacts of the pandemic constrained financial liquidity, significantly disrupting the financing, lending, and hedging activities of mortgage lenders and many other market participants. Spreads between the 30-year fixed mortgage rate and the 10-year Treasury yield widened. Treasuries experienced rising yields as a market-wide demand for cash led investors to sell off their most liquid assets in response to redemption demands.

FHFA's Policy Response: Supporting Borrowers and Renters

From the beginning of the crisis, FHFA's conservatorship, policy, and research teams worked together to produce forecasts and estimates of the future impact of COVID-19 on the mortgage market based on key indicators such as unemployment insurance claims and house prices. They also developed models to support decision making regarding loan modifications, servicing, and other issues. This internal research, monitoring, and analysis informed and guided FHFA's policy actions.

One of FHFA's top priorities was to support renters and homeowners struggling to pay for housing because of COVID-19. To do this, FHFA directed the Enterprises to put in place certain protections. The Enterprises own or guarantee approximately half the American residential mortgage market. That includes about 43 percent of multifamily units, about 8.6 million households, and more than half of single-family mortgages. FHFA's policies apply to all single-family homeowners and multifamily property owners with an Enterprise-backed mortgage. FHFA's policies also help to set workable standards for the entire market.

To protect borrowers facing delinquency and foreclosure during the COVID-19 pandemic, FHFA suspended all single-family foreclosures and foreclosure-driven evictions through the end of 2020. This policy protected more than 28 million homeowners and enabled roughly 200,000 families already facing foreclosure pre-COVID to stay in their homes.

FHFA also allowed borrowers affected by COVID-19 to take a timeout from mortgage payments through forbearance for up to 12 months. The Enterprises refined existing loss mitigation products and introduced Payment Deferral, ensuring borrowers had access to meaningful home retention solutions and could remain safely in their homes.

Through Payment Deferral, FHFA allowed borrowers in forbearance who return to making monthly payments to repay what they missed when they sell their home or refinance their loan. Payment Deferral simplified options for borrowers and provided an additional tool for mortgage servicers.

From the beginning of the pandemic, FHFA emphasized that those who could make their mortgage payments should continue doing so. FHFA directed the Enterprises to extend refinancing eligibility to borrowers who remained current while on forbearance, a new phenomenon during COVID-19, as well as borrowers on forbearance who reinstate or perform by making three timely payments.

FHFA's policies were built on the lessons learned from the failures of the 2008 financial crisis, focusing particularly on improving the process for borrowers and renters in need of assistance. As a result, borrowers during COVID-19 did not have to navigate excessive and often confusing rounds of paperwork with their servicers, such as those that resulted from the Home Affordable Modification Program (HAMP) during the post-housing crash foreclosure crisis.

FHFA also took action specifically to protect renters struggling to pay rent because of COVID-19. The Enterprises have a contractual relationship with multifamily property owners or landlords, not a property's tenants. Therefore, if a multifamily loan is performing and the property owner does not seek forbearance, the Enterprises cannot impose requirements on the landlords.

On March 23, FHFA announced the Enterprises' policies providing a forbearance option for multifamily property owners with an Enterprise-backed mortgage. Importantly, these policies prohibit tenants from being evicted for the nonpayment of rent during a property owner's forbearance period. In late June, FHFA allowed multifamily property owners in forbearance to extend for an additional three months on the condition that they adopt stronger renter protections. And in August, FHFA announced that multifamily landlords with new or modified forbearance must notify tenants of their rights under the forbearance agreement.

While the single-family forbearance program was modeled on prior disaster response efforts, the nationwide multifamily forbearance programs with tenant protections were developed from the ground up. After putting these programs in place, FHFA directed the Enterprises to create online lookup tools that allow renters to determine whether an Enterprise owns or guarantees the mortgage on the property where they live and therefore whether they are eligible for eviction protection or forbearance.

FHFA also helped clarify consumers' options. The Agency directed the Enterprises to update the scripts that servicers use when talking to borrowers about forbearance with a common script to help ensure all borrowers received consistent and accurate information. Those scripts and the associated forbearance application were translated into the top five languages of borrowers with Limited English Proficiency: Spanish, Chinese, Vietnamese, Korean, and Tagalog. FHFA emphasized to servicers and the public that no lump sum repayment is required at the end of forbearance. FHFA partnered with the Consumer Financial Protection Bureau (CFPB) to launch the Borrower Protection Program, which allowed FHFA to leverage CFPB's consumer complaint database to identify problematic servicing practices. And FHFA helped develop a website that consolidates federal information about mortgage relief options, renter protections, and how to avoid scams.

To help ensure that borrowers qualify for mortgages they can afford, FHFA is sharing with the CFPB aggregated data on loans that enter forbearance before delivery to the Enterprises. This will allow FHFA to fulfill its obligation under the Qualified Mortgage (QM) Patch to ensure that loans sold to the Enterprises are complying with the intent of Dodd-Frank's ability to repay provisions.

Early in the crisis, there were a wide variety of predictions about the future effects of COVID-19 on housing markets. Given the unprecedented nature of

the pandemic and the high degree of uncertainty about the economic impact, FHFA carefully monitored the data generated internally and the data received from the Enterprises and market participants. This ensured FHFA developed and updated our policies in response to the facts on the ground.

After rising precipitously in April, the rate of forbearance uptake slowed during the last few weeks of May and then began to consistently decline week over week. According to data released by the Mortgage Bankers Association, as of May 24, 6.4 percent of total Enterprise-backed mortgages were in forbearance, compared to 11.8 percent of mortgages backed by Ginnie Mae. By the end of December, the Enterprise single-family mortgage forbearance rate had fallen to 3.2 percent, compared to 7.9 percent of Ginnie Mae loans. FHFA's internal analysis shows that renters in approximately 170,000 units of multifamily housing have been eligible for eviction protection because they live in properties receiving forbearance from Fannie Mae or Freddie Mac. This represented about 1.9 percent of outstanding multifamily mortgage balances at the Enterprises.

FHFA's Policy Response: Ensuring the Proper Functioning of the Mortgage Market

FHFA has also taken several steps to ensure the mortgage market continues to function properly both during and after this crisis.

To ensure the safety of market participants, FHFA authorized several loan-closing, employment-verification, and appraisal flexibilities. The changes include allowing desktop and exterior-only appraisals, providing alternative methods to demonstrate construction completion and satisfy borrower documentation requirements, allowing renovation disbursements, and expanding the use of power of attorney, appraisal waivers, and remote online notarization.

In April, FHFA recognized that non-bank servicers needed clarity to serve the market through the crisis. In response, FHFA instituted a four-month limit on servicers' obligations to advance principal and interest payments on loans in forbearance. With respect to mortgage loans in MBS, prior to COVID-19, Fannie Mae servicers with a scheduled payment remittance had been responsible for advancing the principal and interest payment regardless of borrower payments. Freddie Mac servicers, who are generally responsible for advancing scheduled interest, are only obligated to advance four months of missed borrower interest payments. FHFA's policy established a four-month advance obligation limit for Fannie Mae scheduled servicing, which is consistent with the current policy at Freddie Mac.

To keep the mortgage market working for current and future borrowers, and to help originators continue lending, FHFA also enabled the Enterprises for a limited period of time to purchase certain single-family mortgages in forbearance that otherwise met their criteria.

Assessing FHFA's Policy Response

FHFA's response to COVID-19 has significantly helped borrowers, renters, and the housing market deal with this crisis.

Following some contraction in mortgage market activity in March and April, the purchase market rebounded in a strong V-shaped recovery through June before settling down for the rest of the year. By the end of December, purchase mortgage applications had increased by 25 percent year-over-year. Existing home sales (EHS) during the last quarter of 2020 reached their highest level since December of 2006, averaging at 6.7 million, according to the National Association of Realtors. Housing starts showed a strong recovery, returning to pre-COVID levels.

House prices were supported by this rebound in market activity in the second half of the year. House prices rose by 1.2 percent in December, which was the 7th consecutive month of over 1 percent growth. Nationwide, house prices increased 3.9 percent in the fourth quarter of 2020, a 10.9 percent increase from the fourth quarter of 2019 and the largest year-over-year gain on record.

Based on the Enterprises' acquisitions of purchase mortgages in 2019 and 2020, loan risk factors such as average credit scores, debt-to-income (DTI), and loan-to-value (LTV) ratios have changed only slightly in 2020 compared to 2019. Refinance acquisitions in 2020 had higher credit scores, lower DTIs and lower LTVs. The Enterprises, at the direction of FHFA, continue to take measured and responsible steps to maintain a prudent risk profile and address layered risks.

Cost of COVID-19 Response

FHFA's response to this pandemic helped homeowners, renters, and the housing market deal with the COVID-19 national emergency. But those policies have also had significant costs.

Conservative estimates initially priced COVID-19 related costs for the Enterprises at roughly $6 billion. As reported on the Enterprises' 10-Q disclosure forms, $4 billion was from expected loan losses due to projected forbearance defaults. The expected losses associated with the foreclosure moratorium amounted to at least $1 billion. Other forbearance-related expenses and fees, such as the $500 fee the Enterprises pay to servicers for loss mitigation, accounted for another $1 billion. The Congressional Budget Office (CBO) projected the Enterprises' annual earnings in 2020 to be reduced by $10 billion as a result of the coronavirus pandemic.[15]

To cover these projected losses, on December 1, the Enterprises began adding an adverse market fee of 0.5 percent when purchasing select refinance mortgages. The fee applies to refinance mortgages and does not impact new purchase mortgages, including first-time homebuyers – a key element FHFA required of the Enterprises. Additionally, the fee was expected to have minimal impact on low-income borrowers, as nearly 95 percent of recent refinance acquisitions had credit scores at or above 700 and nearly 80 percent had loan-to-value ratios at or below 80 percent.

FHFA tailored the fee to ensure low-income borrowers could continue accessing record-low rates to reduce their monthly mortgage payments. Exempt from the fee are borrowers with loan balances of $125,000 or less, nearly half of whom are at or below 80 percent of area median income (AMI). Also exempt are affordable refinance products, Home Ready and Home Possible.

The losses this fee covers are the result of policies that have helped millions of Americans stay safe in their homes during a global pandemic. The Enterprises' congressional charters require that expenses must be recovered via income. The fee increase was originally scheduled to go into effect September 1. After listening to feedback, FHFA delayed implementation until December 1.

Delaying this fee helped provide certainty to the market and borrowers; however, the total amount raised through the fee is unlikely to cover the cost of Enterprise assistance to borrowers and renters during the pandemic. Low mortgage rates had already significantly elevated the rate of Enterprise refinance acquisitions, and delaying the fee reduced the number of transactions the cost could be spread over.

The experience of the COVID-19 pandemic underscores the fragile financial condition of the Enterprises. They were able to initially fund COVID-19 policies from their balance sheets in significant part because of risk reductions and capital increases achieved in the second half of 2019, just months before the pandemic began. Had their positions been any weaker, they could have been at imminent risk of failure.

[15] "Effects of Recapitalizing Fannie Mae and Freddie Mac Through Administrative Actions," Congressional Budget Office, August 2020.

Federal Housing Finance Agency and Enterprise 2020 Conservatorship Activities

Even as FHFA developed and executed its significant COVID-19 response, the Agency continued fulfilling its statutory responsibilities related to the conservatorships of Fannie Mae and Freddie Mac. HERA authorizes FHFA as conservator to take "such action as may be (i) necessary to put the regulated entity in a sound and solvent condition; and, (ii) appropriate to carry on the business of the regulated entity and preserve and conserve the assets and property of the regulated entity."

FHFA periodically releases a Strategic Plan for the conservatorships of Fannie Mae and Freddie Mac that establishes a multi-year framework for how the Agency, as conservator and in accordance with its statutory mandates, intends to guide the Enterprises while they remain in conservatorships. In addition, FHFA releases an annual Scorecard that sets forth the Agency's tactical priorities and aligns execution by the Enterprises and Common Securitization Solutions, LLC, to those priorities and to the Strategic Plan.

On October 28, 2019, FHFA released the *2019 Strategic Plan for the Conservatorships of Fannie Mae and Freddie Mac*, effective upon release, and the *2020 Scorecard for the Enterprises and Common Securitization Solutions* for calendar year 2020. The new Strategic Plan and Scorecard were built around three core areas of focus.

Focus Area #1: Foster Competitive, Liquid, Efficient, And Resilient (CLEAR) National Housing Finance Markets

Foster national housing finance markets that protect taxpayers, promote liquidity through the cycle, and support sustainable homeownership and affordable rental housing, while ensuring the Enterprises fulfill all statutory mandates.

Focus Area #2: Ensure Safety and Soundness

Operate the Enterprises with heightened focus on safety and soundness to enable them to provide mortgage market liquidity through the economic cycle with a prudent risk profile. Maintain effective risk management systems necessary and appropriate for entities in conservatorship with limited capital buffers.

Focus Area #3: Prepare for a Transition Out of Conservatorship

Support the development and implementation of a responsible transition plan to exit the conservatorships, with appropriate readiness by the Enterprises.

These three focus areas aligned the conservatorships with FHFA's commitment to carry out its statutory responsibility to responsibly end the conservatorships.

FHFA is legally bound, as conservator or receiver, to direct its supervision and regulation of the Enterprises toward one of three outcomes: (1) reconstitute the Enterprises into a successor entity or entities, (2) restore the Enterprises to a state of financial solvency and shareholder control, or (3) place the Enterprises into liquidation and organize limited-life regulated entities. Removing the Enterprises from government control, either as conservator or receiver, is both a statutory authority and a statutory duty under HERA.

FHFA's end-state vision is for the Enterprises to return to operating as fully-private companies within a competitive, liquid, efficient, and resilient housing finance system, while a strengthened and independent FHFA ensures they have the capital reserves, risk management capabilities, corporate governance, and regulatory oversight that are appropriate for their size, risk, and systemic importance outside of conservatorship.

Successfully exiting from conservatorship after more than a decade of operating under government control continues to require changes to the Enterprises across a number of fronts. A significant challenge for the Enterprises is to operate appropriately while still under conservatorship and simultaneously rehabilitate the commercial mindset and capabilities that will be critical to their success outside of conservatorship.

The Enterprises must demonstrate the commitment to utilize capital efficiently and effectively, earning returns sufficient to attract investors in private capital markets. The Enterprises will need to avoid the imprudent practices of the past and instead focus on their core mission of fostering a competitive, liquid, efficient, and resilient secondary mortgage market that supports sustainable homeownership and affordable rental housing. A mission-focused, safer, and simpler business model in which the Enterprises' risk levels are prudent and supported adequately by their capital levels will facilitate their exit from conservatorship.

Importantly, going forward the Enterprises should serve a countercyclical role in the market, consistent with their statutory mission to "provide stability to the secondary market for residential mortgages" and to "respond appropriately to the private capital market" without crowding it out.

A strong capital base, prudent credit standards, and robust risk management form the foundation from which the Enterprises should provide countercyclical support to the market.

A Strong Capital Base

The Enterprises continue to be inarguably undercapitalized for their size, risk, and systemic importance. The conservatorships were initiated in 2008 because Enterprise credit losses were exceeding their stock of loss-absorbing private capital.

When passing HERA, Congress created a temporary framework for Treasury to provide emergency financial support to the Enterprises in 2008. Through the Senior Preferred Stock Purchase Agreements (PSPAs) and their subsequent amendments, Fannie Mae and Freddie Mac each were ultimately provided access to over $200 billion of Treasury support to keep the Enterprise's net worth positive. To date, the Enterprises together have received $191.5 billion in taxpayer-funded draws under the PSPAs.

In exchange, Treasury received senior preferred shares in the Enterprises that entitle it to a 10 percent dividend as well as a liquidation preference equal to the amount drawn under the Agreement. Under the terms of the agreement, dividends paid to the senior preferred shares do not count as repayments. These Treasury senior preferred shares and their associated liquidation preference render the Enterprises' regulatory capital calculations significantly negative. For clarity, "capital" in this discussion will be understood to mean GAAP net worth unless a specific regulatory capital definition is identified.

In 2012, the Third Amendment to the PSPAs required the Enterprises to pay out any excess capital beyond a combined $6 billion as a dividend to the senior preferred shares, a provision also known as the net worth sweep. As a result, the Enterprises went into 2019 with just $6 billion of capital backing their nearly $6 trillion balance sheets, resulting in a combined leverage ratio of almost 1,000 to 1.

Capital is the foundation of financial safety and soundness. Therefore, building capital is one of the most important steps in restoring each Enterprise to a safe and sound condition in which it can responsibly exit its conservatorship.

In September 2019, FHFA and Treasury signed a letter agreement increasing the amount of capital the Enterprises could retain to a new combined limit of $45 billion. Allowing the Enterprises to retain additional earnings began the necessary capital-building process.

In 2020, FHFA re-proposed and finalized a new capital rule that set out the conditions for a post-conservatorship Enterprise to meet the essential safety and soundness threshold of being able to fulfill its mission through a downturn on the scale of the last housing crash.

The rule calculates that minimum necessary level of capital to be approximately 4 percent of Adjusted Total Assets as defined in the rule, equivalent to a leverage ratio of 25 to 1. This will ensure that Fannie Mae and Freddie Mac have the capital to absorb the lifetime unexpected losses on the mortgages they own and guarantee in the event of another severe house price shock.

In January 2021, FHFA and Treasury effectively ended the net worth sweep by allowing the Enterprises to retain capital up to the level required in the final capital rule. Without this amendment, at least one of the Enterprises would have hit its capital limit from the 2019 agreement. This would have forced the Enterprise to resume remitting its capital as dividends to Treasury while it was still severely undercapitalized.

Treasury requested a series of policy provisions to be included in the agreement to protect its investment. Many of these provisions substantially codified existing FHFA rules and conservatorship restrictions. FHFA and Treasury both recognized that the January 2021 changes were a significant positive step forward but that more work would be needed to restructure Treasury's stake before necessary private capital could be raised.

Prudent Credit Standards

The core purposes of the Enterprises, outlined in their charters, are to provide stability and ongoing assistance to the secondary market for residential mortgages, increase the liquidity of mortgage investments, improve the distribution of investment capital, and promote access to mortgage credit throughout the nation.

Congress also gave them specific obligations to serve designated underserved communities and to support affordable housing by fulfilling their statutory housing goals.

The Enterprises have an obligation to conduct their business through sustainable and responsible practices backed by prudent credit standards. Any shortcut or inappropriate underwriting supported by an Enterprise can encourage private actors to originate unsustainable loans that irresponsibly endanger their borrowers.

While undercapitalized Enterprises operate under conservatorship, they must take special care to make efficient use of their limited capital to fulfill their mission. The core binding constraint on Enterprise activities is their capital.

Therefore in 2020, FHFA continued to direct the Enterprises to review their risk profiles across all business activities and to reduce risk and complexity to levels appropriate for entities operating under conservatorship and with such limited capital.

Since 2014, FHFA has also set caps on the volume of multifamily business an Enterprise can purchase. This policy is intended to ensure that the Enterprises provide appropriate support to the multifamily sector, especially mission-driven affordable housing, without displacing private capital.

2020 was the first full calendar year that the Enterprises conducted their multifamily business under an updated system of multifamily caps. The Enterprises stayed below their five-quarter volume cap of $100 billion. At least 37.5 percent of those multifamily purchases were mission-driven affordable housing, in keeping with the minimum threshold FHFA established.

FHFA also issued new multifamily caps for the four quarters of calendar year 2021. The new caps are $70 billion for each Enterprise, of which at least 50 percent must be mission-driven affordable housing. Twenty percent of the $70 billion must be affordable to residents at or below 60 percent of area median income. And FHFA simplified the applicable definitions of mission-driven affordable housing. Like the previous caps, the 2021 caps apply to all multifamily business without any carve-outs.

FHFA also continued to direct the Enterprises to provide equitable market access to small lenders by prohibiting volume-based discounts. FHFA's policy implements the principle of the same rate of return for the same risk, regardless of size. A central reason for the existence of Fannie Mae and Freddie Mac is to provide small lenders with access to capital markets, access that large financial institutions already have through Wall Street relationships. This policy further aligns Enterprise activities with their core mission.

Robust Risk Management

Fannie Mae and Freddie Mac were chartered by Congress to be counter-cyclical sources of stability for housing finance markets. This stands in contrast to the structure of depository institutions, which tend to increase their lending during economic expansions and tighten credit to get through downturns.

To fulfill their mission, the Enterprises must be ready to expand their business in times of general financial stress. This requires the Enterprises to prepare the resources they will deploy in a downturn while conditions are still strong.

New Enterprise activities during conservatorship should be limited and clearly aligned to core guaranty activities, to reducing risk, and to supporting the objective of exiting conservatorship. Competition between the Enterprises during conservatorship, or between the Enterprises and government-supported lending programs, must be limited and responsible in order to protect taxpayers, borrowers, and underserved communities.

Their counter-cyclical mission and their ongoing undercapitalization mean the Enterprises must place a premium on robust risk management capabilities and practices. Risk at the Enterprises must be appropriately calibrated to the thin capital cushions currently in place in order to protect taxpayers and our nation's entire financial system.

The 2008 financial crisis demonstrated substantial weaknesses in the liquidity positions of the Enterprises. Liquidity and funding challenges were a significant contributing factor to establishment of the conservatorships in September 2008. Unlike banks, the Enterprises do not have access to Federal Reserve emergency liquidity facilities such as the discount window. Their only sources of liquidity are their own accounts and private funding markets.

In 2020, FHFA directed the Enterprises to adopt more robust liquidity standards. By the end of the year, FHFA issued a notice of proposed rulemaking to establish these liquidity requirements in regulation. The proposed rule creates four quantitative liquidity requirements that address the short, intermediate, and long-term liquidity needs of the Enterprises in order to secure their ability to fulfill their mission in times of economic stress.

Also, the Enterprises must ensure the resilience of their core operational and technology capabilities and systems with respect to weather- and climate-related events. In an era of heightened cyber risks, it must be a priority to protect the confidentiality of the extensive consumer and other data held by the Enterprises and to ensure their integrity for the purposes of risk management, financial reporting, and other essential business activities.

At the end of 2020, FHFA released a notice of proposed rulemaking around Enterprise resolution planning requirements. This is the next critical component of FHFA's commitment to protecting the mission of the Enterprises and the millions of families who depend on a stable mortgage market.

Credible resolution plans, also called living wills, provide the clear rules of the road needed in times of stress when large financial institutions can fail. FHFA's rule requires each Enterprise to develop plans to facilitate their rapid and orderly resolution without disrupting housing finance markets. These plans will be designed to protect the mission of the

Enterprise throughout the restructuring process of any receivership. FHFA's rule implements the receivership authorities Congress gave the Agency in 2008 in order to make clear how they would work. FHFA finalized its resolution planning rule in 2021.

With its resolution planning rule, FHFA is preparing an important tool for a world-class financial regulator to hold in case of a crisis. But the surest path to avoiding Enterprise receiverships runs through raising enough capital to keep Fannie and Freddie strong through a downturn.

Enterprise Leadership and Compensation

Board of Directors

As conservator, FHFA reviews the appointment of new directors serving on the board of directors of each Enterprise. In 2020, FHFA reviewed the election of Mark Grier, Paul Schumacher and Alan Merrill to serve on Freddie Mac's board of directors. One Freddie Mac board member, Steve Kohlhagen, fully completed his term and rotated off the board in 2020. This increased the number of members of the board of directors to twelve members as of December 31, 2020. Subsequently, in early January 2021, former CEO David Brickman, resigned and left the board. Paul Schumacher was not nominated for re-election to the board for 2021.

With respect to Fannie Mae in 2020, one director, Brian Brooks, resigned in 2020 leaving the board with 12 members as of December 31, 2020. FHFA approved the appointment of Sheila Bair as board chairwoman effective November 20, 2020. In early 2021, Ryan Zanin and Jonathan Plutzik resigned from the board. FHFA reviewed and elected Simon Johnson and Chris Brummer to the board in February 2021.

Management

FHFA, as conservator, worked closely with Freddie Mac to replace its CEO. In May 2021, FHFA approved Michael DeVito as the new Freddie Mac CEO.

Enterprise Compensation

In August 2019, FHFA directed the Enterprises to limit base salaries for all employees to $600,000 and increase the deferral period of at-risk compensation earned by executive officers from one year to two years. Many financial institutions defer a portion of executive compensation, a policy that can increase retention and aid in recovery of compensation if necessary, for example, in the event of executive misconduct or financial statement error. The two-year deferral period became effective for compensation earned in 2020 for new hires and will go into effect in 2022 for executives hired prior to 2020. No other changes were made to the Enterprises' Executive Compensation Plans.

FHFA continues to require the Enterprises to submit for Agency approval any proposed increase in compensation for an employee or any new hire's compensation if the target total direct compensation equals or exceeds $600,000. FHFA has instructed the Enterprises that compensation for executive officers should target the 25th percentile of market compensation for similar positions at peer companies. Compensation for the Enterprises' CEOs is maintained at the statutory limit.[16] FHFA continues to closely examine all compensation requests by the Enterprises and maintains an active dialogue with each Enterprise about current and future compensation actions.

[16] *See* 12 U.S.C. § 4518 note. The Equity in Government Compensation Act of 2015 effectively limits the annual direct compensation for the CEOs of Fannie Mae and Freddie Mac to no more than $600,000 in base salary. The law also provides that compensation and benefits for the CEOs may not be increased while the Enterprises are in conservatorship or receivership.

Reports of Annual Examinations: Fannie Mae and Freddie Mac

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Financial Safety and Soundness Supervision and Examination

In 2020, the Federal Housing Finance Agency (FHFA) performed examination activities in the areas of credit, market, model, and operational risk, as well as governance, compliance, accounting, auditing, and financial disclosure.

The Enterprises

Examinations are led by an Examiner-in-Charge and are carried out by an examination team stationed on-site at each Enterprise, supported by subject-matter experts at FHFA's headquarters. Under COVID-19, all examination activities have been conducted through FHFA's telework flexibilities as the Enterprises closed their headquarters and operated remotely. Any adverse examination findings are communicated in writing to each regulated entity, and a corrective action plan must be submitted by the entity to remediate the findings. The Enterprise's internal audit function or an independent third party validates the completion of remediation, and FHFA reviews corrective action through its examination activities. Each year, FHFA issues an ROE that assigns examination ratings and communicates the principal examination conclusions and findings for the supervisory cycle. The annual ROE is signed by the Examiner-in-Charge and issued to the Enterprise's board of directors.

Financial Condition

Income

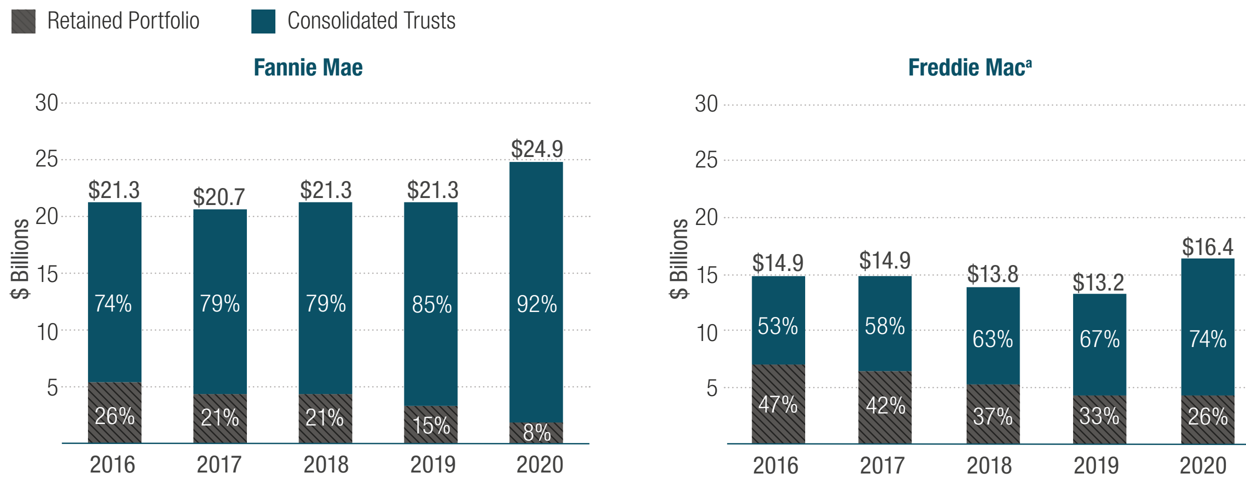
Fannie Mae reported annual net income of $11.8 billion and comprehensive income of $11.8 billion in 2020, down from $14.2 billion and $14.0 billion, respectively, in 2019.[17] Freddie Mac reported annual net income of $7.3 billion and annual comprehensive income of $7.5 billion in 2020, as compared to $7.2 billion and $7.8 billion, respectively, in 2019. Fannie Mae reported lower income while Freddie Mac's income remained relatively flat in 2020 compared to 2019, both primarily due to the shift from credit-related income to credit-related expenses resulting from higher than expected credit losses from the COVID-19 pandemic. These credit-related expenses were partially offset by higher net interest income, which was positively impacted by the record low interest-rate environment.

The Enterprises have two primary sources of revenue: guarantee fees on mortgages underlying Enterprise mortgage-backed securities (MBS) held by consolidated trusts, and the spread between the interest income earned on the assets in the Enterprises' retained mortgage portfolios and the interest expense paid on the debt that funds those assets. In 2020, as in prior years, the Enterprises earned a greater proportion of net income from guarantee fees than from interest income from the retained portfolio. Figure 1 shows changes in the level and composition of the Enterprises' net interest income since 2016.

Historically, the Enterprises' investment portfolios exposed them to a significant amount of interest-rate risk that was mitigated using derivatives. In the absence of hedge accounting, derivatives are marked to market through earnings, but most of the Enterprises' other financial assets and liabilities (which the derivatives economically offset) are not. As a result, interest rate fluctuations drive changes in the fair values of derivatives but not the corresponding hedged items, leading to earnings volatility. Freddie Mac uses fair value hedge accounting to reduce earnings volatility. Hedge accounting decreased Freddie Mac's net interest income in 2020 by approximately $2.2 billion. Fannie Mae implemented fair value hedge accounting in the first quarter of 2021.

[17] Comprehensive income is the sum of net income and changes in other comprehensive income (items excluded from net income on the income statement because they have not been realized). For both Enterprises, other comprehensive income primarily consists of changes in unrealized gains (losses) on available for-sale securities and changes in defined-benefit plans. Freddie Mac's other comprehensive income also includes unrealized gains (losses) on cash flow hedging relationships.

Figure 1: Enterprises' Net Interest Income 2016-2020[18]



[a] For comparison purposes, here Freddie Mac's net interest income is calculated by including multifamily guarantee fee income and excluding the impact of hedge accounting.

Total Mortgage Portfolios

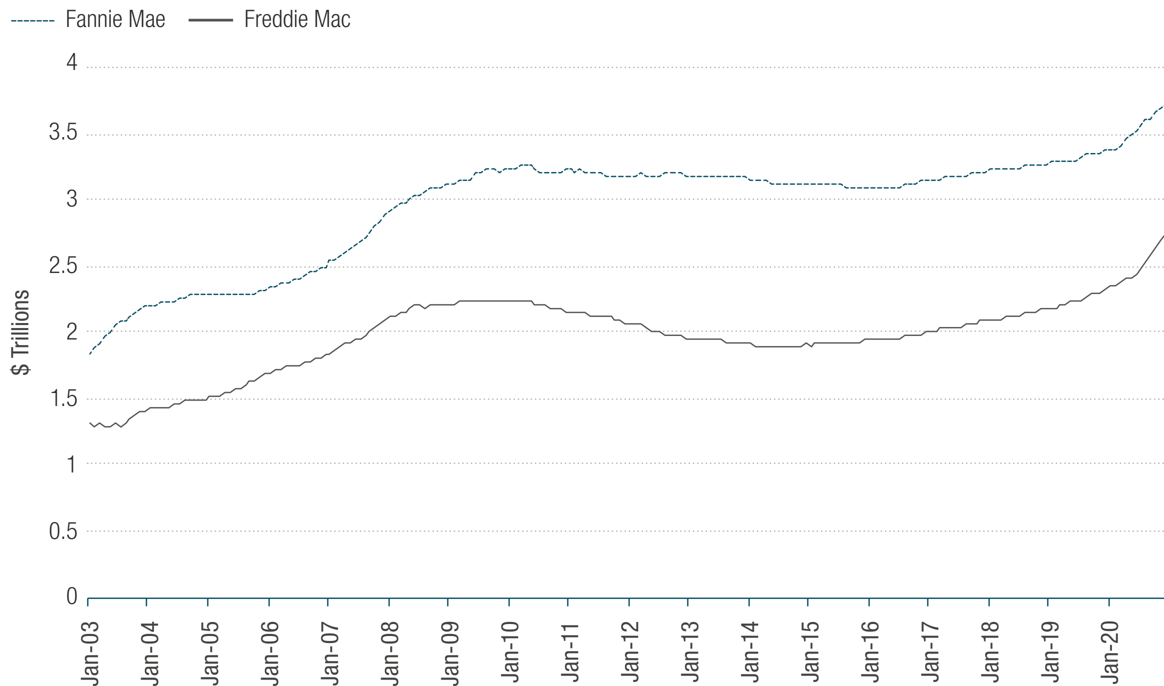
The Enterprises' total mortgage portfolios[19] increased approximately 13 percent in 2020, as the record low interest-rate environment resulted in significantly higher single-family new business acquisition volumes, of which approximately 70 percent were refinance activity. In 2020, Fannie Mae purchased $1.359 trillion of single-family mortgages, an increase of approximately 128 percent from $596 billion in 2019. Freddie Mac purchased $1.091 trillion of single-family mortgages in 2020, an increase of approximately 141 percent from $453 billion in 2019.

Multifamily purchase volumes increased slightly in 2020, compared to 2019. Fannie Mae's multifamily new purchase volume in 2020 was $76 billion, an increase of approximately 8 percent from $70 billion in 2019. Freddie Mac's multifamily new purchase volume in 2020 was $83 billion, an increase of approximately 6 percent from $78 billion in 2019. Figure 2 shows changes between 2006 and 2020 in the Enterprises' mortgage portfolios, which includes mortgages, mortgage-related securities held as investments, and mortgages pooled into MBS.

[18] Unless otherwise noted, FHFA developed all figures in this report using data provided by the regulated entities.

[19] The "Guaranty Book of Business" (Fannie Mae) and "Total Mortgage Portfolio" (Freddie Mac) includes mortgages and mortgage-related securities held as investments and mortgages pooled into MBS for which the Enterprise guarantees payment of principal and interest.

Figure 2: Total Mortgage Portfolios 2003-2020



Revisions to the Preferred Stock Purchase Agreements

In the Housing and Economic Recovery Act of 2008, Congress granted the FHFA director the authority to appoint FHFA as conservator or receiver of any of its regulated entities upon determining that a regulated entity is in an unsafe or unsound financial condition or meets other criteria. On September 6, 2008, FHFA placed both Fannie Mae and Freddie Mac into conservatorship, a statutory process designed to preserve and conserve the Enterprises' assets and property and put them in a sound and solvent condition. As conservator, FHFA has broad authority over the Enterprises including reconstituting Fannie Mae's and Freddie Mac's boards of directors and charging them with the responsibility to ensure that normal corporate governance practices and procedures are in place, subject to FHFA review and approval on critical matters. To further support the Enterprises and the market given their precarious financial condition at the time, the Department of the Treasury (Treasury) provided Fannie Mae and Freddie Mac each with access to over $200 billion of support through the Senior Preferred Stock Purchase Agreements (PSPAs) and subsequent amendments, in exchange for quarterly dividends paid to Treasury. To date, the Enterprises together have received $191.5 billion in taxpayer-funded draws under the PSPAs and paid approximately $301 billion in dividends on Treasury's senior preferred stock. Under the terms of the PSPAs, an Enterprise's dividend payments do not offset the amounts drawn from Treasury.

In September 2019, FHFA and Treasury announced modifications to the PSPAs that permitted the Enterprises to retain more of their earnings and thus build up more capital (Net Worth Amount) – a critical element of safety and soundness and an important step toward preparing for a responsible end to the conservatorships. Previously, a 2012 amendment to the PSPAs had required the Enterprises to pay out any excess capital beyond a combined $6 billion as a dividend to the senior preferred shares, a provision also known as the net worth sweep. The modifications allowed Fannie Mae and Freddie Mac to accumulate up to $25 billion and $20 billion, respectively, in applicable capital reserves. In January 2021, FHFA and

Treasury again amended to PSPAs to effectively end the net worth sweep through a Letter Agreement that further increased the amount of retained earnings each Enterprise could keep as of October 1, 2020, to the amount of adjusted total capital necessary to meet the capital requirements and buffers set forth in the final capital rule.[20] The January 2021 Letter Agreement[21] made a number of significant changes to the covenants in the senior preferred stock purchase agreement, as well as the terms of the senior preferred stock.

Implementation of the Current Expected Credit Loss Accounting Standard

In June 2016, the Financial Accounting Standards Board issued Accounting Standard Update 2016-13 (ASU), which became effective for FHFA's regulated entities on January 1, 2020. The ASU requires companies to measure the allowance for credit losses based on the current expected credit losses (CECL). This is a change from the incurred-loss methodology used previously. The objective of this change is to address concerns, which arose from the 2008 global financial crisis, that Generally Accepted Accounting Principles (GAAP) required companies to provide for credit losses for loans meeting a "probable," not an expected, threshold. The adoption of CECL on January 1, 2020, resulted in a reduction of retained earnings of $1.1 billion and $0.2 billion on an after-tax basis for Fannie Mae and Freddie Mac, respectively.[22]

COVID-19 Impact on Serious Delinquency Rate

The Enterprises' ownership of seriously delinquent single-family loans, defined as loans that are more than 90 days overdue, increased significantly in 2020 due to the economic dislocation caused by the COVID-19 pandemic. As a result, this increased borrower participation in forbearance plans. As of December 31, 2020, Fannie Mae had approximately 525,000 loans in forbearance or approximately 3.03 percent of the single-family guarantee portfolio, of which approximately 385,000 loans were seriously delinquent. Freddie Mac had approximately 324,000 loans in forbearance or 2.70 percent of the single-family guarantee portfolio, of which 230,000 loans were seriously delinquent. The significant increase in forbearance activity drove Fannie Mae's and Freddie Mac's single-family serious delinquency rates to jump to 2.87 percent and 2.64 percent in 2020 from 0.66 percent and 0.63 percent in 2019, respectively. At their height, Fannie Mae and Freddie Mac had approximately 972,000 and 426,000 loans in forbearance, which were approximately 5.7 and 3.8 percent of the single-family guarantee portfolios, respectively.

Future Enterprise earnings may be negatively impacted by the number of loans that are seriously delinquent. While the total number of forborne loans has trended downward, the number of forborne loans in seriously delinquent status remains significantly higher than pre-pandemic levels. The Enterprises recognized interest income on forborne loans because they believe that collection of principal and interest is reasonably assured. However, in the first quarter of 2021, the Enterprises ceased to accrue interest income on certain forborne loans that became more delinquent as the collection of principal and interest on these loans was no longer reasonably assured.

The Enterprises' earnings will continue to be highly sensitive to fluctuations in macroeconomic conditions, housing prices, and interest rates. Future earnings could be constrained by a high or rising interest-rate environment, the continued reductions in income from the decreasing and lower yielding mortgage investment portfolios, mark-to-market volatility from the Enterprises' derivatives portfolio, and future legislative and regulatory actions.

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[20] In November 2020, FHFA released a final capital rule that establishes the Enterprise Regulatory Capital Framework (ERCF) as a new regulatory capital framework for the Enterprises. The final capital rule became effective on February 16, 2021.

[21] Refer to the Fannie Mae and Freddie Mac January 14, 2021, letter agreements, available on the Treasury website, for more details.

[22] In addition to the one-time CECL transition adjustments of $1.1 billion and $0.2 billion to retained earnings, in the first quarter of 2020, Fannie Mae and Freddie Mac recorded provision for credit losses of $2.6 billion and $1.2 billion, respectively, due to the COVID-19 national emergency.

Common Securitization Solutions LLC

Common Securitization Solutions (CSS) is a joint venture formed by the Enterprises to develop and operate a Common Securitization Platform (CSP) in support of the Enterprises' single-family mortgage securitization activities. The CSP enables the issuance of a common mortgage-backed security called the Uniform Mortgage Backed Security (UMBS). CSS acts as each Enterprise's agent to facilitate issuance of single-family MBS, to release related disclosures, and to administer the securities post-issuance.

FHFA conducts the same examination process for CSS as it conducts for the Enterprises. FHFA issues an ROE that assigns examination ratings and communicates the principal examination conclusions and findings for the supervisory cycle. The annual ROE is signed by the Point of Contact and issued to CSS's Board of Managers (BOM).

Overview of Annual Examination Results

CAMELSO is the examination framework that FHFA uses to report its examination findings. This section is organized according to the framework's seven components: Capital, Asset quality, Management, Earnings, Liquidity, Sensitivity to market risk, and Operational risk. Areas of concern cited in the ROEs include deficient capital levels (Capital), accelerated asset growth driving required capital to grow faster than retained earnings (Capital, Asset quality, and Management), COVID-19 crisis forbearance driving increases in delinquencies (Asset quality), structural liquidity risk of non-bank seller/servicers (Asset quality), weaknesses in Enterprise-wide risk management and model risk governance (Management), deficiencies in volatility risk monitoring (Sensitivity to market risk) and challenges associated with third-party risk oversight (Operational risk). The composite rating of CSS is based primarily on an evaluation of two components: Management and Operational risk.

Capital

When reviewing a regulated entity's capital, FHFA examiners determine whether the regulated entity has sufficient capital relative to the entity's risk profile. By any measure of risk, the Enterprises remain significantly undercapitalized. Further, due to rapid asset growth during 2020, the Enterprises' capital deficit widened as required capital charges on new assets outpaced retained earnings.

On January 14, 2021, FHFA as conservator and Treasury announced an amendment to the PSPAs that ends the Enterprises' required dividends to Treasury until the capital requirements and buffers set forth in the final capital rule are met. The agreement also increases the liquidation preference of the Senior Preferred Stock by the amount of any increase in the Enterprises' net worth each quarter. This change in requirement will allow the Enterprises to continue to build a capital buffer, decreasing the potential for further PSPA draws and increasing their risk capacity over time.

The agreement further limits each Enterprise's ability to independently manage its financial condition, restricting certain assets within the retained portfolio cap and implementing new business restrictions for: annual multifamily acquisitions; single-family cash purchases; high-risk single-family risk layered mortgages; and acquisition of single-family second home and investment properties.

As of December 31, 2020, Fannie Mae's net worth was $25.3 billion and Freddie Mac's net worth was $16.4 billion, as compared to $14.6 billion and $9.1 billion, respectively, on December 31, 2019. While this significantly improved the Enterprises' combined ratio of GAAP net worth as a percentage of total assets, the ratio remained unsustainably low at approximately 0.63 percent. The liquidation preference[23] amounts were $142.2 billion and $86.5 billion for Fannie Mae and Freddie Mac, respectively.

[23] The liquidation preference, with respect to the senior preferred stock issued to Treasury by the Enterprises, refers to the amount that must be paid to Treasury before investors in more junior classes of preferred or common stock can receive any payment on their stock in the event of liquidation. The amount of liquidation preference for the senior preferred stock is specified in the PSPAs and subsequent letter agreements amending certain terms of the PSPAs.

Asset Quality

When reviewing asset quality, FHFA examiners evaluate the quantity of existing and potential credit risk associated with loan and investment portfolios, as well as management's ability to identify, measure, monitor, and control credit risk.

COVID-19 had a significant negative impact on overall credit quality for single-family and multifamily lines of business at both Enterprises. While the quality of recent acquisitions improved in terms of certain credit characteristics including credit scores, debt-to-income ratio, and loan-to-value ratio, the overall asset quality worsened significantly due to a sharp increase in delinquencies in the immediate aftermath of the pandemic. The Enterprises quickly implemented significant flexibilities in underwriting, forbearances, and loans sales to help borrowers and lenders struggling with the impact of the pandemic. The majority of delinquent mortgages have since been refinanced, reinstated, or enrolled in modified payment programs in part due to flexibilities offered by the Enterprises. However, a significant number of borrowers remain increasingly and seriously delinquent and continue to remain in forbearance.

The economic uncertainty following the initial COVID-19 outbreak highlighted the risk concentrated in non-bank seller/servicers. While the economic stress affected all market participants, liquidity concerns led to significant stress among some non-banks. Although a subsequent increase in refinances improved non-banks' financial condition, the structural risks that surfaced in the initial stress period have not been fixed. The Enterprises' exposure to non-banks continues to grow, with non-banks expected to service most of their portfolios in 2021, further exposing the Enterprises to the risk of these counterparties. Continued focus is needed to strengthen standards for these counterparties to limit potential exposure of the Enterprises and avoid borrower disruption in times of stress.

Both Enterprises made some progress in reducing high-risk legacy assets from their retained portfolios. However, loans repurchased out of securities due to COVID-19 related delinquencies will again increase high-risk assets in coming quarters. Management continued to make progress in reducing other sources of credit risk by increasing the adoption of automated underwriting tools, restricting the purchase of loans with multiple risk layers, and transferring risk to other market participants where economically reasonable.

Management

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

The Enterprise boards and senior management teams continue to respond to the COVID-19 crisis, including requirements of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and their own flexibilities. While crisis response took precedence throughout 2020, the Enterprises must balance this with their corporate needs, specifically the need to restore capital to an acceptable level. Balancing the needs of borrowers, the housing market ecosystem, and the Enterprises specifically will require difficult tradeoffs and a shift in traditional Enterprise strategic thinking. Continued balance sheet growth, as seen in 2020, would be detrimental to the Enterprises' efforts to achieve required levels of capital necessitating strong board and senior management action.

Both Enterprises also face modeling challenges presented by the COVID-19 crisis, government intervention, and pandemic-driven demand shifts. Additionally, as the Enterprises continue to implement the ERCF, they must shift their risk limit frameworks to incorporate this new standard.

While Fannie Mae has made substantial progress in improving its corporate governance framework, it must continue work to address weaknesses in its model risk management practices, risk governance framework and system, the control environment of its Internal Audit function, and fully implement an effective internal trading compliance program.

Freddie Mac requires additional work to improve operational risk components within its overall enterprise-wide risk-management framework.

Although management has made progress in its third-party risk management, business resiliency, and compliance programs, additional concerted efforts are necessary to resolve some legacy issues. The board made progress in addressing significant vacancies in the executive ranks by selecting the general auditor, the president, and the non-executive chairman.

The CSS Operating Agreement was amended in January 2020 to create the position of chairman, provide the chief executive officer a seat on the BOM, and create three additional seats for independent directors. Fannie Mae and Freddie Mac each retain their two current BOM seats. Thus, there will be up to nine BOM members in total. In 2020, CSS also approved a Strategic Plan incorporating the expectation that it will become an independent entity. As such, it is developing a revenue model and exploring expanding the products and services it offers. In the meantime, CSS plans to focus on hardening and optimizing the Common Securitization Platform (CSP), the technology solution that CSS employs to administer the Enterprises' portfolios of single-family mortgage-backed securities and the issuance of the UMBS.

Earnings

When reviewing Enterprise earnings, FHFA examiners consider the quantity, trend, sustainability, and quality of earnings (e.g., the adequacy of provisions to maintain the allowance for loan losses and other valuation allowance accounts).

Fannie Mae's comprehensive income of $11.8 billion in 2020 exceeded 2019 forecasted results by $1.0 billion despite the COVID-19 crisis but was lower than the $14.0 billion in 2019 and $15.6 billion in 2018. The $2.2 billion year-over-year decrease was due to the impact of the COVID-19 pandemic and change from credit-related income to expense and lower investment gains from the lower volume of re-performing loan sales. Record-high acquisitions and refinances during 2020 driven by historically low interest rates offset these downward trends.

Freddie Mac's comprehensive income of $7.5 billion in 2020 showed a slight decline from $7.8 billion in 2019. The COVID-19 pandemic, related borrower support programs, and historic easing of monetary policy impacted the company's financial performance. Freddie Mac recorded $1.45 billion in provisions for credit losses in 2020 versus a reduction in allowance of $746 million in the prior year. On the other hand, total revenues increased $2.58 billion as a result of rapid refinances driven by historically low interest rates and higher initial pricing margin within the multifamily business segment.

Liquidity

Review of liquidity includes assessing the current level and prospective sources of liquidity compared to funding needs, as well as the adequacy of funds management practices relative to the Enterprise's size, complexity, and risk profile.

In 2020, both Enterprises experienced increased funding costs immediately following the market dislocation caused by the COVID-19 pandemic. However, investor appetite for agency debt remained strong, and the Enterprises maintained sufficient liquidity to meet current and anticipated funding needs. In June 2020, FHFA directed the Enterprises to implement more stringent liquidity risk requirements in order to minimize liquidity risk and improve their ability to continue to support the market in times of stress. Both Enterprises were in compliance with these requirements by year-end. In December 2020, FHFA issued a proposed rule for comment based on these new liquidity standards, which it expects to finalize in 2021.

Sensitivity to Market Risk

Examination of sensitivity to market risk includes assessing the ability of management to identify, measure, monitor, and control exposure to market risk given the Enterprise's size, complexity, and risk profile.

At Fannie Mae, market value-based interest rate exposures remained within board-approved risk appetite limits. However, exposures were elevated and some thresholds, which serve as early warning indicators, were exceeded. Management developed a measure of earnings sensitivity to interest rates and implemented it as part of the Enterprise's risk limit framework. In addition, management worked toward establishing

a hedge accounting program, which is intended to reduce earnings volatility resulting from mark-to-market exposures.

At Freddie Mac, portfolio duration gap, convexity, and volatility measures remained within board limits. The Enterprise managed exposures to minimum levels, even during the market volatility resulting from the COVID-19 pandemic. In addition, the Enterprise's implementation of hedge accounting reduced the earnings impact of rate movements on its mark-to-market exposures. However, the Enterprise's prepayment modeling was challenged due to heightened refinances during the second quarter. Management implemented model enhancements and performance improved by year-end.

Operational Risk

When assessing operational risk management, FHFA examiners consider exposures to loss from inadequate or failed internal processes, people, and systems, including internal controls and information technology.

The Enterprises and CSS have high inherent operational risk because of complex business processes and financial operations, reliance on information technology to manage and process large amounts of data, continually evolving information security and cybersecurity threats, and relationships with counterparties, vendors, and other third parties. Risks related to business resiliency, disaster recovery, data management, and modeling remain key management concerns for both Enterprises, though progress has been made.

Third-party risk management remains a significant challenge for both Enterprises as demonstrated by supply chain issues such as the sophisticated SolarWinds cyberattack and several data breaches affecting third and fourth-party vendors. Notification requirements and fourth-party risks will have to be points of emphasis as the Enterprises work to improve their requirements and processes.

Fannie Mae continues to migrate information technology systems to third-party cloud-based platforms while continuing to address gaps in cloud security and resiliency control capabilities. Management improved the change management process for technology changes to ensure applications migrating to the cloud meet control requirements, but this process was not fully implemented until Q4 2020. Fannie Mae continued work to improve its operational risk-management capabilities, but continued management attention is needed.

Freddie Mac made progress to stabilize information technology (IT) operations, modernize application development and delivery, and transform its technology infrastructure. Management met several important milestones in transitioning its IT and other systems to third-party cloud-based platforms. Cloud-based capabilities prepare the Enterprise for greater business resiliency, improve information security and facilitate more agile Modern Delivery programs. While additional work is needed, management also made progress with data, identity, and access management.

CSS focused on strengthening the CSP through increased automation and improved efficiency. Operating the CSP involves storing, processing, and transmitting large volumes of data, as it acts as agent for the Enterprises to facilitate issuance of mortgage securities and related disclosures, as well as to administer the securities post-issuance.

Serving the Underserved

Housing Goals

The Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act) requires FHFA to establish targets for both single-family and multifamily mortgages (housing goals) that the Enterprises are expected to meet every year. In determining whether an Enterprise has met a single-family housing goal, FHFA assesses the percentage of its total mortgage purchases that meet the goal in light of a benchmark level established in advance and a market level determined retrospectively using Home Mortgage Disclosure Act (HMDA) data. FHFA evaluates whether an Enterprise has met a multifamily goal by comparing the number of units in properties secured by a mortgage purchased by an Enterprise that meet the goal to a benchmark level that is established in advance.

In 2020, FHFA evaluated the mortgage purchases of the Enterprises based on the following eight housing goals, which were established by FHFA in February 2018 and remained in effect through the end of 2020.[24]

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

Figure 3 summarizes Enterprise housing goals performance in 2019 and 2020. Enterprise 2019 performance figures are derived from FHFA's analysis of loan-level data provided by the Enterprises in 2020. In December 2020, FHFA finalized its determinations of Enterprise performance in 2019.

FHFA determined that both Enterprises met all five single-family housing goals in 2019, as the performance of each Enterprise exceeded the benchmark level for all five goals. Both Fannie Mae and Freddie Mac's performance also exceeded the market level for three of the single-family goals. FHFA also determined that both Enterprises exceeded the benchmark levels for each of the three multifamily goals in 2019.

In December 2020, FHFA issued a final rule on the 2021 housing goals for Fannie Mae and Freddie Mac. Due to the economic uncertainty related to the COVID-19 pandemic, FHFA established benchmark levels for 2021 only and maintained the same levels from the previous rulemaking cycle, 2018-2020. FHFA will propose new benchmark levels covering 2022-2024 in 2021.

FHFA's assessment of the Enterprises' 2020 housing goals performance is currently underway. Figure 3 shows the goal levels and preliminary performance figures for 2020 based on information released in March 2021 in each Enterprise's Annual Housing Activities Report and Annual Mortgage Report. Later in 2021, FHFA will make final determinations on Enterprise housing goals performance and market levels for 2020.

[24] *See* 12 CFR Part 1282.

Figure 3: 2019 and 2020 Enterprise Housing Goals Performance

Category	2019				2020	
	Benchmarks	Market[a]	Official Performance[b]	FHFA Goals Determination	Benchmark Level	Reported Performance[c]
Single-Family Goals[d]						
Low-income home purchase goal	24%	26.6%	Fannie Mae: 27.8% Freddie Mac: 27.4%	Fannie Mae: Met Freddie Mac: Met	24%	Fannie Mae: 29.0% Freddie Mac: 28.5%
Very low-income home purchase goal	6%	6.6%	Fannie Mae: 6.5% Freddie Mac: 6.8%	Fannie Mae: Met Freddie Mac: Met	6%	Fannie Mae: 7.3% Freddie Mac: 6.9%
Low-income areas home purchase subgoal	14%	18.1%	Fannie Mae: 19.5% Freddie Mac: 18.0%	Fannie Mae: Met Freddie Mac: Met	14%	Fannie Mae: 18.3% Freddie Mac: 17.1%
Low-income areas home purchase goal	19%	22.9%	Fannie Mae: 24.5% Freddie Mac: 22.9%	Fannie Mae: Met Freddie Mac: Met	19%	Fannie Mae: 23.6% Freddie Mac: 21.8%
Low-income refinance goal	21%	24.0%	Fannie Mae: 23.8% Freddie Mac: 22.4%	Fannie Mae: Met Freddie Mac: Met	21%	Fannie Mae: 21.2% Freddie Mac: 19.7%
Multifamily Goals (units)						
Low-income multifamily goal	315,000	NA	Fannie Mae: 385,763 Freddie Mac: 455,451	Fannie Mae: Met Freddie Mac: Met	315,000	Fannie Mae: 441,773 Freddie Mac: 473,338
Very low-income multifamily subgoal	60,000	NA	Fannie Mae: 79,649 Freddie Mac: 112,773	Fannie Mae: Met Freddie Mac: Met	60,000	Fannie Mae: 95,416 Freddie Mac: 107,105
Small multifamily property low-income subgoal	10,000	NA	Fannie Mae: 17,832 Freddie Mac: 34,847	Fannie Mae: Met Freddie Mac: Met	10,000	Fannie Mae: 21,797 Freddie Mac: 28,142

[a] Goal-qualifying shares of single-family home purchase or refinance conventional conforming mortgages originated in the primary mortgage market, based on FHFA analysis of 2019 HMDA data. Market performance for 2020 will be determined by FHFA later in 2021.

[b] Official performance in 2019 as determined by FHFA, based on analysis of Enterprise loan-level data.

[c] Performance as reported by the Enterprises in their March 2021 *Annual Housing Activities Reports*. Official performance on all goals in 2020 will be determined by FHFA after analysis of Enterprise loan-level data is completed.

[d] Benchmark levels for single-family goals are minimum percentages of all mortgages financed by Enterprise acquisitions of home purchase or refinance mortgages on owner-occupied properties.

Duty to Serve

The Safety and Soundness Act provides that the Enterprises have a "duty to serve underserved markets." The law specifies that the Enterprises "shall provide leadership to the market in developing loan products and flexible underwriting guidelines" to improve the distribution and availability of mortgage financing in a safe and sound manner and "to facilitate a secondary market for mortgages for very low-, low-, and moderate-income families with respect to the following underserved markets:" manufactured housing, affordable housing preservation, and rural housing.[25] The statute directs FHFA every year to evaluate each Enterprise's compliance with this duty to serve (DTS) and to evaluate and rate the extent of such compliance.

In December 2016, FHFA issued a final rule implementing the DTS statutory requirements.[26] The regulation requires each Enterprise to develop an Underserved Markets Plan detailing the key objectives and activities in its effort to meet its DTS obligations over a three-year period; establishes a framework for FHFA to evaluate and rate the Enterprises' compliance, which is further developed in separate FHFA Evaluation Guidance; lists specific activities eligible for DTS credit; and allows the Enterprises to propose additional activities that FHFA will consider for DTS credit eligibility. The regulation does not mandate any particular activities; rather, it requires the Enterprises to consider ways to better serve families in the three underserved markets.

FHFA's process for evaluating and rating the Enterprises' DTS performance consists of three parts. First, FHFA conducts a quantitative assessment to determine whether each Enterprise achieved the objectives in its Underserved Markets Plan. Second, FHFA conducts a qualitative assessment of each Enterprise's impact on affordable housing in the underserved markets. Third, FHFA evaluates extra credit-eligible activities undertaken by each Enterprise.

On January 1, 2018, the Underserved Markets Plan for 2018-2020 (Plan) of each Enterprise went into effect. In March 2020, the Enterprises submitted annual reports detailing their efforts to achieve the objectives in their Plans in 2019. In all three underserved markets, FHFA determined that each Enterprise complied with its DTS requirements and performed satisfactorily in increasing the liquidity and distribution of available capital in 2019. FHFA had issued revised Evaluation Guidance in the spring of 2020 that included changes to the evaluation process and rating scale for Enterprise performance, based on experience in the initial years of the program. As a result, FHFA did not release market-level ratings for 2019.[27]

On July 17, 2020, FHFA instructed the Enterprises to extend their 2018-2020 Plans to include activities and objectives for 2021 due to the ongoing uncertainty around the impacts of COVID-19 on the economy. The Enterprises submitted proposed 2021 Plans to FHFA for review on September 15, 2020 and FHFA issued a Non-Objection determination for each market in the proposed 2021 Plans on December 23, 2020.

In 2020, the third year of the Enterprises' Plans, FHFA monitored implementation by reviewing the Enterprises' quarterly reports and proposed Plan modifications. There are two methods by which a Plan can be modified. First, under certain circumstances, FHFA may require one or both Enterprises to enact Plan modifications, such as significant changes in market or regulatory conditions or safety and soundness concerns. Second, an Enterprise may propose to modify its Plan when events affect its ability to achieve the Plan's original objectives.

In 2020, Fannie Mae and Freddie Mac submitted a number of proposed Plan modifications. FHFA sought public input on several of these proposed modifications. Following consideration of the public input, FHFA issued Non-Objections to each Enterprise's modified underserved market in its Plan.[28] Many of the modification requests submitted by the

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[25] 12 U.S.C. § 4565.

[26] 81 FR 96242 (Dec. 29, 2016). 12 CFR Part 1282.

[27] For further discussion of the Enterprises' performance in 2019, see FHFA's Annual Housing Report, released October 30, 2020.

[28] Both the request for input and commenter list are available on the DTS web page of FHFA's website.

Enterprises referred to the COVID-19 pandemic as being a special circumstance that influenced the need for a modification. Although the Enterprises proposed to eliminate or reduce loan purchase targets or remove planned outreach activities, many of these activities were either replaced with other activities or moved to 2021.

An Enterprise may request that FHFA declare an objective infeasible and, if the request is approved, FHFA will disregard the objective in its annual evaluation of the Enterprise's performance. Under FHFA's Evaluation Guidance, an Enterprise may make such a request if market conditions or other extenuating circumstances outside of an Enterprise's control substantially interfere with its accomplishment of an objective. Five objectives were determined to be infeasible in 2020, including three from Fannie Mae and two from Freddie Mac. In December 2020, FHFA published the modified Plans for both Enterprises. The final revised Plans are available on the DTS page of FHFA's website, including redline versions that show the modifications.

In March 2021, the Enterprises submitted annual reports on their efforts in 2020 to achieve their Plans' objectives in all three underserved markets, which will inform FHFA's evaluation of each Enterprise's performance. Noteworthy items from these annual reports are summarized below and in Figures 4 and 5.

In 2020, both Enterprises exceeded their Plans' loan purchase targets in the manufactured housing market. Fannie Mae and Freddie Mac have maintained pricing incentive programs for manufactured housing communities that provide tenant pad lease protections identified in FHFA's DTS regulation.[29] Both Enterprises expanded outreach for their pilot programs tailored to the financing needs of resident-owned manufactured housing communities.

In the affordable housing preservation market, the Enterprises' Plans include objectives to support the Department of Housing and Urban Development's (HUD) Section 8 program, the HUD Rental Assistance Demonstration (RAD) program, Low-Income Housing Tax Credit (LIHTC) properties, small multifamily properties, shared equity homeownership programs, energy efficiency for single-family and multifamily properties, and residential economic diversity. In 2020, both Enterprises took steps to meet these objectives.

Freddie Mac continued to exceed its loan purchase goals by purchasing loans on over 400 properties which also receive support from the Section 8 program. Fannie Mae continued its support of HUD's Section 202 program by purchasing five Section 202 loans, a 67 percent increase over its Section 202 loan purchases in 2019 and a larger number of Section 202 loans than in any year since Fannie Mae began tracking this metric. Fannie Mae also purchased 10 loans to promote residential economic diversity under the DTS-eligible activity of purchasing loans under a state or local affordable housing program, an increase of 25 percent.

In the rural housing market, Fannie Mae and Freddie Mac exceeded their Plans' loan purchase targets in high-needs rural regions.[30] Both Enterprises made LIHTC investments in Middle Appalachia, the Lower Mississippi Delta, and rural persistent poverty counties.[31] In November 2020, Freddie Mac held its second annual rural research symposium to better understand the needs and effectiveness of mortgage products, services, and financing in rural markets.

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[29] 12 CFR § 1282.33(c)(4).

[30] The DTS Regulation defines "high-needs rural region" as any of the following regions provided the region is located in a rural area: Middle Appalachia; the Lower Mississippi Delta; a colonia; or a tract located in a persistent poverty county outside of these three regions. 12 CFR § 1282.1.

[31] The DTS Regulation defines a persistent poverty county as a county in a rural area that has had 20 percent or more of its population living in poverty over the past 30 years, as measured by the most recent successive decennial censuses. 12 CFR § 1282.1.

Figure 4: 2020 Fannie Mae DTS Loan Purchase and Investment Performance Relative to Targets

Underserved Market	Activity[a]	2020 Target[b]	2020 Purchases[c]	Performance Relative to Target
Manufactured Housing	Manufactured homes titled as real property	11,000 loans	16,962 loans	Exceeded 2020 Target
	Manufactured homes titled as real property (variances and policy changes)*	100 loans	424 loans	Exceeded 2020 Target
	Manufactured housing communities with certain tenant pad lease protections	615 units	12,456 units	Exceeded 2020 Target
	Manufactured home communities owned by a governmental entity, non-profit organization or residents*	3 loans	3 loans	Met 2020 Target
Affordable Housing Preservation	Section 8	151 loans	229 loans	Exceeded 2020 Target
	Rental Assistance Demonstration program	15 properties	29 properties	Exceeded 2020 Target
	Debt financing in LIHTC properties	92 loans	138 loans	Exceeded 2020 Target
	Residential Economic Diversity (RED) – LIHTC	13 loans	14 loans	Exceeded 2020 Target
	RED – Other state or local affordable housing programs	8 loans	10 loans	Exceeded 2020 Target
	Section 202	3 loans	5 loans	Exceeded 2020 Target
	Purchase or rehabilitation of certain distressed properties	Loans representing 3.11% of distressed property inventory	Loans representing 2.39% of distressed property inventory	Partially Met 2020 Target
	Other state or local affordable housing programs	36 loans	72 loans	Exceeded 2020 Target
Rural Housing	High-needs rural regions (single-family)	13,000 loans	21,591 loans	Exceeded 2020 Target
	High-needs rural regions (multifamily)	54 loans	50 loans	Partially Met 2020 Target
	Small financial institutions	8,200 loans	21,522 loans	Exceeded 2020 Target
	Small multifamily rental properties in rural areas	80 loans	66 loans	Partially Met 2020 Target
	Rural LIHTC Investments	30 investments	65 investments	Exceeded 2020 Target

* New loan purchase objective in 2020.

[a] Each Enterprise determines which loans to seek DTS credit for under a given activity, subject to FHFA's parameters. Consequently, loan purchase performance for an activity may not be comparable across Enterprises.

[b] Each Enterprise determines its 2020 targets using the methodology described in its Plan.

[c] A loan purchase may qualify for DTS credit under multiple DTS objectives.

Figure 5: 2020 Freddie Mac DTS Loan Purchase and Investment Performance Relative to Targets

Underserved Market	Activity[a]	2020 Target[b]	2020 Purchases[c]	Performance Relative to Target
Manufactured Housing	Manufactured homes titled as real property	3,500 loans	6,634 loans	Exceeded 2020 Target
	Manufactured housing communities with certain tenant pad lease protections*	10 transactions 1,170 units	14 transactions 1,238 units	Exceeded 2020 Target
Affordable Housing Preservation	Section 8	135 properties 18,000 units	419 properties 27,430 units	Exceeded 2020 Target
	Rental Assistance Demonstration Program	5 properties 500 units	14 properties 3,149 units	Exceeded 2020 Target
	Debt financing in LIHTC properties	175 properties 23,000 units	413 properties 58,259 units	Exceeded 2020 Target
	Small multifamily rental properties	3 transactions $300 million	2 transactions $446 million	Exceeded 2020 Target
	RED	29 properties 2,800 units	39 properties 3,866 units	Exceeded 2020 Target
Rural Housing	High-needs rural regions (single-family)	9,200 loans	16,708 loans	Exceeded 2020 Target
	Small financial institutions	3,600 loans	12,147 loans	Exceeded 2020 Target
	Rural LIHTC Investments	12 investments	20 investments	Exceeded 2020 Target
	Rural LIHTC Investment in High Needs Regions	4 investments	5 investments	Exceeded 2020 Target

* New loan purchase objective in 2020.

[a] Each Enterprise determines which loans to seek DTS credit for under a given activity, subject to FHFA's parameters. Consequently, loan purchase performance for an activity may not be comparable across Enterprises.

[b] Each Enterprise determines its 2020 targets using the methodology described in its Plan.

[c] A loan purchase may qualify for DTS credit under multiple DTS objectives.

Affordable Housing Allocations

To support affordable housing, the Safety and Soundness Act requires the Enterprises to set aside in each fiscal year an amount equal to 4.2 basis points (0.042 percent) for every dollar of unpaid principal balance on total new business purchases. Of the amount set aside, the Enterprises must transfer 65 percent to the Secretary of HUD to fund the Housing Trust Fund and 35 percent to the Treasury to fund the Capital Magnet Fund.[32] The Housing Trust Fund is designed to assist states in meeting the housing needs of the lowest-income families. The Capital Magnet Fund is a special account within the Community Development Financial Institutions Fund designed to increase investment in affordable housing, economic development, and community development facilities in low-income or underserved rural areas.[33]

Under HERA, FHFA is statutorily authorized to temporarily suspend an Enterprise's affordable housing allocations, generally based on the financial condition of the Enterprise.[34] In November 2008, FHFA used this authority to suspend the allocations until further notice, finding that the amount of the contributions would have further contributed to the Enterprises' instability. The suspensions were lifted in December 2014 when FHFA directed each Enterprise to set aside amounts for allocation to the affordable housing funds, commencing with calendar year 2015.[35]

Figure 6 shows the total amounts paid into these funds each year from 2016 through 2021. In March 2021, Fannie Mae and Freddie Mac made, as directed by FHFA, a record total of $1.09 billion in affordable housing allocation payments. These affordable housing allocation payments were calculated based on each Enterprise's total new business purchases in 2020, $1.4 trillion at Fannie Mae and $1.2 trillion at Freddie Mac.[36]

Figure 6: Affordable Housing Allocation Payments

Affordable Housing Allocation Payments (Dollars in Millions)							
Enterprise	2016	2017	2018	2019	2020	2021	Total
Fannie Mae	$216.5	$268.0	$239.0	$215.0	$280.0	$603.0	$1,821.5
Freddie Mac	$165.4	$187.1	$174.8	$161.7	$222.2	$490.7	$1,401.9
Total	**$381.9**	**$455.1**	**$413.8**	**$376.7**	**$502.2**	**$1,093.7**	**$3,223.4**

[32] *See* 12 U.S.C. § 4567(a).

[33] Id.; *see also* 12 U.S.C. §§ 4568 and 4569.

[34] Id. § 4567(b).

[35] In the December 11, 2014 letters to the Enterprises, FHFA found that none of the three bases for suspension of these payments was applicable at that time.

[36] *See* Fannie Mae, Form 10-K for the Fiscal Year Ended December 31, 2020, at 223 (Feb. 12, 2021); Freddie Mac, Form 10-K for the Fiscal Year Ended December 31, 2020, at 148 (Feb. 11, 2021).

Reports of Annual Examinations: Federal Home Loan Banks

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Supervision and Examination

The FHFA Division of Bank Regulation (DBR) oversees the Federal Home Loan Bank (FHLBank) System. DBR's objective is to ensure that each entity operates in a safe and sound manner and achieves its housing finance and community investment mission. DBR performs annual examinations of each FHLBank and the Office of Finance (OF) and conducts ongoing supervision throughout the year. An Examiner-in-Charge and a team of examiners, supported by financial analysts, economists, accountants, and attorneys, conduct the annual examination of each FHLBank. Outside of the annual examination period, FHFA examiners periodically meet with each of the FHLBanks to follow up on examination findings and to discuss emerging issues. Under COVID-19, all examination activities have been conducted using FHFA's telework flexibilities.

Examiners communicate all adverse findings to the FHLBank. In such cases, examiners obtain a commitment from the FHLBank to correct deficiencies in a timely manner and then verify the effectiveness of those corrective actions. On an ongoing basis, DBR monitors and reviews monthly and quarterly financial reports, data on FHLBank investments, FHLBank member activity, OF debt issuances, and financial market trends. Also, DBR and other FHFA offices review FHLBank documents and analyze FHLBank responses to information requests related to FHLBank collateral, unsecured credit, liquidity, and advances.

COVID-19 Response

FHFA took several steps to ensure the FHLBank System could continue to support member liquidity and housing finance markets during the COVID-19 national emergency. FHFA relaxed liquidity requirements in a countercyclical fashion. FHFA reminded the FHLBanks of their obligation to offer advances up to 10 years in maturity to meet their members' needs and their ability under FHFA regulations to provide below-cost advances during disasters like the COVID-19 pandemic.

FHFA allowed the FHLBanks to accept Paycheck Protection Program loans as collateral when making loans to their members and allowed them to accept as collateral loans that have been modified or that are in COVID-19 related forbearance. To avoid exacerbating potential liquidity problems, FHFA deferred certain deadlines related to the FHLBanks' transition from LIBOR-based exposures, while continuing efforts to prepare for the eventual end of LIBOR. To protect the safety and soundness of the FHLBanks, FHFA issued guidance related to collateral and pricing policies aimed at ensuring that all members are treated fairly and that every FHLBank can continue to provide liquidity to institutions and communities in its district.

The FHLBanks provided vital support to the market in response to the financial stress caused by the pandemic. A core function of the FHLBanks is to provide liquidity in times of stress. This support is critical for small and community banks that often do not have access to other sources of low-cost funding. When the COVID-19 crisis began, the FHLBanks stepped up to keep liquidity in the market, meeting unprecedented advance demand from their member financial institutions.

In March 2020, while other liquidity sources dried up, FHLBank System advances grew by $189.4 billion – or 30.7 percent – at their peak. For the quarter ending March 31, FHLBank System advances increased 25.8 percent to $806.9 billion. While access to long term debt markets was severely limited, the System was able to fund this increased advance demand largely through discount notes and floating rate bonds indexed to the Secured Overnight Financing Rate (SOFR). For the first quarter of 2020, outstanding debt increased to $1.18 trillion, growing at the fastest pace in recent history.

As advances and assets grew in the first quarter of 2020, earnings decreased significantly because of reduced net interest spread and mark-to-market accounting effects. Compared to the fourth quarter of 2019, net interest income fell a substantial $350 million (28.6 percent) to $872 million, and net income decreased $262 million (29.5 percent) to $627 million. Nevertheless, for the first quarter of 2020, FHLBank System retained earnings grew $141 million to $20.7 billion, or 1.6 percent of total assets.

Following the injections of liquidity provided by the Federal Reserve and The Coronavirus Aid, Relief, and Economic Security Act, the FHLBanks' balance sheets – both advances and debt outstanding – fell to or below pre-crisis levels. This is exactly what the FHLBanks

are supposed to do as counter-cyclical providers of liquidity. And it is why FHFA is focused on protecting the System's safety and soundness. It is critical that the Banks remain capable of being a source of liquidity when their members and the economy need it most.

Core Mission of the FHLBanks

The mission of the FHLBanks is to provide a source of liquidity for their members and housing associates, particularly in times of stress, and, as described in FHFA's Core Mission Activities (CMA) regulation,[37] to provide financial products and services that enhance the financing of housing and community lending. In 2020, FHFA continued its supervision and oversight to ensure that the FHLBanks remain focused on their statutory housing finance and community development mission. Historically, short- and long-term advances (loans) to members and housing associates have been the principal mission asset of the FHLBanks, primarily collateralized by residential mortgage loans and government and agency securities. However, the CMA regulation also includes other types of assets, such as mortgage loans that qualify as Acquired Member Assets (AMA), in the definition of core mission activities. To ensure that the FHLBanks operate in a manner consistent with their housing finance mission, FHFA requires each FHLBank's board of directors to adopt, maintain, and periodically review a strategic business plan that describes "how the significant business activities of the regulated entity will achieve its mission and public purposes."[38] Also, FHFA measures each FHLBank's core mission achievement by calculating the ratio of its Primary Mission Assets (advances plus AMA) to its outstanding consolidated obligations.[39]

- Ratios at or above 70 percent indicate that a FHLBank's activities are achieving core mission;
- Ratios between 55 percent and 70 percent indicate that an FHLBank's ratio is "evolving" and FHFA will further evaluate the FHLBank's mission achievement; and,
- Ratios below 55 percent indicate that more fundamental questions about the activities of the FHLBank need to be addressed.

FHFA calculates each FHLBank's core mission ratio using annual average par values, as reported by the FHLBanks. FHFA assesses each FHLBank's core mission achievement annually and expects any FHLBank markedly below 70 percent to include a thorough strategy for increasing its core mission ratio in its business plan.

As of December 31, 2020, the FHLBank System core mission ratio exceeded 70 percent. Nine of the FHLBanks had ratios of 70 percent or higher, the same as in 2019. The remaining FHLBanks had core mission ratios of 65.8 percent and 67.7 percent.

FHLBank System Overview

Financial Condition

Year-end total FHLBank assets were $820.9 billion in 2020, down from $1.1 trillion in 2019. The FHLBanks reported 2020 aggregate net income of $2.8 billion, down $408 million from 2019. Net interest income declined by $273 million and non-interest expense increased by $152 million year-over-year. The decrease in net interest income largely stemmed from a decline in earning assets.

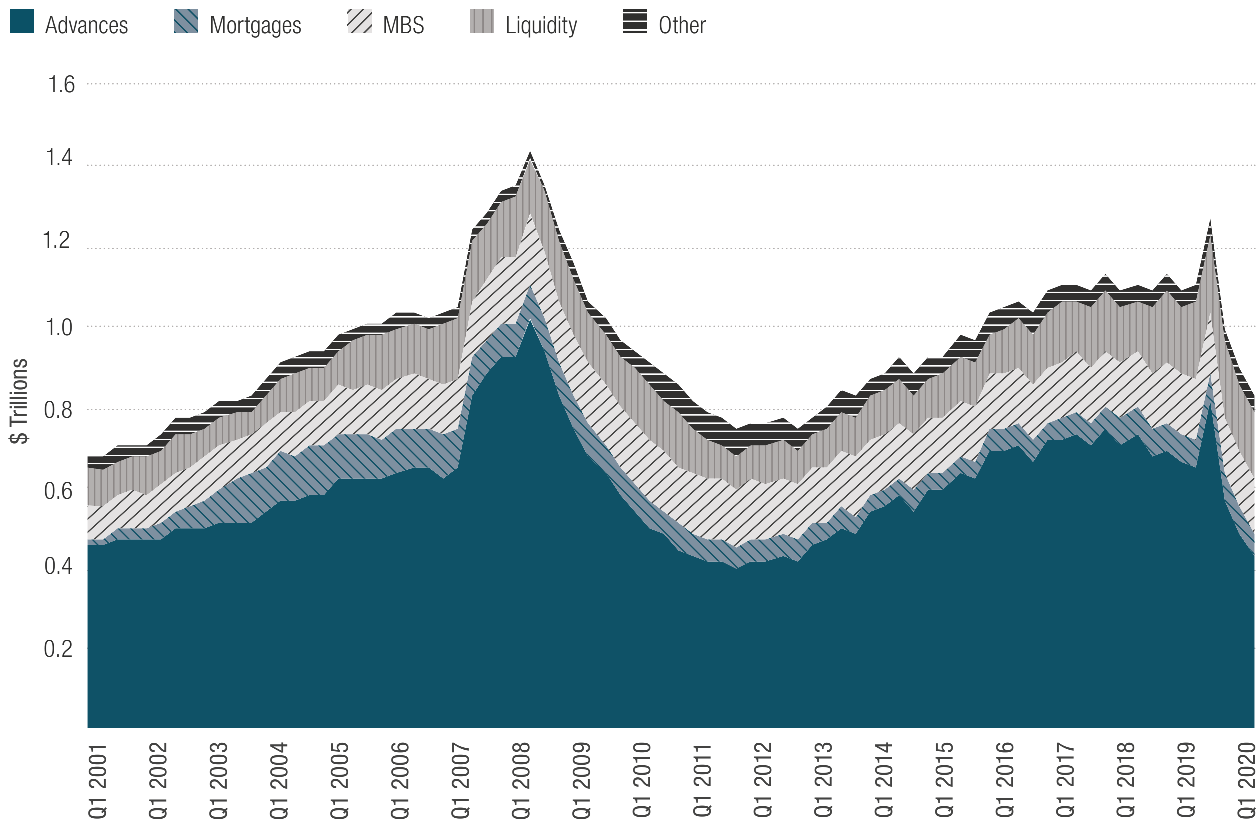
Aggregate asset levels decreased substantially in 2020, driven by several asset classes. Advances decreased $218.9 billion year-over-year as advance demand dropped precipitously with the Federal Reserve's expansionary policy in reaction to COVID-19. Cash and investments decreased $49.0 billion, or 12.9 percent, as the FHLBanks reduced investments and liquidity. Mortgages decreased $9.7 billion, or 13.3 percent, as yields on these investments deteriorated in 2020. At year-end, the FHLBanks held 51.5 percent of total assets as advances, 40.3 percent as cash and investments, and 7.7 percent as mortgages.

[37] 12 CFR § 1265.2.

[38] 12 CFR § 1239.14.

[39] *See* FHLBank Core Mission Achievement, Advisory Bulletin AB 2012-05 (July 14, 2015).

Figure 7: Historical Portfolio of the FHLBank System



The FHLBanks provide short- and long-term advances (loans) to their members. Advances are primarily collateralized by residential mortgage loans, commercial real estate loans, and government and agency securities. Community Financial Institutions may pledge small business, small farm, and small agri-business loans as collateral for advances.[40]

In 2020, FHLBank advances decreased by $218.9 billion, from $641.5 billion in 2019 to $422.6 billion. In response to the onset of the COVID-19 pandemic, advances initially increased substantially to $806.9 billion during the first quarter of 2020. Later, as financial markets calmed and member access to other sources of funds improved, advances declined by $384.3 billion.

All FHLBanks reported decreases in advances in 2020. The 2020 decrease marked the third consecutive year with lower year-end balances following six years of growth that ended in 2017.

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

[40] As defined in the Bank Act, the term Community Financial Institution (CFI) means a member, the deposits of which are insured under the Federal Deposit Insurance Act, that has average total assets over the last three years at or below an established threshold. For calendar year 2020, the CFI asset threshold is $1.239 billion. FHLBank members that are CFIs may pledge small business loans, small farm loans, small agri-business loans, and, for 2013 and thereafter, community development loans, all of which may be fully secured by collateral other than real estate, and securities representing a whole interest in such loans.

As of December 31, 2020, the FHLBanks held on their balance sheets mortgages worth $62.9 billion, down from $72.6 billion at year-end 2019. This change was derived from mortgage purchases of $18.1 billion and mortgage principal payments of $27.3 billion.[41]

Under the off-balance sheet programs in operation through 2020, members of FHLBanks sell mortgages to the FHLBank of Chicago, which either concurrently sells the loan to either Fannie Mae (MPF Xtra) or an investor (MPF Direct), or pools the loans into securities guaranteed by the Government National Mortgage Association (MPF Government MBS). FHLBank members delivered $13.8 billion of mortgages under MPF Xtra through the FHLBanks to Fannie Mae, up from $2.7 billion in 2019. Members delivered $69 million of jumbo mortgages under MPF Direct, however this program was paused in 2020 due to a lack of investors. Members also delivered $459 million of mortgages to the FHLBank of Chicago to securitize through the MPF Government MBS program.

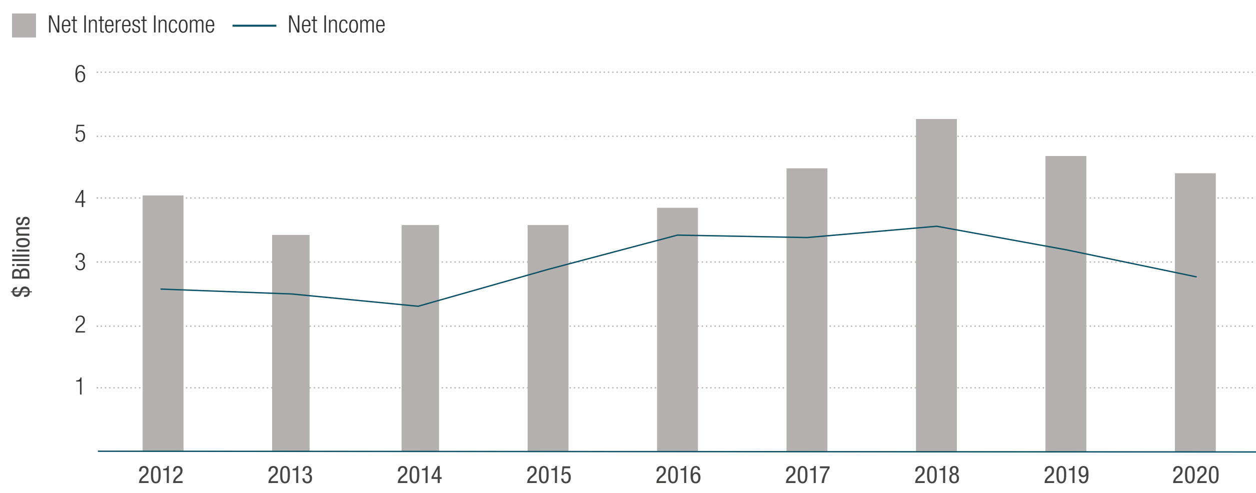
The aggregate investment portfolio of the FHLBanks consisted of 50.6 percent cash and liquidity, 39.8 percent mortgage-backed securities (MBS), and 9.6 percent other investments (principally agency debt securities and for the FHLBank of Chicago, federally-backed student loan asset-backed securities). The FHLBanks held $131.8 billion of MBS, primarily made up of MBS securitized by Freddie Mac and Fannie Mae. At year-end 2020, the FHLBanks held $167.5 billion of cash and liquidity investments.[42] The FHLBanks are significant participants in the federal funds market.

The FHLBanks' issuance of letters of credit to members had increased substantially over the past several years, but was down $13.9 billion to $164.4 billion by the end of 2020. Letters of credit are typically used by members to secure public unit deposits. If drawn, the FHLBank may issue an advance to cover the obligation of the member; however, letters of credit are rarely drawn.

Consolidated obligations totaled $748.6 billion and consisted of $473.8 billion of bonds (63.3 percent) and $274.8 billion of discount notes (36.7 percent).[43] Short-term funding (funding with a remaining maturity of less than one year) made up 78.1 percent of consolidated obligations at year-end 2020.

Net income was $2.8 billion in 2020, and all FHLBanks were profitable. However, net income decreased $408 million year-over-year because of fewer earning assets that drove a $273 million decline in net interest income. Non-interest income decreased by $30 million and non-interest expenses increased by $152 million. See Figure 8.

Figure 8: Net Interest Income and Net Income



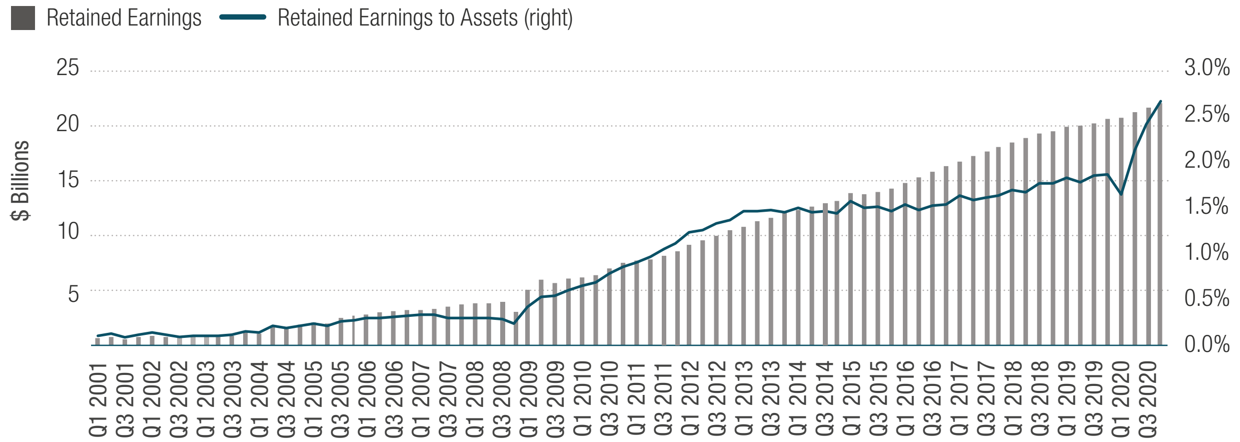
[41] Mortgage purchases include premiums and discounts. As a result, this amount will not align with the unpaid principal balance of new mortgage acquisitions.

[42] This measure includes Treasury Securities.

[43] This paragraph reports metrics by par value.

The aggregate return on assets ratio was 0.27 percent in 2020, down from 0.29 percent in 2019. The aggregate return on equity ratio was 5.19 percent, down from 5.71 percent. Sound profitability allowed the FHLBanks to continue to build retained earnings in 2020; aggregate retained earnings totaled $22.0 billion, or 2.7 percent of assets, at the end of 2020, up from $20.6 billion, or 1.9 percent of assets, the prior year. By contrast, at year-end 2008 during the housing crisis, the FHLBanks held only $3.0 billion of aggregate retained earnings, which represented just 0.2 percent of assets (Figure 9).

Figure 9: Retained Earnings of the FHLBanks



Aggregate regulatory capital consisted of $27.4 billion paid-in Generally Accepted Accounting Principles (GAAP) capital stock, $22.0 billion in retained earnings, and $0.8 billion of mandatorily redeemable capital stock as of December 31, 2020.[44] At year-end 2020, all FHLBanks met both the minimum regulatory capital ratio of 4.0 percent of assets and their individual risk-based capital requirements.

[44] Banks reclassify capital stock subject to redemption from capital stock to mandatorily redeemable capital stock (a liability) generally after a member exercises a written redemption right, gives notice of intent to withdraw from membership, or attains non-member status by merger or acquisition, relocation, charter termination, or involuntary termination from membership. Additionally, after FHFA's 2016 Final Rule on FHLBank Membership declared captive insurance companies ineligible for membership at FHLBanks, all remaining captive insurance capital stock was reclassified as mandatorily redeemable capital stock.

Comparisons

The size and composition of FHLBank assets varies across the System. Individual FHLBanks ranged from total assets of $38.5 billion to $137.0 billion as of December 31, 2020. The ratio of advances to assets ranged from 38.8 percent to 67.2 percent. The ratio of mortgage loans to assets was 7.7 percent overall, with one FHLBank exhibiting a ratio of 17.5 percent. The market value to par value of capital stock ratio was above 100 percent at each FHLBank.

Figure 10: FHLBank Selected Balance Sheet Items and Ratios

Balance Sheet ($ Billions)	SYS	BOS	NYK	PIT	ATL	CIN	IND	CHI	DSM	DAL	TOP	SFR
Total Assets - $	820.9	38.5	137.0	47.7	92.3	65.3	65.9	100.4	87.7	64.9	52.6	68.6
Advances - % of Assets	51.5%	48.9%	67.2%	52.3%	56.5%	38.8%	47.6%	46.5%	53.1%	50.0%	40.4%	45.1%
% of Advances with Remaining Maturity or Next Call Date < 1 Year	55.2%	54.3%	56.4%	60.1%	49.6%	61.5%	49.8%	58.4%	51.3%	62.2%	68.0%	42.7%
Mortgages - % of Assets	7.7%	10.2%	2.1%	10.2%	0.2%	14.6%	12.9%	10.0%	9.4%	5.3%	17.5%	2.8%
Cash and Investments - % of Assets	40.3%	40.0%	30.3%	36.8%	42.6%	46.0%	38.8%	43.0%	37.0%	44.4%	41.5%	51.6%
MBS Investments - % of Assets	16.1%	14.1%	11.1%	19.5%	19.7%	14.9%	17.2%	14.1%	15.8%	18.6%	12.8%	23.0%
MBS to Regulatory Capital Ratio	2.67	1.92	2.06	3.04	3.44	2.46	3.13	2.67	2.4	3.4	2.56	2.61
Liquidity - % of Assets	20.4%	23.2%	17.9%	12.7%	20.4%	27.5%	16.9%	21.9%	15.9%	16.7%	27.7%	27.3%
Consolidated Obligations (COs) - $	746.8	34.2	126.6	43.3	84.7	59.5	59.9	91.1	79.3	59.2	48.5	60.6
Discount Notes - % of COs	36.8%	37.6%	45.6%	22.0%	30.0%	46.3%	27.8%	53.4%	34.5%	37.5%	22.5%	26.8%
% of COs with Remaining Maturity < 1 year	78.1%	68.6%	81.5%	78.0%	81.7%	77.7%	79.8%	76.7%	71.4%	73.6%	80.1%	83.8%
Regulatory Capital Ratio	6.11%	7.21%	5.31%	6.39%	5.72%	6.07%	5.45%	6.34%	6.55%	5.43%	5.00%	8.69%
Retained Earnings - $	22.0	1.5	1.9	1.4	2.2	1.3	1.1	4.1	2.4	1.4	1.1	3.7
Market Value of Equity as a Percent of Capital Stock	183%	210%	137%	188%	175%	144%	145%	301%	171%	172%	183%	280%

Financial performance was adequate but not uniform across the FHLBanks in 2020. Net income ranged from $88 million to $442 million, while the return on equity ratio ranged from 2.67 percent to 6.69 percent. At the aggregate level, FHLBank operating expenses made up 30.2 percent of net interest income.

Figure 11: Selected Income Statement Items and Ratios

($ in Millions)	SYS	BOS	NYK	PIT	ATL	CIN	IND	CHI	DSM	DAL	TOP	SFR
Net Income - $	2,780	120	442	210	255	276	88	374	362	199	118	335
Return on Assets	0.27%	0.24%	0.28%	0.27%	0.19%	0.31%	0.13%	0.36%	0.34%	0.27%	0.21%	0.36%
Return on Equity	5.19%	4.00%	5.59%	5.53%	3.95%	5.78%	2.67%	6.69%	5.88%	5.41%	4.50%	5.32%
Net Interest Income (NII) - $	4,445	190	753	365	333	407	263	595	472	311	251	505
Net Interest Spread	0.40%	0.32%	0.44%	0.43%	0.22%	0.42%	0.34%	0.54%	0.38%	0.39%	0.40%	0.49%
Yield on Advances	1.16%	1.53%	1.07%	1.31%	1.07%	1.08%	1.00%	1.07%	1.56%	0.98%	1.08%	1.13%
Yield on Investments	1.21%	1.20%	1.52%	1.27%	0.81%	1.53%	1.12%	1.54%	0.99%	1.05%	0.90%	1.27%
Yield of Mortgage Loans	2.63%	2.88%	2.94%	3.02%	4.92%	2.45%	2.33%	2.84%	2.84%	2.61%	2.66%	1.20%
Cost of Funds on Consolidated Obligations (COs)	0.89%	1.23%	0.80%	0.97%	0.77%	1.03%	0.90%	0.87%	1.11%	0.72%	0.92%	0.70%
Operating Expenses to NII	30.2%	37.0%	22.8%	23.5%	41.6%	17.5%	35.1%	38.4%	35.3%	32.6%	23.3%	29.3%

Membership

At the end of 2020, the FHLBanks had a total of 6,700 members, down from 6,738 in 2019, primarily due to mergers. Membership at each FHLBank ranged from 281 to 1,325 members. The aggregate membership consisted of 3,916 commercial banks, 1,560 credit unions, 530 insurance companies, 326 savings associations, 304 savings banks, and 64 non-depository Community Development Financial Institutions (CDFIs). Approximately 52.0 percent of FHLBank members were active borrowers. The top-10 largest borrowers of each district accounted for more than 70 percent of advances at the FHLBanks of New York, Pittsburgh, Atlanta, and San Francisco. The decrease in advances in 2020 significantly affected the composition of advances by member type. Commercial banks accounted for 60.4 percent of advances at the end of 2019 and decreased to 42.8 percent of advances at the end of 2020. Conversely, advances to insurance companies increased from 17.9 percent to 30.4 percent of total advances over the same time period.

Figure 12: FHLBank Membership

	SYS	BOS	NYK	PIT	ATL	CIN	IND	CHI	DSM	DAL	TOP	SFR
Total Members	6,700	433	330	281	824	628	359	686	1,325	798	696	340
Commercial Banks	3,916	52	111	135	457	354	150	456	942	557	556	146
Credit Unions	1,560	161	104	63	236	140	129	100	257	127	90	153
Saving Associate	326	26	33	17	46	59	19	31	38	26	21	10
Savings Bank	304	120	35	34	16	16	7	36	10	29	0	1
Insurance Companies	530	70	42	30	56	53	50	57	72	52	25	23
Non-depository CDFIs	64	4	5	2	13	6	4	6	6	7	4	7
Ten Largest Borrowers - % of Advances		37.2%	76.9%	73.3%	71.6%	69.3%	62.0%	61.4%	51.5%	54.8%	66.4%	71.9%

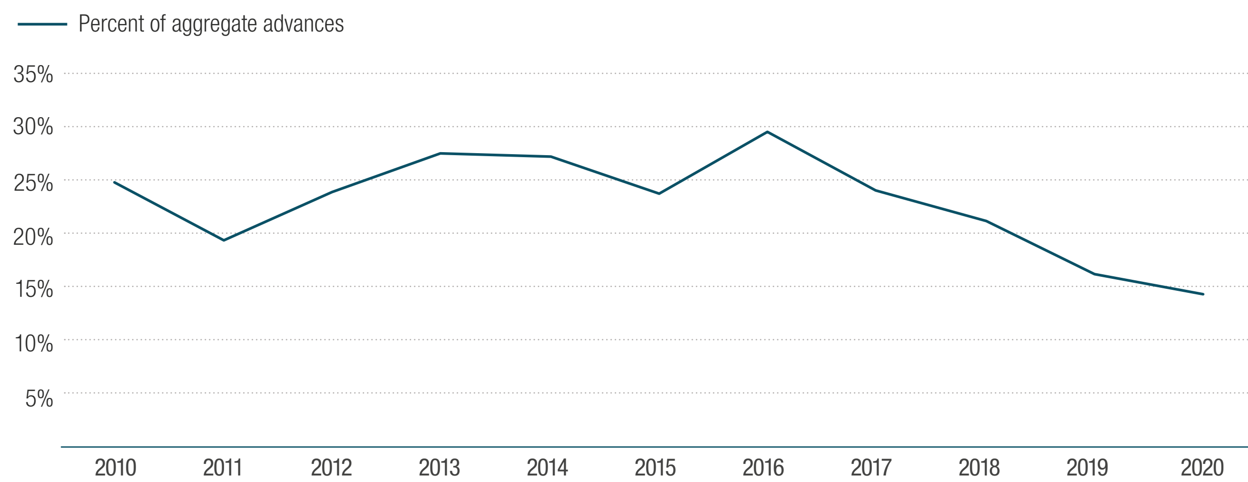
Annual Examination Results

Capital – Capital management practices were strong or satisfactory at all of the FHLBanks in 2020. The FHLBanks have generally adequate levels of capital, including retained earnings, relative to their risk profiles. However, at certain FHLBanks, examiners identified areas for improvement, including complying with credit risk capital requirements, reducing reliance on excess stock and retained earnings, improving retained earnings methodology, and clarifying controls around excess stock management.

Asset Quality – Asset quality was strong or satisfactory at all but two FHLBanks. However, at all the FHLBanks, examiners identified areas for improvement of risk management practices, including model validation, collateral verification and pricing, collateral haircut methodology, counterparty designation and funding, and AMA policies and procedures.

In general, advances are low-risk loans, but they are subject to concentration risk. In 2020, the reduction in the concentration of advances to subsidiaries of large bank holding companies continued, declining for the fourth consecutive year. In 2019, the largest borrowers at the holding company level (Wells Fargo & Company, J.P. Morgan Chase & Co., Citigroup Inc., and BB&T Corporation) represented $102.0 billion or 16.0 percent of aggregate advances. In 2020, the largest aggregate borrowers at the holding company level (Metropolitan Life Insurance Company, Citigroup Inc., New York Community Bancorp Inc., and J.P. Morgan Chase & Co.) accounted for just $58.7 billion or 14.1 percent of aggregate advances, the lowest top four borrower concentration since at least 2010 (Figure 13).

Figure 13: Top 4 Holding Companies with Advances Outstanding



The holding companies with the most advances outstanding to their subsidiaries change over time. Since 2010, Bank of America Corporation, Capital One, Citigroup Inc., Hudson City Bancorp, J.P. Morgan Chase & Company, Metlife Inc., PNC Financial Services Group, Ally Financial, BB&T Corporation, New York Community Bancorp Inc., and Wells Fargo & Company have been among the top four borrowers at the end of the year.

Management – Examination conclusions were strong or satisfactory at nine of the FHLBanks in 2020. However, examiners identified areas of concern at most of the FHLBanks, including model risk oversight, data reporting, compliance with AHP regulations, advance pricing oversight, internal audit practices, and incorporation of FHFA guidance.

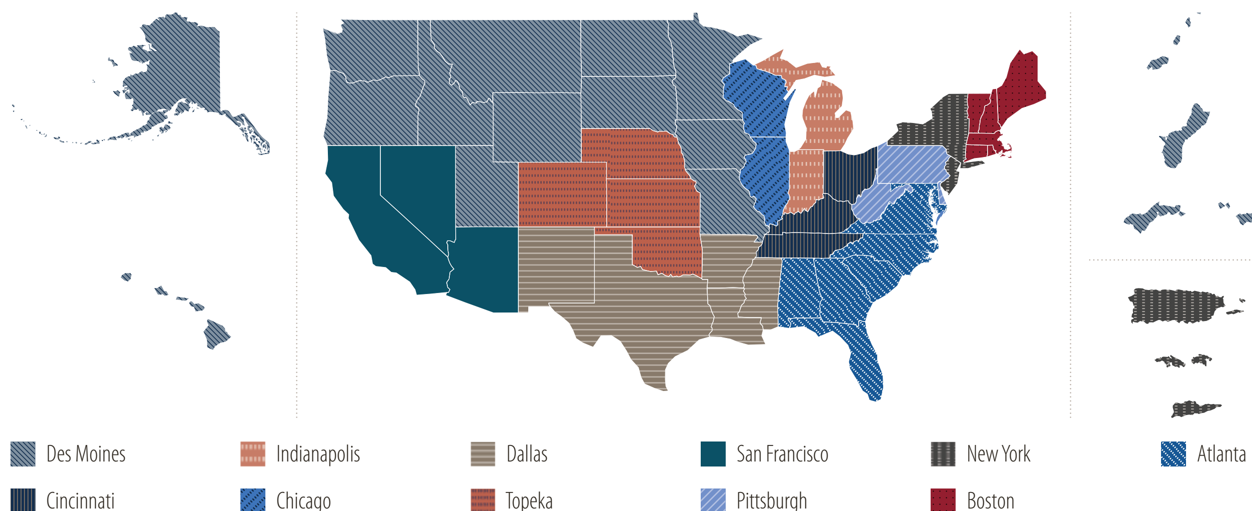
Earnings – Similar to previous years, while earnings and earnings quality continue to be strong or satisfactory at all FHLBanks, a few FHLBanks continued to rely on non-mission assets to support their earnings. Examiners also continue to monitor the potential effect of operating expenses on long-term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

Liquidity – Liquidity risk management was strong or satisfactory at all FHLBanks. Examiners indicated few concerns, although they identified the need for improved documentation of liquidity practices and reporting of balances at some FHLBanks.

Sensitivity to Market Risk – Overall, the FHLBanks had moderate levels of market risk exposure. Market risk management was well controlled or satisfactory at all but two FHLBanks, and mortgage assets remained the greatest source of market risk. However, examiners identified enhancements several FHLBanks could make to their AMA programs, risk modeling, London Interbank Offered Rate (LIBOR) strategy, model documentation, and stress testing.

Operational Risk – The COVID-19 pandemic presented operational challenges to the FHLBanks, requiring most personnel to rapidly transition to full-time telework. Notwithstanding some initial challenges of operating remotely, overall, the FHLBanks continued to operate effectively and met member funding needs satisfactorily. While operational risk management was generally satisfactory, FHFA expressed supervisory concerns at one FHLBank, which continues to experience elevated operational risk due to a stressed internal control environment and a reliance on manual processes and controls. Across the other FHLBanks, examiners identified areas that exhibited or could exhibit unacceptable operational risks in business resiliency, information security, risk assessment, and existing backup support or "Buddy Bank" agreements. Several FHLBanks continue to have issues managing user access, data reporting, IT lifecycle management, and other IT matters.

Examination Conclusions



District 1: The Federal Home Loan Bank of Boston

At the time of its examination in October 2020, the overall condition and operations of the FHLBank of Boston were satisfactory. The FHLBank's balance sheet remained mission focused with the fourth highest advances to assets ratio among the FHLBanks. In addition, capital and liquidity levels were strong and earnings sufficiently covered operations. Primary examination concerns related to deficiencies in the FHLBank's IT policy and vulnerability management. Oversight and execution of the Affordable Housing Program (AHP) was satisfactory.

District 2: The Federal Home Loan Bank of New York

At the time of its examination in April 2020, the overall condition and operations of the FHLBank of New York were satisfactory. Board and senior management oversight of the FHLBank remained sound, and financial condition was strong, as indicated by appropriate capital protection, effective provision of liquidity to members throughout the economic cycle, and consistently strong earnings results. Primary examination concerns related to long-term economic effects of the COVID-19 pandemic, updates to IT technology risk control practices, and enhancement of the retained earnings methodology. Oversight and execution of the AHP was satisfactory.

District 3: The Federal Home Loan Bank of Pittsburgh

At the time of its examination in April 2020, the overall condition and operations of the FHLBank of Pittsburgh were satisfactory. The FHLBank continued to have strong capital and liquidity positions as well as satisfactory earnings that were both sufficient to support operations and pay a reasonable dividend to members. Further, the FHLBank exhibited satisfactory market, credit, and operational risk oversight and maintained a satisfactory mission orientation and conservative risk profile. Principal examination concerns related to concentrations in the advance and AMA portfolios, information security reporting, and reciprocal operating and back-up support agreements with another FHLBank and OF. Oversight and execution of the AHP was satisfactory.

District 4: The Federal Home Loan Bank of Atlanta

At the time of the examination in January 2020, the overall condition and operations of the FHLBank of Atlanta were strong. The Bank had sound capital and liquidity positions with satisfactory earnings sufficient to support operations and retained earnings. Asset quality was strong with low credit risk. Oversight by the board of directors and management remained

effective. Primary examination concerns related to technology modernization and implementation, retained earnings policies and procedures, and a business component profitability analysis framework. Oversight and execution of the AHP was satisfactory.

District 5: The Federal Home Loan Bank of Cincinnati

At the time of its examination in January 2020, the overall condition and operations of the FHLBank of Cincinnati were satisfactory. Sufficient levels of capital, liquidity, and earnings supported operations. Sensitivity to market risk was moderate. Oversight by the board of directors and management remained satisfactory as did operational risk management. Primary examination concerns related to the capital plan and structure, internal audit, Sarbanes-Oxley Act governance, and compliance with the AHP regulation. Oversight and execution of the AHP was generally satisfactory.

District 6: The Federal Home Loan Bank of Indianapolis

At the time of its examination in September 2020, the overall condition and operations of the FHLBank of Indianapolis were satisfactory. The Bank had strong liquidity, satisfactory asset quality, sufficient capital and earnings, and acceptable operational risk. Oversight of operations by the board and senior management was satisfactory. Sensitivity to market risk continued to need improvement. Primary examination concerns related to market risk measurement, market and credit risk model governance, and credit risk management. Oversight and execution of the AHP was satisfactory.

District 7: The Federal Home Loan Bank of Chicago

At the time of its examination in July 2020, the overall condition and operations of the FHLBank of Chicago were satisfactory. A strong capital position and adequate earnings supported moderate risk levels throughout FHLBank operations. Stressed, volatile economic and interest rate environments, at least partially caused by the COVID-19 pandemic, increased interest rate risk and challenged the FHLBank's market risk measurement capabilities. However, the FHLBank continued to have a strong capital position to absorb adverse interest rate movements and adequate market risk management. In its role as MPF Provider, the FHLBank adequately managed the MPF program and collaborated with participating FHLBanks. Primary examination concerns related to the FHLBank's vulnerability management, information security controls, model risk management, calculation of risk-based capital, and its reciprocal operating and back-up support agreement with another FHLBank. Oversight and execution of the AHP was satisfactory.

District 8: The Federal Home Loan Bank of Des Moines

At the time of its examination in September 2020, FHFA had supervisory concern about the FHLBank of Des Moines. While progress occurred under new executive leadership during 2020, management's oversight of key risks continued to need improvement. Operational risk remained high. While the level of credit risk was acceptable, the FHLBank of Des Moines needed to resolve many member credit risk management weaknesses. The FHLBank of Des Moines' financial condition was satisfactory because of its adequate capital position and earnings performance. Liquidity and sensitivity to market risk were adequate. FHFA maintained heightened oversight and supervision of the FHLBank of Des Moines. Primary examination concerns related to member collateral risk management, information technology project testing, and mortgage loan funding practices. Oversight and execution of the AHP was satisfactory.

District 9: The Federal Home Loan Bank of Dallas

At the time of its examination in July 2020, the overall condition and operations of the FHLBank of Dallas were satisfactory. The Bank's financial condition was satisfactory, evidenced by adequate capitalization, strong liquidity, satisfactory earnings, and satisfactory asset quality. Oversight by the board and senior management remained effective overall; however, management of sensitivity to market risk needed improvement. Primary examination concerns related to market risk modeling and model risk management;

core mission achievement; credit risk management; and operational risk. Oversight and execution of the AHP was satisfactory.

District 10: The Federal Home Loan Bank of Topeka

At the time of its examination in April 2020, the overall condition and operations of the FHLBank of Topeka were satisfactory. The FHLBank of Topeka had sufficient liquidity to meet members' advance demand and earnings to support operations and dividend strategies, but its capital position was marginally satisfactory. Oversight of operations by the board and senior management was adequate. Sensitivity to market risk and operational risk were moderate and credit risk was acceptable but increasing. Primary examination concerns related to the FHLBank of Topeka's advance pricing and governance; MPF valuation and pricing risk management; capital management practices; interest rate risk management and governance; and access management, exception management, and vulnerability reporting. Oversight and execution of the AHP was satisfactory.

District 11: The Federal Home Loan Bank of San Francisco

At the time of its January 2020 examination, FHFA had supervisory concern about the FHLBank of San Francisco. The FHLBank of San Francisco's financial condition was satisfactory, evidenced by strong capital and liquidity positions, and adequate earnings. Sensitivity to market risk was controlled and operational risk was adequately managed. The FHLBank of San Francisco needed to improve credit risk management and overall board and senior management oversight. Primary examination concerns related to the FHLBank of San Francisco's MPF pricing and governance, model risk management, information security and data management, LIBOR transition operational readiness, and the retained earnings methodology. Oversight and execution of the AHP was satisfactory.

Office of Finance

At the time of its examination in July 2020, the overall condition and operations of OF were satisfactory. Oversight by the board and senior management were effective. OF's operational risk position and management were satisfactory. Primary examination concerns related to operational resiliency, disaster recovery, modernization efforts, information technology controls, and business process mapping.

Affordable Housing and Community Development

Affordable Housing Programs

The Federal Home Loan Bank Act of 1932 (Bank Act) requires each of the FHLBanks to establish an Affordable Housing Program (AHP) to fund the purchase, construction, or rehabilitation of affordable housing for very low- and low- or moderate-income households.[45] FHLBank member financial institutions can apply to their FHLBanks for AHP grants or subsidized advances, which the members pass on as grants or subsidized loans to eligible projects or grants to eligible households. Annually, each FHLBank is required by statute to fund its AHP with 10 percent of its net earnings from the prior year, provided that the entire FHLBank System meets its contribution minimum of $100 million. In 2020, the FHLBanks made available more than $362.5 million in AHP subsidies nationwide (Figure 14). From 1990, the AHP's first year, through 2020, the FHLBanks awarded approximately $7 billion in AHP subsidies, assisting more than 990,000 households.

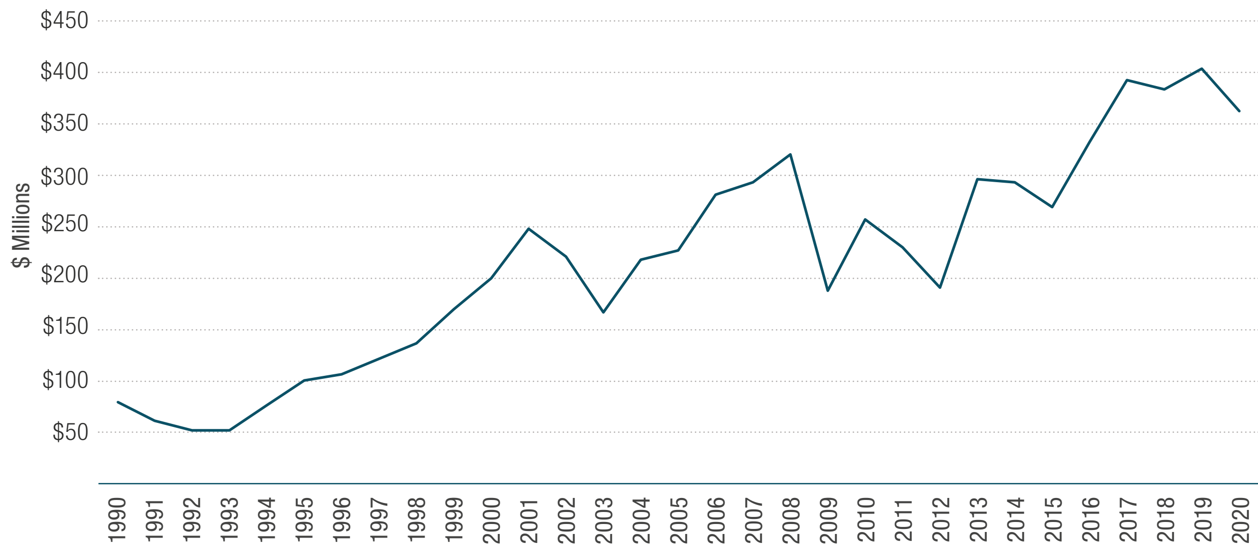
AHP subsidies must be used either to fund homeownership for households with incomes at or below 80 percent of area median income (AMI) or for the purchase, construction, or rehabilitation of rental housing in which at least 20 percent of the units will be occupied by, and affordable to, households with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

[45] *See* 12 U.S.C. § 1430(j).

FHFA's AHP regulation in effect in 2020 set forth requirements for the FHLBanks' implementation of their AHPs and provided for two distinct subsidy programs.[46] First, under the mandatory competitive application program, the FHLBanks provided subsidized advances or grants to members on behalf of project sponsors for the purchase, construction, or rehabilitation of eligible projects. To evaluate the applications, each FHLBank adopted a competitive scoring process pursuant to parameters in the AHP regulation. Second, under the optional homeownership set-aside program, the FHLBanks disbursed grants through members to eligible homebuyers or homeowners for down payment or closing cost assistance, counseling, or rehabilitation in connection with the household's purchase or rehabilitation of an owner-occupied unit to be used as the household's primary residence.

In November 2018, FHFA issued a final rule amending the AHP regulation to provide the FHLBanks additional authority and flexibility over the use of their AHP funds and the selection of projects. The FHLBanks were required to comply with the final rule's owner-occupied retention agreement amendments by January 1, 2020, and with the rest of the final rule amendments by January 1, 2021. An FHLBank could choose, however, to comply with amended provisions prior to those compliance dates. In 2020, some FHLBanks chose to implement certain amended provisions prior to the applicable compliance dates, including streamlining monitoring requirements for rental projects funded by the AHP in conjunction with certain other federal programs.

Figure 14: Federal Home Loan Banks' AHP Statutory Contributions



AHP Competitive Application Program – Under the AHP competitive application program, FHLBank members apply on behalf of project sponsors, typically nonprofit organizations or housing finance agencies, to their FHLBanks for AHP funds pursuant to a competitive application scoring process. In 2020, rental housing units made up approximately 90 percent of all units funded under the competitive application program, a slight decrease from 91 percent in 2019 (Figure 15).

46 *See* 12 CFR Part 1291.

Figure 15: 2020 AHP Competitive Application Overview[a]

	Rental Housing Projects	Owner-Occupied Housing Projects	Total Housing Projects
Total Number of Awarded Projects	373	105	478
Subsidy Awarded ($ in Millions)	$250.6	$41.1	$291.7
Number of Housing Units	22,688	2,655	25,343
Average Subsidy per Unit	$11,044	$15,499	$11,511
Number of Very Low-Income Housing Units[b]	16,233	1,325	17,558

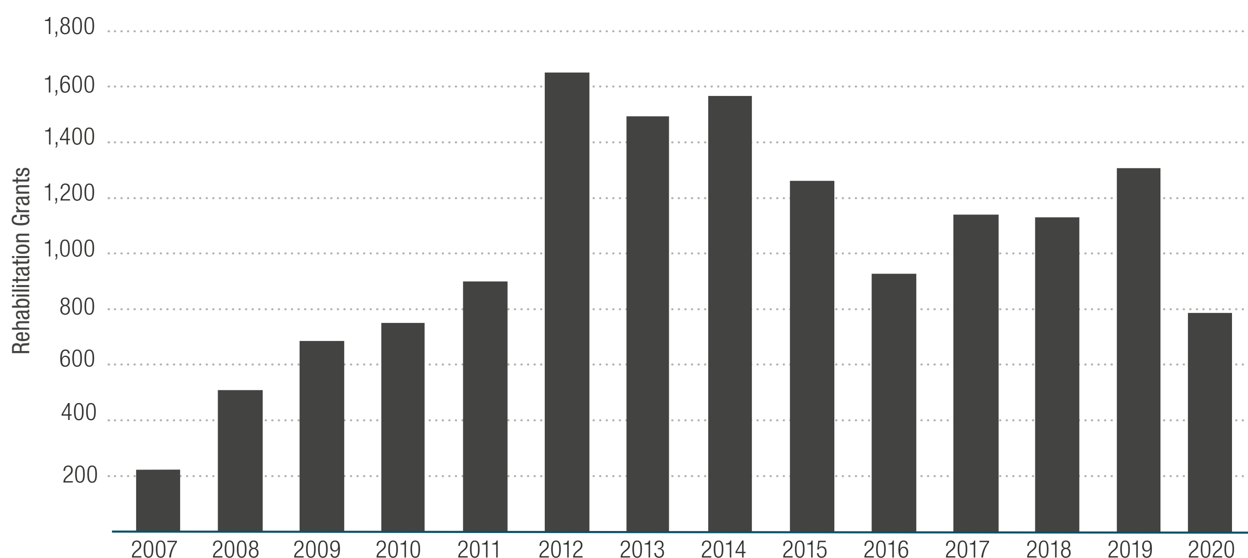
[a] Data, which exclude withdrawn projects, are current as of December 31, 2020. Numbers expressed in dollars have been rounded to the nearest dollar.

[b] "Very low-income" is defined as households with incomes at or below 50 percent of AMI.

AHP Homeownership Set-Aside Program – Each FHLBank is also authorized to set aside funds for grants to eligible households under homeownership set-aside programs. The limit that each FHLBank may allocate is the greater of either $4.5 million or 35 percent of its statutorily required AHP annual contribution (10 percent of its net earnings for the prior year). All 11 FHLBanks offered homeownership set-aside programs in 2020, with total funding of approximately $101 million. For 2020, at least one-third of an FHLBank's annual aggregate homeownership set-aside program allocation was required to be designated to assist low- or moderate-income first-time homebuyers.

The 2018 amendments to the AHP regulation increased the maximum permissible homeownership set-aside program grant per household from $15,000 to $22,000, subject to annual adjustments upward in accordance with increases in FHFA's House Price Index. The compliance date for this provision was January 1, 2021. In 2020, as in 2019, one FHLBank opted to provide grants to households above $15,000, prior to the compliance date. The average set-aside grant per household in 2020 was $6,705. The most common use of set-aside grants was to defray borrowers' down payment and closing costs. In 2020, 777 set-aside grants also funded the rehabilitation of owner-occupied homes, a decrease from 1,298 set-aside grants in 2019 (*see* Figure 16).

Figure 16: Number of AHP Homeownership Set-Aside Grants Used for Rehabilitation Assistance (2007-2020)



AHP Subsidies Used in Conjunction with Other Sources of Funding – The AHP is designed to work with a variety of other funding sources and is frequently used in conjunction with funding from nonprofit organizations and housing programs at the federal, state, or local level. In 2020, approximately 66 percent of AHP projects received additional funding from federal programs (Figure 17), such as the HOME Investment Partnerships Program, the Community Development Block Grant Program, and the Low-Income Housing Tax Credit (LIHTC) Program. LIHTC was the most common source of funding, supporting about 67 percent of all approved AHP applications for rental housing.

Figure 17: Number of AHP Projects Approved in 2020 Receiving Federal Funding[a]

Program	Number of AHP Projects
Community Development Block Grant Program	54
HOME Investment Partnerships Program	111
LIHTC Program	251
Federal Housing Administration Programs	11
Other Federal Housing Programs	70
Projects Not Receiving Funding from Federal Sources	162

[a] Data, which exclude withdrawn projects, are current as of December 31, 2020. Some projects may have federal funding from more than one source.

Community Investment Programs and Community Investment Cash Advance Programs

Each FHLBank, through its statutorily-mandated Community Investment Program (CIP), offers advances to its members at the cost of the FHLBanks' consolidated obligations of comparable maturities, taking into account reasonable administrative costs.[47] CIP advances may assist the financing of housing for households with incomes at or below 115 percent of AMI. CIP funds also may be used for economic development projects in low- and moderate-income neighborhoods or that benefit low- and moderate-income households. In 2020, the FHLBanks issued approximately $2.9 billion in CIP advances for housing projects and approximately $43.8 million for economic development projects.

Each FHLBank may also offer optional Community Investment Cash Advance (CICA) programs, which are authorized under the CICA regulation and the Bank Act.[48] Under these programs, FHLBanks may support the financing of targeted economic development projects by offering low-cost, long-term advances and grants through FHLBank members, as well as through housing associates such as state and local housing finance agencies and economic development finance authorities. In 2020, the FHLBanks provided approximately $3.6 billion in CICA advances for economic development projects, such as commercial, industrial, and manufacturing projects, social services, and public facilities that met the requirements for qualifying as one of the specified targeted beneficiaries in the CICA regulation.

Community Development Financial Institutions – Two types of CDFIs are eligible to become FHLBank members: federally insured depositories and non-depository CDFIs. As of December 31, 2020, 64 non-depository CDFIs were members of the FHLBank System, up from 60 such members in 2019.[49]

[47] *See* 12 U.S.C. § 1430(i); 12 CFR Part 1292.

[48] The CICA regulation (12 CFR 1292.1) defines CICA programs to include AHP, CIP, and targeted economic development advance or grant programs established by an FHLBank. However, because AHP and CIP are specifically required by statute, they are generally described separately from other programs under the CICA umbrella. This practice is followed in this report.

[49] Bank membership is *available at:* https://www.fhfa.gov/DataTools/Downloads/Pages/Federal-Home-Loan-Bank-Member-Data.aspx.

FHLBank Housing Goals

The Bank Act requires that FHFA establish housing goals with respect to the purchase of mortgage loans, if any, by the FHLBanks, and that these goals be consistent with those established for the Enterprises, taking into account the FHLBanks' unique mission and ownership structure. FHFA's FHLBank housing goals regulation establishes housing goals for single-family loans purchased by the FHLBanks from their members through their Acquired Member Assets (AMA) programs.[50] The housing goals measure the extent to which FHLBanks' AMA programs serve low- and very low-income families and families residing in low-income areas, as well as the extent to which these programs are used by small FHLBank members.

Until 2021, the housing goals applied only to a FHLBank that purchased more than $2.5 billion, measured in unpaid principal balance, of loans through its AMA programs in a given year. For each FHLBank subject to the housing goals, the housing goals regulation imposed requirements with respect to four separate categories: low-income home purchase, very low-income home purchase, low-income areas home purchase, and low-income refinance. For each category, FHFA used Home Mortgage Disclosure Act (HMDA) data to develop a market comparison benchmark level and then evaluated whether the percentage share of the FHLBank's applicable AMA mortgage purchases met or exceeded that level.

In 2019, four FHLBanks exceeded the $2.5 billion volume threshold: Chicago, Cincinnati, Des Moines, and Topeka. FHFA evaluated the FHLBanks' 2019 housing goals performance based on their AMA mortgage purchases and determined that the FHLBanks did not meet the housing goal levels for the four goal categories in 2019 (*see* figures 18-21).

In 2020, three FHLBanks exceeded the $2.5 billion volume threshold: Chicago, Cincinnati, and Topeka. FHFA is in the process of evaluating their housing goals performance. FHFA's evaluation will be completed after the release of the 2020 HMDA data.

On June 4, 2020, FHFA published a final rule amending the FHLBank housing goals regulation. The rule, which applies to AMA loan purchases after 2020, eliminated the $2.5 billion volume threshold, such that all FHLBanks are now subject to the housing goals. The regulation now includes a single, combined, prospective mortgage purchase housing goal, rather than four distinct housing goals measured retrospectively via market comparison. It also includes a new small member participation housing goal for participation by small institutions. The rule requires that 20 percent of a FHLBank's AMA purchases, measured in number of loans, be loans for some combination of low-income families, very low-income families, or families in low-income areas, provided that no more than 25 percent of the purchases that count towards achievement of this 20 percent level be for families with incomes above 80 percent of AMI. The rule also provides that, of all institutions that sell at least one AMA loan to a given FHLBank in a year, at least 50 percent of the institutions must have assets not in excess of $1,224,000,000, as adjusted annually by FHFA (the limit for 2021 is $1,239,000,000). Finally, the rule allows FHLBanks to propose different target levels for mortgage purchases and small member participation, other than 20 and 50 percent, respectively, subject to FHFA approval.

[50] *See* 12 CFR Part 1281.

Figure 18: FHFA Determination of FHLBank of Chicago Housing Goals Performance 2019

Single-Family Housing Goals	Goal Level – 2019[a]	FHFA Final Determination of FHLBank's 2019 Performance[b]	Difference Between FHLBank 2019 Performance and Goal Level
Low-Income Home Purchase	34.0%	29.2%	-4.8%
Very Low-Income Home Purchase	9.8%	7.8%	-2.0%
Low-Income Areas Home Purchase	19.1%	18.7%	-0.4%
Low-Income Refinance	25.3%	24.1%	-1.2%

[a] Share of mortgage loans originated in district, based on HMDA data, at applicable income level.

[b] Based on all qualifying AMA purchases. Includes AMA purchases regardless of whether the loan was originated within the district.

Figure 19: FHFA Determination of FHLBank of Cincinnati Housing Goals Performance 2019

Single-Family Housing Goals	Goal Level – 2019[a]	FHFA Determination of FHLBank's 2019 Performance[b]	Difference Between FHLBank 2019 Performance and Goal Level
Low-Income Home Purchase	30.6%	20.8%	-9.8%
Very Low-Income Home Purchase	8.5%	3.9%	-4.6%
Low-Income Areas Home Purchase	15.5%	10.3%	-5.2%
Low-Income Refinance	27.9%	15.4%	-12.5%

[a] Share of mortgage loans originated in district, based on HMDA data, at applicable income level.

[b] Based on all qualifying AMA purchases. Includes AMA purchases regardless of whether the loan was originated within the district.

Figure 20: FHFA Determination of FHLBank of Des Moines Housing Goals Performance 2019

Single-Family Housing Goals	Goal Level – 2019[a]	FHFA Determination of FHLBank's 2019 Performance[b]	Difference between FHLBank 2019 Performance and Goal Level
Low-Income Home Purchase	30.9%	27.3%	-3.6%
Very Low-Income Home Purchase	7.8%	7.5%	-0.3%
Low-Income Areas Home Purchase	22.6%	13.6%	-9.0%
Low-Income Refinance	27.5%	21.2%	-6.3%

[a] Share of mortgage loans originated in district, based on HMDA data, at applicable income level.

[b] Based on all qualifying AMA purchases. Includes AMA purchases regardless of whether the loan was originated within the district.

Figure 21: FHFA Determination of FHLBank of Topeka Housing Goals Performance 2019

Single-Family Housing Goals	Goal Level – 2019[a]	FHFA Determination of FHLBank's 2019 Performance[b]	Difference between FHLBank 2019 Performance and Goal Level
Low-Income Home Purchase	28.8%	22.1%	-6.7%
Very Low-Income Home Purchase	7.1%	5.0%	-2.1%
Low-Income Areas Home Purchase	18.4%	10.9%	-7.5%
Low-Income Refinance	28.1%	16.3%	-11.8%

[a] Share of mortgage loans originated in district, based on HMDA data, at applicable income level.

[b] Based on all qualifying AMA purchases. Includes AMA purchases regardless of whether the loan was originated within the district.

Community Support Program

The Bank Act requires FHFA to adopt regulations establishing standards of community investment or service that FHLBank members must meet in order to maintain access to long-term advances.[51] The Bank Act further states that the regulations shall take into account factors such as a member's performance under the Community Reinvestment Act of 1977 (CRA) and the member's record of lending to first-time homebuyers.[52] FHFA's Community Support Program regulation implements these statutory provisions by establishing standards and procedures for the submission and review of FHLBank members' performance.[53] Under the regulation, every two years, members are required to submit to FHFA a community support statement describing their latest CRA ratings and activities supporting first-time homebuyers, if applicable.

Based on its review of each member's community support statement, FHFA determines whether the member has complied with the community support standards, which, in part, determines whether the member's access to long-term advances and its FHLBank's AHP, CIP, and CICA programs will be restricted. FHFA gives each FHLBank member one of three community support review results: compliance, probation, or restriction (Figure 22).

The 2021 biennial review period began April 1, 2021 and ends October 29, 2021.

[51] 12 U.S.C. § 1430(g)(1).

[52] 12 U.S.C. § 1430(g)(2).

[53] 12 CFR Part 1290.

Figure 22: FHFA Community Support Statement Review Results, Standards and Actions

Results	Standard	Action
Compliance	Member institution complies with the requirements of FHFA's Community Support Program regulation.	Member maintains access to the FHLBank's long-term advances, and new participation in AHP, CIP, and CICA programs.
Probation	Member institution is placed on probation if: • its most recent CRA rating was "Needs to Improve," and • either the member has not received any other CRA rating or its second-most recent CRA rating was "Outstanding" or "Satisfactory."	If a member is placed on probation, the member may continue to obtain long-term FHLBank advances and access to AHP, CIP, and CICA programs during the probationary period. The probationary period runs until the member's next CRA rating.
Restriction	Member institution is placed on restriction if: • it does not submit a community support statement; • it has not demonstrated compliance with the first-time homebuyer standard; • its most recent CRA rating was "Substantial Noncompliance;" • its most recent CRA rating was "Needs to Improve" and its second-most recent CRA rating was "Needs to Improve;" or • its most recent CRA rating was "Needs to Improve," its second-most recent CRA rating was "Substantial Noncompliance," and its third-most recent CRA rating was "Needs to Improve" or "Substantial Noncompliance."	If a member is placed on restriction, the member may not obtain long-term FHLBank advances and may not engage in new AHP, CIP, and CICA activity until the restriction is removed.

Source: Community Support Program Regulation (12 CFR Part 1290).

Directors' Compensation and Expenses

The FHLBanks are governed by boards of directors, which range in size from 14 to 22 members. Statute requires the majority of FHLBank board members to be Member directors, who are officers or directors of member institutions, and at least 40 percent to be Independent directors. Independent directors must reside in the district of the FHLBank where they serve as a board member and cannot be officers of a FHLBank or directors, officers, or employees of a member of the FHLBank where they serve. OF's board comprises 5 Independent directors and all 11 FHLBank presidents. The FHLBank presidents do not receive compensation for their service on the OF board.

The FHLBanks are permitted to provide reasonable compensation to their boards of directors for time required and necessary expenses, subject to FHFA review. Each of the 11 FHLBanks and OF provides FHFA with its Directors Compensation Policy (Policy), which establishes the maximum compensation for each director, the criteria for each director to receive that compensation, and the timing of payments for the upcoming year.

FHFA reviews each Policy to assess the reasonableness of the proposed maximum compensation considering third-party market data and to ensure that it includes a provision for reduced compensation of any director who does not attend a sufficient number of meetings or fails to be a contributing board member. In 2020, based on the reports of attendance and compensation paid submitted by OF and each FHLBank, FHFA found that OF and all the FHLBanks adhered to their Policies and reduced director compensation when required. Figure 23 shows the approved maximum compensation amounts available in 2020 for the listed board positions at each FHLBank and OF.

Included in director compensation are payments for certain expenses incurred by a director's spouse or guest. Spouse and guest payments include travel expenses reimbursed to the director and the cost per attendee of group events offered to directors and their guests in conjunction with a meeting. Figure 24 contains information on FHLBank directors' compensation in 2020 and its component parts: compensation paid in cash, compensation deferred, and amounts paid for spouse and guest expenses.

Figure 23: 2020 Annual Maximum Compensation for FHLBank Directors

Federal Home Loan Bank	Chair	Vice Chair	Audit Committee Chair	Other Committee Chairs	Directors
Atlanta	$140,000	$120,000	$115,000	$110,000	$100,000
Boston	$137,500	$117,500	$117,500	$117,500	$107,500
Chicago	$145,000	$130,000	$130,000	$117,000	$105,000
Cincinnati	$145,000	$125,500	$125,500	$122,500	$110,000
Dallas	$136,591	$120,200	$120,200	$114,737	$103,810
Des Moines	$138,000	$127,000	$122,000	$117,000	$106,000
Indianapolis	$137,000	$123,000	$122,000	$117,000	$107,000
New York	$145,000	$125,000	$122,000	$122,000	$112,500
Office of Finance[a,b]	$140,000	N/A	$120,000	$115,000	$107,500
Pittsburgh	$142,500	$122,500	$122,500	$122,500	$112,500
San Francisco	$140,000	$135,000	$125,000	$120,000	$115,000
Topeka	$142,500	$122,500	$122,500	$122,500	$112,500
Average	$140,758	$124,382	$122,017	$118,145	$108,276
Median	$140,000	$123,000	$122,000	$117,250	$107,500

[a] The compensation at OF is for independent directors only. FHLBank presidents do not receive compensation for these responsibilities. The vice chair is a FHLBank president.

[b] The chair of the Risk Committee for OF also receives $120,000.

Figure 24: FHLBank Directors' Compensation for 2020

Federal Home Loan Bank	Director Compensation Paid in Cash		Director Deferred Compensation		Spouse/Guest Expenses		Total Director Compensation Paid (Cash + Deferred + Spouse/Guest Expenses)	
	Average	Total	Average	Total	Average	Total	Average	Total
Atlanta	$84,893	$1,188,500	$24,036	$336,500	$667	$9,340	$109,596	$1,534,340
Boston[a]	$70,407	$1,196,923	$36,016	$612,270	$0	$0	$106,423	$1,809,192
Chicago	$103,483	$1,862,700	$9,850	$177,300	$229	$4,121	$113,562	$2,044,121
Cincinnati	$116,444	$2,096,000	$0	$0	$23	$419	$116,468	$2,096,419
Dallas[b]	$84,263	$1,432,467	$22,899	$389,286	$18	$307	$107,180	$1,822,060
Des Moines	$81,175	$1,785,850	$31,461	$692,150	$0	$0	$112,636	$2,478,000
Indianapolis	$91,406	$1,553,900	$22,418	$381,100	$99	$1,680	$113,922	$1,936,680
New York	$117,868	$2,239,500	$0	$0	$0	$0	$117,868	$2,239,500
Office of Finance	$119,000	$595,000	$0	$0	$0	$0	$119,000	$595,000
Pittsburgh	$81,025	$1,296,394	$37,489	$599,822	$48	$770	$118,562	$1,896,986
San Francisco	$58,267	$874,000	$62,733	$941,000	$18	$273	$121,018	$1,815,273
Topeka[c]	$88,906	$1,600,307	$25,486	$458,750	$1,136	$20,442	$115,528	$2,079,500
Total (All Directors)	$1,097,137	$17,721,541	$272,388	$4,588,178	$2,238	$37,351	$1,371,763	$22,347,070
Average	$91,428	$1,476,795	$22,699	$382,348	$187	$3,113	$114,314	$1,862,256
Median	$86,899	$1,493,184	$23,467	$385,193	$21	$363	$114,725	$1,916,833

[a] At the FHLBank of Boston, a director was declared ineligible on March 17, 2020 and another director was declared ineligible on April 28, 2020. Neither vacancy was filled before the year-end.

[b] At the FHLBank of Dallas, a director died in February 2020 and another director died in June 2020.

[c] At the FHLBank of Topeka, a director filled a vacancy beginning on July 1, 2020.

In addition to information about director compensation, the FHLBanks and OF are required each year to submit to FHFA for review expenses incurred by the boards of directors, which are either paid directly by the FHLBank or reimbursed to the directors. Figure 25 summarizes this information. Board Expenses Attributable to Directors includes all travel-related expenses for which the directors are reimbursed, or which are billed directly to the FHLBank, including transportation, lodging, and food. Director Training Expenses includes the costs of external speakers at board meetings, board member attendance at training conferences, and educational materials. Other Director Expenses includes the costs of attendance at FHLBank-related events, such as annual member meetings, chair and vice chair meetings, and Council of FHLBanks meetings. Group Expenses includes costs not directly attributable to individuals, such as food and beverages at meetings, audio-visual services, and meeting space rentals. Figure 26 summarizes the average and total costs of the directors of each FHLBank and OF as the sum of compensation and expenses.

Figure 25: FHLBank Directors' Expenses in 2020

Federal Home Loan Bank	Board Expenses Attributable to Directors		Director Training Expenses		Other Director Expenses		Group Expenses	
	Average	Total	Average	Total	Average	Total	Average	Total
Atlanta	$3,770	$52,781	$245	$3,432	$605	$8,466	$2,743	$38,407
Boston	$41	$700	$0	$0	$329	$5,600	$11	$179
Chicago	$1,884	$33,905	$106	$1,906	$208	$3,750	$2,756	$49,610
Cincinnati	$859	$15,455	$25	$447	$0	$0	$108	$1,938
Dallas	$600	$10,204	$0	$0	$281	$4,781	$313	$5,314
Des Moines	$2,246	$49,414	$1,215	$26,721	$436	$9,586	$3,140	$69,077
Indianapolis	$1,242	$21,110	$7	$121	$244	$4,155	$1,825	$31,030
New York	$1,599	$30,383	$0	$0	$274	$5,208	$871	$16,558
Office of Finance[a]	$1,048	$5,239	$671	$3,353	$537	$2,686	$1,410	$15,514
Pittsburgh	$2,177	$34,834	$1,574	$25,186	$339	$5,420	$0	$0
San Francisco	$1,441	$21,608	$1,768	$26,520	$1,850	$27,752	$631	$9,469
Topeka	$2,494	$44,900	$106	$1,907	$252	$4,527	$1,464	$26,344
Total (All Directors)	$19,401	$320,533	$5,716	$89,593	$5,356	$81,932	$15,272	$263,440
Average	$1,617	$26,711	$476	$7,466	$446	$6,828	$1,273	$21,953
Median	$1,520	$25,995	$106	$1,907	$305	$4,994	$1,141	$16,036

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

Figure 26: FHLBank Directors' Total Cost for 2020

Federal Home Loan Bank	Total Director Compensation Paid (Cash + Deferred + Spouse/Guest Expenses)		Total Director Expenses (All Expenses Including Board Expenses, Training, Group and Other Expenses)		Total Director Cost (Total Compensation + Total Expenses)	
	Average	Total	Average	Total	Average	Total
Atlanta	$109,596	$1,534,340	$7,363	$103,086	$116,959	$1,637,427
Boston[a]	$106,423	$1,809,192	$381	$6,480	$106,804	$1,815,672
Chicago	$113,562	$2,044,121	$4,954	$89,171	$118,516	$2,133,292
Cincinnati	$116,468	$2,096,419	$991	$17,840	$117,459	$2,114,259
Dallas[b]	$107,180	$1,822,060	$1,194	$20,298	$108,374	$1,842,358
Des Moines	$112,636	$2,478,000	$7,036	$154,798	$119,673	$2,632,798
Indianapolis	$113,922	$1,936,680	$3,319	$56,416	$117,241	$1,993,096
New York	$117,868	$2,239,500	$2,745	$52,149	$120,613	$2,291,649
Office of Finance[c]	$119,000	$595,000	$5,358	$26,792	$122,666	$621,792
Pittsburgh	$118,562	$1,896,986	$4,090	$65,440	$122,652	$1,962,426
San Francisco	$121,018	$1,815,273	$5,690	$85,349	$126,708	$1,900,622
Topeka[d]	$115,528	$2,079,500	$4,315	$77,678	$119,843	$2,157,178
Total (All Directors)	$1,371,763	$22,347,070	$47,437	$755,498	$1,417,508	$23,102,568
Average	$114,314	$1,862,256	$3,953	$62,958	$118,126	$1,925,214
Median	$114,725	$1,916,833	$4,203	$60,928	$119,094	$1,977,761

[a] At the FHLBank of Boston, a director was declared ineligible on March 17, 2020 and another director was declared ineligible on April 28, 2020. Neither vacancy was filled before the year-end.

[b] At the FHLBank of Dallas, a director died in February 2020 and another director died in June 2020.

[c] Group expenses for the Office of Finance are divided by the full 11 board members rather than just the 5 independent directors.

[d] At the FHLBank of Topeka, a director filled a vacancy beginning on July 1, 2020.

Diversity and Inclusion

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FHFA's Diversity and Inclusion Efforts and Statutory Responsibilities

Pursuant to Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act),[54] FHFA's Office of Minority and Women Inclusion (OMWI) advances diversity and inclusion (D&I) at the Agency and the regulated entities. This includes developing and implementing standards to ensure equal employment opportunity (EEO) within the Agency, and to promote the racial, ethnic, and gender diversity of FHFA's workforce and senior management; increasing participation of minority- and women-owned businesses in FHFA programs and contracts and providing technical assistance to such businesses; and assessing the D&I policies and practices of the regulated entities through supervision, policy oversight, and annual on-site examinations.[55] Led by a director, OMWI staff consists of an associate director, diversity and inclusion specialists, financial institution examiners, and policy, data, management, and program analysts.

FHFA is among seven federal financial agencies, often referred to as the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) agencies, in addition to the U.S. Department of the Treasury, that the Dodd-Frank Act requires to submit an annual report to Congress providing an overview of its workforce demographics, contracting data, and D&I program, strategies, and initiatives. FHFA delivered its 2020 OMWI Annual Report to Congress in March 2021.[56] The report describes FHFA's progress in expanding its contracting opportunities within the Agency, and it summarizes OMWI's significant activities during calendar year 2020, including successes achieved and challenges to overcome. Select highlights from the report are summarized below.

Promoting Diversity and Inclusion in FHFA's Workforce

The Safety and Soundness Act requires FHFA to "take affirmative steps to seek diversity in its workforce at all levels of the Agency consistent with the demographic diversity of the United States."[57] OMWI's D&I branch leads the Agency's efforts to fulfill this statutory responsibility by implementing D&I strategic goals and objectives that promote workforce and supplier diversity through the Agency's Minority and Women Outreach Program.

In 2020, FHFA's total minority population represented 44.3 percent of the Agency workforce, a slight increase from 43.9 percent in 2019, and up from 41.6 percent in 2016. Notably, this increase in the Agency's staff size occurred despite the hiring challenges during the COVID-19 pandemic. FHFA evaluates the composition of its workforce against the federal workforce and the Civilian Labor Force (CLF). As of December 31, 2020, the total representation of minorities in FHFA's workforce (44.3 percent) was higher than that of the federal workforce (38.2 percent) and the CLF (27.6 percent as of 2010). FHFA's minority workforce in 2020 comprised the following groups: African American (2l.9 percent), Hispanic (5.3 percent), Asian (14.6 percent), and two or more races (2.6 percent).[58]

Of the 85 employees hired in 2020, minorities and women represented 44.7 percent and 36.5 percent, respectively. FHFA's 2020 minority hiring rate was higher than those of the CLF (27.6 percent) and the federal workforce (38.2 percent); FHFA's 2020 female hiring rate was lower than that of the federal workforce (38.2 percent) and that of the CLF (48.1 percent). Of the 68 employees promoted in 2020, minorities and women represented 52.9 percent and 39.7 percent, respectively.

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[54] *See* 12 U.S.C. § 5452.

[55] *See* 12 U.S.C. § 5452(b)(2).

[56] FHFA's 2020 OMWI Annual Report to Congress is available at: https://www.fhfa.gov/AboutUs/Reports/Pages/Office-of-Minority-and-Women-Inclusion-Annual-Report-to-Congress-2020.aspx.

[57] 12 U.S.C. § 4520(f).

[58] Percentages may vary by up to 0.1 points due to rounding.

FHFA is required by statute to promote diversity among all levels of the workforce, including management and executives. OMWI leads the Agency's efforts to meet this requirement. Between 2016 and 2020, FHFA saw a decrease in the proportion of women supervisors (from 48.4 percent to 39.7 percent), and minority women executives (from 18.8 percent to 13.0 percent). However, over that same time period, the number of women executives increased from 16 to 18, the number of minority women supervisors increased from 14 to 16, and the proportion of minority supervisors increased from 39.1 percent to 42.5 percent.

To foster a diverse workforce of the future, the Office of Human Resources Management (OHRM) and OMWI conduct outreach for FHFA's recruitment and internship activities. Each year the Agency typically sponsors its Pathways Summer Internship Program for college and graduate students, as well as recent college graduates. Last year brought unique challenges to the program as the Agency moved to mandatory telework in March, a posture that continued for the rest of 2020. Nevertheless, FHFA continued the internship program, providing each division and office the choice of participating virtually or not at all, given the inherent challenges of distance learning the entire duration of the program. Agency leaders and mentors adapted to a virtual format and accommodated a smaller group of interns. The program provides meaningful training and professional development opportunities for individuals interested in a career in financial services or the federal government, especially those pursuing degrees in economics, financial or business management, statistics, mathematics, accounting, and information technology. These internships are paid positions that offer students work experiences related to their field of study.

FHFA set a record 90.3 percent response rate in the 2020 Federal Employee Viewpoint Survey (FEVS). Some 83.4 percent of FHFA employees who participated in the survey viewed their supervisor as committed to a diverse workforce, which is an 8-percentage point increase over the previous year and the highest percentage since 2015. In response to related FEVS results and other feedback, OMWI collaborated with the Learning Academy to develop the Agency's first mentoring program in 2020 for employees interested in career development.

Supervision and Examination of the Regulated Entities' Diversity and Inclusion Programs

The Enterprises and the FHLBanks are unique among federally regulated financial institutions in that they are required by law to establish an OMWI, or its functional equivalent, to promote diversity and ensure inclusion in all business activities, including employment, management, and contracting, in accordance with FHFA standards and requirements.[59] FHFA's Minority and Women Inclusion regulation (MWI regulation) implementing the statute requires the regulated entities to "develop, implement, and maintain policies and procedures to ensure, to the maximum extent possible in balance with financially safe and sound business practices, the inclusion and utilization of minorities, women, individuals with disabilities, and minority-, women-, and disabled-owned businesses in all business and activities and at all levels" of the organization.[60] FHFA's MWI regulation also requires each regulated entity to develop a D&I strategic plan and report specific data to FHFA. In 2020, FHFA's director approved the issuance of an annual D&I Report of Examination (ROE) for each regulated entity that includes a D&I composite rating and performance reporting beginning with the 2021 examination cycle. A D&I composite rating will more clearly inform FHFA's assessment of the regulated entities' programs and performance.

In 2020, OMWI's supervision and examination team completed its fourth year of examinations of each regulated entity's D&I Program (Program). OMWI completed 14 examinations, surpassing its FY2021 Performance Measure target of 12 examinations.

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[59] *See* 12 U.S.C. § 4520(a) through (c).

[60] *See* 12 CFR Part 1223.

Leveraging the results from previous examinations (2017-2019), OMWI provided further guidance to the regulated entities in the areas of workforce, contracting, and finance. Also, OMWI continued to enhance its standards and systems that support standardized data reporting under the MWI regulation. These enhancements facilitate OMWI's continued development and assessment of D&I standards and regulatory compliance across the regulated entities.

In alignment with the requirements of FHFA regulation and the guidance in the 2020 Conservatorship Scorecards for each of the Enterprises and Common Securitization Solutions, LLC (CSS) (2020 Scorecard), in 2020 both Enterprises and CSS continued to implement a formalized process to assess and, where appropriate, integrate D&I across programs and initiatives. They also identified measurable D&I goals aligned with the objectives in the 2020 Scorecard.

FHFA's OMWI supervises and performs annual on-site examinations of the Enterprises' and FHLBank System's Programs. An OMWI Senior Examination Specialist leads and carries out D&I examination activities, and continuous monitoring and ongoing supervision throughout the year. Consistent with the requirements of FHFA regulation, in 2020, the Enterprises, CSS and the FHLBank System developed strategies to ensure the consideration and integration of D&I in all their businesses and activities. Both Enterprises, CSS and each of the 11 FHLBanks and the Office of Finance established D&I goals and measurable targets. FHFA's OMWI worked with the chairs and vice chairs of the FHLBank System's boards of directors to identify D&I competencies, which should be considered when assessing and selecting board members across the FHLBank System. As a result, in 2020, OMWI issued an Advisory Bulletin on Board Diversity, which applies to the FHLBank System and provides guidance on the D&I program oversight responsibilities of the FHLBank System's boards of directors.

Diversity and Inclusion Examination Results

The scope of the examinations changes from year to year. The results summarized below are based on the aspects of each regulated entity's Program that were examined in 2020: Board Oversight, Compliance, Finance, Enterprise Risk Management (ERM), and Regulatory Reporting Governance.

Fannie Mae

At the time of its examination in 2020, the Program needed improvement. Although the Enterprise established D&I policies, procedures, processes, and practices to govern its Program, continued enhancement of those documents and practices was necessary. FHFA issued a finding requiring the Enterprise to develop written procedures to evidence the process for overseeing the Program. Management adequately remediated the finding. FHFA also found that while Fannie Mae reported timely D&I data, the Enterprise needed to refine its regulatory reporting policies, procedures, and practices to enable full compliance with the Agency's quarterly regulatory reporting requirements. FHFA's data management review was carried over to the 2021 D&I examination. Board oversight was adequate and the OMWI Officer provided sufficient updates to the board. In 2020, the Enterprise named the executive vice president (EVP) and chief administrative officer (CAO) as the OMWI Officer and the Enterprise also hired a new vice president, D&I. The OMWI reporting structure conformed to the MWI regulation.

Freddie Mac

At the time of its examination in 2020, the Program was satisfactory given FHFA's scope of review, which focused on remediation activities to implement foundational elements of the Program. The Enterprise continued to dedicate resources to implement and execute its Program, although it encountered challenges specifically related to the implementation of corrective action to satisfactorily remediate the 2017 finding regarding Program governance, which it succeeded in doing in 2020. Board oversight and the governance

framework were adequate and the OMWI Officer was actively engaged in D&I activities. In December 2020, the Enterprise's OMWI Officer resigned and management appointed an interim OMWI Officer to lead the Program. Management also submitted a remediation package for the closure of the 2017 internal audit (IA) finding, which FHFA will assess during the 2021 D&I examination.

Common Securitization Solutions, LLC

In 2020, CSS developed and continued working to implement Program strategies with particular focus on ensuring the consideration of diverse candidates at various levels of the workforce and identifying and utilizing diverse suppliers in its contracting. During the year, CSS collaborated with FHFA's OMWI to improve its 2020 Scorecard ratings, including by restating its D&I Policy and Strategic Plan and validating data submission procedures. CSS identified three 2020 Scorecard performance metrics/targets for workforce diversity for which FHFA rated CSS "complete"; however, FHFA encouraged CSS to continue collaborating with FHFA's OMWI to ensure all opportunities to embed D&I were identified, D&I strategies executed, and all D&I goals and targets met.

District 1: The Federal Home Loan Bank of Boston

At the time of the examination in October 2020, the Program was satisfactory, although the Compliance program for D&I and the finance diversity strategic planning process needed improvement not withstanding the Bank's establishment of D&I policies, processes, and procedures. Board oversight was satisfactory and the OMWI Officer provided adequate updates to the board. The Bank's D&I organizational structure was appropriate with the OMWI Officer leading OMWI and acting as a member of the Bank's executive team. The Bank adequately remediated the finding from the previous examination. At this examination, FHFA issued findings in the areas of compliance, finance, and ERM. Management concurred with the findings and agreed to remediate them timely.

District 2: The Federal Home Loan Bank of New York

At the time of the examination in April 2020, the Program was satisfactory. Management adequately remediated the findings from the previous examination. Board oversight was effective and the OMWI governance processes for regulatory reporting were adequate. Generally, policies, procedures, and practices governing D&I were acceptable and allowed the OMWI Officer to effectively implement and oversee the Program. During the strategic planning process, the Capital Markets Group, in consultation with the OMWI, established financial transactions targets, although the supporting analysis and rationale supporting targets, which deviated from the Bank's strategic posture, were not well documented, prior to their submission to management and the board for review and approval. FHFA issued a finding requiring corrective action in the area of D&I strategic planning.

District 3: The Federal Home Loan Bank of Pittsburgh

At the time of the examination in April 2020, the Program was satisfactory. Management adequately remediated the findings from the previous examination. Board oversight was effective and the OMWI governance processes for regulatory reporting were sufficient. Generally, policies, procedures, and practices governing D&I were acceptable and allowed OMWI, under the leadership of the OMWI Officer, to implement and oversee the Program. Capital Markets performed outreach activities to provide business opportunities for new and existing diverse broker-dealers but did not document such activities. While the ERM department completed a periodic gap analysis against the MWI Rule, it did not complete an analysis that included a review of all OMWI regulatory guidance, and internal D&I policies and procedures. FHFA issued findings requiring corrective action in the areas of D&I compliance and Capital Markets outreach.

District 4: The Federal Home Loan Bank of Atlanta

At the time of the examination in January 2020, the Program needed improvement. Board oversight was adequate and the OMWI regulatory reporting practices were acceptable. The ERM department adequately identified D&I risks. Generally, policies, procedures, and practices governing D&I were acceptable and allowed the OMWI Officer and OMWI to implement and oversee the Program. In 2019, the Compliance department (Compliance) performed a compliance review and a gap analysis against the MWI regulation and did not identify any deficiencies, although FHFA noted opportunities for improvement in the D&I Compliance program and the need for OMWI to adequately evidence its management and oversight of the strategic planning process. As a result, FHFA issued findings requiring corrective action in the areas of D&I strategic planning and compliance.

District 5: The Federal Home Loan Bank of Cincinnati

At the time of the examination in January 2020, the Program needed improvement although management successfully remediated prior examination findings. Board oversight was effective; Compliance performed effective and timely reviews of the Program; ERM adequately considered D&I risks and mitigating controls when performing the risk assessment process; and the finance governance framework was adequate. FHFA found deficiencies in the areas of D&I strategic planning and regulatory reporting governance where the goals, initiatives, and action plans used to develop and achieve metrics and targets were not adequately communicated. Management's process for establishing strategic D&I goals for financial D&I activities was inadequate and the Bank did not evidence OMWI's oversight responsibilities during the goal-setting process. The Program's regulatory reporting governance framework did not include adequate policies, procedures, and processes and OMWI did not perform and document adequate quality control reviews prior to its submission of regulatory reporting to the Agency. As a result, FHFA issued findings requiring corrective action in the areas of D&I strategic planning and regulatory reporting governance.

District 6: The Federal Home Loan Bank of Indianapolis

At the time of the examination in October 2020, the Program was satisfactory. The Bank established adequate D&I policies, procedures, processes, and practices. Management successfully remediated findings from the prior examination and FHFA did not issue any findings at this examination. Board oversight was satisfactory and the OMWI Officer provided adequate updates to the board. The Bank's D&I organizational structure was appropriate. The OMWI Officer led OMWI and was a member of the Bank's Executive Management Committee.

District 7: The Federal Home Loan Bank of Chicago

At the time of the examination in July 2020, the Program needed improvement. While the Bank established D&I policies and procedures, certain processes, practices, and procedures required improvement. FHFA issued findings in the areas of regulatory reporting, ERM, compliance, and strategic planning. Management concurred with the findings and agreed to remediate them timely. Board oversight was effective and the OMWI Officer provided adequate updates to the board. The Bank's D&I organizational structure was appropriate with the OMWI Officer leading OMWI and acting as a member of the Bank's Executive Team. The Bank incorporated D&I into its processes, practices, and procedures, and adequately remediated the 2019 examination finding.

District 8: The Federal Home Loan Bank of Des Moines

At the time of the examination in September 2020, the Program needed improvement. While the Bank had established D&I policies and procedures, certain processes, practices, and procedures required improvement. FHFA issued findings in the areas of regulatory reporting, compliance, and finance. Management concurred with the findings and agreed to remediate them timely. Board oversight was satisfactory and the OMWI Officer provided adequate updates to the board. The Bank's D&I organizational structure was appropriate with the OMWI Officer leading

OMWI and acting as a member of the Bank's executive team. Management adequately remediated all the findings from the previous examination.

District 9: The Federal Home Loan Bank of Dallas

At the time of the examination in July 2020, the Program was satisfactory. Management successfully remediated findings from the prior examination and implemented sound policies, procedures, and processes which allowed for adequate implementation and oversight of the Program. The OMWI Officer and OMWI Management Committee had primary accountability and responsibility for Program governance. FHFA did not issue any findings at this examination.

District 10: The Federal Home Loan Bank of Topeka

At the time of the examination in April 2020, the Program was unsatisfactory. Board oversight was adequate. However, FHFA identified several deficiencies in the Bank's Program and, as a result, issued findings requiring corrective action in the areas of D&I regulatory reporting, organizational framework, strategic planning, compliance, ERM, finance, and regulatory reporting governance.

District 11: The Federal Home Loan Bank of San Francisco

At the time of the examination in January 2020, the Program needed improvement. While we saw corrective action since the 2019 examination and management successfully remediated findings from that examination, given that most of the Program improvements were the result of relatively newly implemented processes, the Bank needs a period of performance to demonstrate the sustainability of such corrective action. We will evaluate those efforts at the next examination to conclude on the adequacy and effectiveness of such processes. Generally, policies, procedures, and practices governing D&I were sound and allowed for adequate implementation and oversight by OMWI. Management remained diligent and focused on fully implementing a sustainable program. FHFA did not issue any findings at this examination.

Office of Finance

At the time of the examination in July 2020, the Program was satisfactory. Management successfully remediated findings from the prior examination. Management implemented sound policies, procedures, and processes, which allowed for adequate implementation and oversight of the Program. The OMWI Officer and OMWI had primary accountability and responsibility for Program governance and implementation of the D&I strategies. FHFA did not issue any D&I findings at this examination.

Regulatory Activities

Regulatory activities of FHFA support FHFA's mission as regulator of the Enterprises and the FHLBanks. In 2020, FHFA issued 23 proposed rules, final rules, policy guidance documents, and regulatory orders, which are summarized in the following tables. FHFA has published the listed rules in the Federal Register.

The tables also indicate if a proposed rule has been adopted in final form since the proposal was published. More information about FHFA's regulatory activities is available on FHFA's website.

Proposed Rules: Regulated Entities

Rule/Regulation Title	Reference	Date (2020)	Description/Explanation/Comments
Enterprise Housing Goals Advance Notice of Proposed Rulemaking	85 FR 82965; 12 CFR Part 1282	December 21	Requested comments on a variety of questions related to potential changes to the regulation establishing housing goals for the Enterprises. FHFA requested public comments on these questions in order to inform rulemaking that is planned for 2021 to establish single-family and multifamily housing goals benchmark levels for 2022 and beyond, and to make other changes to the Enterprise housing goals regulation, as appropriate.
Prior Approval for Enterprise Products Proposed Rule	85 FR 71276; 12 CFR Part 1253	November 9	Proposes amendments to implement section 1321 of the Safety and Soundness Act of 1992, as amended by section 1123 of HERA. This proposed rule, if adopted, would replace a 2009 interim final rule that established a process for the Enterprises to obtain prior approval from the FHFA Director for a new product and provide prior notice to the Director of a new activity.
2021 Enterprise Housing Goals Proposed Rule	85 FR 49312; 12 CFR Part 1282	August 13	See final regulations table; adopted in final form on December 21.
Enterprise Regulatory Capital Framework	85 FR 39274; 12 CFR Part 1240	June 30	See final regulations table; adopted in final form on December 17.

Final Rules: Regulated Entities			
Rule/Regulation Title	Reference	Date (2020)	Description/Explanation/Comments
2021 Enterprise Housing Goals Final Rule	85 FR 82881; 12 CFR Part 1282	December 21	Amends FHFA's regulation on the annual housing goals for mortgages purchased by the Enterprises. The housing goals include separate categories for single-family and multifamily mortgages on housing that is affordable to low-income and very low-income families, among other categories. The final rule established benchmark levels for each of the housing goals and subgoals for 2021 that are the same as those for the immediately preceding years. The rule went into effect on February 19, 2021.
Enterprise Regulatory Capital Framework Final Rule	85 FR 82150; 12 CFR Part 1240	December 17	Establishes risk-based and leverage capital requirements for the Enterprises. The final rule also makes conforming amendments to definitions in FHFA's regulations governing assessments and minimum capital and removes the Office of Federal Housing Enterprise Oversight's (OFHEO) regulation on capital for the Enterprises. The rule went into effect on February 16, 2021. There are deferred compliance deadlines for specified parts of the rule.
Margin and Capital Requirements for Covered Swap Entities Joint Final Rule	85 FR 39754; 12 CFR Part 1221	July 1	FHFA adopted a joint final rule with the OCC, the Board of Governors of the Federal Reserve System (Federal Reserve Board), the Federal Deposit Insurance Corporation (FDIC), and the Farm Credit Administration (FCA) – collectively, the agencies – to amend the Swap Margin Rule, which requires regulated entities to exchange margin with their counterparties for swaps that are not centrally cleared. The Swap Margin Rule as adopted in 2015 takes effect under a phased compliance schedule spanning from 2016 through 2020, and the entities covered by the rule continue to hold swaps in their portfolios that were entered into before the effective dates of the rule. Such swaps are grandfathered from the Swap Margin Rule's requirements until they expire according to their terms. The final rule permits swaps entered into prior to an applicable compliance date (legacy swaps) to retain their legacy status in the event that they are amended to replace an interbank offered rate (IBOR) or other discontinued rate, modifies initial margin requirements for non-cleared swaps between affiliates, introduces an additional compliance date for initial margin requirements, clarifies the point in time at which trading documentation must be in place, permits legacy swaps to retain their legacy status in the event that they are amended due to technical amendments, notional reductions, or portfolio compression exercises. In addition, the final rule addresses comments received in response to the agencies' publication of the interim final rule that would preserve the status of legacy swaps meeting certain criteria if the United Kingdom withdraws from the European Union (Brexit) without a negotiated settlement agreement. The final rule went into effect on August 31.

Final Rules: Regulated Entities			
Rule/Regulation Title	Reference	Date (2020)	Description/Explanation/Comments
Margin and Capital Requirements for Covered Swap Entities Joint Interim Final Rule	85 FR 39464; 12 CFR Part 1221	July 1	FHFA adopted a joint interim final rule with the OCC, the Federal Reserve Board, the FDIC, and the FCA – collectively, the agencies – to amend the Swap Margin Rule (described immediately above). Due to the COVID-19 pandemic, the Agencies are extending by one year the phases 5 and 6 implementation deadlines for initial margin requirements from September 1, 2020, to September 1, 2021 (for phase 5) and from September 1, 2021, to September 1, 2022 (for phase 6). The Agencies' objective is to give covered swap entities additional time to meet their initial margin requirements under the rule so as not to hamper any efforts underway to address exigent circumstances caused by COVID-19. The interim final rule went into effect on September 1.
Federal Home Loan Bank Housing Goals Final Rule	85 FR 38031; 12 CFR Part 1281	June 25	Replaces the previous regulation's four separate retrospective housing goals with a single prospective mortgage purchase housing goal with a target level of 20 percent. The final rule also establishes a separate small member participation housing goal with a target level of 50 percent. The final rule provides that a FHLBank may request FHFA approval of alternative target levels for either or both of the goals. The final rule also establishes that housing goals apply to each FHLBank that acquires any Acquired Member Assets (AMA) mortgages during a year, eliminating the $2.5 billion volume threshold that previously triggered the application of housing goals for each FHLBank. Enforcement of the final rule will phase in over three years. The rule went into effect on August 24. The enforcement phase-in period applies to calendar years 2021, 2022, and 2023.
Stress Testing of Regulated Entities Final Rule	85 FR 16528; 12 CFR Part 1238	March 24	Amends FHFA's regulatory stress testing requirements, consistent with section 401 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA). These amendments adopt the proposed amendments without change to modify the minimum threshold for the regulated entities to conduct stress tests increased from $10 billion to $250 billion; removal of the requirements for FHLBanks subject to stress testing; and removal of the adverse scenario from the list of required scenarios. These amendments align FHFA's rule with rules adopted by other financial institution regulators that implement the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) stress testing requirements, as amended by EGRRCPA. The rule went into effect on March 24.
Civil Money Penalty Inflation Adjustments Final Rule	85 FR 4903; 12 CFR Parts 1209, 1217, and 1250	January 28	Amends FHFA's Rules of Practice and Procedure and other agency regulations to adjust each civil money penalty within its jurisdiction to account for inflation, pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015. The rule went into effect on January 28 and is applicable beginning January 15.

Policy Guidance: Regulated Entities and the Office of Finance			
Policy Subject	Reference	Date (2020)	Description/Explanation/Comments
Advisory Bulletin on Enterprise Risk Management Program	AB 2020-06	December 11	Communicates to the Enterprises FHFA's guidance for an effective enterprise risk management (ERM) program to maintain safe and sound operations. The ERM program establishes the foundation and sets the framework for an Enterprise's enterprise-wide risk management practices and processes. This Advisory Bulletin (AB) applies to all risk management activities undertaken by the Enterprises and is consistent with risk area-specific guidance. The sophistication of the ERM program should be commensurate with the Enterprise's capital structure, risk appetite, size, complexity, activities, and other appropriate risk-related factors.
Advisory Bulletin on Enterprise Cybersecurity Incident Reporting	AB 2020-05	August 21	Communicates to the Enterprises FHFA's supervisory expectations for cybersecurity incident reporting to maintain safe and sound operations at the Enterprises.
Advisory Bulletin on Financial Reporting and Disclosure and External Audit	AB 2020-04	August 20	Communicates to the regulated entities FHFA's supervisory expectations for oversight and management of financial reporting and disclosures and of the external audit function.
Advisory Bulletin on Guidance on the Use of Proxies for Determining the Income of Subsequent Purchasers of Owner-Occupied Units Sold by AHP-Assisted Households during the AHP Retention Period	AB 2020-03	July 20	Communicates FHFA's guidance to the FHLBanks, pursuant to the Affordable Housing Program (AHP) regulation, on the FHLBanks or their designees' use of proxies for determining whether the subsequent purchaser of an owner-occupied unit sold, transferred, or assigned by an AHP-assisted household during the AHP five-year retention period is low- or moderate-income (LMI). Specifically, the guidance provides for the use of a proxy based on the U.S. Department of Housing and Urban Development's HOME Investment Partnerships Program (HOME) and Housing Trust Fund homeownership value limits for existing housing. The AB also discusses the option for FHLBanks to adopt an alternative proxy or proxies that are reliable indicators that the subsequent purchaser is LMI. In addition, the AB provides guidance on documentation requirements as well as content of a FHLBank's AHP Implementation Plan.
Advisory Bulletin on Board Competencies for Diversity and Inclusion Program Oversight	AB 2020-02	July 9	Communicates FHFA's guidance to the System regarding the D&I program oversight responsibilities of the boards of directors. To meet oversight responsibilities, each board should become familiar with the legal concepts related to D&I, its administration by the System, and the role of FHFA related to statutory and regulatory authorities and expectations about D&I.
Advisory Bulletin on Acquired Member Assets Risk Management	AB 2020-01	January 31	Communicates FHFA's guidance to the FHLBanks regarding risk management of Acquired Member Assets (AMA), including FHFA's expectations that Bank boards of directors establish certain limits. The FHLBanks should be able to demonstrate their progress toward adherence to this guidance by September 30, 2020 and should have final limits in place by December 31, 2020.

Policy Guidance: Federal Housing Finance Agency			
Policy Subject	Reference	Date (2020)	Description/Explanation/Comments
FHFA Diversity and Inclusion Examination Manual		December	The FHFA Diversity and Inclusion Examination Manual's (Manual) purpose is to document D&I examination objectives and procedures to provide guidance to the FHFA OMWI D&I Examiners, and to facilitate an effective, efficient and consistent examination process. The Manual also serves as a general resource for the public on matters involving D&I examinations, including examination scope, process, policies, and procedures. The Manual contains standards and expectations for the examination of the Enterprises, Common Securitizations Solutions LLC (CSS), an affiliate of the Enterprises, and the FHLBank System. The effective date of the Manual is December 2020.

Regulatory Orders			
Subject	**Reference**	**Date (2020)**	**Description/Explanation/Comments**
Designation of Federal Home Loan Bank Directorships for 2021	2020-OR-B-1	June 10	The director is required by statute to establish annually the size and composition of the board of directors of each FHLBank for the following year. This Director's Order maintains the current size and composition of the boards of directors of the FHLBanks for 2021, with the exception of the Boston, Cincinnati, and Topeka FHLBanks.
Revisions to Data Requirements for Enterprise Public Use Database to Include New Home Mortgage Disclosure Act Data Elements	85 FR 34196 (June 3); 2020-OR-FNMA-2; 2020-OR-FHLMC-2	May 27	The Order responds to the mortgage data disclosure requirements in the Safety and Soundness Act (12 U.S.C. 4543) and revises the data requirements for the Enterprise Public Use Database (PUDB) to include new Home Mortgage Disclosure Act (HMDA) data elements added by the Consumer Financial Protection Bureau's (CFPB) amendments to Regulation C, which implements HMDA.
Reporting by Regulated Entities of Stress Testing Results	85 FR 23219 (April 27); 2020-OR-FNMA-1; and 2020-OR-FHLMC-1	March 10	Stress tests pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 are designed to determine whether the regulated entities have the capital necessary to absorb losses under adverse economic conditions. FHFA's stress testing regulation (12 CFR Part 1238) requires annual stress testing and reporting of results for the Enterprises. The Orders, effective immediately, directed the regulated Enterprises to report their 2019 stress testing results (based on portfolios as of December 31, 2019), in the form and content required by the regulation and the summary instructions and guidance issued on March 5, 2020. (As noted above, on March 24, FHFA published final amendments to its stress testing regulation.) The requirement for the Enterprises to publish a summary of the severely adverse results of the 2020 stress tests was waived on August 13, 2020, so the Enterprises could have additional time to consider alternative scenarios issued by the Federal Reserve Board, taking the impact of COVID-19 into consideration.

Research and Publications

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Reports to Congress

In 2020, pursuant to Federal law, including HERA and the Dodd-Frank Act, FHFA submitted all required annual reports to Congress and all required monthly reports on the number of loan modifications and other foreclosure prevention activities of Fannie Mae and Freddie Mac (the Enterprises).

Guarantee Fee Study – The Safety and Soundness Act requires FHFA to study the guarantee fees charged by the Enterprises, and in December 2020, FHFA released its 12th annual *Guarantee Fee Study Report*. The report examines the fees charged by the Enterprises for guaranteeing conventional single-family mortgages in 2019, including the amount of these fees and the criteria used to determine them. The report utilized aggregated data collected from the Enterprises.

Annual Housing Report – FHFA submitted its 12th *Annual Housing Report to Congress* in October 2020. This report details the Enterprises' performance in 2019 under their housing goals and Duty to Serve, as well as other information on the Enterprises' activities to support affordable housing.

FHLBank Advance Collateral Study – The Federal Home Loan Bank Act requires FHFA to submit to Congress an annual report on the collateral pledged to the FHLBanks. In November 2020, FHFA released its 12th *Report on Collateral Pledged to the Federal Home Loan Banks* based on the results of the FHLBank Collateral Data Survey, conducted quarterly by FHFA's Division of Bank Regulation.

No FEAR Act Report – The Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (No FEAR Act) requires federal agencies to be publicly accountable for violations of antidiscrimination and whistleblower protection laws. Federal agencies must publish on their public websites quarterly and annual data related to federal-sector Equal Employment Opportunity (EEO) complaints, reimburse the Treasury Department Judgment Fund for any payments made, and notify employees and applicants for employment about their rights under the federal antidiscrimination and whistleblower laws. In March 2021, FHFA filed the *Fiscal Year (FY) 2020 No FEAR Act Annual Report to Congress*, covering fiscal years 2016 through 2020.

OMWI Annual Report – The Dodd-Frank Act requires most federal financial regulators to establish an Office of Minority and Women Inclusion (OMWI). FHFA's OMWI is responsible for leading efforts to advance diversity and inclusion and developing standards for: 1) EEO and the racial, ethnic, and gender diversity of the workforce and senior management; 2) increased participation of minority- and women-owned businesses in FHFA programs and contracts; and 3) assessing the diversity policies and practices of entities regulated by FHFA. Also, Section 1116(f) of HERA requires FHFA to seek diversity at all levels of its workforce, consistent with the demographic diversity of the United States. In March 2021, FHFA submitted its annual *OMWI Report to Congress* detailing the activities of FHFA's OMWI during the previous calendar year.

Interest Rate Disparities Analysis – FHFA is required to report to Congress annually on "the actions taken, and being taken, by the Director to carry out" 12 U.S.C. § 4561(d), which authorizes FHFA to require the Enterprises to submit information from which FHFA may assess whether loan pricing by lenders results in disparities for minority borrowers compared with non-minority borrowers of similar creditworthiness. If FHFA makes a preliminary finding that a pattern of disparities exists for a lender, FHFA must refer that finding to the appropriate regulatory or enforcement agency for further review. FHFA's Office of Fair Lending Oversight (OFLO), in collaboration with the Office of General Counsel, currently leads FHFA's effort to implement 12 U.S.C. § 4561(d).

In response to improvements in the quality and availability of Enterprise data, during 2020 FHFA substantially advanced its efforts to implement this statutory provision. OFLO engaged with peer financial regulators and other agencies that could be "appropriate regulatory or enforcement agencies" to review an exploratory statistical analysis of Enterprise loan purchases designed to establish a baseline for pricing disparity by lender, refined its statistical analysis and developed policy options and inter-agency coordination arrangements to fully implement 12 U.S.C. § 4561(d). FHFA plans to finalize its policy approach and begin referring its preliminary findings to regulatory or enforcement agencies with jurisdiction to conduct examinations or investigations into potential pricing discrimination in 2021.

House Price Index

In 2020, FHFA continued its regular publication of house price indexes (HPI), including all transactions and purchase-only indexes using data obtained from the Enterprises, and expanded-data indexes using data obtained from the Enterprises and Federal Housing Administration and county recorder data. Such measures are estimated using different underlying datasets, and all provide indications of house price movements for various geographic areas. These standard indexes are produced quarterly and monthly.

FHFA also unveiled a new data visualization tool which displays house price trends for the 100 largest metro areas. The tool allows users to select between metro rankings based upon year-over-year growth and a series of comparison charts which provide high-level house price trends for a selected metro versus the nation. A drop-down menu allows for further customization allowing a user to compare any two metro areas against each other.

Public Use Databases

The Safety and Soundness Act requires FHFA to make available to the public loan-level data submitted by the Enterprises in the reports required under Section 309(m) of Fannie Mae's Charter Act and Section 307(e) of Freddie Mac's Charter Act, except for certain proprietary information and personally identifiable information. FHFA is required to make publicly available Enterprise data elements analogous to those required to be reported by mortgage originators under the Home Mortgage Disclosure Act (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 an Enterprise. For 2020, FHFA released the required 2019 data to the public through its Public Use Database. The Public Use Database contains census tract- and national-level data by Enterprise, for both single-family and multifamily mortgages.

FHFA also maintains a similar Public Use Database with respect to the FHLBanks, required by HERA Section 1212. The data are at the census tract level and are reported directly by the FHLBanks to FHFA.

National Mortgage Database Program

The National Mortgage Database (NMDB) program is jointly funded and managed by FHFA and the Consumer Financial Protection Bureau (CFPB) and is designed to provide a rich source of information about the U.S. mortgage market. It has three primary components:

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

Pursuant to requirements of the Safety and Soundness Act, the NMDB program conducts a monthly mortgage market survey to collect data on the characteristics of individual mortgages and the credit history of borrowers. The survey covers mortgages that are and are not eligible for purchase by Fannie Mae and Freddie Mac, including subprime and nontraditional mortgages.[61]

NMDB and its components collect data for a nationally representative sample of mortgages. In 2020, the quarterly NSMO survey was administered four times and a public use file with data for 2013 to 2017 originations was released in February 2020. The ASMB survey focusing on borrowers with mortgage forbearance entered the field in October 2020. Each quarter, FHFA also updated two national statistics datasets that are derived from the NMDB: National Statistics for New Residential Mortgages in the United States and National Delinquency Rates in the United States.

[61] Statute also calls for the survey to include a determination of whether subprime and nontraditional borrowers would qualify for prime lending. Because of uncertainty around defining the concept of subprime (*see* Interagency Statement on Subprime Mortgage Lending, 72 FR 37569 (July 10, 2007)) and the paucity of data on the subprime market, it has not been feasible to incorporate such determinations in the NMDB.

Trademarks, Econ Summits and Research Publications

Trademarks – In October 2020, The U.S. Patent and Trademark Office approved two new federally registered trademarks: "FHFA House Price Index®" and "FHFA HPI®". The marks cover the entire suite of FHFA HPIs and are intended to help the Agency protect its branding, usage, and intellectual property.

Economic Summits – In 2020, FHFA hosted its first two Economic Summits, on Thursday, January 30th and Tuesday, September 29th. These summits bring external perspectives from experts and researchers working in areas relevant to FHFA's mission. The first summit included presentations of research on affordability, borrower mobility, and filtering of the housing stock. Speakers were from the Federal Reserve, Fannie Mae, Freddie Mac, and FHFA. The second summit's theme was natural disaster risk and COVID-19 impacts on housing. Due to the COVID-19 pandemic, the second summit was held virtually. Speakers were from academia, Fannie Mae, Freddie Mac, the Federal Emergency Management Agency, the Federal Reserve, FHFA, and private industry.

Research Publications – In 2020, FHFA published two working papers and staff received several research awards from the American Real Estate Society. The original research in these working papers provides substantial scholarly contributions to the academic, practitioner, and policy communities in the areas of housing finance and regional and urban economics. Working papers prepared by FHFA staff are preliminary products circulated within various professional communities to generate discussion and receive feedback. The analysis and conclusions of these products belong exclusively to the authors and should not be interpreted as conveying an official FHFA position, policy, analysis, opinion, or endorsement.

Working Paper 20-01: Land Valuation using Public Records and Kriging: Implications for Land versus Property Taxation in Cities – This paper uses a novel administrative dataset containing the universe of land sales and parcel records in Maricopa County, Arizona, from 2000 through 2018 and compares residential land values constructed using the vacant land sales to the same constructed using land under existing structures. Estimated land values for developed parcels are on average, 14 percent higher when estimated using vacant land but growth rates are similar. Results demonstrate a source of risk of dependence on public revenues from land value taxes versus a base-period revenue-neutral property tax.

Working Paper 20-02: Nowcasting Unemployment Insurance Claims in the Time of COVID-19 – This paper explores the performance of models with different information sets and data structures in order to best nowcast U.S. initial unemployment claims in spring of 2020 in the midst of the COVID-19 pandemic. The best model, particularly near the structural break in claims, is a state-level panel model that includes dummy variables to capture the variation in timing of state-of-emergency declarations.

Operations and Performance

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Performance and Program Assessment

FHFA publishes a strategic plan for the Agency (FHFA Strategic Plan) to set forth its priorities as regulator of the Federal Home Loan Bank System and as regulator and conservator of Fannie Mae and Freddie Mac. The Strategic Plan in effect for fiscal year (FY) 2021 was published in October 2020 and has three strategic goals: 1) Ensure Safe and Sound Regulated Entities Through World-Class Supervision; 2) Foster Competitive, Liquid, Efficient, and Resilient National Housing Finance Markets, and 3) Position the Agency as a Model of Operational Excellence by Strengthening the Workforce and Infrastructure.

On November 16, 2020, FHFA published its annual *Performance and Accountability Report* (PAR), summarizing performance and achievements during Fiscal Year 2020. The PAR evaluated FHFA's performance against 22 measures and assessed FHFA's progress toward its strategic goals. In FY 2020, FHFA met annual performance targets for 16 of the measures (73 percent), did not meet annual performance targets for 5 (23 percent) of the performance measures and lacked the data to assess performance for one measure.[62] Data for the measure became available in the subsequent year showing that FHFA had met the target.

In March 2021, the Association of Government Accountants awarded FHFA its 13th consecutive *Certificate for Excellence in Accountability Reporting* (CEAR), for fiscal year 2020. The CEAR is presented to agencies that have demonstrated excellence in integrating performance and accountability reporting. Agencies must receive unmodified opinions on their financial reports from an independent auditor to be eligible for the award.

Financial Operations

Financial Highlights

The Safety and Soundness Act authorizes FHFA to collect annual assessments from its regulated entities to pay its expenses and maintain a working capital fund. In FY 2020, FHFA assessed the regulated entities a total of $311.4 million, including $49.9 million to support the Office of Inspector General. FHFA issues assessment notices to the regulated entities semi-annually, with the collections occurring on October 1 and April 1. The Financial Summary for FY 2020 can be found in FHFA's PAR on pages 24-26, with the full set of audited financial statements on pages 67-87.

In accordance with HERA, FHFA is authorized to retain a working capital fund for unforeseen or emergent requirements, which can be funded through a special assessment to the entities or through retention of unobligated balances at the end of the fiscal year. At the end of FY 2020, the FHFA working capital fund had a balance of $34.3 million, up from $24.0 million in FY 2019.

[62] Measure RM5 - Responses to the Federal Employee Viewpoint Survey reflect that "My work unit has the job-relevant knowledge and skills necessary to accomplish organizational goals."

Federal Housing Finance Oversight Board Assessment

Federal Housing Finance Oversight Board Assessment

June 2021

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

- The safety and soundness of FHFA's regulated entities, Fannie Mae and Freddie Mac (the Enterprises) and the Federal Home Loan Banks (FHLBanks);
- 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.

As a basis for this assessment, FHFA's Annual Report provides a review of these matters related to the Agency's regulated entities. The assessment of the Federal Housing Finance Oversight Board follows:

The COVID-19 National Emergency

At the beginning of 2020, a strong labor market and sustained house price appreciation supported liquidity in the housing finance system. Starting in March 2020, the effects of the COVID-19 national emergency significantly disrupted economic activity, including the primary and secondary mortgage markets. In response, FHFA implemented a range of policies to provide relief to renters and borrowers with a single-family or multifamily mortgage owned or guaranteed by the Enterprises and to support the proper functioning of the mortgage market both during and after this crisis.

To protect borrowers facing delinquency and foreclosure during the COVID-19 pandemic, FHFA suspended all single-family foreclosures and foreclosure-driven evictions through the end of 2020. FHFA also allowed borrowers affected by COVID-19 to take a timeout from mortgage payments through forbearance.

FHFA's response to COVID-19 significantly helped borrowers, renters, and the housing market navigate this crisis. Following contraction in mortgage market activity in March and April, the purchase market rebounded. House prices were supported by this rebound in market activity in the second half of the year. House prices rose by 1.2 percent in December, which was the 7th consecutive month of over 1 percent growth. Nationwide, house prices increased 3.9 percent in the fourth quarter of 2020, a 10.9 percent increase from the fourth quarter of 2019 and the largest year-over-year gain on record.

Two million homeowners with Enterprise-backed mortgages received a forbearance in 2020. FHFA provided Enterprise servicers clarity by instituting a four-month limit on servicers' obligations to advance principal and interest payments on loans in forbearance. These policies resulted in costs to the Enterprises. To cover these costs, on December 1, the Enterprises began adding an adverse market fee of 0.5 percent when purchasing select refinance mortgages.

FHFA continues to monitor new and evolving challenges facing the regulated entities and the nation's housing finance system. For example, in 2021 FHFA solicited public input on current and future natural disaster and climate risks to the housing finance system and to the regulated entities; the Agency is currently reviewing the responses. FHFA continues to coordinate its policy response efforts with government counterparts, including members of the Federal Housing Finance Oversight Board.

Enterprises

The Enterprises continue to operate in conservatorships under FHFA, as they have since 2008. The conservatorships were not meant to be permanent. Under the Senior Preferred Stock Purchase Agreements (PSPAs), as amended, ending the conservatorships is dependent on the Enterprises meeting key milestones, chief among which is retaining or raising sufficient equity capital.

In 2008, the Enterprises entered into the PSPAs with the U.S. Department of the Treasury (Treasury). Under the PSPAs, Treasury committed to maintain the Enterprises' solvency by making a quarterly advance of funds to each Enterprise in an amount equal to any excess of the Enterprise's total liabilities over its total assets. In return for its commitment, Treasury received equity instruments, dividends, and other rights. Under the PSPAs, the Enterprises have cumulatively drawn $191.5 billion of support through year-end 2020. The Enterprises have paid approximately $301 billion in cumulative cash dividends to the Treasury. Under the terms of the PSPAs, the payment of dividends does not offset or pay down the Enterprises' prior draws from the Treasury. The Enterprises continue to benefit from the support provided by Treasury through the PSPAs. Today, $254 billion of Treasury's funding commitment remains available to the Enterprises.

Treasury and FHFA have amended the PSPAs multiple times. Most recently, in January 2021, FHFA and Treasury executed letter agreements that, among other changes, allow the Enterprises to continue to retain capital up to their regulatory minimums, including buffers, as prescribed in the FHFA Enterprise capital rule finalized in December 2020, and imposed additional restrictions on the types and volume of Enterprise business activities.

In 2020, FHFA re-proposed and finalized the Enterprise Regulatory Capital Framework rule, which set out the conditions for a post-conservatorship Enterprise to meet the safety and soundness threshold of being able to fulfill its mission through a downturn on the scale of the 2008 financial crisis. The rule requires a minimum level of capital of approximately 4 percent of Adjusted Total Assets, as defined in the rule, equivalent to a leverage ratio of 25 to 1. As of December 31, 2020, the Enterprises' combined leverage ratio was approximately 160:1. FHFA determined that the capital level described in the rule will ensure that the Enterprises have the capital to absorb the lifetime unexpected losses on the mortgages they own and guarantee in the event of another severe house price shock.[63]

FHFA took several steps in 2020 to fulfill its statutory responsibilities as conservator to implement reforms that will strengthen the Enterprises' financial condition. Selected financial and operational results of the Enterprises are summarized below.

The Enterprises were chartered by Congress to provide stability in the secondary housing finance market, promote access to mortgage credit, and increase the liquidity of mortgage investments. In 2020, the Enterprises purchased single-family mortgages with a combined unpaid principal balance (UPB) of $2.449 trillion compared to $1.049 trillion UPB in 2019. The Enterprises purchased a combined volume of multifamily mortgages with a UPB of $159 billion in 2020, compared to $148 billion in 2019, while increasing their focus on affordable multifamily mortgages. As of December 31, 2020, the Enterprises owned or guaranteed approximately $6.4 trillion in single-family and multifamily mortgages, representing nearly half the market. As of December 31, 2020, Fannie Mae's net worth was $25.3 billion and Freddie Mac's net worth was $16.4 billion.

[63] In September 2020, the Financial Stability Oversight Council issued a statement noting that "The proposed rule requires a meaningful amount of capital for the Enterprises, and is a significant step towards ensuring that the Enterprises would be able to provide liquidity to the secondary mortgage market and satisfy their obligations during and after a period of severe stress. However, the Council's analysis using benchmark comparisons suggests that risk-based capital requirements and leverage ratio requirements that are materially less than those contemplated by the proposed rule would likely not adequately mitigate the potential stability risk posed by the Enterprises."

In 2020, the Enterprises generated combined net income of $19.3 billion, down from $21.4 billion in 2019. Each Enterprise continues to have a significant but declining exposure to credit losses from mortgages originated in the several years prior to conservatorship. Both Enterprises are subject to quarterly volatility in their financial results primarily as a result of accounting-driven gains and losses on the derivatives they use to manage their interest-rate risk. To minimize the impact of interest rate fluctuation and mitigate the accounting volatility in its financial results, Freddie Mac implemented fair value hedge accounting in 2017. Fannie Mae implemented fair value hedge accounting in the first quarter of 2021.

Prudent credit standards and robust risk management remain a priority for both Enterprises. In 2020, FHFA continued to direct the Enterprises to review their risk profiles across all business activities and to reduce risk and complexity to levels aligned with their limited capital and status in conservatorship. FHFA also continued to direct the Enterprises to provide equitable market access to small lenders by prohibiting volume-based discounts. FHFA's policy implements the principle of the same rate of return for the same risk, regardless of size.

Since 2014, FHFA has also set caps on the volume of multifamily business an Enterprise can purchase to ensure that the Enterprises provide appropriate support to the multifamily sector, especially mission-driven affordable housing, without displacing private capital. Calendar year 2020 was the first full year that the Enterprises conducted their multifamily business under an updated system of multifamily caps. The Enterprises stayed below their volume cap of $100 billion for the five-quarter period ended December 31, 2020. At least 37.5 percent of those multifamily purchases were mission-driven affordable housing, in keeping with the minimum threshold FHFA established. In November 2020, FHFA announced new multifamily caps for the four quarters of calendar year 2021. The 2021 caps are $70 billion for each Enterprise, of which at least 50 percent must be mission-driven affordable housing. Additionally, at least 20 percent of the multifamily business must be affordable to residents at or below 60 percent of Area Median Income. FHFA also simplified the applicable definitions of mission-driven affordable housing.

The 2008 financial crisis demonstrated substantial weaknesses in the liquidity positions of the Enterprises. In 2020, FHFA directed the Enterprises to adopt more robust liquidity standards. In December, FHFA issued a notice of proposed rulemaking on liquidity requirements to secure these standards going forward. The proposed rule establishes quantitative liquidity requirements that address the short-, intermediate-, and long-term liquidity needs of the Enterprises in order to secure their ability to fulfill their mission in times of economic stress.

In December 2020, FHFA released a notice of proposed rulemaking on Enterprise resolution planning requirements. Developing a credible resolution framework for the Enterprises is the next component of FHFA's commitment to protecting the critical mission of the Enterprises. Credible resolution plans, also called living wills, establish ex-ante the mechanism for an orderly resolution of a large financial institution during a period of sustained financial stress without jeopardizing market functioning. FHFA's resolution rule requires each Enterprise to develop plans to facilitate its rapid and orderly resolution without disrupting housing finance markets. FHFA finalized this resolution planning rule in 2021.

The Enterprises are subject to annual affordable housing goals covering their purchases of single-family mortgages and multifamily mortgages. In 2020, FHFA determined that Fannie Mae and Freddie Mac met each single-family goal requirement for 2019. The Enterprises also met each of their multifamily goal requirements for 2019. In December 2020, FHFA issued a final rule on the 2021 housing goals for Fannie Mae and Freddie Mac. Due to the economic uncertainty related to the COVID-19 pandemic, FHFA established benchmark levels for 2021 only and maintained the same levels from the previous three-year rulemaking cycle, 2018-2020.

In support of the Enterprises' statutory duty to serve three underserved markets – manufactured housing, affordable housing preservation, and rural housing – the Enterprises entered into Duty to Serve plans (the Plans) for 2018-2020. In July 2020, FHFA instructed the Enterprises to extend their 2018-2020 Plans to include activities and objectives for 2021 due to the ongoing uncertainty around the impacts of COVID-19 on the economy. In March 2021, the Enterprises submitted annual reports on their efforts in 2020 to achieve their Plans' objectives in all three underserved markets, which will inform FHFA's evaluation of each Enterprise's performance. In 2020, both Enterprises exceeded their Plans' loan purchase targets in the manufactured housing market. Fannie Mae and Freddie Mac have maintained pricing incentive programs for manufactured housing communities that provide tenant pad lease protections identified in FHFA's Duty to Serve regulation. Both Enterprises expanded outreach for their pilot programs tailored to the financing needs of resident-owned manufactured housing communities.

The Enterprises also made statutorily required contributions to the National Housing Trust Fund and the Capital Magnet Fund in 2020 to support affordable housing initiatives, totaling a record $1.09 billion.

FHLBanks

As of December 31, 2020, all 11 FHLBanks exceeded the minimum 4.0 percent regulatory capital ratio. The regulatory capital-to-assets ratio for the FHLBank System was 6.1 percent at the end of 2020, up from 5.1 percent a year before as leverage declined significantly. All FHLBanks were profitable in 2020. The FHLBanks' primary business of extending advances to members continued to operate effectively without credit losses.

Advances grew by $165.4 billion in the first quarter of 2020 to $806.9 billion because of market pressures caused by the coronavirus, but then declined significantly to $422.6 billion by year-end 2020. When compared to year-end 2019, advances were $218.9 billion lower, extending a downward trend that began in 2018. The ten largest borrowers accounted for 25.7 percent of aggregate advances outstanding at year-end 2020, down from 29.7 percent the previous year. MetLife, Inc., an insurance company, replaced Wells Fargo as the largest company borrower during the year. Generally, FHLBanks with high levels of advances outstanding have one or more large borrowers in their districts.

Overall, the FHLBanks continued to meet their primary mission of providing liquidity to their members through the purchase of whole mortgage loans, off-balance sheet programs, and support of the Affordable Housing Program. System balances of whole mortgage loans totaled $62.9 billion at year-end 2020, down from $72.6 billion at year-end 2019. This is the first year-over-year decline in mortgage loans since 2014.

Off-balance sheet programs include letters of credit and mortgage delivery programs. Letters of credit had a total notional value of $164.4 billion at year-end 2020 and allow members diverse collateral options when securing public unit deposits. Mortgage delivery programs to third-party investors had a combined volume of $14.3 billion in 2020 compared with $3.3 billion in 2019. These programs provide members with alternative conduits to move mortgages off their balance sheets, to allow additional mortgage originations. The FHLBanks utilized these programs in greater volume in 2020 following the significant contractions in balance sheet size and mortgage concentration constraints.

In 2020, the FHLBanks contributed $315 million toward the Affordable Housing Program, which provides funds to support local affordable housing initiatives.

Conclusion

During 2020, FHFA engaged in significant efforts to oversee and support the safety and soundness of the Enterprises and FHLBanks, including by providing certain temporary flexibilities that supported borrowers and renters through the COVID-19 national emergency. These efforts were aligned with FHFA's statutory responsibilities and authorities to put the Enterprises into a sound and solvent financial condition, oversee the prudential operations of the FHLBanks, and to ensure that its regulated entities foster liquid, efficient, competitive, and resilient national housing finance markets that support sustainable homeownership and affordable rental housing.

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TABLE 1 • FANNIE MAE MORTGAGE PURCHASES

Period	Business Activity ($ in Millions)			
	Purchases			
	Single-Family[a] ($)	Multifamily[a] ($)	Total Mortgages[a] ($)	Mortgage-Related Securities[b] ($)
4Q20	425,959	26,796	452,755	5,772
3Q20	391,680	15,188	406,868	6,635
2Q20	351,528	19,510	371,038	5,398
1Q20	190,806	14,158	204,964	10,432
Annual Data				
2020	1,359,973	75,652	1,435,625	28,237
2019	597,987	69,798	667,785	60,883
2018	452,026	65,079	517,105	80,982
2017	504,119	65,438	569,557	85,535
2016	583,744	55,024	638,768	72,175
2015	475,031	42,032	517,063	49,554
2014	382,747	28,620	411,367	24,885
2013	733,242	28,558	761,800	36,848
2012	835,994	33,394	869,388	26,874
2011	558,249	24,226	582,475	20,760
2010	607,827	17,302	625,129	44,495
2009	700,253	19,912	720,165	161,562
2008	582,947	34,288	617,235	77,523
2007	659,366	45,302	704,668	69,236
2006	524,379	20,646	545,025	102,666
2005	537,004	21,485	558,489	62,232
2004	588,119	16,386	604,505	176,385
2003	1,322,193	31,196	1,353,389	408,606
2002	804,192	16,772	820,964	268,574
2001	567,673	19,131	586,804	209,124
2000	227,069	10,377	237,446	129,716
1999	316,136	10,012	326,148	169,905
1998	354,920	11,428	366,348	147,260
1997	159,921	6,534	166,455	50,317
1996	164,456	6,451	170,907	46,743
1995	126,003	4,966	130,969	36,258
1994	158,229	3,839	162,068	25,905
1993	289,826	4,135	293,961	6,606
1992	248,603	2,956	251,559	5,428
1991	133,551	3,204	136,755	3,080
1990	111,007	3,180	114,187	1,451
1989	80,510	4,325	84,835	Not Applicable Before 1990
1988	64,613	4,170	68,783	
1987	73,942	1,733	75,675	
1986	77,223	1,877	79,100	
1985	42,543	1,200	43,743	
1984	27,713	1,106	28,819	
1983	26,339	140	26,479	
1982	25,929	10	25,939	
1981	6,827	2	6,829	
1980	8,074	27	8,101	
1979	10,798	9	10,807	
1978	12,302	3	12,305	
1977	4,650	134	4,784	
1976	3,337	295	3,632	
1975	3,646	674	4,320	
1974	4,746	2,273	7,019	
1973	4,170	2,082	6,252	
1972	2,596	1,268	3,864	
1971	2,742	1,298	4,040	

Source: Fannie Mae

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

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

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

Period	Purchases ($ in Millions)[a]											
	Single-Family Mortgages								Multifamily Mortgages			
	Conventional				FHA/VA/RD[c]							
	Fixed-Rate[b] ($)	Adjustable-Rate ($)	Seconds ($)	Total ($)	Fixed-Rate[c] ($)	Adjustable-Rate ($)	Total ($)	Total Single-Family Mortgages ($)	Conventional ($)	FHA/RD[c] ($)	Total Multifamily Mortgages ($)	Total Mortgage Purchases ($)
4Q20	425,189	601	0	425,790	48	121	169	425,959	26,796	0	26,796	452,755
3Q20	390,602	893	0	391,495	54	131	185	391,680	15,188	0	15,188	406,868
2Q20	349,678	1,655	0	351,333	41	154	195	351,528	19,510	0	19,510	371,038
1Q20	189,430	1,147	0	190,577	20	209	229	190,806	14,158	0	14,158	204,964
Annual Data												
2020	1,354,899	4,296	0	1,359,195	163	615	778	1,359,973	75,652	0	75,652	1,435,625
2019	592,235	4,523	0	596,758	90	1,139	1,229	597,987	69,798	0	69,798	667,785
2018	442,778	7,736	0	450,514	114	1,398	1,512	452,026	65,079	0	65,079	517,105
2017	489,487	13,160	1	502,648	111	1,360	1,471	504,119	65,438	0	65,438	569,557
2016	573,415	8,834	3	582,252	98	1,394	1,492	583,744	55,024	0	55,024	638,768
2015	459,201	14,245	4	473,450	73	1,508	1,581	475,031	42,032	0	42,032	517,063
2014	363,716	17,324	8	381,048	11	1,688	1,699	382,747	28,620	0	28,620	411,367
2013	713,326	17,785	13	731,124	210	1,908	2,118	733,242	28,558	0	28,558	761,800
2012	806,065	27,142	19	833,226	613	2,155	2,768	835,994	33,394	0	33,394	869,388
2011	517,469	36,837	27	554,333	524	3,392	3,916	558,249	24,226	0	24,226	582,475
2010	565,531	38,023	68	603,622	516	3,689	4,205	607,827	17,299	3	17,302	625,129
2009	663,763	23,108	0	686,871	1,136	12,246	13,382	700,253	19,517	395	19,912	720,165
2008	517,673	46,910	6	564,589	1,174	17,184	18,358	582,947	34,288	0	34,288	617,235
2007	583,253	64,133	34	647,420	1,237	10,709	11,946	659,366	45,302	0	45,302	704,668
2006	429,930	85,313	130	515,373	1,576	7,430	9,006	524,379	20,644	2	20,646	545,025
2005	416,720	111,935	116	528,771	2,285	5,948	8,233	537,004	21,343	142	21,485	558,489
2004	527,456	46,772	51	574,279	9,967	3,873	13,840	588,119	13,684	2,702	16,386	604,505
2003	1,236,045	64,980	93	1,301,118	18,032	3,043	21,075	1,322,193	28,071	3,125	31,196	1,353,389
2002	738,177	48,617	40	786,834	15,810	1,548	17,358	804,192	15,089	1,683	16,772	820,964
2001	534,115	25,648	1,137	560,900	5,671	1,102	6,773	567,673	17,849	1,282	19,131	586,804
2000	187,236	33,809	726	221,771	4,378	920	5,298	227,069	9,127	1,250	10,377	237,446
1999	293,188	12,138	1,198	306,524	8,529	1,084	9,613	316,137	8,858	1,153	10,011	326,148
1998	334,367	14,273	1	348,641	5,768	511	6,279	354,920	10,844	584	11,428	366,348
1997	136,329	21,095	3	157,427	2,062	432	2,494	159,921	5,936	598	6,534	166,455
1996	146,154	15,550	3	161,707	2,415	334	2,749	164,456	6,199	252	6,451	170,907
1995	104,901	17,978	9	122,888	3,009	106	3,115	126,003	4,677	289	4,966	130,969
1994	139,815	16,340	8	156,163	1,953	113	2,066	158,229	3,620	219	3,839	162,068
1993	274,402	14,420	29	288,851	855	120	975	289,826	3,919	216	4,135	293,961
1992	226,332	21,001	136	247,469	1,055	79	1,134	248,603	2,845	111	2,956	251,559
1991	114,321	17,187	705	132,213	1,300	38	1,338	133,551	3,183	21	3,204	136,755
1990	95,011	14,528	654	110,193	799	15	814	111,007	3,165	15	3,180	114,187
1989	60,794	17,692	521	79,007	1,489	14	1,503	80,510	4,309	16	4,325	84,835
1988	35,767	27,492	433	63,692	823	98	921	64,613	4,149	21	4,170	68,783
1987	60,434	10,675	139	71,248	2,649	45	2,694	73,942	1,463	270	1,733	75,675
1986	58,251	7,305	498	66,054	11,155	14	11,169	77,223	1,877	0	1,877	79,100
1985	29,993	10,736	871	41,600	927	16	943	42,543	1,200	0	1,200	43,743
1984	17,998	8,049	937	26,984	729	0	729	27,713	1,106	0	1,106	28,819
1983	18,136	4,853	1,408	24,397	1,942	0	1,942	26,339	128	12	140	26,479
1982	19,311	3,210	1,552	24,073	1,856	0	1,856	25,929	0	10	10	25,939
1981	4,260	107	176	4,543	2,284	0	2,284	6,827	0	2	2	6,829
1980	2,802	0	0	2,802	5,272	0	5,272	8,074	0	27	27	8,101
1979	5,410	0	0	5,410	5,388	0	5,388	10,798	0	9	9	10,807
1978	5,682	0	0	5,682	6,620	0	6,620	12,302	0	3	3	12,305
1977	2,366	0	0	2,366	2,284	0	2,284	4,650	0	134	134	4,784
1976	2,513	0	0	2,513	824	0	824	3,337	0	295	295	3,632
1975	547	0	0	547	3,099	0	3,099	3,646	0	674	674	4,320
1974	1,128	0	0	1,128	3,618	0	3,618	4,746	0	2,273	2,273	7,019
1973	939	0	0	939	3,231	0	3,231	4,170	0	2,082	2,082	6,252
1972	55	0	0	55	2,541	0	2,541	2,596	0	1,268	1,268	3,864
1971	0	0	0	0	2,742	0	2,742	2,742	0	1,298	1,298	4,040

Source: Fannie Mae

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

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

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

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

Period	Purchases ($ in Millions)[a]														
	Fannie Mae Securities				Other Securities										
					Freddie Mac				Ginnie Mae						
	Single-Family				Single-Family				Single-Family						
	Fixed-Rate ($)	Adjustable-Rate ($)	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 ($)	Mortgage Revenue Bonds ($)	Total Mortgage-Related Securities ($)
4Q20	691	0	4,614	5,305	36	0	0	36	312	119	0	431	0	0	5,772
3Q20	797	21	2,465	3,283	72	0	0	72	2,725	555	0	3,280	0	0	6,635
2Q20	1,798	20	2,075	3,893	17	0	0	17	1,416	72	0	1,488	0	0	5,398
1Q20	4,532	45	3,375	7,952	34	0	0	34	2,446	0	0	2,446	0	0	10,432
Annual Data															
2020	7,818	86	12,529	20,433	159	0	0	159	6,899	746	0	7,645	0	0	28,237
2019	34,332	299	12,795	47,426	136	10	-	146	12,164	1,147	-	13,311	-	-	60,883
2018	48,622	781	12,980	62,383	105	12	-	117	16,546	1,936	-	18,482	-	-	80,982
2017	52,765	1,382	16,337	70,484	1,341	-	-	1,341	13,150	560	-	13,710	-	-	85,535
2016	38,597	1,062	16,119	55,778	3,416	20	-	3,436	12,593	368	-	12,961	-	-	72,175
2015	26,384	1,214	10,710	38,308	3,417	21	0	3,438	7,519	289	0	7,808	0	0	49,554
2014	9,097	1,538	9,939	20,574	1,433	124	0	1,557	2,557	197	0	2,754	0	0	24,885
2013	21,506	1,017	7,422	29,945	3,832	217	0	4,049	2,792	62	0	2,854	0	0	36,848
2012	14,327	842	8,786	23,955	1,102	16	0	1,118	1,745	56	0	1,801	0	0	26,874
2011	6,052	1,025	11,020	18,097	1,908	207	0	2,115	447	93	8	548	0	0	20,760
2010	27,694	301	8,000	35,995	7,095	117	0	7,212	1,263	1	24	1,288	0	0	44,495
2009	92,189	326	5,531	98,046	61,861	158	0	62,019	1,495	0	0	1,495	0	2	161,562
2008	56,894	10,082	1,023	67,999	3,649	3,168	0	6,817	0	128	0	128	2,295	284	77,523
2007	16,126	8,277	506	24,909	2,017	4,055	0	6,072	0	35	0	35	37,435	785	69,236
2006	23,177	14,826	429	38,432	1,044	5,108	0	6,152	77	0	0	77	57,787	218	102,666
2005	8,273	6,344	888	15,505	121	3,449	0	3,570	0	0	0	0	41,369	1,788	62,232
2004	42,214	21,281	1,159	64,654	6,546	8,228	0	14,774	0	0	0	0	90,833	6,124	176,385
2003	341,461	5,842	1,225	348,528	19,340	502	0	19,842	36	0	0	36	34,032	6,168	408,606
2002	238,711	4,219	1,572	244,502	7,856	101	0	7,957	4,425	0	0	4,425	7,416	4,273	268,574
2001	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	180,582	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	20,072	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	333	3,513	4,624	209,124
2000				104,904				10,171				2,493	8,466	3,682	129,716
1999				125,498				6,861				17,561	16,511	3,474	169,905
1998				104,728				21,274				2,738	15,721	2,799	147,260
1997				39,033				2,119				3,508	4,188	1,469	50,317
1996				41,263				779				2,197	777	1,727	46,743
1995				30,432				2,832				20	752	2,222	36,258
1994				21,660				571				2,321	0	1,353	25,905
1993				6,275				0				0	0	331	6,606
1992				4,930				0				0	0	498	5,428
1991				2,384				0				0	0	696	3,080
1990				977				0				0	0	474	1,451

Source: Fannie Mae

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

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 ($)
4Q20	0	0	0	0	0	0	0	0	0
3Q20	0	0	0	0	0	0	0	0	0
2Q20	0	0	0	0	0	0	0	0	0
1Q20	0	0	0	0	0	0	0	0	0
Annual Data									
2020	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0
2009	0	0	0	0	0	0	0	0	0
2008	0	0	637	175	0	0	987	496	2,295
2007	0	343	15,628	38	5,250	0	178	15,998	37,435
2006	0	0	35,606	1,504	10,469	0	518	9,690	57,787
2005	0	0	24,469	3,574	12,535	118	571	102	41,369
2004	0	176	66,827	7,064	14,935	221	1,509	101	90,833
2003	0	0	25,769	7,734	370	98	0	61	34,032
2002	56	181	4,963	1,756	0	43	381	36	7,416
2001	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	3,513
2000									8,466
1999									16,511
1998									15,721
1997									4,188
1996									777
1995									752

Source: Fannie Mae

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

TABLE 2 • FANNIE MAE MBS ISSUANCES

Period	Business Activity ($ in Millions)			
	MBS Issuances[a]			
	Single-Family MBS ($)	Multifamily MBS ($)	Total MBS ($)	Multiclass MBS[b,c] ($)
4Q20	424,112	26,807	450,919	31,139
3Q20	383,768	15,246	399,014	21,791
2Q20	342,825	19,510	362,335	30,579
1Q20	185,672	14,152	199,824	22,147
Annual Data				
2020	1,336,377	75,715	1,412,092	105,656
2019	591,088	69,862	660,950	68,026
2018	470,478	64,327	534,805	57,940
2017	514,000	66,363	580,363	68,883
2016	582,817	55,020	637,837	73,269
2015	472,471	43,923	516,394	63,433
2014	375,676	31,997	407,673	59,608
2013	733,111	31,403	764,514	121,237
2012	827,749	37,738	865,487	151,239
2011	564,606	34,066	598,672	139,819
2010	603,247	26,499	629,746	179,767
2009	791,418	16,435	807,853	100,846
2008	536,951	5,862	542,813	67,559
2007	622,458	7,149	629,607	112,563
2006	476,161	5,543	481,704	124,856
2005	500,759	9,379	510,138	123,813
2004	545,635	6,847	552,482	94,686
2003	1,196,730	23,336	1,220,066	260,919
2002	731,133	12,497	743,630	170,795
2001	514,621	13,801	528,422	139,403
2000	204,066	7,596	211,662	39,544
1999	292,192	8,497	300,689	55,160
1998	315,120	11,028	326,148	84,147
1997	143,615	5,814	149,429	85,415
1996	144,201	5,668	149,869	30,780
1995	106,269	4,187	110,456	9,681
1994	128,385	2,237	130,622	73,365
1993	220,485	959	221,444	210,630
1992	193,187	850	194,037	170,205
1991	111,488	1,415	112,903	112,808
1990	96,006	689	96,695	68,291
1989	66,489	3,275	69,764	41,715
1988	51,120	3,758	54,878	17,005
1987	62,067	1,162	63,229	9,917
1986	60,017	549	60,566	2,400
1985	23,142	507	23,649	Not Issued Before 1986
1984	13,087	459	13,546	
1983	13,214	126	13,340	
1982	13,970	Not Issued Before 1983	13,970	
1981	717		717	

Source: Fannie Mae

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

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

[c] Beginning with the introduction of single security in June 2019, includes the portion of Freddie Mac-issued securities that back Fannie Mae-issued multiclass MBS.

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] (%)
4Q20	7,086	17	803	(1,400)	4,570	N/A
3Q20	6,656	15	762	(430)	4,229	N/A
2Q20	5,777	14	754	22	2,545	N/A
1Q20	5,347	16	749	2,663	461	N/A
Annual Data						
2020	24,866	62	3,068	855	11,805	N/A
2019	20,962	69	3,023	3,496	14,160	N/A
2018	20,951	171	3,059	2,692	15,959	N/M
2017	20,733	96	2,737	-1,520	2,463	N/A
2016	21,295	109	2,741	-1,511	12,313	N/A
2015	21,409	128	3,050	834	10,954	N/A
2014	19,968	175	2,777	-3,822	14,208	N/A
2013	22,404	205	2,545	-11,788	83,963	N/A
2012	21,501	212	2,367	-1,106	17,224	N/A
2011	19,281	227	2,370	27,498	-16,855	N/M
2010	16,409	202	2,597	26,614	-14,014	N/M
2009	14,510	7,211	2,207	73,536	-71,969	N/M
2008	8,782	7,621	1,979	29,809	-58,707	N/M
2007	4,581	5,071	2,669	5,012	-2,050	(8.3)
2006	6,752	4,250	3,076	783	4,059	11.3
2005	11,505	4,006	2,115	428	6,347	19.5
2004	18,081	3,784	1,656	363	4,967	16.6
2003	19,477	3,432	1,454	353	8,081	27.6
2002	18,426	2,516	1,156	273	3,914	15.2
2001	8,090	1,482	1,017	78	5,894	39.8
2000	5,674	1,351	905	94	4,448	25.6
1999	4,894	1,282	800	127	3,912	25.2
1998	4,110	1,229	708	261	3,418	25.2
1997	3,949	1,274	636	375	3,056	24.6
1996	3,592	1,196	560	409	2,725	24.1
1995	3,047	1,086	546	335	2,144	20.9
1994	2,823	1,083	525	378	2,132	24.3
1993	2,533	961	443	305	1,873	25.3
1992	2,058	834	381	320	1,623	26.5
1991	1,778	675	319	370	1,363	27.7
1990	1,593	536	286	310	1,173	33.7
1989	1,191	408	254	310	807	31.1
1988	837	328	218	365	507	25.2
1987	890	263	197	360	376	23.5
1986	384	175	175	306	105	9.5
1985	139	112	142	206	(7)	(0.7)
1984	(90)	78	112	86	(71)	(7.4)
1983	(9)	54	81	48	49	5.1
1982	(464)	16	60	36	(192)	(18.9)
1981	(429)	0	49	(28)	(206)	(17.2)
1980	21	Not Available Before 1981	44	19	14	0.9
1979	322		46	35	162	11.3
1978	294		39	36	209	16.5
1977	251		32	28	165	15.3
1976	203		30	25	127	13.8
1975	174		27	16	115	14.1
1974	142		23	17	107	14.7
1973	180		18	12	126	20.3
1972	138		13	5	96	18.8
1971	49		15	4	61	14.4

Source: Fannie Mae

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

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

[b] Interest income net of interest expense.

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

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

TABLE 4 • FANNIE MAE BALANCE SHEET

End of Period	Balance Sheet ($ in Millions)							
	Total Assets[a,b] ($)	Total Mortgage Assets[a,c] ($)	Nonmortgage Investments[d] ($)	Total Debt Outstanding[a] ($)	Shareholders' Equity (Deficit)[a] ($)	Senior Preferred Stock ($)	Fair Value of Net Assets[a] ($)	Mortgage Assets Held for Investment (Gross)[e] ($)	Indebtedness[f] ($)
4Q20	3,985,749	3,672,154	158,729	3,935,736	25,259	120,836	(9,423)	162,650	290,019
3Q20	3,864,603	3,567,367	148,746	3,819,804	20,693	120,836	(8,769)	172,108	289,898
2Q20	3,760,676	3,485,055	121,560	3,719,975	16,477	120,836	(4,473)	166,988	276,062
1Q20	3,601,356	3,386,449	52,575	3,562,556	13,945	120,836	25,899	151,427	229,081
Annual Data									
2020	3,985,749	3,672,154	158,729	3,935,736	25,259	120,836	(9,423)	162,650	290,019
2019	3,503,319	3,354,125	53,158	3,467,386	14,608	120,836	16,762	153,611	182,247
2018	3,418,318	3,273,303	68,529	3,391,920	6,240	120,836	22,640	179,153	232,471
2017	3,345,529	3,207,909	48,692	3,330,054	(3,686)	117,149	16,389	230,783	277,469
2016	3,287,968	3,119,826	62,732	3,262,316	6,071	117,149	103	272,354	328,824
2015	3,221,917	3,078,248	56,835	3,197,671	4,059	117,149	(4,177)	345,103	389,496
2014	3,248,176	3,097,727	50,416	3,222,155	3,720	117,149	-16,754	413,313	464,464
2013	3,270,108	3,122,719	55,281	3,234,523	9,591	117,149	-33,318	490,701	534,211
2012	3,222,422	3,094,127	50,450	3,189,517	7,224	117,149	-66,451	633,054	621,779
2011	3,211,484	3,072,709	95,848	3,189,872	-4,571	112,578	-127,795	708,414	742,293
2010	3,221,972	3,103,772	44,503	3,197,000	-2,517	88,600	-120,212	788,771	793,878
2009	869,141	745,271	57,782	774,554	-15,281	60,900	-98,701	769,252	785,775
2008	912,404	767,989	71,550	870,393	-15,314	1,000	-105,150	Not Applicable Before 2009	Not Applicable Before 2009
2007	882,547	723,620	86,875	796,299	44,011	Not Applicable Before 2008	35,799		
2006	843,936	726,434	56,983	767,046	41,506		43,699		
2005	834,168	736,803	46,016	764,010	39,302		42,199		
2004	1,020,934	925,194	47,839	953,111	38,902		40,094		
2003	1,022,275	919,589	59,518	961,280	32,268		28,393		
2002	904,739	820,627	39,376	841,293	31,899		22,130		
2001	799,948	706,347	65,982	763,467	18,118		22,675		
2000	675,224	607,731	52,347	642,682	20,838		20,677		
1999	575,308	523,103	37,299	547,619	17,629		20,525		
1998	485,146	415,434	58,515	460,291	15,453		14,885		
1997	391,673	316,592	64,596	369,774	13,793		15,982		
1996	351,041	286,528	56,606	331,270	12,773		14,556		
1995	316,550	252,868	57,273	299,174	10,959		11,037		
1994	272,508	220,815	46,335	257,230	9,541		10,924		
1993	216,979	190,169	21,396	201,112	8,052		9,126		
1992	180,978	156,260	19,574	166,300	6,774		9,096		
1991	147,072	126,679	9,836	133,937	5,547		Not Available Before 1992		
1990	133,113	114,066	9,868	123,403	3,941				
1989	124,315	107,981	8,338	116,064	2,991				
1988	112,258	100,099	5,289	105,459	2,260				
1987	103,459	93,665	3,468	97,057	1,811				
1986	99,621	94,123	1,775	93,563	1,182				
1985	99,076	94,609	1,466	93,985	1,009				
1984	87,798	84,135	1,840	83,719	918				
1983	78,383	75,247	1,689	74,594	1,000				
1982	72,981	69,356	2,430	69,614	953				
1981	61,578	59,629	1,047	58,551	1,080				
1980	57,879	55,589	1,556	54,880	1,457				
1979	51,300	49,777	843	48,424	1,501				
1978	43,506	42,103	834	40,985	1,362				
1977	33,980	33,252	318	31,890	1,173				
1976	32,393	31,775	245	30,565	983				
1975	31,596	30,820	239	29,963	861				
1974	29,671	28,666	466	28,168	772				
1973	24,318	23,589	227	23,003	680				
1972	20,346	19,652	268	19,239	559				
1971	18,591	17,886	349	17,672	460				

Source: Fannie Mae

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

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

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

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

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

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

TABLE 4A • FANNIE MAE TOTAL MBS OUTSTANDING DETAIL

End of Period	Single-Family Mortgages ($ in Millions)[a,b]							Multifamily Mortgages[a] ($ in Millions)			($ in Millions)	
	Conventional				FHA/VA[c]							
	Fixed-Rate ($)	Adjustable-Rate ($)	Seconds ($)	Total ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Total ($)	Conventional ($)	FHA/RD[b] ($)	Total Multi-family ($)	Total MBS Outstanding[a] ($)	Multiclass MBS Outstanding[d] ($)
4Q20	3,131,865	38,388	64	3,170,317	2,563	873	3,436	369,598	711	370,309	3,544,062	397,124
3Q20	3,035,382	43,003	70	3,078,455	2,651	1,091	3,742	351,983	844	352,827	3,435,024	399,351
2Q20	2,958,459	47,827	75	3,006,361	2,720	1,291	4,011	341,988	848	342,836	3,353,208	408,885
1Q20	2,869,268	50,922	81	2,920,271	2,809	1,431	4,240	329,274	912	330,186	3,254,697	403,765
Annual Data												
2020	3,131,865	38,388	64	3,170,317	2,563	873	3,436	369,598	711	370,309	3,544,062	397,124
2019	2,825,663	53,902	86	2,879,651	2,896	1,629	4,525	322,147	953	323,100	3,207,276	400,188
2018	2,722,503	68,267	111	2,790,881	3,355	1,966	5,321	285,996	1,028	287,024	3,083,226	401,777
2017	2,628,581	81,011	147	2,709,739	3,801	2,266	6,067	254,569	1,061	255,630	2,971,436	412,927
2016	2,546,156	87,681	200	2,634,037	4,372	2,795	7,167	214,199	1,145	215,344	2,856,548	421,442
2015	2,445,482	106,130	258	2,551,870	4,787	3,842	8,629	176,071	1,204	177,275	2,737,774	436,544
2014	2,418,717	114,519	329	2,533,565	9,964	83	10,047	147,117	1,237	148,354	2,691,966	460,997
2013	2,386,128	119,084	402	2,505,614	11,383	97	11,480	125,045	1,276	126,321	2,643,415	480,200
2012	2,267,031	137,836	515	2,405,382	14,188	114	14,302	99,899	1,463	101,362	2,521,046	503,349
2011	2,192,594	149,825	643	2,343,062	16,243	130	16,373	72,634	1,639	74,273	2,433,708	516,471
2010	2,172,092	150,378	805	2,323,275	17,167	144	17,311	57,206	1,785	58,991	2,399,577	507,268
2009	2,190,357	179,655	25	2,370,037	15,026	171	15,197	46,628	927	47,555	2,432,789	480,057
2008	2,035,020	203,206	31	2,238,257	12,903	214	13,117	37,298	787	38,085	2,289,459	481,137
2007	1,850,150	214,245	0	2,064,395	14,982	275	15,257	38,218	1,039	39,257	2,118,909	490,692
2006	1,484,147	230,667	0	1,714,814	18,615	454	19,069	42,184	1,483	43,667	1,777,550	456,970
2005	1,290,354	232,689	0	1,523,043	23,065	668	23,733	50,346	1,796	52,142	1,598,918	412,060
2004	1,243,343	75,722	0	1,319,065	31,389	949	32,336	47,386	9,260	56,646	1,408,047	368,567
2003	1,112,849	87,373	0	1,200,222	36,139	1,268	37,407	53,720	9,171	62,891	1,300,520	398,516
2002	875,260	75,430	0	950,690	36,057	1,247	37,304	47,025	5,420	52,445	1,040,439	401,406
2001	752,211	60,842	772	813,825	4,519	1,207	5,726	42,713	1,181	43,894	863,445	392,457
2000	599,999	61,495	1,165	662,659	6,778	1,298	8,076	35,207	780	35,987	706,722	334,508
1999	586,069	51,474	1,212	638,755	7,159	1,010	8,169	31,518	703	32,221	679,145	335,514
1998	545,680	56,903	98	602,681	5,340	587	5,927	28,378	157	28,535	637,143	361,613
1997	483,982	70,106	7	554,095	3,872	213	4,085	20,824	134	20,958	579,138	388,360
1996	460,866	65,682	9	526,557	4,402	191	4,593	16,912	111	17,023	548,173	339,798
1995	431,755	63,436	13	495,204	5,043	91	5,134	12,579	313	12,892	513,230	353,528
1994	415,692	55,780	18	471,490	5,628	0	5,628	8,908	319	9,227	486,345	378,733
1993	405,383	49,987	28	455,398	7,549	0	7,549	8,034	325	8,359	471,306	381,865
1992	360,619	45,718	43	406,380	9,438	0	9,438	8,295	331	8,626	424,444	312,369
1991	290,038	45,110	89	335,237	11,112	0	11,112	8,599	336	8,935	355,284	224,806
1990	225,981	42,443	121	268,545	11,380	0	11,380	7,807	343	8,150	288,075	127,278
1989	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	216,512	64,826
1988											170,097	26,660
1987											135,734	11,359
1986											95,568	Not Issued Before 1987
1985											54,552	
1984											35,738	
1983											25,121	
1982											14,450	
1981											717	
1980											Not Issued before 1981	

Source: Fannie Mae

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

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

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

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

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

End of Period	($ in Millions)			
	Whole Loans[b,c] ($)	Fannie Mae Securities[b,d] ($)	Other Mortgage-Related Securities[b,d,e] ($)	Mortgage Assets Held for Investment (Gross)[f] ($)
4Q20	119,479	39,085	4,086	162,650
3Q20	121,341	46,538	4,229	172,108
2Q20	117,994	44,627	4,367	166,988
1Q20	110,092	35,905	5,430	151,427
Annual Data				
2020	119,479	39,085	4,086	162,650
2019	105,558	41,994	6,059	153,611
2018	126,675	45,405	7,073	179,153
2017	177,365	48,792	4,626	230,783
2016	220,069	42,054	10,231	272,354
2015	253,592	68,697	22,814	345,103
2014	285,610	92,819	34,884	413,313
2013	314,664	129,841	46,196	490,701
2012	371,708	183,964	77,382	633,054
2011	398,271	220,061	90,082	708,414
2010	427,074	260,429	101,268	788,771
2009	416,543	220,245	132,464	769,252
2008	429,493	228,950	133,753	792,196
2007	403,577	180,163	144,163	727,903
2006	383,045	199,644	146,243	728,932
2005	366,680	234,451	136,758	737,889
2004	400,157	344,404	172,648	917,209
2003	397,633	405,922	105,313	908,868
2002	323,244	380,383	96,152	799,779
2001	167,405	431,776	109,270	708,452
2000	152,634	351,066	106,551	610,251
1999	149,231	281,714	93,122	524,067
1998	155,779	197,375	61,361	414,515
1997	160,102	130,444	26,132	316,678
1996	167,891	102,607	16,554	287,052
1995	171,481	69,729	12,301	253,511
1994	170,909	43,998	7,150	222,057
1993	163,149	24,219	3,493	190,861
1992	134,597	20,535	2,987	158,119
1991	109,251	16,700	3,032	128,983
1990	101,797	11,758	3,073	116,628
1989	95,729	11,720	3,272	110,721
1988	92,220	8,153	2,640	103,013
1987	89,618	4,226	2,902	96,746
1986	94,167	1,606	2,060	97,833
1985	97,421	435	793	98,649
1984	87,205	477	427	88,109
1983	77,983	Not Available Before 1984	273	78,256
1982	71,777		37	71,814
1981	61,411		1	61,412
1980	57,326		1	57,327
1979	51,096		1	51,097
1978	43,315		Not Available Before 1979	43,315
1977	34,377			34,377
1976	32,937			32,937
1975	31,916			31,916
1974	29,708			29,708
1973	24,459			24,459
1972	20,326			20,326
1971	18,515			18,515

Source: Fannie Mae

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

b Unpaid principal balance.

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

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

e Includes mortgage revenue bonds.

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

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

End of Period	Whole Loans ($ in Millions)[a]								
	Single-Family					Multifamily			
	Conventional								
	Fixed-Rate[b] ($)	Adjustable-Rate ($)	Seconds ($)	Total ($)	Total FHA/VA/RD[c] ($)	Conventional ($)	Total FHA/RD[c] ($)	Total ($)	Total Whole Loans ($)
4Q20	92,257	12,865	55	105,177	12,745	1,472	85	1,557	119,479
3Q20	90,796	14,158	59	105,013	14,870	1,367	91	1,458	121,341
2Q20	83,674	16,513	64	100,251	16,120	1,513	110	1,623	117,994
1Q20	74,273	17,433	67	91,773	16,753	1,419	147	1,566	110,092
Annual Data									
2020	92,257	12,865	55	105,177	12,745	1,472	85	1,557	119,479
2019	68,373	18,036	72	86,481	17,493	1,432	151	1,584	105,558
2018	72,945	28,629	84	101,658	22,244	2,597	176	2,773	126,675
2017	89,138	56,656	101	145,895	26,879	4,391	200	4,591	177,365
2016	107,307	73,317	115	180,739	29,923	9,198	209	9,407	220,069
2015	198,255	8,453	143	206,851	33,376	13,141	224	13,365	253,592
2014	214,830	10,810	160	225,800	36,442	23,125	243	23,368	285,610
2013	224,174	13,171	156	237,501	39,399	37,497	267	37,764	314,664
2012	251,081	18,008	170	269,259	40,886	61,251	312	61,563	371,708
2011	255,914	23,490	185	279,589	41,555	76,765	362	77,127	398,271
2010	248,335	31,526	207	280,068	51,783	94,792	431	95,223	427,074
2009	208,915	34,602	213	243,730	52,399	119,829	585	120,414	416,543
2008	223,881	44,157	215	268,253	43,799	116,742	699	117,441	429,493
2007	240,090	43,278	261	283,629	28,202	90,931	815	91,746	403,577
2006	255,490	46,820	287	302,597	20,106	59,374	968	60,342	383,045
2005	261,214	38,331	220	299,765	15,036	50,731	1,148	51,879	366,680
2004	307,048	38,350	177	345,575	10,112	43,396	1,074	44,470	400,157
2003	335,812	19,155	233	355,200	7,284	33,945	1,204	35,149	397,633
2002	282,899	12,142	416	295,457	6,404	19,485	1,898	21,383	323,244
2001	140,454	10,427	917	151,798	5,069	8,987	1,551	10,538	167,405
2000	125,786	13,244	480	139,510	4,763	6,547	1,814	8,361	152,634
1999	130,614	6,058	176	136,848	4,472	5,564	2,347	7,911	149,231
1998	135,351	7,633	206	143,190	4,404	5,590	2,595	8,185	155,779
1997	134,543	10,389	268	145,200	4,631	7,388	2,883	10,271	160,102
1996	137,507	12,415	323	150,245	4,739	9,756	3,151	12,907	167,891
1995	137,032	14,756	423	152,211	4,780	11,175	3,315	14,490	171,481
1994	133,882	16,475	537	150,894	4,965	11,681	3,369	15,050	170,909
1993	123,308	19,175	772	143,255	5,305	11,143	3,446	14,589	163,149
1992	91,500	22,637	1,355	115,492	6,097	9,407	3,601	13,008	134,597
1991	69,130	19,763	2,046	90,939	6,962	7,641	3,709	11,350	109,251
1990	61,873	19,558	1,851	83,282	8,524	6,142	3,849	9,991	101,797
1989	55,638	20,751	1,614	78,003	9,450	3,926	4,350	8,276	95,729
1988	53,090	20,004	1,561	74,655	10,480	2,699	4,386	7,085	92,220
1987	55,913	13,702	1,421	71,036	11,652	2,448	4,482	6,930	89,618
1986	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	94,167
1985									97,421
1984									87,205
1983									77,983
1982									71,777
1981									61,411
1980									57,326
1979									51,096
1978									43,315
1977									34,377
1976									32,937
1975									31,916
1974									29,708
1973									24,459
1972									20,326
1971									18,515

Source: Fannie Mae

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

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

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

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

End of Period	Mortgage-Related Securities ($ in Millions)[a]													
	Fannie Mae Securities ($)[b]				Other Securities									
	Single-Family[c]				Freddie Mac				Ginnie Mae					
					Single-Family				Single-Family					
	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Fannie Mae ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Freddie Mac ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Ginnie Mae ($)	Total Private-Label[d] ($)	Total Other Securities[d] ($)
4Q20	28,340	4,776	5,969	39,085	172	16	0	188	72	3,171	0	3,243	441	3,872
3Q20	37,127	5,018	4,393	46,538	242	17	0	259	105	3,152	0	3,257	461	3,977
2Q20	34,785	5,233	4,609	44,627	332	20	0	352	149	2,694	0	2,843	896	4,091
1Q20	24,877	5,464	5,564	35,905	348	21	0	369	1,104	2,726	0	3,830	936	5,135
Annual Data														
2020	28,340	4,776	5,969	39,085	172	16	0	188	72	3,171	0	3,243	441	3,872
2019	29,703	5,715	6,576	41,994	360	23	0	383	1,330	2,824	0	4,154	1,209	5,746
2018	30,347	7,390	7,668	45,405	422	35	0	457	1,134	2,065	0	3,199	2,986	6,642
2017	29,841	11,091	7,860	48,792	518	58	0	576	284	557	0	841	2,544	3,961
2016	21,886	12,475	7,693	42,054	1,292	92	0	1,384	950	165	0	1,115	6,455	8,954
2015	40,739	17,022	10,936	68,697	2,856	2,376	0	5,232	734	6	8	748	13,729	19,709
2014	64,904	9,257	18,658	92,819	3,506	2,862	0	6,368	555	9	8	572	23,388	30,328
2013	94,722	12,710	22,409	129,841	4,758	3,366	0	8,124	859	8	32	899	30,854	39,877
2012	140,118	15,717	28,129	183,964	6,911	4,363	0	11,274	1,012	5	32	1,049	56,573	68,896
2011	172,502	19,189	28,370	220,061	8,888	5,621	0	14,509	1,003	7	33	1,043	63,631	79,183
2010	217,075	23,406	19,948	260,429	10,005	7,327	0	17,332	1,393	8	24	1,425	69,986	88,743
2009	203,577	16,272	396	220,245	29,783	11,607	0	41,390	1,119	137	21	1,277	75,344	118,011
2008	207,867	20,637	446	228,950	18,420	14,963	0	33,383	1,343	153	21	1,517	83,406	118,306
2007	158,863	20,741	559	180,163	16,954	14,425	0	31,379	1,575	34	50	1,659	94,810	127,848
2006	194,702	4,342	600	199,644	17,304	12,773	0	30,077	1,905	0	56	1,961	97,281	129,319
2005	230,546	3,030	875	234,451	18,850	9,861	0	28,711	2,273	0	57	2,330	86,915	117,956
2004	339,138	3,869	1,397	344,404	29,328	8,235	0	37,563	4,131	1	68	4,200	108,809	150,572
2003	400,863	3,149	1,910	405,922	30,356	558	0	30,914	6,993	0	68	7,061	46,979	84,954
2002	373,958	3,827	2,598	380,383	32,617	207	0	32,824	15,436	0	85	15,521	28,157	76,502
2001	417,796	5,648	8,332	431,776	42,516	287	26	42,829	18,779	1	109	18,889	29,175	90,893
2000	Not Available Before 2001	Not Available Before 2001	Not Available Before 2001	351,066	Not Available Before 2001	Not Available Before 2001	Not Available Before 2001	33,290	Not Available Before 2001	Not Available Before 2001	Not Available Before 2001	23,768	34,266	91,324
1999				281,714				25,577				23,701	31,673	80,951
1998				197,375				23,453				8,638	19,585	51,676
1997				130,444				5,262				7,696	5,554	18,512
1996				102,607				3,623				4,780	1,486	9,889
1995				69,729				3,233				2,978	747	6,958
1994				43,998				564				3,182	1	3,747
1993				24,219				Not Available Before 1994				972	2	974
1992				20,535								168	3	171
1991				16,700								180	93	273
1990				11,758								191	352	543
1989				11,720								202	831	1,033
1988				8,153								26	810	836
1987				4,226								Not Available Before 1988	1,036	1,036
1986				1,606									1,591	1,591
1985				435									Not Available Before 1986	Not Available Before 1986
1984				477										
1983				Not Available Before 1984										

Source: Fannie Mae

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

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

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

[d] Excludes mortgage revenue bonds.

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

End of Period	Mortgage-Related Securities ($ in Millions)[a]								
	Private-Label								
	Single-Family[b]								
		Subprime		Alt-A		Other			
	Manufactured Housing ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multifamily ($)	Total Private-Label ($)
4Q20	28	0	169	1	2	4	237	0	441
3Q20	30	0	176	2	2	4	247	0	461
2Q20	31	0	596	2	2	4	261	0	896
1Q20	34	0	608	2	2	5	285	0	936
Annual Data									
2020	28	0	169	1	2	4	237	0	441
2019	36	0	832	2	40	5	294	0	1,209
2018	43	0	2,392	2	218	6	325	0	2,986
2017	51	0	1,135	3	965	8	358	24	2,544
2016	72	4	2,487	4	1,881	33	407	1,567	6,455
2015	460	5	5,208	567	2,914	89	970	3,516	13,729
2014	1,699	194	8,719	4,329	3,416	149	1,194	3,688	23,388
2013	1,902	218	12,104	3,512	7,641	168	1,322	3,987	30,854
2012	2,140	299	14,794	6,423	10,656	190	1,477	20,594	56,573
2011	2,387	331	16,207	6,232	13,438	208	1,590	23,238	63,631
2010	2,660	361	17,678	7,119	15,164	237	1,700	25,067	69,986
2009	2,485	391	20,136	7,515	16,990	255	1,849	25,723	75,344
2008	2,840	438	24,113	8,444	19,414	286	2,021	25,850	83,406
2007	3,316	503	31,537	9,221	23,254	319	1,187	25,473	94,810
2006	3,902	268	46,608	10,722	24,402	376	1,282	9,721	97,281
2005	4,622	431	46,679	11,848	21,203	634	1,455	43	86,915
2004	5,461	889	73,768	11,387	14,223	2,535	487	59	108,809
2003	6,522	1,437	27,738	8,429	383	1,944	428	98	46,979
2002	9,583	2,870	6,534	3,905	20	3,773	1,325	147	28,157
2001	10,708	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	299	29,175
2000	Not Available Before 2001							Not Available Before 2001	34,266
1999									31,673
1998									19,585
1997									5,554
1996									1,486
1995									747
1994									1
1993									2
1992									3
1991									93
1990									352
1989									831
1988									810
1987									1,036
1986									1,591

Source: Fannie Mae

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

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

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

End of Period	Mortgage-Related Securities ($ in Millions)		($ in Millions)			
	Mortgage Revenue Bonds[a] ($)	Total Mortgage-Related Securities[a,b] ($)	Unamortized Premiums, Discounts, Deferred Adjustments, and Fair-Value Adjustments on Securities and Loans[b,c] ($)	Mortgage Assets Held for Investment (Net)[b] ($)	Mortgage Assets Held for Investment (Gross)[b,d] ($)	Limit on Mortgage Assets Held for Investment (Gross)[e] ($)
4Q20	214	43,171	375	163,025	162,650	250,000
3Q20	252	50,767	13	172,121	172,108	250,000
2Q20	276	48,994	(673)	166,315	166,988	250,000
1Q20	295	41,335	(1,625)	149,802	151,427	250,000
Annual Data						
2020	214	43,171	375	163,025	162,650	250,000
2019	313	48,053	(2,284)	151,327	153,611	250,000
2018	431	52,478	(3,619)	175,534	179,153	250,000
2017	665	53,418	-6,044	224,739	230,783	288,400
2016	1,278	52,285	-9,570	262,784	272,354	339,300
2015	3,105	91,511	-8,446	336,657	345,103	399,200
2014	4,556	127,703	-6,861	406,452	413,313	422,700
2013	6,319	176,037	-10,302	480,399	490,701	552,500
2012	8,486	261,346	-6,267	626,787	633,054	650,000
2011	10,899	310,143	-9,784	698,630	708,414	729,000
2010	12,525	361,697	-12,284	776,487	788,771	810,000
2009	14,453	352,709	-23,981	745,271	769,252	900,000
2008	15,447	362,703	-24,207	767,989	Not Applicable Before 2009	Not Applicable Before 2009
2007	16,315	324,326	-4,283	723,620		
2006	16,924	345,887	-2,498	726,434		
2005	18,802	371,209	-1,086	736,803		
2004	22,076	517,052	7,985	925,194		
2003	20,359	511,235	10,721	919,589		
2002	19,650	476,535	20,848	820,627		
2001	18,377	541,046	-2,104	706,347		
2000	15,227	457,617	-2,520	607,731		
1999	12,171	374,836	-964	523,103		
1998	9,685	258,736	919	415,434		
1997	7,620	156,576	-86	316,592		
1996	6,665	119,161	-525	286,527		
1995	5,343	82,030	-643	252,868		
1994	3,403	51,148	-1,242	220,815		
1993	2,519	27,712	-692	190,169		
1992	2,816	23,522	-1,859	156,260		
1991	2,759	19,732	-2,304	126,679		
1990	2,530	14,831	-2,562	114,066		
1989	2,239	14,992	-2,740	107,981		
1988	1,804	10,793	-2,914	100,099		
1987	1,866	7,128	-3,081	93,665		
1986	469	Not Available Before 1987	-3,710	94,123		
1985	Not Available Before 1986		-4,040	95,250		
1984			-3,974	84,695		
1983			-3,009	75,782		
1982			-2,458	69,842		
1981			-1,783	59,949		
1980			-1,738	55,878		
1979			-1,320	49,777		
1978			-1,212	42,103		
1977			-1,125	33,252		
1976			-1,162	31,775		
1975			-1,096	30,821		
1974			-1,042	28,665		
1973			-870	23,579		
1972			-674	19,650		
1971			-629	17,886		

Source: Fannie Mae

N/A = not applicable

a Unpaid principal balance.

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

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

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

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

TABLE 6 • FANNIE MAE FINANCIAL DERIVATIVES

End of Period	Financial Derivatives - Notional Amount Outstanding ($ in Millions)						
	Interest Rate Swaps[a] ($)	Interest Rate Caps, Floors, and Corridors ($)	Foreign Currency Contracts ($)	Over-the-Counter Futures, Options, and Forward Rate Agreements[b] ($)	Mandatory Mortgage Purchase & Sell Commitments ($)	Other[c] ($)	Total ($)
4Q20	226,306	0	476	76,008	408,192	28,197	739,179
3Q20	265,180	0	450	73,354	482,952	30,864	852,800
2Q20	263,921	0	432	33,432	386,201	35,493	719,479
1Q20	185,380	0	432	71,192	353,593	39,209	649,806
Annual Data							
2020	226,306	0	476	76,008	408,192	28,197	739,179
2019	170,464	0	461	38,957	192,341	37,918	440,141
2018	240,741	0	444	35,881	117,007	34,350	428,423
2017	294,339	0	470	30,565	177,613	13,240	516,227
2016	307,034	0	430	25,205	148,472	15,078	496,219
2015	384,184	0	553	41,191	125,443	0	551,371
2014	404,375	0	617	67,900	119,026	0	591,918
2013	413,738	500	1,042	137,450	72,937	0	625,667
2012	572,349	6,500	1,195	121,910	159,057	0	861,011
2011	426,688	7,000	1,032	178,470	101,435	0	714,625
2010	502,578	7,000	1,560	176,010	119,870	0	807,018
2009	661,990	7,000	1,537	174,680	121,947	0	967,154
2008	1,023,384	500	1,652	173,060	71,236	0	1,269,832
2007	671,274	2,250	2,559	210,381	55,366	0	941,830
2006	516,571	14,000	4,551	210,271	39,928	0	785,321
2005	317,470	33,000	5,645	288,000	39,194	0	683,309
2004	256,216	104,150	11,453	318,275	40,600	0	730,694
2003	598,288	130,350	5,195	305,175	43,560	0	1,082,568
2002	253,211	122,419	3,932	275,625	Not Available Before 2003	0	655,187
2001	299,953	75,893	8,493	148,800		0	533,139
2000	227,651	33,663	9,511	53,915		0	324,740
1999	192,032	28,950	11,507	41,081		1,400	274,970
1998	142,846	14,500	12,995	13,481		3,735	187,557
1997	149,673	100	9,968	0		1,660	161,401
1996	158,140	300	2,429	0		350	161,219
1995	125,679	300	1,224	29		975	128,207
1994	87,470	360	1,023	0		1,465	90,317
1993	49,458	360	1,023	0		1,425	52,265
1992	24,130	0	1,177	0		1,350	26,658
1991	9,100	0	Not Available Before 1992	50		1,050	10,200
1990	4,800	0		25		1,700	6,525

Source: Fannie Mae

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

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

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

TABLE 7 • FANNIE MAE NONMORTGAGE INVESTMENTS

End of Period	Nonmortgage Investments ($ in Millions)[a]					
	Federal Funds and Eurodollars ($)	Asset-Backed Securities ($)	Repurchase Agreements[b] ($)	Commercial Paper and Corporate Debt[c] ($)	Other[d] ($)	Total ($)
4Q20	–	–	28,200	73	130,456	158,729
3Q20	–	–	12,700	74	135,972	148,746
2Q20	–	–	25,450	73	96,037	121,560
1Q20	–	–	7,775	73	44,727	52,575
Annual Data						
2020	–	–	28,200	73	130,456	158,729
2019	–	–	13,578	79	39,501	53,158
2018	–	–	32,938	89	35,502	68,529
2017	0	0	19,470	0	29,222	48,692
2016	0	0	30,415	0	32,317	62,732
2015	0	0	27,350	0	29,485	56,835
2014	0	0	30,950	0	19,466	50,416
2013	0	0	38,975	0	16,306	55,281
2012	0	0	32,500	0	17,950	50,450
2011	0	2,111	46,000	0	47,737	95,848
2010	5,000	5,321	6,750	0	27,432	44,503
2009	44,900	8,515	4,000	364	3	57,782
2008	45,910	10,598	8,000	6,037	1,005	71,550
2007	43,510	15,511	5,250	13,515	9,089	86,875
2006	9,410	18,914	0	27,604	1,055	56,983
2005	8,900	19,190	0	16,979	947	46,016
2004	3,860	25,644	70	16,435	1,829	47,839
2003	12,575	26,862	111	17,700	2,270	59,518
2002	150	22,312	181	14,659	2,074	39,376
2001	16,089	20,937	808	23,805	4,343	65,982
2000	7,539	17,512	87	8,893	18,316	52,347
1999	4,837	19,207	122	1,723	11,410	37,299
1998	7,926	20,993	7,556	5,155	16,885	58,515
1997	19,212	16,639	6,715	11,745	10,285	64,596
1996	21,734	14,635	4,667	6,191	9,379	56,606
1995	19,775	9,905	10,175	8,629	8,789	57,273
1994	17,593	3,796	9,006	7,719	8,221	46,335
1993	4,496	3,557	4,684	0	8,659	21,396
1992	6,587	4,124	3,189	0	5,674	19,574
1991	2,954	2,416	2,195	0	2,271	9,836
1990	5,329	1,780	951	0	1,808	9,868
1989	5,158	1,107	0	0	2,073	8,338
1988	4,125	481	0	0	683	5,289
1987	2,559	25	0	0	884	3,468
1986	1,530	0	0	0	245	1,775
1985	1,391	0	0	0	75	1,466
1984	1,575	0	0	0	265	1,840
1983	9	0	0	0	227	236
1982	1,799	0	0	0	631	2,430
1981	Not Available Before 1982	Not Available Before 1982	Not Available Before 1982	Not Available Before 1982	Not Available Before 1982	1,047
1980						1,556
1979						843
1978						834
1977						318
1976						245
1975						239
1974						466
1973						227
1972						268
1971						349

Source: Fannie Mae

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

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

[c] Includes corporate bonds.

[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 (Income) 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] (%)
4Q20	2.87	0.98	(0.03)	0.04	47.75
3Q20	3.20	1.12	(0.01)	0.04	50.62
2Q20	2.65	1.00	0.00	0.05	54.10
1Q20	0.66	0.05	0.04	0.07	57.59
Annual Data					
2020	2.87	0.98	(0.03)	0.04	47.75
2019	0.66	0.04	0.05	0.07	57.42
2018	0.76	0.06	0.07	0.08	51.0
2017	1.24	0.11	0.10	0.10	44.3
2016	1.20	0.05	0.12	0.15	37.2
2015	1.55	0.07	0.35	0.22	23.1
2014	1.89	0.05	0.20	0.35	20.9
2013	2.38	0.10	0.15	0.38	19.6
2012	3.29	0.24	0.48	0.35	18.8
2011	3.91	0.59	0.61	0.37	18.4
2010	4.48	0.71	0.77	0.53	19.1
2009	5.38	0.63	0.45	0.30	21.2
2008	2.42	0.30	0.23	0.23	23.9
2007	0.98	0.08	0.05	0.13	23.7
2006	0.65	0.08	0.02	0.09	22.3
2005	0.79	0.32	0.01	0.08	21.8
2004	0.63	0.11	0.01	0.07	20.5
2003	0.60	0.29	0.01	0.06	22.6
2002	0.57	0.08	0.01	0.05	26.8
2001	0.55	0.27	0.01	0.04	34.2
2000	0.45	0.07	0.01	0.05	40.4
1999	0.47	0.11	0.01	0.06	20.9
1998	0.56	0.23	0.03	0.08	17.5
1997	0.62	0.37	0.04	0.10	12.8
1996	0.58	0.68	0.05	0.11	10.5
1995	0.56	0.81	0.05	0.08	10.6
1994	0.47	1.21	0.06	0.10	10.2
1993	0.48	2.34	0.04	0.10	10.6
1992	0.53	2.65	0.04	0.09	15.6
1991	0.64	3.62	0.04	0.07	22.0
1990	0.58	1.70	0.06	0.09	25.9
1989	0.69	3.20	0.07	0.14	Not Available Before 1990
1988	0.88	6.60	0.11	0.15	
1987	1.12	Not Available Before 1988	0.11	0.18	
1986	1.38		0.12	0.22	
1985	1.48		0.13	0.32	
1984	1.65		0.09	0.33	
1983	1.49		0.05	0.35	
1982	1.41		0.01	0.20	
1981	0.96		0.01	0.13	
1980	0.90		0.01	0.09	
1979	0.56		0.02	0.11	
1978	0.55		0.02	0.18	
1977	0.46		0.02	0.26	
1976	1.58		0.03	0.27	
1975	0.56		0.03	0.51	
1974	0.51		0.02	0.52	
1973	Not Available Before 1974		0.00	0.61	
1972			0.02	0.98	
1971			0.01	0.59	

Source: Fannie Mae

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

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

[c] Beginning in 2020, credit (income) losses consists of write-offs, recoveries, foreclosed property income (expense), write-offs on the redesignation of mortgage loans and gains on sales and other valuation adjustments. Before 2020 credit (income) losses consisted of charge-offs, net of recoveries and foreclosed property expense (income). Average balances used to calculate ratios subsequent to 1994. Quarterly data are annualized. Beginning in 2005, credit losses exclude the impact of fair-value losses of credit impaired loans acquired from MBS trusts. Beginning in 2008, credit losses also exclude the effect of HomeSaver Advance program fair-value losses.

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

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

TABLE 9 • FANNIE MAE CAPITAL

End of Period	Capital ($ in Millions)[a]									
	Minimum Capital Requirement			Risk-Based Capital Requirement						
	Core Capital[b] ($)	Minimum Capital Requirement[c] ($)	Minimum Capital Surplus (Deficit)[d] ($)	Total Capital[e] ($)	Risk-Based Capital Requirement[f] ($)	Risk-Based Capital Surplus (Deficit)[g] ($)	Market Capitalization[h] ($)	Core Capital/Total Assets[i] (%)	Core Capital/ Total Assets Plus Unconsolidated MBS[i, j] (%)	Common Share Dividend Payout Rate[k] (%)
4Q20	(95,694)	28,603	(124,297)	N/A	N/A	N/A	2,768	-2.40%	-2.40%	N/A
3Q20	(100,264)	27,868	(128,132)	N/A	N/A	N/A	2,339	-2.59%	-2.59%	N/A
2Q20	(104,493)	26,739	(131,232)	N/A	N/A	N/A	2,513	-2.78%	-2.77%	N/A
1Q20	(107,038)	24,297	(131,335)	N/A	N/A	N/A	1,841	-2.97%	-2.97%	N/A
Annual Data										
2020	(95,694)	28,603	(124,297)	N/A	N/A	N/A	2,768	-2.40%	-2.40%	N/A
2019	(106,360)	22,392	(128,752)	N/A	N/A	N/A	$3,613	-3.03%	-3.03%	N/A
2018	(114,919)	22,216	(137,135)	N/A	N/A	N/A	1,228	-3.36%	-3.36%	N/A
2017	-121,389	23,007	-144,396	N/A	N/A	N/A	3,069	-3.63	-3.62	N/A
2016	-111,836	24,351	-136,187	N/A	N/A	N/A	4,517	(3.40)	-3.39	N/A
2015	-114,526	25,144	-139,670	N/A	N/A	N/A	1,899	(3.55)	-3.54	N/A
2014	-115,202	27,044	-142,246	N/A	N/A	N/A	2,380	(3.55)	-3.53	N/A
2013	-108,811	28,472	-137,283	N/A	N/A	N/A	3,486	-3.33	-3.31	N/A
2012	-110,350	30,862	-141,212	N/A	N/A	N/A	295	(3.42)	(3.41)	N/A
2011	-115,967	32,463	-148,430	N/A	N/A	N/A	233	(3.61)	(3.59)	N/A
2010	-89,516	33,676	-123,192	N/A	N/A	N/A	336	(2.78)	(2.76)	N/A
2009	-74,540	33,057	-107,597	N/A	N/A	N/A	1,314	(8.58)	(2.26)	N/A
2008	-8,641	33,552	-42,193	N/A	N/A	N/A	825	(0.95)	(0.27)	N/M
2007	45,373	31,927	13,446	48,658	24,700	23,958	38,946	5.14	1.51	N/M
2006	41,950	29,359	12,591	42,703	26,870	15,833	57,735	4.97	1.60	32.4
2005	39,433	28,233	11,200	40,091	12,636	27,455	47,373	4.73	1.62	17.2
2004	34,514	32,121	2,393	35,196	10,039	25,157	69,010	3.38	1.42	42.1
2003	26,953	31,816	-4,863	27,487	27,221	266	72,838	2.64	1.16	20.8
2002	20,431	27,688	-7,257	20,831	17,434	3,397	63,612	2.26	1.05	34.5
2001	25,182	24,182	1,000	25,976	Not Applicable Before 2002	Not Applicable Before 2002	79,281	3.15	1.51	23.0
2000	20,827	20,293	533	21,634			86,643	3.08	1.51	26.0
1999	17,876	17,770	106	18,677			63,651	3.11	1.43	28.8
1998	15,465	15,334	131	16,257			75,881	3.19	1.38	29.5
1997	13,793	12,703	1,090	14,575			59,167	3.52	1.42	29.4
1996	12,773	11,466	1,307	13,520			39,932	3.64	1.42	30.4
1995	10,959	10,451	508	11,703			33,812	3.46	1.32	34.6
1994	9,541	9,415	126	10,368			19,882	3.50	1.26	30.8
1993	8,052	7,064	988	8,893			21,387	3.71	1.17	26.8
1992	Not Applicable Before 1993	Not Applicable Before 1993	Not Applicable Before 1993	Not Applicable Before 1993			20,874	Not Applicable Before 1993	Not Applicable Before 1993	23.2
1991							18,836			21.3
1990							8,490			14.7
1989							8,092			12.8
1988							3,992			11.2
1987							2,401			11.7
1986							3,006			8.0
1985							1,904			30.1
1984							1,012			N/A
1983							1,514			13.9
1982							1,603			N/A
1981							502			N/A
1980							702			464.2
1979							Not Available Before 1980			45.7
1978										30.3
1977										31.8
1976										33.6
1975										31.8
1974										29.6
1973										18.1
1972										15.2
1971										18.7

Sources: Fannie Mae and FHFA

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

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

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

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

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

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

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

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

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

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

j Unconsolidated MBS are those held by third parties.

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

TABLE 10 • FREDDIE MAC MORTGAGE PURCHASES

Period	Business Activity ($ in Millions)			
	Purchases[a]			
	Single-Family ($)	Multifamily ($)	Total Mortgages[b] ($)	Mortgage-Related Securities[c,d] ($)
4Q20	383,355	34,495	417,850	56,947
3Q20	336,416	17,912	354,328	48,009
2Q20	231,870	20,180	252,050	31,761
1Q20	138,426	9,947	148,373	21,369
Annual Data				
2020	1,090,067	82,534	1,172,601	158,086
2019	453,481	77,853	531,334	93,267
2018	308,197	77,457	385,654	66,763
2017	343,566	73,201	416,767	81,592
2016	392,507	56,830	449,337	77,239
2015	350,560	47,264	397,824	58,580
2014	255,253	28,336	283,589	59,690
2013	422,742	25,872	448,614	49,383
2012	426,849	28,774	455,623	16,627
2011	320,793	20,325	341,118	108,281
2010	386,378	15,372	401,750	46,134
2009	475,350	16,571	491,921	236,856
2008	357,585	23,972	381,557	297,614
2007	466,066	21,645	487,711	231,039
2006	351,270	13,031	364,301	241,205
2005	381,673	11,172	392,845	325,575
2004	354,812	12,712	367,524	223,299
2003	701,483	15,292	716,775	385,078
2002	533,194	10,654	543,848	299,674
2001	384,124	9,510	393,634	248,466
2000	168,013	6,030	174,043	91,896
1999	232,612	7,181	239,793	101,898
1998	263,490	3,910	267,400	128,446
1997	115,160	2,241	117,401	35,385
1996	122,850	2,229	125,079	36,824
1995	89,971	1,565	91,536	39,292
1994	122,563	847	123,410	19,817
1993	229,051	191	229,242	Not Available Before 1994
1992	191,099	27	191,126	
1991	99,729	236	99,965	
1990	74,180	1,338	75,518	
1989	76,765	1,824	78,589	
1988	42,884	1,191	44,075	
1987	74,824	2,016	76,840	
1986	99,936	3,538	103,474	
1985	42,110	1,902	44,012	
1984	Not Available Before 1985	Not Available Before 1985	21,885	
1983			22,952	
1982			23,671	
1981			3,744	
1980			3,690	
1979			5,716	
1978			6,524	
1977			4,124	
1976			1,129	
1975			1,716	
1974			2,185	
1973			1,334	
1972			1,265	
1971			778	

Source: Freddie Mac

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

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

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

[d] Freddie Mac mortgage-related securities include mortgage-related securities issued or guaranteed by Freddie Mac. In prior periods, certain of these securities that were issued by third-party trusts but guaranteed by Freddie Mac were classified as non-agency mortgage-related securities. The "total private-label" data for 2009 and later periods have been revised to conform to the current period presentation.

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 ($)	Total Multi-family Mortgages ($)	
4Q20	382,716	495	0	383,211	144	0	144	383,355	34,495	0	34,495	417,850
3Q20	335,627	712	0	336,339	77	0	77	336,416	17,912	0	17,912	354,328
2Q20	229,892	1,932	0	231,824	46	0	46	231,870	20,180	0	20,180	252,050
1Q20	137,748	649	0	138,397	29	0	29	138,426	9,947	0	9,947	148,373
Annual Data												
2020	1,085,983	3,788	0	1,089,771	296	0	296	1,090,067	82,534	0	82,534	1,172,601
2019	448,060	5,257	0	453,317	164	0	164	453,481	77,853	0	77,853	531,334
2018	304,246	3,848	0	308,094	103	0	103	308,197	77,457	0	77,457	385,654
2017	333,612	9,841	0	343,453	113	0	113	343,566	73,201	0	73,201	416,767
2016	385,806	6,555	0	392,361	146	0	146	392,507	56,830	0	56,830	449,337
2015	337,637	12,760	0	350,397	163	0	163	350,560	47,264	0	47,264	397,824
2014	239,469	15,711	0	255,180	73	0	73	255,253	28,336	0	28,336	283,589
2013	406,605	16,007	0	422,612	130	0	130	422,742	25,872	0	25,872	448,614
2012	408,576	18,075	0	426,651	198	0	198	426,849	28,774	0	28,774	455,623
2011	294,918	25,685	0	320,603	190	0	190	320,793	20,325	0	20,325	341,118
2010	368,352	17,435	0	385,787	591	0	591	386,378	15,372	0	15,372	401,750
2009	470,355	3,615	0	473,970	1,380	0	1,380	475,350	16,571	0	16,571	491,921
2008	327,006	30,014	0	357,020	565	0	565	357,585	23,972	0	23,972	381,557
2007	387,760	78,149	0	465,909	157	0	157	466,066	21,645	0	21,645	487,711
2006	272,875	77,449	0	350,324	946	0	946	351,270	13,031	0	13,031	364,301
2005	313,842	67,831	0	381,673	0	0	0	381,673	11,172	0	11,172	392,845
2004	293,830	60,663	0	354,493	319	0	319	354,812	12,712	0	12,712	367,524
2003	617,796	82,270	0	700,066	1,417	0	1,417	701,483	15,292	0	15,292	716,775
2002	468,901	63,448	0	532,349	845	0	845	533,194	10,654	0	10,654	543,848
2001	353,056	30,780	0	383,836	288	0	288	384,124	9,507	3	9,510	393,634
2000	145,744	21,201	0	166,945	1,068	0	1,068	168,013	6,030	0	6,030	174,043
1999	224,040	7,443	0	231,483	1,129	0	1,129	232,612	7,181	0	7,181	239,793
1998	256,008	7,384	0	263,392	98	0	98	263,490	3,910	0	3,910	267,400
1997	106,174	8,950	0	115,124	36	0	36	115,160	2,241	0	2,241	117,401
1996	116,316	6,475	0	122,791	59	0	59	122,850	2,229	0	2,229	125,079
1995	75,867	14,099	0	89,966	5	0	5	89,971	1,565	0	1,565	91,536
1994	105,902	16,646	0	122,548	15	0	15	122,563	847	0	847	123,410
1993	208,322	20,708	1	229,031	20	0	20	229,051	191	0	191	229,242
1992	175,515	15,512	7	191,034	65	0	65	191,099	27	0	27	191,126
1991	91,586	7,793	206	99,585	144	0	144	99,729	236	0	236	99,965
1990	56,806	16,286	686	73,778	402	0	402	74,180	1,338	0	1,338	75,518
1989	57,100	17,835	1,206	76,141	624	0	624	76,765	1,824	0	1,824	78,589
1988	34,737	7,253	59	42,049	835	0	835	42,884	1,191	0	1,191	44,075
1987	69,148	4,779	69	73,996	828	0	828	74,824	2,016	0	2,016	76,840
1986	96,105	2,262	90	98,457	1,479	0	1,479	99,936	3,538	0	3,538	103,474
1985	40,226	605	34	40,865	1,245	0	1,245	42,110	1,902	0	1,902	44,012

Source: Freddie Mac

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

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

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

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

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

Period	Purchases ($ in Millions)[a]														
	Freddie Mac Securities[b]				Other Securities										
					Fannie Mae				Ginnie Mae[c]						
	Single-Family				Single-Family				Single-Family						
	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Freddie Mac ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Fannie Mae ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Ginnie Mae ($)	Total Private-Label[d] ($)	Mortgage Revenue Bonds ($)	Total Mortgage-Related Securities[c] ($)
4Q20	54,705	0	0	54,705	2,161	81	0	2,242	0	0	0	0	0	0	56,947
3Q20	43,976	10	0	43,986	4,023	0	0	4,023	0	0	0	0	0	0	48,009
2Q20	30,212	86	0	30,298	1,463	0	0	1,463	0	0	0	0	0	0	31,761
1Q20	18,574	391	0	18,965	2,404	0	0	2,404	0	0	0	0	0	0	21,369
Annual Data															
2020	147,467	487	0	147,954	10,051	81	0	10,132	0	0	0	0	0	0	158,086
2019	75,624	2,583	24	78,231	14,912	124	-	15,036	-	-	-	-	-	-	93,267
2018	61,614	3,339	321	65,274	18	1,471	0	1,489	0	-	0	-	-	0	66,763
2017	72,631	2,833	0	75,464	5,117	437	0	5,554	0	24	0	24	0	550	81,592
2016	65,274	5,981	12	71,267	5,345	485	0	5,830	0	142	0	142	0	0	77,239
2015	48,764	5,532	97	54,393	1,624	2,239	0	3,863	0	324	0	324	0	0	58,580
2014	43,922	7,568	392	51,882	2,695	5,005	0	7,700	0	73	0	73	35	0	59,690
2013	44,760	296	0	45,056	4,251	50	0	4,301	0	0	0	0	26	0	49,383
2012	13,272	3,045	119	16,436	0	170	0	170	0	0	0	0	21	0	16,627
2011	94,543	5,057	472	100,072	5,835	2,297	0	8,132	0	0	0	0	77	0	108,281
2010	40,462	923	382	41,767	0	373	0	373	0	0	0	0	3,994	0	46,134
2009	176,974	5,414	0	182,388	43,298	2,697	0	45,995	0	0	27	27	8,266	180	236,856
2008	192,701	26,344	111	219,156	49,534	18,519	0	68,053	0	0	8	8	10,316	81	297,614
2007	111,976	26,800	2,283	141,059	2,170	9,863	0	12,033	0	0	0	0	76,134	1,813	231,039
2006	76,378	27,146	0	103,524	4,259	8,014	0	12,273	0	0	0	0	122,230	3,178	241,205
2005	106,682	29,805	0	136,487	2,854	3,368	0	6,222	64	0	0	64	179,962	2,840	325,575
2004	72,147	23,942	146	96,235	756	3,282	0	4,038	0	0	0	0	121,082	1,944	223,299
2003	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	266,989	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	47,806	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	166	69,154	963	385,078
2002				192,817				45,798				820	59,376	863	299,674
2001				157,339				64,508				1,444	24,468	707	248,466
2000				58,516				18,249				3,339	10,304	1,488	91,896
1999				69,219				12,392				3,422	15,263	1,602	101,898
1998				107,508				3,126				319	15,711	1,782	128,446
1997				31,296				897				326	1,494	1,372	35,385
1996				33,338				Not Available Before 1997				Not Available Before 1997	Not Available Before 1997	Not Available Before 1997	36,824
1995				32,534											39,292
1994				19,817											19,817

Source: Freddie Mac

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

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

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

d Freddie Mac mortgage-related securities include mortgage-related securities issued or guaranteed by Freddie Mac. In prior periods, certain of these securities that were issued by third-party trusts but guaranteed by Freddie Mac were classified as non-agency mortgage-related securities. 2009 and later periods have been revised to conform to the current period presentation.

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

Period	Purchases ($ in Millions)[a]								
	Private-Label								
	Single-Family							Multifamily[d] ($)	Total Private-Label ($)
	Manufactured Housing ($)	Subprime		Alt-A[b]		Other[c]			
		Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)		
4Q20	0	0	0	0	0	0	0	0	0
3Q20	0	0	0	0	0	0	0	0	0
2Q20	0	0	0	0	0	0	0	0	0
1Q20	0	0	0	0	0	0	0	0	0
Annual Data									
2020	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	-	-
2018	0	0	0	0	0	0	0	-	-
2017	0	0	0	0	0	0	0	0	-
2016	0	0	0	0	0	0	0	-	-
2015	0	0	0	0	0	0	0	-	-
2014	0	0	0	0	0	0	0	35	35
2013	0	0	0	0	0	26	0	-	26
2012	0	0	0	0	0	21	0	-	21
2011	0	0	0	0	0	77	0	-	77
2010	0	0	0	0	0	3,172	0	822	3,994
2009	0	0	0	0	0	7,874	0	392	8,266
2008	0	60	46	0	618	8,175	0	1,417	10,316
2007	127	843	42,824	702	9,306	48	0	22,284	76,134
2006	0	116	74,645	718	29,828	48	0	16,875	122,230
2005	0	Not Available Before 2006	Not Available Before 2006	Not Available Before 2006	Not Available Before 2006	2,191	162,931	14,840	179,962
2004	0					1,379	108,825	10,878	121,082
2003	0					Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	69,154
2002	318								59,376
2001	0								24,468
2000	15								10,304
1999	3,293								15,263
1998	1,630								15,711
1997	36								1,494

Source: Freddie Mac

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

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

c Freddie Mac mortgage-related securities include mortgage-related securities issued or guaranteed by Freddie Mac. In prior periods, certain of these securities that were issued by third-party trusts but guaranteed by Freddie Mac were classified as non-agency mortgage-related securities. 2016 and later periods have been revised to conform to the current period presentation.

d Freddie Mac mortgage-related securities include mortgage-related securities issued or guaranteed by Freddie Mac. In prior periods, certain of these securities that were issued by third-party trusts but guaranteed by Freddie Mac were classified as non-agency mortgage-related securities. 2009 and later periods have been revised to conform to the current period presentation.

TABLE 11 • FREDDIE MAC MBS ISSUANCES

Period	Business Activity ($ in Millions)			
	MBS Issuances[a]			
	Single-Family MBS[b] ($)	Multifamily MBS ($)	Total MBS[b] ($)	Multiclass MBS[c] ($)
4Q20	383,776	26,105	409,881	106,990
3Q20	326,159	21,073	347,232	79,759
2Q20	222,390	11,916	234,306	87,414
1Q20	132,745	11,414	144,159	31,060
Annual Data				
2020	1,065,070	70,508	1,135,578	305,223
2019	453,747	67,908	521,655	135,912
2018	317,910	64,087	381,997	183,615
2017	354,131	62,571	416,702	126,752
2016	395,459	47,744	443,203	123,435
2015	356,599	33,392	389,991	82,620
2014	259,763	19,770	279,533	105,174
2013	435,499	25,267	460,766	111,436
2012	446,162	20,317	466,479	124,376
2011	304,629	12,632	317,261	166,539
2010	384,719	8,318	393,037	136,366
2009	472,461	2,951	475,412	86,202
2008	352,776	5,085	357,861	64,305
2007	467,342	3,634	470,976	133,321
2006	358,184	1,839	360,023	169,396
2005	396,213	1,654	397,867	208,450
2004	360,933	4,175	365,108	215,506
2003	705,450	8,337	713,787	298,118
2002	543,716	3,596	547,312	331,672
2001	387,234	2,357	389,591	192,437
2000	165,115	1,786	166,901	48,202
1999	230,986	2,045	233,031	119,565
1998	249,627	937	250,564	135,162
1997	113,758	500	114,258	84,366
1996	118,932	770	119,702	34,145
1995	85,522	355	85,877	15,372
1994	116,901	209	117,110	73,131
1993	208,724	0	208,724	143,336
1992	179,202	5	179,207	131,284
1991	92,479	0	92,479	72,032
1990	71,998	1,817	73,815	40,479
1989	72,931	587	73,518	39,754
1988	39,490	287	39,777	12,985
1987	72,866	2,152	75,018	0
1986	96,798	3,400	100,198	2,233
1985	37,583	1,245	38,828	2,625
1984	Not Available Before 1985	Not Available Before 1985	18,684	1,805
1983			19,691	1,685
1982			24,169	Not Issued Before 1983
1981			3,526	
1980			2,526	
1979			4,546	
1978			6,412	
1977			4,657	
1976			1,360	
1975			950	
1974			46	
1973			323	
1972			494	
1971			65	

Source: Freddie Mac

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

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

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

TABLE 12 • FREDDIE MAC EARNINGS

Period	Earnings ($ in Millions)[a]					
	Net Interest Income[a] ($)	Guarantee Fee Income[a] ($)	Administrative Expenses ($)	Credit-Related (Benefit) Expenses[b,c] ($)	Net Income (Loss) ($)	Return on Equity[d] (%)
4Q20	3,653	281	706	(91)	2,913	N/M
3Q20	3,457	315	641	614	2,463	N/M
2Q20	2,876	469	601	731	1,777	N/M
1Q20	2,785	377	587	1,082	173	N/M
Annual Data						
2020	12,771	1,442	2,535	2,336	7,326	N/M
2019	11,848	1,089	2,564	191	7,214	N/M
2018	12,021	866	2,293	(150)	9,235	N/M
2017	14,164	662	2,106	105	5,625	N/M
2016	14,379	513	2,005	-516	7,815	N/M
2015	14,946	369	1,927	-2,327	6,376	N/M
2014	14,263	329	1,881	254	7,690	N/M
2013	16,468	271	1,805	-2,605	48,668	N/M
2012	17,611	201	1,561	1,949	10,982	N/M
2011	18,397	170	1,506	11,287	-5,266	N/M
2010	16,856	143	1,597	17,891	-14,025	N/M
2009	17,073	3,033	1,685	29,837	-21,553	N/M
2008	6,796	3,370	1,505	17,529	-50,119	N/M
2007	3,099	2,635	1,674	3,060	-3,094	(21.0)
2006	3,412	2,393	1,641	356	2,327	9.8
2005	4,627	2,076	1,535	347	2,113	8.1
2004	9,137	1,382	1,550	140	2,937	9.4
2003	9,498	1,653	1,181	2	4,816	17.7
2002	9,525	1,527	1,406	126	10,090	47.2
2001	7,448	1,381	1,024	39	3,158	20.2
2000	3,758	1,243	825	75	3,666	39.0
1999	2,926	1,019	655	159	2,223	25.5
1998	2,215	1,019	578	342	1,700	22.6
1997	1,847	1,082	495	529	1,395	23.1
1996	1,705	1,086	440	608	1,243	22.6
1995	1,396	1,087	395	541	1,091	22.1
1994	1,112	1,108	379	425	983	23.3
1993	772	1,009	361	524	786	22.3
1992	695	936	329	457	622	21.2
1991	683	792	287	419	555	23.6
1990	619	654	243	474	414	20.4
1989	517	572	217	278	437	25.0
1988	492	465	194	219	381	27.5
1987	319	472	150	175	301	28.2
1986	299	301	110	120	247	28.5
1985	312	188	81	79	208	30.0
1984	213	158	71	54	144	52.0
1983	125	132	53	46	86	44.5
1982	30	77	37	26	60	21.9
1981	34	36	30	16	31	13.1
1980	54	23	26	23	34	14.7
1979	55	18	19	20	36	16.2
1978	37	14	14	13	25	13.4
1977	31	9	12	8	21	12.4
1976	18	3	10	-1	14	9.5
1975	31	3	10	11	16	11.6
1974	42	2	8	33	5	4.0
1973	31	2	7	15	12	9.9
1972	10	1	5	4	4	3.5
1971	10	1	Not Available Before 1972	Not Available Before 1972	6	5.5

Source: Freddie Mac

N/M = not meaningful

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

[b] 2018 and 2019 have been revised to conform to current period presentation.

[c] For years 2018 through the current period, defined as provision/benefit for credit losses, credit enhancement expense, benefit for (decrease in) credit enhancement recoveries, and real-estate owned operations income/expense. For years 2002 through 2017, 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.

[d] 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] ($)
4Q20	2,627,415	2,422,493	139,208	2,592,546	16,413	72,648	Not Available	182,184	286,541
3Q20	2,454,071	2,270,219	136,059	2,423,316	13,891	72,648	Not Available	198,176	286,977
2Q20	2,335,655	2,152,860	139,277	2,308,301	11,442	72,648	Not Available	194,110	289,344
1Q20	2,241,984	2,099,193	84,808	2,216,135	9,504	72,648	Not Available	211,197	288,153
Annual Data									
2020	2,627,415	2,422,493	139,208	2,592,546	16,413	72,648	Not Available	182,184	286,541
2019	2,203,623	2,073,090	98,327	2,179,528	9,122	72,648	Not Available	212,673	283,157
2018	2,063,060	1,983,053	55,751	2,044,950	4,477	72,648	Not Available	218,080	255,700
2017	2,049,776	1,941,680	79,991	2,034,630	(312)	72,336	Not Available	253,455	316,729
2016	2,023,376	1,906,843	72,685	2,002,004	5,075	72,336	Not Available	298,426	356,743
2015	1,985,892	1,866,588	80,795	1,970,269	2,940	72,336	Not Available	346,911	418,021
2014	1,945,360	1,852,646	58,585	1,929,363	2,651	72,336	(30,400)	408,414	454,029
2013	1,965,831	1,855,095	69,019	1,940,521	12,835	72,336	(41,200)	461,024	511,345
2012	1,989,557	1,912,929	58,076	1,966,743	8,827	72,336	(58,300)	557,544	552,472
2011	2,147,216	2,062,713	39,342	2,131,983	(146)	72,171	(78,400)	653,313	674,314
2010	2,261,780	2,149,586	74,420	2,242,588	(401)	64,200	(58,600)	696,874	728,217
2009	841,784	716,974	26,271	780,604	4,278	51,700	(62,500)	755,272	805,073
2008	850,963	748,747	18,944	843,021	(30,731)	14,800	(95,600)	804,762	Not Applicable Before 2009
2007	794,368	710,042	41,663	738,557	26,724	Not Applicable Before 2008	12,600	720,813	
2006	804,910	700,002	68,614	744,341	26,914		31,800	703,959	
2005	798,609	709,503	57,324	740,024	25,691		30,900	710,346	
2004	795,284	664,582	62,027	731,697	31,416		30,900	653,261	
2003	803,449	660,531	53,124	739,613	31,487		27,300	645,767	
2002	752,249	589,899	91,871	665,696	31,330		22,900	567,272	
2001	641,100	503,769	89,849	578,368	19,624		18,300	497,639	
2000	459,297	385,451	43,521	426,899	14,837		Not Available Before 2001	385,693	
1999	386,684	322,914	34,152	360,711	11,525			324,443	
1998	321,421	255,670	42,160	287,396	10,835			255,009	
1997	194,597	164,543	16,430	172,842	7,521			164,421	
1996	173,866	137,826	22,248	156,981	6,731			137,755	
1995	137,181	107,706	12,711	119,961	5,863			107,424	
1994	106,199	73,171	17,808	93,279	5,162			73,171	
1993	83,880	55,938	18,225	49,993	4,437			55,938	
1992	59,502	33,629	12,542	29,631	3,570			33,629	
1991	46,860	26,667	9,956	30,262	2,566			26,667	
1990	40,579	21,520	12,124	30,941	2,136			21,520	
1989	35,462	21,448	11,050	26,147	1,916			21,448	
1988	34,352	16,918	14,607	26,882	1,584			16,918	
1987	25,674	12,354	10,467	19,547	1,182			12,354	
1986	23,229	13,093	Not Available Before 1987	15,375	953			13,093	
1985	16,587	13,547		12,747	779			13,547	
1984	13,778	10,018		10,999	606			10,018	
1983	8,995	7,485		7,273	421			7,485	
1982	5,999	4,679		4,991	296			4,679	
1981	6,326	5,178		5,680	250			5,178	
1980	5,478	5,006		4,886	221			5,006	
1979	4,648	4,003		4,131	238			4,003	
1978	3,697	3,038		3,216	202			3,038	
1977	3,501	3,204		3,110	177			3,204	
1976	4,832	4,175		4,523	156			4,175	
1975	5,899	4,878		5,609	142			4,878	
1974	4,901	4,469		4,684	126			4,469	
1973	2,873	2,521		2,696	121			2,521	
1972	1,772	1,726		1,639	110			1,726	
1971	1,038	935		915	107			935	

Source: Freddie Mac

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

b Excludes allowance for loan losses.

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

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

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

End of Period	Single-Family Mortgages ($ in Millions)					Multifamily Mortgages ($ in Millions)			($ in Millions)	
	Conventional									
	Fixed-Rate[b] ($)	Adjustable-Rate[c] ($)	Seconds[d] ($)	Total ($)	Total FHA/VA[d] ($)	Conventional ($)	FHA/RD ($)	Multifamily Mortgages ($)	Total MBS Outstanding[e] ($)	Multiclass MBS Outstanding[f] ($)
4Q20	2,222,450	25,872	0	2,248,322	1,332	308,532	0	308,532	2,558,186	590,935
3Q20	2,050,906	27,566	0	2,078,472	1,310	292,438	0	292,438	2,372,220	569,854
2Q20	1,936,401	27,774	0	1,964,175	1,249	276,090	0	276,090	2,241,514	554,435
1Q20	1,857,647	28,516	0	1,886,163	1,301	269,465	0	269,465	2,156,929	545,033
Annual Data										
2020	2,222,450	25,872	0	2,248,322	1,332	308,532	0	308,532	2,558,186	590,935
2019	1,821,287	30,461	0	1,851,748	1,354	265,344	0	265,344	2,118,446	546,166
2018	1,694,596	37,568	0	1,732,164	1,532	230,892	0	230,892	1,964,588	528,413
2017	1,598,054	45,791	0	1,643,845	1,783	199,168	0	199,168	1,844,796	475,624
2016	1,510,170	48,467	0	1,558,637	2,110	152,236	0	152,236	1,712,983	422,528
2015	1,409,898	68,234	0	1,478,132	2,413	114,130	0	114,130	1,594,675	411,016
2014	1,338,926	72,095	0	1,411,021	2,835	87,836	0	87,836	1,501,692	410,133
2013	1,306,504	72,187	1	1,378,692	3,152	71,793	0	71,793	1,453,637	402,309
2012	1,269,642	76,095	1	1,345,738	3,452	49,542	0	49,542	1,398,732	427,630
2011	1,303,916	81,977	2	1,385,895	4,106	32,080	0	32,080	1,422,081	451,716
2010	1,357,124	84,471	2	1,441,597	4,434	21,954	0	21,954	1,467,985	429,115
2009	1,364,796	111,550	3	1,476,349	3,544	15,374	0	15,374	1,495,267	448,329
2008	1,242,648	142,495	4	1,385,147	3,970	13,597	0	13,597	1,402,714	517,654
2007	1,206,495	161,963	7	1,368,465	4,499	8,899	0	8,899	1,381,863	526,604
2006	967,580	141,740	12	1,109,332	5,396	8,033	0	8,033	1,122,761	491,696
2005	836,023	117,757	19	953,799	6,289	14,112	0	14,112	974,200	437,668
2004	736,332	91,474	70	827,876	9,254	15,140	0	15,140	852,270	390,516
2003	649,699	74,409	140	724,248	12,157	15,759	0	15,759	752,164	347,833
2002	647,603	61,110	5	708,718	12,361	8,730	0	8,730	729,809	392,545
2001	609,290	22,525	10	631,825	14,127	7,132	0	7,132	653,084	299,652
2000	533,331	36,266	18	569,615	778	5,708	0	5,708	576,101	309,185
1999	499,671	33,094	29	532,794	627	4,462	0	4,462	537,883	316,168
1998	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	478,351	260,504
1997									475,985	233,829
1996									473,065	237,939
1995									459,045	246,336
1994									460,656	264,152
1993									439,029	265,178
1992									407,514	218,747
1991									359,163	146,978
1990									316,359	88,124
1989									272,870	52,865
1988									226,406	15,621
1987									212,635	3,652
1986									169,186	5,333
1985									99,909	5,047
1984									70,026	3,214
1983									57,720	1,669
1982									42,952	Not Issued Before 1983
1981									19,897	
1980									16,962	
1979									15,316	
1978									12,017	
1977									6,765	
1976									2,765	
1975									1,643	
1974									780	
1973									791	
1972									444	
1971									64	

Source: Freddie Mac

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

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

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

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

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

f Amounts are included in total MBS outstanding column.

g Freddie Mac mortgage-related securities include mortgage-related securities issued or guaranteed by Freddie Mac. In prior periods, certain of these securities that were issued by third-party trusts but guaranteed by Freddie Mac were classified as non-agency mortgage-related securities. 2017 and later periods have been revised to conform to the current period presentation.

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] ($)	Mortgage Assets Held for Investment (Gross)[b, c] ($)
4Q20	110,750	67,091	4,343	182,184
3Q20	105,378	87,212	5,586	198,176
2Q20	101,543	87,976	4,591	194,110
1Q20	85,450	115,450	10,297	211,197
Annual Data				
2020	110,750	67,091	4,343	182,184
2019	83,652	118,647	10,374	212,673
2018	91,618	120,148	6,314	218,080
2017	107,171	135,552	10,732	253,455
2016	127,549	136,184	34,693	298,426
2015	145,664	147,824	53,423	346,911
2014	164,472	161,541	82,401	408,414
2013	181,308	168,034	111,682	461,024
2012	221,313	186,763	149,468	557,544
2011	253,970	223,667	175,676	653,313
2010	234,746	263,603	198,525	696,874
2009	138,816	374,615	241,841	755,272
2008	111,476	424,524	268,762	804,762
2007	82,158	356,970	281,685	720,813
2006	65,847	354,262	283,850	703,959
2005	61,481	361,324	287,541	710,346
2004	61,360	356,698	235,203	653,261
2003	60,270	393,135	192,362	645,767
2002	63,886	341,287	162,099	567,272
2001	62,792	308,427	126,420	497,639
2000	59,240	246,209	80,244	385,693
1999	56,676	211,198	56,569	324,443
1998	57,084	168,108	29,817	255,009
1997	48,454	103,400	Not Available Before 1998	164,421
1996	46,504	81,195		137,755
1995	43,753	56,006		107,424
1994	Not Available Before 1995	30,670		73,171
1993		15,877		55,938
1992		6,394		33,629
1991		Not Available Before 1992		26,667
1990				21,520
1989				21,448
1988				16,918
1987				12,354
1986				13,093
1985				13,547
1984				10,018
1983				7,485
1982				4,679
1981				5,178
1980				5,006
1979				4,003
1978				3,038
1977				3,204
1976				4,175
1975				4,878
1974				4,469
1973				2,521
1972				1,726
1971				935

Source: Freddie Mac

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

b Excludes allowance for loan losses.

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

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

End of Period	Whole Loans ($ in Millions)[a]								
	Single-Family					Multifamily			Total Whole Loans ($)
	Conventional				Total FHA/VA[c] ($)	Conventional ($)	FHA/RD ($)	Total ($)	
	Fixed-Rate[b] ($)	Adjustable-Rate ($)	Seconds ($)	Total ($)					
4Q20	76,208	692	0	76,900	443	33,405	2	33,407	110,750
3Q20	76,643	726	0	77,369	465	27,542	2	27,544	105,378
2Q20	67,374	864	0	68,238	393	32,910	2	32,912	101,543
1Q20	57,895	852	0	58,747	353	26,348	2	26,350	85,450
Annual Data									
2020	76,208	692	0	76,900	443	33,405	2	33,407	110,750
2019	52,649	892	0	53,541	326	29,783	2	29,785	83,652
2018	55,311	1,214	0	56,525	306	34,785	2	34,787	91,618
2017	66,926	1,675	0	68,601	331	38,222	17	38,239	107,171
2016	82,295	2,439	0	84,734	398	42,415	2	42,417	127,549
2015	92,931	3,185	0	96,116	461	49,084	3	49,087	145,664
2014	106,499	4,544	0	111,043	473	52,953	3	52,956	164,472
2013	115,073	6,511	0	121,584	553	59,168	3	59,171	181,308
2012	133,506	9,953	0	143,459	1,285	76,566	3	76,569	221,313
2011	156,361	13,804	0	170,165	1,494	82,308	3	82,311	253,970
2010	130,722	16,643	0	147,365	1,498	85,880	3	85,883	234,746
2009	50,980	2,310	0	53,290	1,588	83,935	3	83,938	138,816
2008	36,071	2,136	0	38,207	548	72,718	3	72,721	111,476
2007	21,578	2,700	0	24,278	311	57,566	3	57,569	82,158
2006	19,211	1,233	0	20,444	196	45,204	3	45,207	65,847
2005	19,238	903	0	20,141	255	41,082	3	41,085	61,481
2004	22,055	990	0	23,045	344	37,968	3	37,971	61,360
2003	25,889	871	1	26,761	513	32,993	3	32,996	60,270
2002	33,821	1,321	3	35,145	705	28,033	3	28,036	63,886
2001	38,267	1,073	5	39,345	964	22,480	3	22,483	62,792
2000	39,537	2,125	9	41,671	1,200	16,369	Not Available Before 2001	16,369	59,240
1999	43,210	1,020	14	44,244	77	12,355		12,355	56,676
1998	47,754	1,220	23	48,997	109	7,978		7,978	57,084
1997	40,967	1,478	36	42,481	148	5,825		5,825	48,454
1996	Not Available Before 1997	Not Available Before 1997	Not Available Before 1997	Not Available Before 1997	Not Available Before 1997	4,746		4,746	46,504
1995						3,852		3,852	43,753

Source: Freddie Mac

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

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

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

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

End of Period	Mortgage-Related Securities ($ in Millions)[a]													
	Freddie Mac Securities[b,c,d]				Other Securities[c]									
	Single-Family				Fannie Mae[e]				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 ($)	Total Other Securities ($)
4Q20	56,028	7,007	4,055	67,090	2,872	45	0	2,917	0	2	11	13	1,273	4,203
3Q20	73,671	9,257	4,283	87,211	4,043	47	0	4,090	0	15	11	26	1,316	5,432
2Q20	70,348	12,968	4,661	87,977	2,632	420	0	3,052	14	2	11	27	1,351	4,430
1Q20	95,527	14,415	5,509	115,451	7,827	889	0	8,716	15	3	11	29	1,387	10,132
Annual Data														
2020	56,028	7,007	4,055	67,090	2,872	45	0	2,917	0	2	11	13	1,273	4,203
2019	97,710	15,227	5,710	118,647	7,756	962	0	8,718	16	3	11	30	1,452	10,200
2018	95,705	17,282	7,161	120,148	1,520	2,419	0	3,939	25	4	11	40	2,099	6,078
2017	107,213	21,258	7,081	135,552	2,861	2,191	0	5,052	36	123	12	171	5,157	10,380
2016	102,778	27,651	5,755	136,184	7,650	3,876	0	11,526	56	178	12	246	22,266	34,038
2015	119,072	22,873	5,879	147,824	6,038	6,753	0	12,791	90	77	12	179	39,265	52,235
2014	131,683	26,532	3,326	161,541	6,852	9,303	0	16,155	119	67	12	198	63,879	80,232
2013	137,164	28,083	2,787	168,034	7,240	9,421	3	16,664	150	78	15	243	91,237	108,144
2012	147,751	36,630	2,382	186,763	10,864	12,518	84	23,466	202	91	15	308	120,038	143,812
2011	174,440	46,219	3,008	223,667	16,543	15,998	128	32,669	253	104	16	373	134,841	167,883
2010	206,974	54,534	2,095	263,603	21,238	18,139	316	39,693	296	117	27	440	148,515	188,648
2009	294,958	77,708	1,949	374,615	36,549	28,585	528	65,662	341	133	35	509	163,816	229,987
2008	328,965	93,498	2,061	424,524	35,142	34,460	674	70,276	398	152	26	576	185,041	255,893
2007	269,896	84,415	2,659	356,970	23,140	23,043	922	47,105	468	181	82	731	218,914	266,750
2006	282,052	71,828	382	354,262	25,779	17,441	1,214	44,434	707	231	13	951	224,631	270,016
2005	299,167	61,766	391	361,324	28,818	13,180	1,335	43,333	1,045	218	30	1,293	231,594	276,220
2004	304,555	51,737	406	356,698	41,828	14,504	1,672	58,004	1,599	81	31	1,711	166,411	226,126
2003	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	393,135	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	74,529	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	2,760	107,301	184,590
2002				341,287				78,829				4,878	70,752	154,459
2001				308,427				71,128				5,699	42,336	119,163
2000				246,209				28,303				8,991	35,997	73,291
1999				211,198				13,245				6,615	31,019	50,879
1998				168,108				3,749				4,458	16,970	25,177
1997				103,400				Not Available Before 1998				6,393	Not Available Before 1998	Not Available Before 1998
1996				81,195								7,434		
1995				56,006								Not Available Before 1996		
1994				30,670										
1993				15,877										
1992				6,394										

Source: Freddie Mac

a Based on unpaid principal balances.

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

c Freddie Mac mortgage-related securities include mortgage-related securities issued or guaranteed by Freddie Mac. In prior periods, certain of these securities that were issued by third-party trusts but guaranteed by Freddie Mac were classified as non-agency mortgage-related securities. 2017 and later periods have been revised to conform to the current period presentation.

d From 3Q 2019 to the current periods, amounts include the Fannie Mae-backed portion of partially-owned Freddie Mac issued commingled securities.

e From 2Q 2019 to the current periods, amounts include the Fannie Mae-backed portion of 100%-owned Freddie Mac-issued commingled 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,d]								
	Private-Label								
	Single-Family								
		Subprime		Alt-A[b]		Other[c]			
	Manufactured Housing ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multifamily ($)	Total Private-Label ($)
4Q20	290	2	807	33	70	0	71	0	1,273
3Q20	300	2	833	34	72	0	75	0	1,316
2Q20	309	2	854	36	73	0	77	0	1,351
1Q20	318	3	875	37	75	0	79	0	1,387
Annual Data									
2020	290	2	807	33	70	0	71	0	1,273
2019	325	3	896	39	77	0	82	30	1,452
2018	358	3	1,383	45	187	0	91	32	2,099
2017	428	3	3,315	58	410	0	812	131	5,157
2016	566	9	10,311	340	1,461	0	3,176	6,403	22,266
2015	630	10	17,285	753	3,045	0	5,309	12,233	39,265
2014	704	11	27,675	955	5,035	0	8,287	21,212	63,879
2013	778	116	39,583	1,417	9,594	0	10,426	29,323	91,237
2012	862	311	44,086	1,774	13,036	0	12,012	47,957	120,038
2011	960	336	48,696	2,128	14,662	0	13,949	54,110	134,841
2010	1,080	363	53,855	2,405	16,438	0	15,646	58,728	148,515
2009	1,201	395	61,179	2,845	18,594	0	17,687	61,915	163,816
2008	1,326	438	74,413	3,266	21,801	0	19,606	64,191	185,041
2007	1,472	498	100,827	3,720	26,343	0	21,250	64,804	218,914
2006	1,510	408	121,691	3,626	31,743	0	20,893	44,760	224,631
2005	1,680	Not Available Before 2006	Not Available Before 2006	Not Available Before 2006	Not Available Before 2006	4,749	181,678	43,487	231,594
2004	1,816					8,243	115,168	41,184	166,411
2003	2,085					Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	107,301
2002	2,394								70,752
2001	2,462								42,336
2000	2,896								35,997
1999	4,693								31,019
1998	1,711								16,970

Source: Freddie Mac

a Based on unpaid principal balances.

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

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

d Freddie Mac mortgage-related securities include mortgage-related securities issued or guaranteed by Freddie Mac. In prior periods, certain of these securities that were issued by third-party trusts but guaranteed by Freddie Mac were classified as non-agency mortgage-related securities. 2017 and later periods have been revised to conform to the current period presentation.

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

End of Period	Mortgage-Related Securities ($ in Millions)		($ in Millions)			
	Mortgage Revenue Bonds[a] ($)	Total Mortgage-Related Securities[a] ($)	Unamortized Premiums, Discounts, Deferred Fees, Plus Unrealized Gains/Losses on Available-for-Sale Securities[b] ($)	Mortgage Assets Held for Investment (Net)[c] ($)	Mortgage Assets Held for Investment (Gross)[d] ($)	Limit on Mortgage Assets Held for Investment (Gross)[e] ($)
4Q20	140	71,434	N/A	N/A	182,184	250,000
3Q20	153	92,798	N/A	N/A	198,176	250,000
2Q20	159	92,567	N/A	N/A	194,110	250,000
1Q20	166	125,747	N/A	N/A	211,197	250,000
Annual Data						
2020	140	71,434	N/A	N/A	182,184	250,000
2019	174	129,021	N/A	N/A	212,673	250,000
2018	236	126,462	N/A	N/A	218,080	250,000
2017	352	146,284	N/A	N/A	253,455	288,408
2016	657	170,877	N/A	N/A	298,426	339,304
2015	1,188	201,247	N/A	N/A	346,911	399,181
2014	2,169	243,942	N/A	N/A	408,414	469,625
2013	3,538	279,716	N/A	N/A	461,024	552,500
2012	5,656	336,231	N/A	N/A	557,544	650,000
2011	7,793	399,343	N/A	N/A	653,313	729,000
2010	9,877	462,128	N/A	N/A	696,874	810,000
2009	11,854	616,456	-38,298	716,974	755,272	900,000
2008	12,869	693,286	-56,015	748,747	804,762	Not Applicable Before 2009
2007	14,935	638,655	-10,771	710,042	720,813	
2006	13,834	638,112	-3,957	700,002	703,959	
2005	11,321	648,865	-843	709,503	710,346	
2004	9,077	591,901	11,321	664,582	653,261	
2003	7,772	585,497	14,764	660,531	645,767	
2002	7,640	503,386	22,627	589,899	567,272	
2001	7,257	434,847	6,130	503,769	497,639	
2000	6,953	326,453	-242	385,451	385,693	
1999	5,690	267,767	-1,529	322,914	324,443	
1998	4,640	197,925	661	255,670	255,009	
1997	3,031	Not Available Before 1998	122	164,543	164,421	
1996	1,787		71	137,826	137,755	
1995	Not Available Before 1996		282	107,706	107,424	
1994			Not Available Before 1995 and after 2009	73,171	73,171	
1993				55,938	55,938	
1992				33,629	33,629	
1991				26,667	26,667	
1990				21,520	21,520	
1989				21,448	21,448	
1988				16,918	16,918	
1987				12,354	12,354	
1986				13,093	13,093	
1985				13,547	13,547	
1984				10,018	10,018	
1983				7,485	7,485	
1982				4,679	4,679	
1981				5,178	5,178	
1980				5,006	5,006	
1979				4,003	4,003	
1978				3,038	3,038	
1977				3,204	3,204	
1976				4,175	4,175	
1975				4,878	4,878	
1974				4,469	4,469	
1973				2,521	2,521	
1972				1,726	1,726	
1971				935	935	

Source: Freddie Mac
N/A = not available

a Based on unpaid principal balances.
b Includes premiums, discounts, deferred fees, impairments of unpaid principal balances, and other basis adjustments on mortgage loans and mortgage-related securities plus unrealized gains or losses on available-for-sale mortgage-related securities. Amounts prior to 2006 include mortgage-backed securities residuals at fair value.
c Excludes allowance for loan losses.
d Amounts for 2009 and later meet the definition of mortgage assets in the Treasury Senior Preferred Stock Purchase Agreement for the purpose of determining the maximum amount of mortgage assets that may be held.
e Maximum allowable mortgage assets under the Treasury Senior Preferred Stock Purchase Agreement.

TABLE 15 • FREDDIE MAC FINANCIAL DERIVATIVES

End of Period	Financial Derivatives – Notional Amount Outstanding ($ in Millions)									
	Interest Rate Swaps[a] ($)	Interest Rate Caps, Floors, and Corridors ($)	Foreign Currency Contracts ($)	Over-the-Counter Futures, Options, and Forward Rate Agreements ($)	Treasury-Based Contracts[b] ($)	Exchange-Traded Futures, Options and Other Derivatives ($)	Credit Derivatives[c] ($)	Commitments[d] ($)	Other[e] ($)	Total ($)
4Q20	740,282	29,000	0	176,046	5,656	159,254	0	219,109	32,978	1,362,325
3Q20	804,941	29,000	0	161,014	13,296	259,365	0	217,051	31,677	1,516,344
2Q20	739,925	10,000	0	169,187	22,162	309,004	0	188,487	25,078	1,463,843
1Q20	739,727	10,000	0	176,966	60,649	263,482	0	189,656	24,211	1,464,691
Annual Data										
2020	740,282	29,000	0	176,046	5,656	159,254	0	219,109	32,978	1,362,325
2019	804,941	29,000	0	161,014	13,296	259,365	0	217,051	31,677	1,516,344
2018	739,925	10,000	0	169,187	22,162	309,004	0	188,487	25,078	1,463,843
2017	739,727	10,000	0	176,966	60,649	263,482	0	189,656	24,211	1,464,691
2016	586,033	10,000	0	114,392	28,763	109,531	2,951	45,353	2,879	899,902
2015	429,712	10,000	0	99,463	1,332	55,000	3,899	29,114	3,033	631,553
2014	418,844	10,000	0	95,260	7,471	40,000	5,207	27,054	3,204	607,040
2013	524,624	19,000	528	103,010	270	50,000	5,386	18,731	3,477	725,026
2012	547,491	28,000	1,167	90,585	1,185	39,938	8,307	25,530	3,628	745,831
2011	503,893	28,000	1,722	182,974	2,250	41,281	10,190	14,318	3,621	788,249
2010	721,259	28,000	2,021	207,694	4,193	211,590	12,833	14,292	3,614	1,205,496
2009	705,707	35,945	5,669	287,193	540	159,659	14,198	13,872	3,521	1,226,304
2008	766,158	36,314	12,924	251,426	28,403	106,610	13,631	108,273	3,281	1,327,020
2007	711,829	0	20,118	313,033	0	196,270	7,667	72,662	1,302	1,322,881
2006	440,879	0	29,234	252,022	2,000	20,400	2,605	10,012	957	758,109
2005	341,008	45	37,850	193,502	0	86,252	2,414	21,961	738	683,770
2004	178,739	9,897	56,850	224,204	2,001	127,109	10,926	32,952	114,100	756,778
2003	287,592	11,308	46,512	349,650	8,549	122,619	15,542	89,520	152,579	1,083,871
2002	290,096	11,663	43,687	277,869	17,900	210,646	17,301	191,563	117,219	1,177,944
2001	442,771	12,178	23,995	187,486	13,276	358,500	10,984	121,588	0	1,170,778
2000	277,888	12,819	10,208	113,064	2,200	22,517	N/A	N/A	35,839	474,535
1999	126,580	19,936	1,097	172,750	8,894	94,987	Not Applicable Before 2000	Not Applicable Before 2000	0	424,244
1998	57,555	21,845	1,464	63,000	11,542	157,832			0	313,238
1997	54,172	21,995	1,152	6,000	12,228	0			0	95,547
1996	46,646	14,095	544	0	651	0			0	61,936
1995	45,384	13,055	0	0	24	0			0	58,463
1994	21,834	9,003	0	0	0	0			0	30,837
1993	17,888	1,500	0	0	0	0			0	19,388

Source: Freddie Mac

N/A = not available

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

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

c Includes prepayment management agreement and swap guarantee derivatives. Beginning 4Q 2019, certain derivatives related to our credit risk transfer transactions were reclassified to other.

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 Beginning in 1Q 2020, includes certain derivatives previously reported as credit 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] ($)	Total ($)
4Q20	0	0	105,003	0	34,205	139,208
3Q20	0	0	99,252	0	36,807	136,059
2Q20	0	0	100,525	0	38,752	139,277
1Q20	0	0	45,968	0	38,840	84,808
Annual Data						
2020	0	0	105,003	0	34,205	139,208
2019	0	0	66,114	0	32,213	98,327
2018	0	0	34,771	0	20,980	55,751
2017	0	0	55,903	0	24,088	79,991
2016	0	0	51,548	0	21,137	72,685
2015	0	0	63,644	0	17,151	80,795
2014	0	0	51,903	0	6,682	58,585
2013	0	0	62,383	0	6,636	69,019
2012	0	292	37,563	0	20,221	58,076
2011	0	302	12,044	2,184	24,812	39,342
2010	3,750	44	42,774	441	27,411	74,420
2009	0	4,045	7,000	439	14,787	26,271
2008	0	8,794	10,150	0	0	18,944
2007	162	16,588	6,400	18,513	0	41,663
2006	19,778	32,122	3,250	11,191	2,273	68,614
2005	9,909	30,578	5,250	5,764	5,823	57,324
2004	18,647	21,733	13,550	0	8,097	62,027
2003	7,567	16,648	13,015	5,852	10,042	53,124
2002	6,129	34,790	16,914	13,050	20,988	91,871
2001	15,868	26,297	17,632	21,712	8,340	89,849
2000	2,267	19,063	7,488	7,302	7,401	43,521
1999	10,545	10,305	4,961	3,916	4,425	34,152
1998	20,524	7,124	1,756	7,795	4,961	42,160
1997	2,750	2,200	6,982	3,203	1,295	16,430
1996	9,968	2,086	6,440	1,058	2,696	22,248
1995	110	499	9,217	1,201	1,684	12,711
1994	7,260	0	5,913	1,234	3,401	17,808
1993	9,267	0	4,198	1,438	3,322	18,225
1992	5,632	0	4,060	53	2,797	12,542
1991	2,949	0	4,437	0	2,570	9,956
1990	1,112	0	9,063	0	1,949	12,124
1989	3,527	0	5,765	0	1,758	11,050
1988	4,469	0	9,107	0	1,031	14,607
1987	3,177	0	5,859	0	1,431	10,467

Source: Freddie Mac

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

[b] Beginning in 2017, amounts include certain secured lending activity. From 2009 through current period, 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] (%)
4Q20	2.64	0.16	0.00	0.01	54.0
3Q20	3.04	0.13	0.01	0.01	56.0
2Q20	2.48	0.10	0.02	0.01	57.0
1Q20	0.60	0.08	0.02	0.02	61.0
Annual Data					
2020	2.64	0.16	0.01	0.01	54.0
2019	0.63	0.08	0.07	0.02	60.0
2018	0.69	0.01	0.11	0.04	58.0
2017	1.08	0.02	0.19	0.04	48.0
2016	1.00	0.03	0.09	0.06	40.0
2015	1.32	0.02	0.26	0.09	33.0
2014	1.88	0.04	0.22	0.14	26.0
2013	2.39	0.09	0.27	0.25	16.0
2012	3.25	0.19	0.64	0.24	13.0
2011	3.58	0.22	0.68	0.30	14.0
2010	3.84	0.26	0.72	0.36	15.0
2009	3.98	0.20	0.41	0.23	16.0
2008	1.83	0.05	0.20	0.17	18.0
2007	0.65	0.02	0.03	0.08	17.0
2006	0.42	0.06	0.01	0.04	16.0
2005	0.53	0.00	0.01	0.04	17.0
2004	0.73	0.06	0.01	0.05	19.0
2003	0.86	0.05	0.01	0.06	21.0
2002	0.77	0.13	0.01	0.05	27.4
2001	0.62	0.15	0.01	0.04	34.7
2000	0.49	0.04	0.01	0.04	31.8
1999	0.39	0.14	0.02	0.05	29.9
1998	0.50	0.37	0.04	0.08	27.3
1997	0.55	0.96	0.08	0.11	15.9
1996	0.58	1.96	0.10	0.13	10.0
1995	0.60	2.88	0.11	0.14	9.7
1994	0.55	3.79	0.08	0.18	7.2
1993	0.61	5.92	0.11	0.16	5.3
1992	0.64	6.81	0.09	0.12	Not Available Before 1993
1991	0.61	5.42	0.08	0.14	
1990	0.45	2.63	0.08	0.12	
1989	0.38	2.53	0.08	0.09	
1988	0.36	2.24	0.07	0.09	
1987	0.36	1.49	0.07	0.08	
1986	0.42	1.07	Not Available Before 1987	0.07	
1985	0.42	0.63		0.10	
1984	0.46	0.42		0.15	
1983	0.47	0.58		0.15	
1982	0.54	1.04		0.12	
1981	0.61	Not Available Before 1982		0.07	
1980	0.44			0.04	
1979	0.31			0.02	
1978	0.21			0.02	
1977	Not Available Before 1978			0.03	
1976				0.04	
1975				0.03	
1974				0.02	

Source: Freddie Mac

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

b 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. The credit enhanced percentage of our total mortgage portfolio has been rounded to the nearest whole percent. Since 2004, the credit-enhanced percentage of our total mortgage portfolio has been rounded to the nearest whole percent.

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

TABLE 18 • FREDDIE MAC CAPITAL[a]

End of Period	Capital ($ in Millions)									
	Minimum Capital Requirement			Risk-Based Capital Requirement						
	Core Capital[b] ($)	Minimum Capital Requirement[c] ($)	Regulatory Capital Surplus (Deficit)[c] ($)	Total Capital[d] ($)	Risk-Based Capital Requirement[e] ($)	Risk-Based Capital Surplus (Deficit)[f] ($)	Market Capitalization[g] ($)	Core Capital/ Total Assets[h] (%)	Core Capital/ Total Assets plus Unconsolidated MBS[i] (%)	Common Share Dividend Payout Rate[j] (%)
4Q20	(56,878)	22,694	(79,572)	N/A	N/A	N/A	1,515	(2.16)	(1.94)	N/A
3Q20	(59,791)	21,302	(81,093)	N/A	N/A	N/A	1,242	(2.44)	(2.18)	N/A
2Q20	(62,254)	20,230	(82,484)	N/A	N/A	N/A	1,424	(2.67)	(2.39)	N/A
1Q20	(64,031)	19,521	(83,552)	N/A	N/A	N/A	910	(2.86)	(2.55)	N/A
Annual Data										
2020	(56,878)	22,694	(79,572)	N/A	N/A	N/A	1,515	(2.16)	(1.94)	N/A
2019	(63,964)	19,123	(83,087)	N/A	N/A	N/A	1,950	(2.90)	(2.60)	N/A
2018	(68,036)	17,553	(85,589)	N/A	N/A	N/A	689	(3.30)	(2.99)	N/A
2017	(73,037)	18,431	(91,468)	N/A	N/A	N/A	1,638	(3.56)	(3.30)	N/A
2016	(67,717)	18,933	(86,650)	N/A	N/A	N/A	2,431	(3.35)	(3.18)	N/A
2015	(70,549)	19,687	(90,236)	N/A	N/A	N/A	1,053	(3.55)	(3.42)	N/A
2014	(71,415)	20,090	(91,505)	N/A	N/A	N/A	1,339	(3.67)	(3.54)	N/A
2013	(59,495)	21,404	(80,899)	N/A	N/A	N/A	1,885	(3.03)	(2.94)	N/A
2012	(60,571)	22,063	(82,634)	N/A	N/A	N/A	169	-3.04	-3.02	N/A
2011	-64,322	24,405	-88,727	N/A	N/A	N/A	136	-3.00	-3.03	N/A
2010	-52,570	25,987	-78,557	N/A	N/A	N/A	195	-2.32	-2.37	N/A
2009	-23,774	28,352	-52,126	N/A	N/A	N/A	953	-2.82	-1.02	N/A
2008	-13,174	28,200	-41,374	N/A	N/A	N/A	473	-1.55	-0.58	N/M
2007	37,867	26,473	11,394	40,929	14,102	26,827	22,018	4.77	1.74	N/M
2006	35,365	25,607	9,758	36,742	15,320	21,422	44,896	4.39	1.83	63.9
2005	35,043	24,791	10,252	36,781	11,282	25,499	45,269	4.35	1.97	56.4
2004	34,106	23,715	10,391	34,691	11,108	23,583	50,898	4.29	2.07	30.7
2003	32,416	23,362	9,054	33,436	5,426	28,010	40,158	4.03	2.08	15.6
2002	28,990	22,339	6,651	24,222	4,743	19,479	40,590	3.85	1.96	6.2
2001	20,181	19,014	1,167	Not Applicable Before 2002	Not Applicable Before 2002	Not Applicable Before 2002	45,473	3.15	1.56	18.9
2000	14,380	14,178	202				47,702	3.13	1.39	20.0
1999	12,692	12,287	405				32,713	3.28	1.37	20.1
1998	10,715	10,333	382				44,797	3.33	1.34	20.7
1997	7,376	7,082	294				28,461	3.79	1.10	21.1
1996	6,743	6,517	226				19,161	3.88	1.04	21.3
1995	5,829	5,584	245				14,932	4.25	0.98	21.1
1994	5,169	4,884	285				9,132	4.87	0.91	20.5
1993	4,437	3,782	655				9,005	5.29	0.85	21.6
1992	Not Applicable Before 1993	Not Applicable Before 1993	Not Applicable Before 1993				8,721	Not Applicable Before 1993	Not Applicable Before 1993	23.1
1991							8,247			21.6
1990							2,925			23.2
1989							4,024			24.3

Sources: Freddie Mac and FHFA

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

[a] On October 9, 2008, the Federal Housing Finance Agency (FHFA) suspended capital classifications of Freddie Mac. As of the fourth quarter of 2008, neither the existing statutory nor the FHFA-directed regulatory capital requirements 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 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. As a result of conservatorship and the Senior Preferred Stock Purchase Agreement with Treasury, no amounts are available to distribute as dividends to common or preferred stockholders (other than Treasury as the holder of the Senior Preferred Stock).

TABLE 19 • FEDERAL HOME LOAN BANKS COMBINED STATEMENT OF INCOME

End of Period	($ in Millions)				
	Net Interest Income ($)	Operating Expenses ($)	Affordable Housing Program Assessment ($)	REFCORP Assessment [1, 2] ($)	Net Income ($)
4Q20	1,111	387	73	0	657
3Q20	1,167	298	93	0	825
2Q20	1,248	316	77	0	682
1Q20	915	324	72	0	627
Annual Data					
2020	4,441	1,325	315	0	2,791
2019	4,682	1,228	362	0	3,190
2018	5,256	1,131	404	0	3,562
2017	4,481	1,064	384	0	3,376
2016	3,835	1,025	392	0	3,408
2015	3,548	1085	332	0	2,856
2014	3,522	932	269	0	2,245
2013	3,415	889	293	0	2,527
2012	4,052	839	296	0	2,606
2011	4,104	853	188	160	1,593
2010	5,234	860	229	498	2,081
2009	5,432	813	258	572	1,855
2008	5,243	732	188	412	1,206
2007	4,516	714	318	703	2,827
2006	4,293	671	295	647	2,612
2005	4,207	657	282	625	2,525
2004	4,171	547	225	505	1,994
2003	3,877	450	218	490	1,885
2002	3,722	393	168	375	1,507
2001	3,446	364	220	490	1,970
2000	3,313	333	246	553	2,211
1999	2,534	282	199	Not Applicable Before 2000	2,128
1998	2,116	258	169		1,778
1997	1,772	229	137		1,492
1996	1,584	219	119		1,330
1995	1,401	213	104		1,300
1994	1,230	207	100		1,023
1993	954	197	75		884
1992	736	207	50		850
1991	1,051	264	50		1,159
1990	1,510	279	60		1,468

Source: Federal Home Loan Bank System Office of Finance[3]

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

2 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.

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

TABLE 20 • FEDERAL HOME LOAN BANKS COMBINED BALANCE SHEET

End of Period	($ in Millions)								
	Total Assets ($)	Advances Outstanding ($)	Mortgage Loans Held ($)	Mortgage-Related Securities ($)	Consolidated Obligations ($)	GAAP Capital Stock ($)	Retained Earnings ($)	Regulatory Capital ($)	Regulatory Capital/ Total Assets (%)
4Q20	820,740	422,639	62,842	131,812	748,518	27,398	21,998	50,168	6.11
3Q20	894,323	479,019	67,919	138,488	821,815	29,669	21,654	52,191	5.84
2Q20	992,330	557,547	72,912	143,162	917,865	32,085	21,209	54,391	5.48
1Q20	1,259,103	806,944	74,562	143,760	1,176,410	41,037	20,729	63,492	5.04
Annual Data									
2020	820,740	422,639	62,842	131,812	748,518	27,398	21,998	50,168	6.11
2019	1,099,113	641,519	72,492	145,616	1,026,196	34,495	20,588	56,461	5.14
2018	1,102,850	728,767	62,534	142,991	1,029,525	38,498	19,504	59,064	5.36
2017	1,103,451	731,544	53,827	141,299	1,033,081	37,657	18,099	57,027	5.17
2016	1,056,712	705,225	48,476	138,650	988,742	36,234	16,330	54,318	5.14
2015	969,353	634,022	44,585	133,680	905,982	34,185	14,325	49,449	5.10
2014	913,343	570,726	43,563	139,180	848,334	33,705	13,244	49,577	5.43
2013	834,200	498,599	44,442	140,309	767,141	33,375	12,206	50,578	6.06
2012	762,454	425,750	49,425	138,522	692,138	33,535	10,524	50,989	6.69
2011	766,086	418,157	53,377	140,154	697,124	35,542	8,577	52,936	6.91
2010	878,109	478,589	61,191	146,881	800,998	41,735	7,552	57,356	6.53
2009	1,015,583	631,159	71,437	152,028	934,876	44,982	6,033	60,153	5.92
2008	1,349,053	928,638	87,361	169,170	1,258,267	49,551	2,936	59,625	4.42
2007	1,271,800	875,061	91,610	143,513	1,178,916	50,253	3,689	56,051	4.41
2006	1,016,469	640,681	97,974	130,228	934,214	42,001	3,143	47,247	4.65
2005	997,389	619,860	105,240	122,328	915,901	42,043	2,600	46,102	4.62
2004	924,751	581,216	113,922	124,417	845,738	40,092	1,744	42,990	4.65
2003	822,418	514,037	113,438	97,867	740,721	37,703	1,098	38,801	4.72
2002	763,052	489,338	60,455	96,386	673,383	35,186	716	35,904	4.71
2001	696,254	472,540	27,641	86,730	621,003	33,288	749	34,039	4.89
2000	653,687	437,861	16,149	77,385	591,606	30,537	728	31,266	4.78
1999	583,212	395,747	2,026	62,531	525,419	28,361	654	29,019	4.98
1998	434,002	288,189	966	52,232	376,715	22,287	465	22,756	5.24
1997	348,575	202,265	37	47,072	304,493	18,833	341	19,180	5.50
1996	292,035	161,372	0	42,960	251,316	16,540	336	16,883	5.78
1995	272,661	132,264	0	38,029	231,417	14,850	366	15,213	5.58
1994	239,076	125,893	0	29,967	200,196	13,095	271	13,373	5.59
1993	178,897	103,131	0	22,217	138,741	11,450	317	11,766	6.58
1992	162,134	79,884	0	20,123	114,652	10,102	429	10,531	6.50
1991	154,556	79,065	0	Not Available Before 1992	108,149	10,200	495	Not Available Before 1992	Not Available Before 1992
1990	165,742	117,103	0		118,437	11,104	521		

Source: Federal Home Loan Bank System Office of Finance[1]

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

TABLE 21 • FEDERAL HOME LOAN BANKS NET INCOME

End of Period	($ in Millions)													
	Atlanta	Boston	Chicago	Cincinnati	Dallas	Des Moines	Indianapolis	New York	Pittsburgh	San Francisco	Seattle	Topeka	Combining Adjustment	System Total
4Q20	35	22	157	40	32	34	30	98	56	94	--	46	13	657
3Q20	56	54	85	57	48	151	15	101	58	161	--	40	(1)	825
2Q20	56	2	52	99	67	85	13	138	60	88	--	20	2	682
1Q20	108	42	80	80	51	92	30	105	36	(8)	--	12	(1)	627
Annual Data														
2020	255	120	374	276	198	362	88	442	210	335	--	118	13	2,791
2019	367	191	300	276	227	384	142	473	317	327	--	185	1	3,190
2018	416	217	303	339	199	460	195	560	347	360	--	170	(4)	3,562
2017	349	190	317	314	150	518	156	479	340	376	--	197	(10)	3,376
2016	278	173	327	268	79	649	113	401	260	712	--	162	(14)	3,408
2015	301	289	349	249	67	131	121	415	257	638	(32)	93	(22)	2,856
2014	271	150	392	244	49	121	117	315	256	205	60	106	(41)	2,245
2013	338	212	343	261	88	110	218	305	148	308	61	119	16	2,527
2012	270	207	375	235	81	111	143	361	130	491	71	110	21	2,606
2011	184	160	224	138	48	78	110	244	38	216	84	77	(8)	1,593
2010	278	107	366	164	105	133	111	276	8	399	21	34	79	2,081
2009	283	(187)	(65)	268	148	146	120	571	(37)	515	(162)	237	18	1,855
2008	254	(116)	(119)	236	79	127	184	259	19	461	(199)	28	(7)	1,206
2007	445	198	111	269	130	101	122	323	237	652	71	150	18	2,827
2006	414	196	188	253	122	89	118	285	216	542	26	136	27	2,612
2005	344	135	244	220	242	228	153	230	192	369	2	136	30	2,525
2004	294	90	365	227	65	100	131	161	119	293	83	93	(27)	1,994
2003	207	92	437	171	113	135	134	46	69	323	144	88	(74)	1,885
2002	267	76	205	178	(50)	46	81	234	(27)	292	147	58	0	1,507
2001	162	113	164	189	114	74	104	285	85	425	178	77	0	1,970
2000	298	146	129	193	129	124	127	277	173	377	139	99	0	2,211
1999	282	137	131	173	109	132	125	244	184	332	165	90	24	2,128
1998	221	116	111	176	99	116	111	186	143	294	154	81	(30)	1,778
1997	192	103	99	135	87	110	98	144	110	249	129	65	(29)	1,492
1996	165	96	92	116	95	111	80	131	97	219	118	58	(48)	1,330
1995	159	92	73	91	91	103	74	136	82	200	87	50	63	1,300
1994	120	69	57	68	78	76	71	126	58	196	75	45	(16)	1,024
1993	114	57	49	33	39	50	53	117	62	163	122	35	(12)	884
1992	124	52	51	41	26	47	59	141	58	131	93	33	(5)	850
1991	158	88	58	51	38	46	64	156	57	316	58	64	7	1,159

Source: Federal Home Loan Bank System Office of Finance[1]

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

TABLE 22 • FEDERAL HOME LOAN BANKS ADVANCES OUTSTANDING

End of Period	($ in Millions)												
	Atlanta	Boston	Chicago	Cincinnati	Dallas	Des Moines	Indianapolis	New York	Pittsburgh	San Francisco	Seattle	Topeka	System Total
4Q20	52,168	18,817	46,695	25,362	32,479	46,530	31,347	92,067	24,971	30,976	--	21,227	422,639
3Q20	58,802	26,962	49,771	27,101	34,292	48,462	31,264	106,216	35,841	37,693	--	22,616	479,019
2Q20	67,221	24,828	49,250	48,913	38,643	57,942	34,848	113,789	49,614	50,970	--	21,529	557,547
1Q20	137,037	45,076	55,005	80,425	46,923	79,757	38,927	136,151	78,093	77,872	--	31,678	806,944
Annual Data													
2020	52,168	18,817	46,695	25,362	32,479	46,530	31,347	92,067	24,971	30,976	--	21,227	422,639
2019	97,167	34,596	50,508	47,370	37,117	80,360	32,480	100,695	65,610	65,374	--	30,241	641,519
2018	108,462	43,193	52,628	54,822	40,794	106,323	32,728	105,179	82,476	73,434	--	28,730	728,767
2017	102,440	37,566	48,085	69,918	36,461	102,613	34,055	122,448	74,280	77,382	-	26,296	731,544
2016	99,077	39,099	45,067	69,882	32,506	131,601	28,096	109,257	76,809	49,845	-	23,986	705,225
2015	104,168	36,076	36,778	73,292	24,747	89,173	26,909	93,874	74,505	50,919	-	23,580	634,022
2014	99,644	33,482	32,485	70,406	18,942	65,168	20,790	98,797	63,408	38,986	10,314	18,303	570,726
2013	89,588	27,517	23,489	65,270	15,979	45,650	17,337	90,765	50,247	44,395	10,935	17,425	498,599
2012	87,503	20,790	14,530	53,944	18,395	26,614	18,130	75,888	40,498	43,750	9,135	16,573	425,750
2011	86,971	25,195	15,291	28,424	18,798	26,591	18,568	70,864	30,605	68,164	11,292	17,394	418,157
2010	89,258	28,035	18,901	30,181	25,456	29,253	18,275	81,200	29,708	95,599	13,355	19,368	478,589
2009	114,580	37,591	24,148	35,818	47,263	35,720	22,443	94,349	41,177	133,559	22,257	22,254	631,159
2008	165,856	56,926	38,140	53,916	60,920	41,897	31,249	109,153	62,153	235,664	36,944	35,820	928,638
2007	142,867	55,680	30,221	53,310	46,298	40,412	26,770	82,090	68,798	251,034	45,524	32,057	875,061
2006	101,476	37,342	26,179	41,956	41,168	21,855	22,282	59,013	49,335	183,669	27,961	28,445	640,681
2005	101,265	38,068	24,921	40,262	46,457	22,283	25,814	61,902	47,493	162,873	21,435	27,087	619,860
2004	95,867	30,209	24,192	41,301	47,112	27,175	25,231	68,508	38,980	140,254	14,897	27,490	581,216
2003	88,149	26,074	26,443	43,129	40,595	23,272	28,925	63,923	34,662	92,330	19,653	26,882	514,037
2002	82,244	26,931	24,945	40,063	36,869	23,971	28,944	68,926	29,251	81,237	20,036	25,921	489,338
2001	71,818	24,361	21,902	35,223	32,490	20,745	26,399	60,962	29,311	102,255	24,252	22,822	472,540
2000	58,249	21,594	18,462	31,935	30,195	21,158	24,073	52,396	25,946	110,031	26,240	17,582	437,861
1999	45,216	22,488	17,167	28,134	27,034	22,949	19,433	44,409	36,527	90,514	26,284	15,592	395,747
1998	33,561	15,419	14,899	17,873	22,191	18,673	14,388	31,517	26,050	63,990	21,151	8,477	288,189
1997	23,128	12,052	10,369	14,722	13,043	10,559	11,435	19,601	16,979	49,310	15,223	5,844	202,265
1996	16,774	9,655	10,252	10,882	10,085	10,306	9,570	16,486	12,369	39,222	10,850	4,921	161,372
1995	13,920	8,124	8,282	8,287	9,505	11,226	7,926	15,454	9,657	25,664	9,035	5,185	132,264
1994	14,526	8,504	6,675	7,140	8,039	9,819	7,754	14,509	8,475	25,343	8,899	6,212	125,893
1993	11,340	7,208	4,380	4,274	10,470	6,362	6,078	12,162	6,713	23,847	5,889	4,407	103,131
1992	9,301	5,038	2,873	2,415	7,322	3,314	5,657	8,780	3,547	23,110	5,025	3,502	79,884
1991	8,861	5,297	1,773	2,285	4,634	2,380	5,426	11,804	2,770	24,178	5,647	4,011	79,065

Source: Federal Home Loan Bank System Office of Finance[1]

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

TABLE 23 • FEDERAL HOME LOAN BANKS REGULATORY CAPITAL

End of Period	($ in Millions)													
	Atlanta	Boston	Chicago	Cincinnati	Dallas	Des Moines	Indianapolis	New York	Pittsburgh	San Francisco	Seattle	Topeka	Combining Adjustment[1]	System Total
4Q20	5,276	2,772	6,361	3,964	3,523	5,744	3,596	7,279	3,047	5,966	--	2,627	13	50,168
3Q20	5,540	3,091	6,259	4,234	3,575	5,845	3,610	7,889	3,455	6,086	--	2,605	2	52,191
2Q20	5,881	2,980	5,999	5,079	3,820	6,139	3,622	8,222	4,009	6,245	--	2,391	4	54,391
1Q20	8,838	3,746	6,104	6,464	3,974	6,948	3,545	9,132	5,239	6,718	--	2,785	-1	63,492
Annual Data														
2020	5,276	2,772	6,361	3,964	3,523	5,744	3,596	7,279	3,047	5,966	--	2,627	13	50,168
2019	7,142	3,388	5,807	4,483	3,706	6,888	3,412	7,585	4,725	6,605	--	2,769	-49	56,461
2018	7,597	3,956	5,547	5,366	3,643	7,719	3,178	7,766	5,327	6,522	--	2,442	1	59,064
2017	7,157	3,628	5,051	5,211	3,266	7,292	2,998	8,316	4,822	6,797	--	2,486	3	57,027
2015	6,956	3,507	4,688	5,232	2,311	5,812	2,377	6,875	4,427	5,369	--	1,863	32	49,449
2014	6,914	3,613	4,317	5,019	1,928	4,213	2,344	6,682	3,879	6,356	2,659	1,605	48	49,577
2013	6,563	4,297	3,703	5,435	1,782	3,379	2,379	6,594	3,648	7,925	2,958	1,824	90	50,578
2012	6,373	4,259	3,347	4,759	1,794	2,694	2,677	5,714	3,806	10,750	2,987	1,752	77	50,989
2011	7,258	4,251	4,527	3,845	1,765	2,684	2,515	5,292	3,871	12,176	2,958	1,738	56	52,936
2010	8,877	4,004	4,962	3,887	2,061	2,746	2,695	5,304	4,419	13,640	2,871	1,826	64	57,356
2009	9,185	3,876	4,502	4,151	2,897	2,953	2,830	5,874	4,415	14,657	2,848	1,980	-15	60,153
2008	8,942	3,658	4,327	4,399	3,530	3,174	2,701	6,112	4,157	13,539	2,687	2,432	-33	59,625
2007	8,080	3,421	4,343	3,877	2,688	3,125	2,368	5,025	4,295	13,859	2,660	2,336	-26	56,051
2006	6,394	2,542	4,208	4,050	2,598	2,315	2,111	4,025	3,655	10,865	2,303	2,225	-44	47,247
2005	6,225	2,675	4,507	4,130	2,796	2,346	2,349	3,900	3,289	9,698	2,268	1,990	-71	46,102
2004	5,681	2,240	4,793	4,002	2,846	2,453	2,132	4,005	2,791	7,959	2,166	2,023	-101	42,990
2003	5,030	2,490	4,542	3,737	2,666	2,226	1,961	3,765	2,344	5,858	2,456	1,800	-74	38,801
2002	4,577	2,323	3,296	3,613	2,421	1,889	1,935	4,296	1,824	5,687	2,382	1,661	0	35,904
2001	4,165	2,032	2,507	3,240	2,212	1,574	1,753	3,910	1,970	6,814	2,426	1,436	0	34,039
2000	3,649	1,905	1,701	2,841	2,166	1,773	1,581	3,747	2,175	6,292	2,168	1,267	0	31,266
1999	3,433	1,868	1,505	2,407	1,862	2,264	1,446	3,093	2,416	5,438	2,098	1,190	0	29,019
1998	2,427	1,530	1,299	1,952	1,570	1,526	1,179	2,326	1,827	4,435	1,813	894	-24	22,756
1997	2,077	1,344	1,159	1,694	1,338	1,320	1,090	1,881	1,440	3,545	1,495	791	6	19,180
1996	1,846	1,239	1,091	1,377	1,150	1,245	903	1,616	1,230	3,150	1,334	666	35	16,883
1995	1,615	1,201	941	1,128	1,168	1,217	799	1,531	1,030	2,719	1,148	632	83	15,213
1994	1,488	1,091	749	961	944	905	676	1,281	924	2,627	1,094	612	20	13,373
1993	1,423	927	648	692	914	652	584	1,251	740	2,440	934	526	36	11,766
1992	1,333	843	564	563	661	515	548	1,181	566	2,453	782	474	48	10,531
1991	1,367	807	525	517	645	450	515	1,234	492	2,924	652	514	53	10,695

Source: Federal Home Loan Bank System Office of Finance[2]

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

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

TABLE 24 • LOAN LIMITS

Period	Single-Family Conforming Loan Limits[a]			
	One Unit	Two Units	Three Units	Four Units
2021[b]	548,250-822,375	702,000-1,053,000	848,500-1,272,750	1,054,500-1,581,750
2020[b]	510,400-765,600	653,550-980,325	789,950-1,184,925	981,700-1,472,550
2019[b]	484,350-726,525	620,200-930,300	749,650-1,124,475	931,600-1,397,400
2018[b]	453,100-679,650	580,150-870,225	701,250-1,051,875	871,450-1,307,175
2017[b]	424,100-636,150	543,000-814,500	656,350-984,525	815,650-1,223,475
2016[b]	417,000-625,500	533,850-800,775	645,300-967,950	801,950-1,202,925
2015[b]	417,000-625,500	533,850-800,775	645,300-967,950	801,950-1,202,925
2014[b]	417,000-625,500	533,850-800,775	645,300-967,950	801,950-1,202,925
2013[b]	417,000-625,500	533,850-800,775	645,300-967,950	801,950-1,202,925
2012[b]	417,000-625,500	533,850-800,775	645,300-967,950	801,950-1,202,925
2011[c]	417,000-729,750	533,850-934,200	645,300-1,129,250	801,950-1,403,400
2010[d]	417,000-729,750	533,850-934,200	645,300-1,129,250	801,950-1,403,400
2009[e]	417,000-729,750	533,850-934,200	645,300-1,129,250	801,950-1,403,400
2008[f]	417,000-729,750	533,850-934,200	645,300-1,129,250	801,950-1,403,400
2007	417,000	533,850	645,300	801,950
2006	417,000	533,850	645,300	801,950
2005	359,650	460,400	556,500	691,600
2004	333,700	427,150	516,300	641,650
2003	322,700	413,100	499,300	620,500
2002	300,700	384,900	465,200	578,150
2001	275,000	351,950	425,400	528,700
2000	252,700	323,400	390,900	485,800
1999	240,000	307,100	371,200	461,350
1998	227,150	290,650	351,300	436,600
1997	214,600	274,550	331,850	412,450
1996	207,000	264,750	320,050	397,800
1995	203,150	259,850	314,100	390,400
1994	203,150	259,850	314,100	390,400
1993	203,150	259,850	314,100	390,400
1992	202,300	258,800	312,800	388,800
1991	191,250	244,650	295,650	367,500
5/1/1990 - 12/31/1990	187,450	239,750	289,750	360,150
1989 - 4/30/1990	187,600	239,950	290,000	360,450
1988	168,700	215,800	260,800	324,150
1987	153,100	195,850	236,650	294,150
1986	133,250	170,450	205,950	256,000
1985	115,300	147,500	178,200	221,500
1984	114,000	145,800	176,100	218,900
1983	108,300	138,500	167,200	207,900
1982	107,000	136,800	165,100	205,300
1981	98,500	126,000	152,000	189,000
1980	93,750	120,000	145,000	170,000
10/27/1977 - 1979	75,000	75,000	75,000	75,000
1975 - 10/26/1977	55,000	55,000	55,000	55,000

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

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

b Maximum loan limits for loans acquired between 2012 and 2021 were determined based on the formula established in the Housing and Economic Recovery Act of 2008.

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

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

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

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

Period	FHA Single-Family Insurable Limits							
	One Unit		Two Units		Three Units		Four Units	
	Low-Cost Area Max	High-Cost Area Max	Low-Cost Area Max	High-Cost Area Max	Low-Cost Area Max	High-Cost Area Max	Low-Cost Area Max	High-Cost Area Max
2021[a]	356,362	822,375	456,275	1,053,000	551,500	1,272,750	685,400	1,581,750
2020[a]	331,760	765,600	424,800	980,325	513,450	1,184,925	638,100	1,472,550
2019[a]	314,827	726,525	403,125	930,300	487,250	1,124,475	605,525	1,397,400
2018[a]	294,515	679,650	377,075	870,225	455,800	1,051,875	566,425	1,307,175
2017[a]	275,665	636,150	352,950	814,500	426,625	984,525	530,150	1,223,475
2016[a]	271,050	625,500	347,000	800,775	419,425	967,950	521,250	1,202,925
2015[a]	271,050	625,500	347,000	800,775	419,425	967,950	521,250	1,202,925
2014[a]	271,050	625,500	347,000	800,775	419,425	967,950	521,250	1,202,925
2013[b]	271,050	729,750	347,000	934,200	419,425	1,129,250	521,250	1,403,400
2012[b]	271,050	729,750	347,000	934,200	419,400	1,129,250	521,250	1,403,400
2011[b]	271,050	729,750	347,000	934,200	419,400	1,129,250	521,250	1,403,400
2010[c]	271,050	729,750	347,000	934,200	419,400	1,129,250	521,250	1,403,400
2009[d]	271,050	729,750	347,000	934,200	419,400	1,129,250	521,250	1,403,400
2008[e]	271,050	729,750	347,000	934,200	419,400	1,129,250	521,250	1,403,400
2007	200,160	362,790	256,248	464,449	309,744	561,411	384,936	697,696
2006	200,160	362,790	256,248	464,449	309,744	561,411	384,936	697,696
2005	172,632	312,895	220,992	400,548	267,120	484,155	331,968	601,692
2004	160,176	290,319	205,032	371,621	247,824	449,181	307,992	558,236
2003	154,896	280,749	198,288	359,397	239,664	434,391	297,840	539,835
2002	144,336	261,609	184,752	334,863	223,296	404,724	277,512	502,990
2001	132,000	239,250	168,936	306,196	204,192	370,098	253,776	459,969
2000	121,296	219,849	155,232	281,358	187,632	340,083	233,184	422,646
1999	115,200	208,800	147,408	267,177	178,176	322,944	221,448	401,375
1998	109,032	197,621	139,512	252,866	168,624	305,631	209,568	379,842
1997	81,546	170,362	104,310	205,875	126,103	248,888	156,731	309,338

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 and beyond.

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

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

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

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

TABLE 25 • MORTGAGE INTEREST RATES

Period	Average Commitment Rates on Loans		Effective Rates on Closed Loans	
	Conventional		Conventional	
	30-Year Fixed-Rate (%)	One-Year Adjustable-Rate (%)	Fixed-Rate (%)	Adjustable-Rate (%)
4Q20	2.7	2.8	Discontinued**	N/A
3Q20	2.9	2.8	Discontinued**	N/A
2Q20	3.1	2.9	Discontinued**	N/A
1Q20	3.5	3.0	Discontinued**	N/A
Annual Data				
2020	2.7	2.8	Discontinued**	N/A
2019	3.7	3.1	Discontinued**	N/A
2018	4.6	3.5	4.7	N/A
2017	4.0	2.9	4.1	N/A
2016	4.3	2.8	4.0	N/A
2015	4.0	2.7	4.0	N/A
2014	3.8	2.4	4.3	N/A
2013	4.5	2.6	4.1	N/A
2012	3.4	2.6	4.7	N/A
2011	4.0	2.8	4.8	N/A
2010	4.9	3.3	4.9	N/A
2009	5.1	4.3	5.2	N/A
2008	5.1	5.0	6.2	5.8
2007	6.2	5.5	6.5	6.3
2006	6.2	5.5	6.7	6.4
2005	6.2	5.2	6.1	5.5
2004	5.8	4.2	6.0	5.2
2003	5.8	3.7	5.9	5.0
2002	5.9	4.0	6.7	5.7
2001	7.2	5.3	7.1	6.4
2000	7.1	6.9	8.3	7.1
1999	8.1	6.6	7.4	6.5
1998	6.8	5.6	7.2	6.5
1997	7.0	5.5	7.9	6.9
1996	7.6	5.6	8.0	7.1
1995	7.1	5.6	8.2	7.1
1994	9.2	6.8	8.2	6.4
1993	7.1	4.2	7.5	5.7
1992	8.1	5.4	8.5	6.6
1991	8.4	6.0	9.7	8.3
1990	9.7	7.9	10.4	9.2
1989	9.8	8.4	10.5	9.4
1988	10.8	8.5	10.4	8.5
1987	10.6	8.0	9.9	8.5
1986	9.3	7.6	10.5	9.4
1985	11.1	9.2	12.4	10.9
1984	13.1	10.9	13.2	12.0
1983	13.4	Not Available Before 1984	13.0	12.3
1982	13.6		Not Available Before 1983	Not Available Before 1983
1981	17.0			
1980	15.0			
1979	12.9			
1978	10.4			
1977	9.0			
1976	8.8			
1975	9.1			
1974	9.6			
1973	8.6			
1972	7.5			
1971	Not Available Before 1972			

Sources: Freddie Mac for average commitment rates; Federal Housing Finance Agency for effective rates
N/A = not available
*Data at end of period as reported by Bloomberg
Discontinued**: FHFA's Monthly Interest Rate Survey was discontinued following the May 2019 release.

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
4Q20	1,334	346	1,680	885	6,650
3Q20	1,102	335	1,437	965	6,440
2Q20	898	367	1,265	840	4,770
1Q20	893	376	1,269	612	5,350
Annual Data					
2020	1,334	346	1,680	885	6,650
2019	1,095	531	1,626	708	5,540
2018	835	307	1,142	564	5,000
2017	849	361	1,210	656	5,570
2016	815	453	1,268	560	5,520
2015	767	371	1,138	545	5,440
2014	748	333	1,081	497	5,090
2013	676	334	1,010	433	4,860
2012	632	344	976	399	4,890
2011	545	149	694	341	4,350
2010	438	101	539	326	4,270
2009	497	84	581	352	4,400
2008	411	149	560	377	4,010
2007	816	221	1,037	619	4,410
2006	1,299	350	1,649	998	6,400
2005	1,659	335	1,994	1,239	6,840
2004	1,761	281	2,042	1,242	6,890
2003	1,676	381	2,057	1,129	6,490
2002	1,474	314	1,788	1,048	5,970
2001	1,302	266	1,568	979	5,490
2000	1,265	267	1,532	983	5,100
1999	1,401	307	1,708	873	5,080
1998	1,439	353	1,792	949	Not Available
1997	1,211	355	1,566	793	Before 1999
1996	1,105	265	1,370	805	
1995	1,197	234	1,431	709	
1994	1,188	267	1,455	629	
1993	1,338	195	1,533	812	
1992	1,110	117	1,227	650	
1991	989	90	1,079	558	
1990	766	203	969	464	
1989	959	292	1,251	630	
1988	1,193	370	1,563	658	
1987	1,085	315	1,400	595	
1986	1,338	495	1,833	784	
1985	1,209	733	1,942	721	
1984	1,213	399	1,612	597	
1983	1,141	547	1,688	773	
1982	943	360	1,303	521	
1981	639	271	910	457	
1980	1,061	421	1,482	532	
1979	1,124	374	1,498	559	
1978	1,581	463	2,044	805	
1977	1,677	465	2,142	835	
1976	1,416	388	1,804	767	
1975	1,102	219	1,321	669	
1974	799	176	975	417	
1973	908	618	1,526	519	
1972	1,402	964	2,366	772	
1971	1,427	868	2,295	689	

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
Seasonally adjusted annual rates.
[a] Components may not add to totals due to rounding.
**Data at end of period as reported by Bloomberg. Historical values in this table are subject to revision and therefore may not match values for the same period in previous Annual Reports to Congress.

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
4Q20	3.81	4.58	4.05	3.85	3.53	3.11	3.33	2.96	4.63	4.63
3Q20	3.41	4.71	3.84	3.36	3.34	2.90	3.37	2.60	4.17	3.47
2Q20	1.08	0.16	0.79	0.87	1.45	1.50	1.26	1.43	0.84	0.96
1Q20	2.08	2.65	1.81	2.22	1.96	1.84	2.50	1.33	3.06	2.11
Annual Data										
2020	10.77	12.59	10.86	10.67	10.67	9.66	10.86	8.57	13.27	11.61
2019	5.36	4.35	4.77	6.05	5.41	4.99	5.47	4.68	6.91	4.98
2018	5.69	4.64	4.72	6.09	5.83	5.71	6.13	4.44	8.02	5.62
2017	6.33	5.54	4.96	6.24	5.73	5.17	5.48	6.14	8.65	8.43
2016	5.97	4.60	4.04	6.70	5.63	5.15	4.99	5.41	7.92	7.58
2015	5.48	3.71	2.44	6.43	4.09	4.33	4.60	5.84	7.91	8.13
2014	4.65	2.46	1.95	4.94	4.10	3.93	3.20	5.68	5.71	7.25
2013	6.90	3.16	2.74	7.27	5.68	4.14	3.27	5.41	10.68	15.09
2012	4.85	0.60	1.19	4.74	2.73	3.65	2.63	4.72	11.75	10.05
2011	(2.47)	(2.27)	(3.75)	(2.53)	(2.60)	(1.20)	(1.29)	0.81	(3.57)	(4.90)
2010	(3.99)	(2.30)	(1.74)	(5.37)	(3.10)	(3.38)	(4.14)	(2.33)	(7.48)	(5.15)
2009	(2.51)	(1.99)	(1.93)	(4.03)	(2.25)	(0.61)	(1.28)	0.89	(7.36)	(3.34)
2008	(10.12)	(6.71)	(5.29)	(14.23)	(7.93)	(4.57)	(3.94)	(2.05)	(14.00)	(21.82)
2007	(2.70)	(2.51)	(0.03)	(3.65)	(3.55)	(0.72)	1.73	3.18	(3.53)	(10.06)
2006	2.88	(1.97)	2.34	4.77	(0.12)	1.97	5.92	6.17	6.77	0.30
2005	10.23	6.34	9.96	14.89	3.38	4.87	7.44	6.79	17.84	18.14
2004	10.18	10.52	12.28	12.85	4.29	5.51	5.22	4.40	12.86	21.83
2003	7.84	10.69	10.91	8.53	4.63	5.59	4.06	3.17	6.82	15.61
2002	7.64	13.37	11.65	8.13	4.48	5.55	3.34	3.64	5.51	13.96
2001	6.72	11.99	9.43	7.31	4.74	6.14	3.21	3.98	5.35	9.68
2000	6.95	12.64	8.36	6.39	5.15	6.39	2.82	5.51	5.48	11.34
1999	6.14	9.90	6.79	5.75	5.13	5.51	3.79	5.40	5.57	8.61
1998	5.69	7.96	4.85	4.49	4.87	6.44	4.74	5.62	4.67	8.81
1997	3.30	4.40	2.03	3.21	3.37	3.67	2.85	3.05	3.15	4.29
1996	2.78	2.62	0.91	2.77	4.44	3.98	3.89	2.28	3.79	1.03
1995	2.71	0.92	0.12	2.55	4.94	4.77	4.76	2.98	4.92	(0.52)
1994	2.89	0.46	(0.71)	3.44	4.93	4.38	5.20	3.23	8.53	(1.12)
1993	2.77	(1.81)	0.03	2.39	4.68	6.23	4.71	4.62	9.59	(2.52)
1992	2.71	(0.53)	1.76	2.15	4.66	4.19	3.98	3.71	6.69	(1.07)
1991	3.11	(2.24)	1.55	2.99	4.71	3.78	4.03	3.97	5.62	1.89
1990	1.20	(7.18)	(2.51)	0.37	3.80	1.11	0.44	0.59	2.47	5.70
1989	5.61	0.80	2.51	4.46	5.94	3.19	2.77	2.60	2.50	18.31
1988	5.63	4.18	6.67	5.75	6.43	2.68	2.30	(1.80)	0.93	16.35
1987	5.44	15.09	15.98	5.79	7.65	2.40	3.40	(8.20)	(2.84)	8.64
1986	7.28	21.11	17.58	6.65	7.19	3.77	5.41	(0.02)	2.43	6.45
1985	5.72	22.40	13.55	5.14	4.80	3.66	5.59	(1.63)	2.36	4.69
1984	4.68	14.92	11.21	4.44	2.87	3.74	4.35	0.06	2.64	4.03
1983	5.24	13.78	11.86	5.72	4.65	4.37	3.89	3.96	(0.60)	1.58
1982	3.91	7.42	6.60	4.95	(2.78)	1.95	7.89	6.83	5.83	3.21
1981	2.91	6.44	1.47	2.79	1.82	0.55	(2.58)	6.50	7.47	4.01
1980	6.34	5.48	8.67	9.45	1.08	3.74	4.80	7.81	4.86	10.13
1979	12.37	14.05	15.92	11.81	7.85	10.49	8.14	14.90	14.62	16.32
1978	13.37	17.89	4.54	10.39	15.25	13.62	11.41	16.45	18.59	17.06
1977	14.60	6.76	12.67	9.46	14.97	15.81	11.14	14.49	16.10	25.53
1976	8.14	9.98	(1.30)	4.58	7.29	7.87	6.00	9.66	12.80	20.28

Source: Federal Housing Finance Agency

[a] Percentage changes based on FHFA's purchase-only index for 1992 through 2020 and all-transactions index for prior years. Annual data are measured based on fourth quarter to fourth quarter percentage change. Quarterly data for 2019 reflect changes over the previous four quarters. Because quarterly index estimates are subject to revision, the historical values in this table may not exactly match values for the same period in previous Annual Reports to Congress.

Regional Divisions

New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
Mid-Atlantic: New Jersey, New York, Pennsylvania
South Atlantic: Washington, D.C., Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia
East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin
West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota
East South Central: Alabama, Kentucky, Mississippi, Tennessee
West South Central: Arkansas, Louisiana, Oklahoma, Texas
Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming
Pacific: Alaska, California, Hawaii, Oregon, Washington

Notes

Notes

FEDERAL HOUSING

FHFA

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