Fannie Mae

2018

Annual Housing Activities Report
Annual Mortgage Report

Introduction

The Critical Role of Housing Supply

Our nation's inadequate housing supply, particularly housing that families can reasonably afford in the communities where they work and live, is the greatest challenge facing the U.S. housing and mortgage markets that Fannie Mae serves.

The demand for quality, affordable housing in communities that offer employment, educational opportunities, and reasonable transportation is as high as it has ever been. Yet homebuilders, apartment developers, state and local housing agencies, and mortgage lenders find it increasingly difficult, if not impossible, to meet the demand. The result is a growing divide between those who can bear the cost of a home or apartment in job-rich and environmentally healthy communities, and those who cannot. The former have access to better schools, community services, health care, career opportunities, and shorter commutes. The latter often do not.

Census Bureau data from the American Community Survey illustrates the challenge. More than half of all renter families are currently spending more than 30 percent of their incomes on housing. This represents the largest number of cost-burdened families in the 26-year history of the survey. In fact, at 42 percent, housing costs are the largest single component of the Consumer Price Index, rising more in the last 15 years than either education or health care. Energy costs only add to the burden for low-income households. A study by Energy Efficiency for All found that the ratio of energy spending to annual income for low-income households was more than two times the ratio for median-income households.

To support the better housing ecosystem we know is possible, we first need to imagine it.

MARCH 13, 2019

SUBMITTED TO:
THE FEDERAL HOUSING FINANCE AGENCY (FHFA)

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

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

PURSUANT TO:

THE FEDERAL NATIONAL MORTGAGE ASSOCIATION CHARTER ACT

INDEX:

At Fannie Mae, our chartered affordable housing mission calls us to help bridge this divide, to work with our customers and partners in the U.S. housing finance system to overcome the many challenges Americans face in buying, owning, or renting a home affordably.

In this report, we provide an assessment of our efforts in 2018 to fulfill our affordable housing mission. We achieved meaningful successes in attaining our affordable housing goals. However, as wages have not grown at the same pace as housing costs, there remains in many housing markets a stark mismatch between the supply of housing and demand. This mismatch will have an increasingly negative effect on our customers, the communities they serve, and the housing economy as a whole until viable and successful strategies for addressing it emerge.

As a provider of liquidity to the housing finance industry, we work to improve the efficiency of the mortgage market and make mortgages widely available at a relatively low cost. However, we firmly believe that those mortgages must be sustainable, made only to creditworthy borrowers likely to meet their obligations.

A critical lesson of the last financial crisis is that unsound lending practices not only put taxpayers at risk, but also harm those borrowers who are extended loans that they may not have the ability to repay.

But no mortgage is sustainable if a constrained supply of housing makes purchasing a home out of reach. Therefore, Fannie Mae's approach to housing affordability is increasingly focused on the need for more housing supply and the ways that Fannie Mae can influence it within the confines of our Charter and risk parameters.

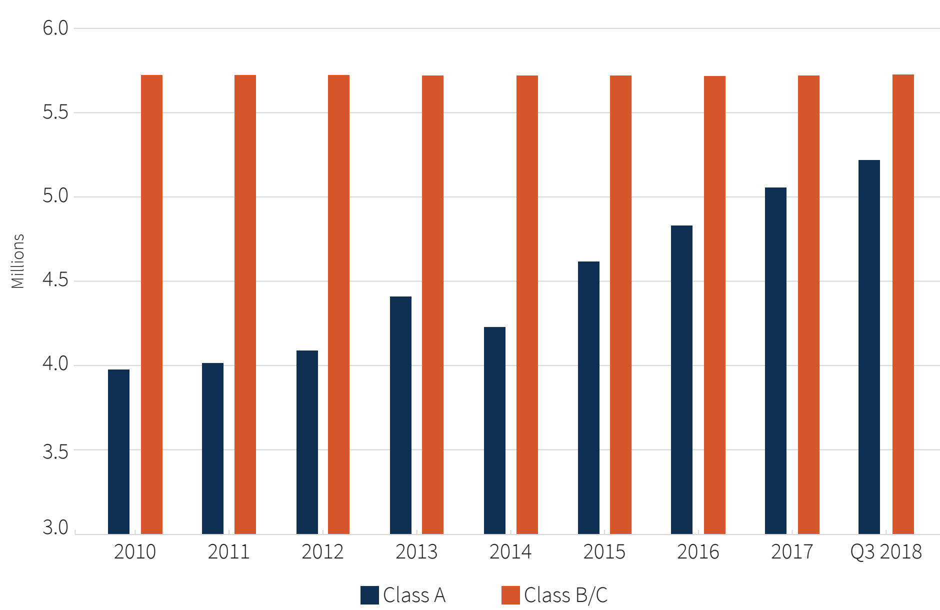
While the problem is complex, the housing market solutions are straightforward:

- Reduce the costs of owning or renting a home, and/or
- Increase the supply of affordable single-family and multifamily housing where it is most needed through preservation or new construction.

Promoting Sustainable Homeownership

The challenges confronting homeowners and renters might be different, but the need to own or rent an affordable home makes them kindred. Furthermore, according to research and survey data collected by Fannie Mae and others, indications are that the propensity to want to own a home will ultimately be no different for current and future generations than it has been for past generations – albeit a deferred desire for many young families today because of the inadequate supply of affordable for-sale housing in the places they want to live.

In 2018, Fannie Mae met or exceeded each of the single-family mortgage housing goal benchmarks established by our regulator, the Federal Housing Finance Agency, based on our preliminary assessment and currently available data. For instance, more than 28 percent of the single-family owner-occupied first lien mortgages that Fannie Mae acquired financed homes affordable to low- income borrowers earning at or less than 80 percent of area median income (AMI), and more than 6 percent of the single- family owner-occupied first lien mortgages that Fannie Mae acquired financed homes affordable to very low-income borrowers earning at or less than 50 percent of AMI. Moreover, we estimate that more than 50 percent of the single-family owner-occupied first lien mortgages Fannie Mae acquired were for homes affordable to families earning at or below 120 percent of AMI.



Limited Growth in Affordable Rentals

While higher-priced Class A apartments have increased significantly since 2010, the supply of more moderately priced Class B and C apartments have stayed relatively flat.

Source: Reis Inc.

We balance the need to expand access to affordable housing finance options while maintaining strong, sustainable credit standards.

This performance demonstrated the central role Fannie Mae plays in financing mortgages for families of modest means. In fulfilling this role, we balance the need to expand access to affordable housing finance options while maintaining strong, sustainable credit standards that do not place undue risk on borrowers, taxpayers, or the housing finance system overall.

Fannie Mae's HomeReady® is a concrete example of our approach to creating opportunities for sustainable homeownership. HomeReady provides lenders the option of offering loans with lower down payments. Down payments, especially for first-time homebuyers, are one of the single-biggest barriers to homeownership. With HomeReady, Fannie Mae has provided lenders a simplified, streamlined, and sustainable way to help such borrowers become successful homeowners without adding excessive credit risk. Indeed, first-time homebuyers are an important part of our business. All told, in 2018, 50.6 percent of all single-family owner-occupied home purchase loans financed by Fannie Mae were to first-time homebuyers.

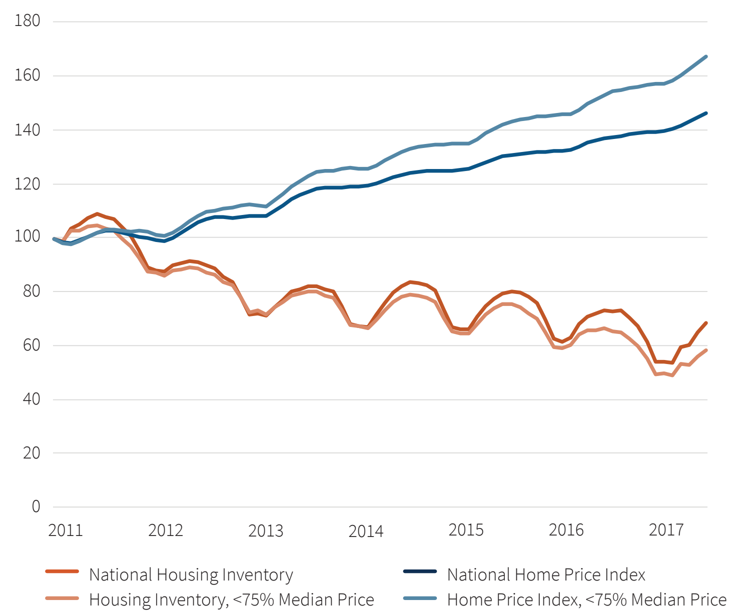
More than 742 of our lender customers in communities across the country delivered HomeReady loans in 2018. Deliveries of HomeReady loans to Fannie Mae increased from about 110,000 loans in 2017 to more than 170,000 loans in 2018.

HomeReady demonstrates Fannie Mae's ability to manage credit risk associated with low down payment loans. HomeReady contains underwriting flexibilities that expand access to credit responsibly, while recognizing the unique needs of low- and very low-income borrowers, moderate-income borrowers, and first-time homebuyers. These flexibilities allow the inclusion of rental unit or board income, as well as financial support from non-occupant borrowers, such as parents. Lenders can make HomeReady loans with a degree of certainty and simplicity that removes administrative barriers and costs, yet ensures credit is being delivered sustainably.

The success of HomeReady is the result of an approach to innovation that relies on testing new ways to help lenders serve more borrowers, often with initiatives that, if successful, can be expanded safely. These targeted product or process initiatives are a recognition that the needs and expectations of our customers, as well as the homeowners and renters our customers serve, will change in the years ahead. Fannie Mae wants to help its customers find new ways to meet these needs.

Supply and Demand: Out of Sync

Home purchase prices and available housing inventory have diverged since 2010, and the gap worsens at the more affordable end of the market.



Source: CoreLogic and Fannie Mae

Leading in Affordable Multifamily Housing Finance

Fannie Mae is also building new capabilities to serve the evolving needs of the nation's multifamily rental market. These new capabilities build on Fannie Mae's long track record in providing stable, essential mortgage capital to create and to preserve badly needed rental housing that is affordable to families of modest incomes.

We financed more than $65 billion in lending to support approximately 770,000 units of rental housing in 2018. More than 90 percent of the multifamily units financed were affordable to families earning at or below 120 percent of the area median income (AMI), providing support for both workforce housing and affordable housing.

Fannie Mae's Multifamily business is also an innovator in financing housing that is sustainable in the broadest sense. Through our Green Financing program, we finance properties with Green Building Certifications or loans to finance meaningful reductions in energy or water consumption. We began Green Financing in 2010 as a small test-and-learn initiative to identify ways to make properties less costly to operate and rent, benefiting the owners and families who live there, while also improving the environment in the community where the property is located. In 2018, Fannie Mae's Green Financing volume was $20.1 billion.

Property owners across the United States have leveraged Fannie Mae's Green financing program to reduce energy and water usage at more than 2,000 multifamily properties since the first loan in 2012, resulting in a Green Financing portfolio of more than $50 billion. The improvements have saved property owners and renters an estimated $105 million in utility costs, lowered utility bills for renters by $145 per year and saved nearly 5.9 billion gallons of water usage annually. More than 550,000 units financed by Fannie Mae have been retrofitted or have green building certifications, allowing more and more families and individuals to live in greener, healthier apartment units.

Fannie Mae continues to lead the market in providing secondary market debt financing to create, preserve, and improve affordable rental housing for our nation's workforce.

In 2018, Fannie Mae resumed making equity investments in Low-Income Housing Tax Credit (LIHTC) properties, providing crucial funding for affordable housing nationwide. Historically, LIHTC has been, and remains, one of the pillars of private-sector investment in the preservation and creation of rental housing for very low- and low-income families. Since its inception, the LIHTC program's private capital investments have made possible more than 3 million units of housing affordable to those earning 60 percent or less of AMI. Fannie Mae's LIHTC investments are being consciously targeted to areas and projects where the housing is most needed.

Fannie Mae also continues to lead the market in providing secondary market debt financing to create, preserve, and improve affordable rental housing for our nation's workforce. In 2018, our Multifamily Affordable Housing debt business provided $6 billion in financing to support affordable rental housing for low- and very low-income renters, with nearly half of the units we financed affordable to families making less than 50 percent of AMI. We also provided an additional $1.4 billion in financing to affordable state and local workforce housing initiatives in 47 communities across the United States. We ramped up our support to Public Housing Authorities in their efforts to revitalize and expand the supply of affordable housing stock for very low-income renters, and incentivized borrowers to create safer and healthier living environments via our Healthy Housing Rewards™ program.

Enabling Affordability through Innovation

At its most basic level, Fannie Mae's housing affordability mission is driven by its distinct and essential role in linking global capital to the U.S. housing market, and ensuring the mortgage system operates in as liquid, efficient way as possible. Setting credit standards that responsibly increase access to the conventional mortgage market is just one way we do this.

Fannie Mae has ushered in industry-changing innovations for customers, investors, and other partners. These innovations will make housing finance better, safer, and more efficient for future generations. We want to do more than just marginally improve the mortgage world of today; we want to build next-generation capabilities for the mortgage world of tomorrow.

We continually innovate to identify new ways to support liquidity in the market. Our issuance of Multifamily Green Bonds has supported this goal by attracting new socially responsible investors to Fannie Mae securities. Investors seek these bonds because of their dual strengths: strong credit quality and positive social and environmental outcomes, such as lower housing costs for renters and reduced consumption of energy and water.

Another way we are spurring innovation is by delivering powerful new digital tools to our lender customers. These tools enable significant reductions in the cost and time of originating a mortgage. We foresee a mortgage that can be processed in days, with ever greater transparency and accuracy. Together with our customers and financial technology partners, we are helping build a fundamentally better, faster, cheaper, and safer mortgage process, one that we believe will be far better able to meet the needs of homebuyers at all income levels.

For instance, more than 10 percent of the single-family mortgages Fannie Mae financed for low-income homebuyers had some form of electronic data validation, such as income or employment verification. These validation tools are part of our Day 1 Certainty® offerings that help lenders reduce the costs and time of the mortgage process.

Easing the burdens of a mortgage is only part of the answer. No loan is sustainable if a home is too costly to buy or rent. Fannie Mae has begun to examine ways in which the conventional mortgage market can encourage the creation of housing that is cheaper to buy and maintain.

More than 50 percent of all single-family owner-occupied home purchase loans financed by Fannie Mae in 2018 were to first-time homebuyers.

One example is our MH Advantage® loan product, which seeks to help lenders create a broader, more liquid, and ultimately more accessible market for financing manufactured homes. Manufactured housing represents about 10 percent of U.S. housing stock and is a critical source of shelter for lower income households, especially seniors and veterans. MH Advantage was developed as part of our three-year Duty to Serve plan to support new ways to preserve and increase availability of affordable housing options in underserved markets. MH Advantage seeks to bring Fannie Mae expertise and liquidity to the market for manufactured housing, which is dramatically less expensive to build and to deliver than traditional single-family housing. MH Advantage, as with all our test-and-learn initiatives, started out small. Nevertheless, with continuous improvement, Fannie Mae hopes to enable the growth of manufactured housing as a quality, attractive, and accessible form of home ownership for moderate- and lower-income households.

To support the better housing ecosystem we know is possible, we first need to imagine it. In 2018, Fannie Mae launched its Sustainable Communities Innovation Challenge to recognize and support private-sector efforts at the local level to create housing that delivers not only affordability, but also access to viable employment opportunities, health care, and educational options. Another way we are helping customers and partners reimagine housing availability is our work to help communities recover after natural disasters. Rebuilding housing after hurricanes, fires, and other tragedies should result in housing that is more resilient, as well as less costly and time consuming to create. Fannie Mae seeks to be a key partner in helping communities rebuild wisely in areas that seem increasingly prone to weather-related damage.

Fannie Mae financed more than $65 billion in lending to support approximately 770,000 units of rental housing in 2018.

In all these efforts, partnership and collaboration with a broad cross-section of housing stakeholders has been essential. Last year Fannie Mae helped convene forums in San Francisco, Los Angeles, Boston, and Dallas, inviting diverse housing industry participants in both the public and private sectors, to explore innovative solutions to creating more housing. These solutions included low-cost building techniques; better approaches to permitting, zoning, and transportation policy; and ways that financial technology can enable an all-digital and far more accessible and affordable mortgage process.

Fannie Mae's position in the housing finance system provides us with unique opportunities to make a difference for our customers, who are seeking to grow and serve a changing America. Our work will also make a difference for global investors, who will benefit from greater liquidity, more transparency, better data, and a more sustainable market when they invest in American housing. Working with our customers and others, we look forward to powering a housing finance system that is safer, more accessible, more adaptable, and more responsive to the needs of future generations of American homeowners and renters.

Structure of Fannie Mae's Housing Goals

When Fannie Mae became a publicly traded company in 1968, we were charged with dedicating a "reasonable portion" of our mortgage purchase business to mortgages affordable to low- and moderate-income families. More detailed statutory requirements were established with the passage of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.[1] As a result, Fannie Mae is required by statute and regulation to meet certain housing goals. We report our progress in meeting this responsibility each year to our regulator and to the responsible oversight committees in the U.S. House of Representatives and the U.S. Senate. We also make the report available to the public by posting it on our website. This report fulfills the requirements of the Fannie Mae Charter Act.[2]

When Congress passed the Housing and Economic Recovery Act of 2008,[3] it preserved the focus of Fannie Mae's affordable housing mission, but changed the regulatory framework to move responsibility for mission oversight and enforcement to the newly created Federal Housing Finance Agency (FHFA). That responsibility has included setting housing goals. The single-family goals for 2018-2020 include:

- **Low-Income Families Home Purchase Goal Benchmark:** At least 24 percent of our acquisitions of single-family owner-occupied purchase money mortgage loans must be affordable to low-income families (defined as families with income no higher than 80 percent of area median income (AMI)).
- **Very Low-Income Families Home Purchase Goal Benchmark:** At least 6 percent of our acquisitions of single-family owner-occupied purchase money mortgage loans must be affordable to very low-income families (defined as families with income no higher than 50 percent of AMI).
- **Low-Income Areas Home Purchase Goal Benchmark:** The benchmark level for our acquisitions of single-family owner-occupied purchase money mortgage loans for families in low-income areas is set annually by notice from FHFA, based on the benchmark level for the low-income and high-minority areas home purchase subgoal (below), plus an annual adjustment factor reflecting the additional incremental share of mortgages for moderate-income families (defined as income equal to or less than 100 percent of AMI) in designated disaster areas. For 2018, FHFA set the overall low-income areas home purchase benchmark goal at 18 percent.
- **Low-Income and High-Minority Areas Home Purchase Subgoal Benchmark:** At least 14 percent of our acquisitions of single-family owner-occupied purchase money mortgage loans must be affordable to families in low-income census tracts or to moderate-income families in high-minority census tracts.
- **Low-Income Families Refinance Goal Benchmark:** At least 21 percent of our acquisitions of single-family owner-occupied refinance mortgage loans must be affordable to low-income families.

For 2018, we believe that we met all five single-family goal benchmarks. Single-family housing goals performance is measured against both the FHFA-set benchmarks and against goals-qualifying originations in the primary mortgage market (market share). We will meet our single-family housing goals if we meet either the benchmarks or the market share. For any housing goals where the single-family performance falls below the benchmark level, FHFA compares the performance with that of the market share after the release of data reported under the Home Mortgage Disclosure Act (HMDA),[4] which typically occurs in the fall after the performance year, and determines whether Fannie Mae met this goal based on the HMDA market data.

1 Pub. L. 102-550, tit. XIII, Oct. 28, 1992, 106 Stat. 3672.
2 12 U.S.C. § 1723a(n).
3 Pub. L. 110-289, July 30, 2008, 122 Stat. 2654.
4 12 U.S.C. § 2801 et seq.

FHFA also established multifamily goal benchmarks for 2018 through 2020:

- **Low-Income Families Goal Benchmark:** At least 315,000 multifamily units per year must be affordable to low-income families.
- **Very Low-Income Families Subgoal Benchmark:** At least 60,000 multifamily units per year must be affordable to very low-income families.
- **Small Affordable Multifamily Properties Subgoal Benchmark:** At least 10,000 units per year must be affordable to low-income families in small multifamily properties (5-50 units).

There is no market-based alternative measurement for the multifamily goals. For 2018, we believe that we met all three multifamily goals.

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

In December 2018, FHFA assessed Fannie Mae's 2017 housing goals performance using HMDA data for primary mortgage market originations and determined that we achieved all of the single-family and all of the multifamily housing goals.

The following table sets forth Fannie Mae's housing goals performance against our 2018 single-family and multifamily housing goals benchmarks. We expect final performance results for 2018 will be calculated and published by FHFA by the fourth quarter of 2019.[5]

Housing Goals	2018 Benchmark	2018 Result
Single-Family		
Low-Income Families Home Purchase	24%	28.21%
Very Low-Income Families Home Purchase	6%	6.70%
Low-Income Areas Home Purchase	18%	25.07%
Low-Income Areas and High-Minority Home Purchase Subgoal	14%	20.05%
Low-Income Families Refinance	21%	31.16%
Multifamily (in units)		
Low-Income Families	315,000	422,478
Very Low-Income Families Subgoal	60,000	80,990
Small (5-50 units) Affordable Multifamily Properties Subgoal	10,000	11,890

5 Our 2018 results have not been validated by FHFA. After validation they may differ from the results reported.

Charter Act Requirements

Fannie Mae's Charter Act specifies the information that must be included in the Annual Housing Activities Report (AHAR).[6] Each statutory requirement is set forth below, followed by Fannie Mae's response for 2018.

Single-Family Activities

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

In 2018, 50.57 percent of home purchase mortgages on single-family owner-occupied properties acquired by Fannie Mae financed mortgage loans to first-time homebuyers.[7]

Fannie Mae has developed or accepts a number of special products and programs (or revisions to conventional products) designed to assist first-time homebuyers and very low- to moderate-income borrowers. We describe these products and programs below:

HomeReady® is our affordable lending product designed to help our lender partners serve more very low-, low-, and moderate-income borrowers, with expanded eligibility for financing properties in low-income communities. Below are some examples of homebuyers who benefited from HomeReady in 2018:

- A single father with two children in South Carolina wanted to purchase a home for his family, but thought that a bankruptcy filing in his past would disqualify him. With an income below $70,000 and minimal debt, he took additional work to save for the down payment. He was able to qualify for a HomeReady mortgage on a home, with a 97 percent loan-to-value (LTV) ratio.
- A 24-year-old California woman who had recently lost her father, lived in a family home owned by another family member. When the family member died, and the home was sold, she struggled to find an apartment that would allow her to keep her large dog. After completing the Framework online homeownership education course, she was able to attain a HomeReady loan to purchase a condominium on her annual salary, with a 93 percent LTV ratio.
- A married nurse with three children, residing in Washington state, had gone through a difficult divorce in the past causing her to file for bankruptcy. She worked to repair her credit, but even with an income of over $50,000, believed the bankruptcy would prevent her from ever owning a home. With HomeReady and the help of a local nonprofit, she was able to purchase a home for her family at 81 percent LTV ratio.
- A single self-employed man was running a business out of his bedroom in Oregon. With an annual income of over $50,000 he wasn't sure he'd be able to afford a bigger home. After meeting with a lender, he learned that if he were to keep his current condo and rent it out, he could use the extra income to qualify for a HomeReady loan. He ended up purchasing a new home at 97 percent LTV ratio.

6 Charter Act, § 309(n)(2)(A-L).

7 Exclusions from this calculation include: loans exempt from housing goals reporting (e.g., loan restructures, convertible adjustable rate mortgages, and real estate owned properties), long-term standby commitments, refinance mortgages, home equity conversion mortgages, and government loans. Fannie Mae has relied on information provided by its customers to identify units occupied by first-time homebuyers. Fannie Mae's 2018 Single-Family Selling Guide provides that a first-time homebuyer is an individual who (1) is purchasing the security property; (2) will reside in the security property as a principal residence; and (3) had no ownership interest (sole or joint) in a residential property during the three-year period preceding the date of the purchase of the security property. In addition, an individual who is a displaced homemaker or single parent also will be considered a first-time homebuyer if he or she had no ownership interest in a principal residence (other than a joint ownership interest with a spouse) during the preceding three-year time period.

HFA Preferred™ is a Fannie Mae product that enables eligible Housing Finance Agencies (HFAs) to offer loans to borrowers with up to 97 percent LTV ratios. HFA Preferred is ideal for borrowers who have limited funds for down payment and closing costs and for those needing extra flexibilities on credit and income sources. Borrowers who benefited from this product in 2018 include the following:

- A single woman in Nevada who had recently fostered, and then adopted, her two nieces while their mother was in recovery. After recovery, her sister had a third child. While the borrower had good credit, little debt, and a monthly income of more than $4,000, the financial impact of caring for her sister and three children made it difficult to save for a new home. Working with a Nevada non-profit, she was able to qualify for an HFA Preferred loan to purchase a home for her family, with a 97 percent LTV ratio.
- A father with three children who was looking for a larger home in Minnesota. He had a monthly income of more than $6,000, but his significant student loan debt was a barrier to qualifying for a mortgage. However, because his student loans were on an income-based repayment plan, he was able to take advantage of the student loan flexibilities of an HFA Preferred loan and qualify to purchase a home, with a 97 percent LTV ratio.

HFA Preferred Risk Sharing™ is another product that enables HFAs to offer loans to borrowers with up to 97 percent LTV ratios, but without the cost of mortgage insurance because of the risk sharing that the HFA assumes. Borrowers who benefited from this program in 2018 include the following:

- A single woman in Utah who had cared for her parents for many years. When her parents died she was looking to purchase a home. She had very good credit, but her monthly income earned as a school counselor hadn't allowed her to save much. Through the assistance of a non-profit program, she was able to purchase a beautiful home with 97 percent LTV ratio and no mortgage insurance, with Fannie Mae's HFA Preferred Risk Sharing loan.
- A couple in Idaho who had been renting a home for several years when their landlord decided to sell their house. Their monthly income was less than $5,000 and they were unsure if they could find a home in their price range. With an HFA Preferred Risk Sharing mortgage, they were able to purchase the house they had been renting with a 97 percent LTV ratio. They have since modified the home to better care for their disabled child and a relative, who moved in after the purchase.
- A young divorced mother who was ready to purchase a home in Kentucky for herself and her 11-year-old child after spending years repairing her credit. She had everything she needed, except the down payment. She learned that down payment assistance through her state HFA could be coupled with an HFA Preferred Risk Sharing mortgage to cover her down payment and keep her debt-to-income (DTI) low without mortgage insurance. With an income of over $50,000, the borrower was able to purchase a home, with a 97 percent LTV ratio.

Community Seconds® is a program authorized under Fannie Mae's guidelines that enables a subordinate mortgage financed by an HFA, a nonprofit, or certain other community organizations, to be used in conjunction with a first mortgage delivered to Fannie Mae. The Community Seconds mortgage may be used to fund all or part of the down payment, closing costs, renovations to the property, or a permanent interest rate buy down.[8] Borrowers who benefited from this program in 2018 include the following:

- A Boston police officer who had wanted to buy a home for herself and her 19-year-old for years. She won a lottery to purchase a new home in a mixed-income rental and homeownership development. With an income of less than $50,000 she was able to combine an HFA Preferred mortgage with down payment assistance from a local non-profit and closing cost assistance from the City of Boston, to purchase a home with a 97 percent LTV ratio.

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

- A married couple with two children who were looking to purchase a home in Washington state. The borrower, who earned a salary of less than $60,000, used a HomeReady mortgage and three sources of down payment assistance to purchase a home with his husband, with a 94.7 percent LTV ratio.

The percentage of single-family home purchase mortgages acquired by Fannie Mae on owner-occupied properties made to first-time homebuyers in 2018 under special products and programs (or revisions to conventional products) included the following:

Products and Initiatives	Percentage of Mortgages Made to First-Time Homebuyers
97 LTV Expansion[9]	100.00%
HomeReady	76.64%
Non-HFA Community Seconds	93.34%
HFA Preferred	90.52%
HFA Preferred Risk Sharing	90.07%

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

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

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

In 2018, Fannie Mae continued to implement enhancements to its single-family mortgage underwriting and business practices. Several changes were specifically designed to: (1) achieve its housing goals; (2) increase consistency in, and automation of, the mortgage origination process, which generally promotes fair lending; and (3) increase lenders' certainty and efficiency, which may have the ancillary effect of freeing up lender resources to focus on low- and moderate-income borrowers.

Specifically, Fannie Mae notes a number of accomplishments for 2018:

Manufactured Housing (MH)

Fannie Mae believes today's modern, high-quality manufactured homes can help ease the nation's affordable housing shortage and address borrowers' evolving needs. We haves take the following steps to expand liquidity to this market:

- **MH Advantage:** In June 2018, Fannie Mae announced MH Advantage, a new homeownership option that pairs affordable financing with specially designated manufactured housing having characteristics typical of site-built homes. MH Advantage homes are designed to meet specific construction, architectural design, and energy efficiency standards that are more consistent with site-built homes. Loans secured by MH Advantage properties are afforded a number of flexibilities over standard manufactured housing, including higher LTV ratios, standard mortgage insurance, and reduced loan-level price adjustments.
- **On-frame modular and modular construction:** Allowed on-frame modular homes to be considered eligible property types if they meet the eligibility requirements of site-built homes. Multi-unit buildings, such as attached condos, may be built using modular construction if they comply with local building codes.

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

Down Payment and Closing Cost Assistance

The upfront cost of purchasing a home, including the down payment and closing costs, is one of the biggest barriers to homeownership for low- to moderate-income borrowers. Fannie Mae took the following steps to address this challenge:

- Lender contributions to closing cost assistance: Provided additional flexibility for lenders to provide closing cost assistance to borrowers, not to exceed the amount of borrower-paid closing costs and prepaid fee, when certain requirements are met. A lender-sourced contribution may not be:
    - used to fund any portion of the down payment;
    - subject to repayment requirements, or require financial obligation apart from the subject mortgage; or
    - passed to the lender from a third party.
- Native American tribes as Community Seconds providers: Allowed Native American tribes and their sovereign instrumentalities to provide grants or Community Seconds loans to borrowers.

Credit Policy Enhancements

Fannie Mae made the following Single-Family *Selling Guide* policy updates in 2018 that impact low- and moderate-income families:

- **Condo policy update:** Updated condo policies to increase simplicity and flexibility, making it easier for lenders to originate condo loans. Among other things, the changes reduce review requirements for certain transactions, increase the amount of allowable commercial space, and expand review flexibilities.
- **Rural high-needs appraisal waivers:** Announced a new appraisal waiver option in exchange for a mandatory home property inspection, for eligible home purchases in certain rural high-needs areas, seeking to help low- to moderate-income borrowers avoid unanticipated, potentially high-cost, post-purchase repairs.
- Expanded the existing policy for borrowers who want to use certain employment-related assets to generate an income stream for qualifying purposes. This change increases the maximum LTV ratio, combined LTV (CLTV) ratio, and high CLTV (HCLTV) ratio from 70 percent to 80 percent for loans where the asset owner is at least 62 years old at the time of closing. This solution supports the needs of seniors who may have significant financial assets, but potentially insufficient earned income as their participation in the workforce decreases.
- **High LTV Refi:** Provided a new high LTV refinance option for borrowers with existing Fannie Mae mortgages who are making their mortgage payments on time, but whose LTV ratios for a new mortgage exceed the maximum for standard limited cash-out refinance transactions in the *Selling Guide*. This high LTV refinance option replaced the Home Affordable Refinance Program in 2018.

Desktop Underwriter

For more than 23 years, Desktop Underwriter® (DU®), the industry's leading automated underwriting system, has provided lenders a comprehensive risk assessment that determines whether a loan meets our eligibility requirements. DU's evaluation is fair and objective, applying the same criteria to every mortgage loan application it considers. DU updates in 2018 included:

- DU Version 10.2
- DU Version 10.3
- Enhancements to the DU validation service, a component of Day 1 Certainty®

DU Version 10.2

In March 2018, Fannie Mae implemented DU Version 10.2, which included an adjustment to the DU credit risk assessment that built on the underwriting simplification introduced with DU Version 10.1. The DU risk assessment was fine-tuned to limit risk layering. The update supported Fannie Mae's commitment to prudent risk management and helped lenders to better manage default risk, while continuing to provide sustainable homeownership options to borrowers. DU Version 10.2 also included the implementation of MH Advantage.

DU Version 10.2 was updated in June of 2018 to provide lenders the ability to instruct DU to disregard in the eligibility assessment bankruptcy information that is incorrect or due to extenuating circumstances, and disregard excessive mortgage delinquency information that is incorrect. The June update also included the implementation of the HomeStyle® Energy mortgage loan.

DU Version 10.3

In December of 2018 DU Version 10.3 was implemented, adjusting the DU credit risk assessment to account for 2018 market conditions (rising interest rates, waning refinances, and higher LTV ratio lending). DU 10.3 continues to analyze each loan case file using variables shown to be predictive of mortgage delinquency and addresses market expansion into loans with multiple high-risk factors with more effective management of risk layering.

DU Validation Service

Fannie Mae continues to optimize and enhance the DU Validation Service, a component of Day 1 Certainty. In 2018 options for employment validation were enhanced by the added ability to manually validate a borrower's employment. With manual employment validation, Fannie Mae offers the same Day 1 Certainty benefit as digital validation. This enhancement to the DU validation service gives our customers more options to provide a better borrower experience and increase certainty.

Language Resources for Lenders/Servicers

A very significant percentage of the U.S. population has limited proficiency with the English language. These borrowers face serious barriers to homeownership. Fannie Mae teamed up with Freddie Mac and FHFA to launch Mortgage Translations – a centralized clearinghouse of online resources to assist lenders, servicers, housing counselors, and real estate professionals serving Limited English Proficiency (LEP) borrowers. Resources to support lending professionals who serve these consumers include translated mortgage documents, educational materials, and a new online Spanish-English glossary. Resources in four other languages commonly spoken by LEP households (Chinese, Vietnamese, Korean, and Tagalog) will be added in coming years.

In addition, Fannie Mae provides our own similar Spanish resources to help sellers and servicers better serve these customers, which include:

- Spanish Language Resources for Servicers, which include Spanish translations of routine servicing documents as well as borrower notices related to delinquencies, modifications, and workout options.
- Spanish Language Resources for Lenders, which include Spanish translations of documents used in the loan origination process.

Uniform Residential Loan Application

At the direction of FHFA, in 2018 Fannie Mae and Freddie Mac (Enterprises) published the redesigned Uniform Residential Loan Application (URLA) (also known as Fannie Mae Form 1003/ Freddie Mac Form 65) and developed a corresponding dataset, called the Uniform Loan Application Dataset. The Enterprises collaborated with industry stakeholders including lenders, government agencies (e.g., Federal Housing Administration, Department of Veterans Affairs, United States Department of Agriculture Office of Rural Development, and the Consumer Finance Protection Bureau), technology solution providers, mortgage insurers, trade associations, housing advocates, and consumer groups. The redesigned URLA, which includes a Spanish Translation version:

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

The Enterprises require use of the new form for loan applications on or after Feb. 1, 2020, although lenders may begin using the redesigned form on July 1, 2019. The old form will no longer be accepted as of Feb. 1, 2021.

HomeReady

Fannie Mae's HomeReady mortgage product is designed to help lenders serve creditworthy, very low- to moderate-income borrowers with expanded eligibility for financing homes in designated low-income communities. With HomeReady, borrowers can obtain affordable conventional home financing with cancellable mortgage insurance and an educational component is supplied to assist in making homeownership sustainable. HomeReady provides simplicity and certainty for lenders, favorable pricing and execution, and product features designed to align with today's homebuyer demographics.

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

For purchase transactions, HomeReady requires homeownership education via Framework (an online homeownership education provider) or U.S. Department of Housing and Urban Development (HUD)-approved one-on-one housing counseling to help homebuyers prepare for homeownership. Certain exceptions are allowed.

HomeReady features include:

- Up to a 97 percent LTV ratio; and a CLTV ratio up to 105 percent with eligible Community Seconds.
- No requirement that the borrower be a first-time homebuyer.
- Boarder income and accessory unit rental income can be used to qualify.
- Manufactured housing titled as real estate is also an eligible property type.

Also in 2018, Fannie Mae supported the use of HomeReady by:

- Conducting monthly education and outreach with 500+ lenders and 2500+ loan officers (including 300+ participants from 100+ small financial institutions).
- Increasing the HomeReady share of Fannie Mae's book of business from 6 percent to 9 percent in 2018. Survey results for the product showed 98 percent satisfaction as good/excellent and a 95 percent product adoption rate 60 days post training.
- Providing on-demand eLearning training which was accessed by 3,871 unique viewers.
- Creating additional lender resources, including fact sheets and videos.
- Creating lender testimonials highlighting success with HomeReady.
- Investing in HomeReady product-specific communications targeting lenders and realtors to increase awareness and consideration.
- Educating potential homeowners on low down payment financing options, helping to dispel the myth that you need a 10-20 percent down payment to purchase a home. Fannie Mae increased general awareness of HomeReady through outreach efforts to lenders, real estate professionals and other affordable housing stakeholders at 68 events in 2018.

HFA Preferred

Fannie Mae continues to offer HFA Preferred, an affordable lending product available exclusively to eligible HFAs to serve very low- to moderate-income borrowers. The product offers reduced mortgage insurance coverage with no loan-level price adjustments.

In 2018, Fannie Mae expanded our marketing efforts to further support the HFAs by executing a strategy to increase conventional lending across all agency programs. Part of the strategy included the development of a comprehensive communications plan to engage with all HFAs and their lender partners on a regular basis to help drive understanding and education around the value of the HFA Preferred mortgage. One tactic of the plan included the development of custom emails that the HFAs distributed to their lender and realtor networks. These efforts were coupled by additional in-person lender trainings and online webinars to further promote the borrower benefits when obtaining an HFA Preferred mortgage. This broad-based outreach and education campaign helped drive an increase of 20 percent in HFA Preferred deliveries from 2017 to 2018.

Homebuyer Education and Counseling

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

In 2018, Fannie Mae:

- Supported the Housing Partnership Network in the development and introduction of Launchpad®, a new technology platform designed to enable housing counselors to better serve the needs of prospective and existing homeowners and renters across the U.S. The Launchpad client management system is built on Salesforce technology and will facilitate better service to consumers and greater collaboration between housing counselors and lenders, leveraging automated underwriting tools like Fannie Mae's DU.
- Supported the National American Indian Housing Council on the creation of an updated version of Pathways Home: A Native Guide to Homeownership, which included a participant and facilitator's curriculum.
- Partnered with rural Community Development Financial Institutions (CDFI's) to increase access to housing counseling in colonias and Middle Appalachia and improve the capacity of direct housing counseling service providers.
- Continued to provide a $500 incentive to lenders for HomeReady loans where borrowers received one-on-one housing counseling early in the home buying process.
- Expanded our collaboration with Framework® to connect HomeReady borrowers and others to comprehensive, online homeownership education (in English and Spanish), and post-purchase support. More than 182,000 potential homebuyers have completed the Framework course.
- Provided extensive outreach and training to lenders and HUD-approved counseling organizations on HomeReady and the incentives for one-on-one housing counseling.

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

An analysis of the performance of single-family mortgage loans serving low- and moderate-income borrowers[10] shows that these loans generally do not perform as well as loans serving borrowers with incomes above the median level. The chart on the following page shows 90-day delinquencies occurring within the first 12 months of acquisition and defaults (defined as a foreclosure sale, deed-in-lieu of foreclosure, pre-foreclosure sale, or third-party sale, at any time during the life of the loan) on loans made to low- and moderate-income borrowers compared with loans made to borrowers with incomes above the median level. For example, loans made in 2017 to low- and moderate-income families were 18 percent more likely to become 90-days delinquent and 258 percent more likely to default than loans made to families with income above the median level, although default rates were very low for both groups. This analysis is based on income relative to AMI and does not control for other risk dimensions, such as LTV ratio or credit history. Information regarding serious delinquency and default performance is based on acquisitions through December 2017; performance is observed through December 2018.

There can be significant changes in relative delinquency and default rates between various years. Reflected here are the relative measures between low- and moderate- income borrowers and those borrowers above the median level.

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

Relative 90-Day Delinquency and Default Rates between Single-Family Loans Serving Low- and Moderate-Income Families and Loans Serving Families with Income above the Median Level, by Year[11]

Acquisition Year	Income Group	Average Rate of 90-Day Delinquency	Percent Difference	Average Rate of Default	Percent Difference
2004	Above Median Income	0.39%		2.54%	
	Low-Mod Income	1.01%	159.48%	5.44%	113.88%
2005	Above Median Income	0.57%		6.48%	
	Low-Mod Income	1.27%	123.35%	9.33%	44.10%
2006	Above Median Income	1.01%		11.65%	
	Low-Mod Income	2.19%	118.12%	14.72%	26.33%
2007	Above Median Income	2.88%		13.77%	
	Low-Mod Income	4.31%	49.49%	18.50%	34.37%
2008	Above Median Income	1.96%		5.12%	
	Low-Mod Income	2.87%	46.32%	8.47%	65.60%
2009	Above Median Income	0.17%		0.59%	
	Low-Mod Income	0.35%	107.78%	1.46%	148.27%
2010	Above Median Income	0.13%		0.50%	
	Low-Mod Income	0.30%	125.67%	1.27%	154.55%
2011	Above Median Income	0.12%		0.31%	
	Low-Mod Income	0.28%	136.44%	0.82%	163.96%
2012	Above Median Income	0.12%		0.28%	
	Low-Mod Income	0.27%	132.23%	0.74%	165.64%
2013	Above Median Income	0.11%		0.23%	
	Low-Mod Income	0.29%	168.51%	0.71%	206.64%
2014	Above Median Income	0.14%		0.16%	
	Low-Mod Income	0.33%	137.83%	0.50%	207.95%
2015	Above Median Income	0.11%		0.06%	
	Low-Mod Income	0.26%	141.24%	0.19%	222.10%
2016	Above Median Income	0.14%		0.02%	
	Low-Mod Income	0.27%	93.59%	0.08%	303.12%
2017	Above Median Income	0.42%		0.01%	
	Low-Mod Income	0.50%	18.28%	0.02%	258.35%

11 Sample used: unseasoned, conforming, conventional, owner-occupied, first lien, non-reverse mortgages, excluding Growing-Equity Mortgages, Graduated Payment Mortgages, and loans missing affordability data. During the period 2006 through and including 2008, acquisitions of mortgage loans to borrowers of all income categories had a higher risk of delinquency and default. In addition, the likelihood of 90-day delinquency percentages shown are static and only reflect if a loan went delinquent in the first year.

Multifamily Activities

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

Primary and Secondary Market Trends

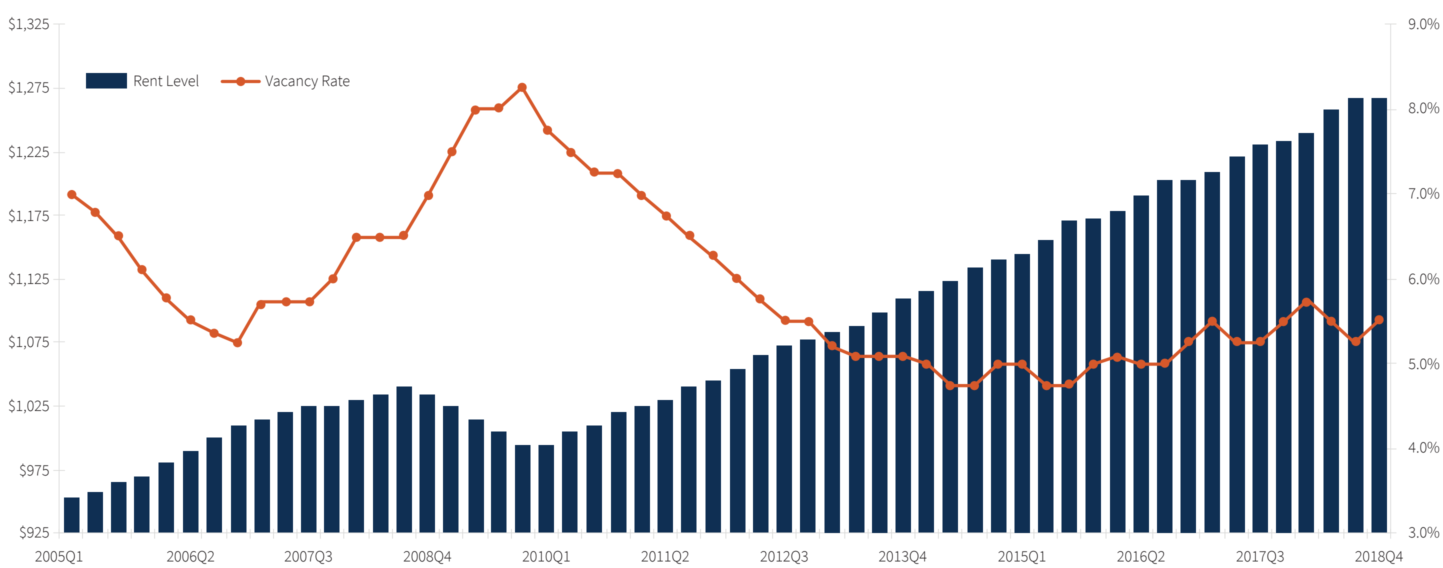
The primary multifamily housing market is influenced by a variety of economic and demographic conditions. These conditions impact the demand for, and absorption of, additional rental housing units. The U.S. multifamily sector has had a solid run since 2010, with increasing rent growth and declining vacancies, as illustrated in the chart below. Key fundamentals that have propelled the multifamily sector include: favorable demographic trends, continued job growth, and increasing renter household formations.

Momentum will likely slow in 2019 due to elevated levels of new supply and moderating job growth. As a result, the national vacancy rate is expected to increase, and rents are expected to grow at a lower and more normalized pace. Overall, the national multifamily sector is expected to remain fairly stable in 2019.

Rent growth continued to exceed the overall inflation rate, with rent growth estimated to have ended the year at about 2.75 percent, with inflation at 2.4 percent on average in 2018. Rents are expected to increase approximately two percent in 2019.

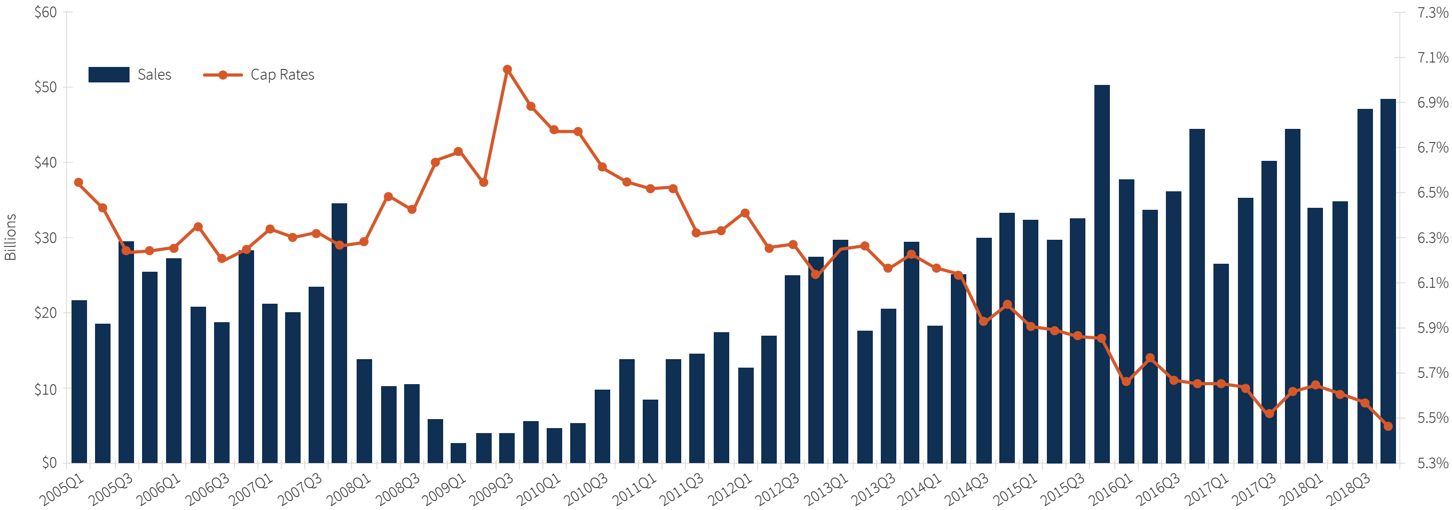
Continued demand for multifamily rental housing was reflected in the net increase in the number of occupied rental units during 2018 (known in industry terms as positive net absorption). Net absorption likely totaled at least 180,000 units in 2018, compared with an estimated 187,000 units absorbed in 2017, according to Reis, Inc. Net absorption is expected to remain positive in 2019, although at a much lower level than last year.

Estimated National Rent Level and Vacancy Rate



Source: Fannie Mae Economics and Multifamily Market Research

National Apartment Sales Volume and Cap Rates



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

Sales of multifamily properties valued at $2.5 million or greater totaled an estimated $173 billion last year, which is up 12 percent compared with 2017's total of $154 billion, according to recent data from Real Capital Analytics. As a result, total multifamily sales activity peaked in 2018. As a comparison, in 2009 the total volume for multifamily property sales was only $18 billion.

Although multifamily capitalization rate levels vary depending upon whether it is for a mid/high-rise property or a garden-style one, they remained low during 2018. The estimated fourth quarter 2018 national annualized average multifamily cap rate dipped slightly to 5.4 percent compared with 5.5 percent in the third quarter and 5.6 percent in both the first and second quarters of 2018, as seen in the chart above.

Standardization and Securitization

Commercial mortgages, including multifamily mortgage loans, are much less homogenous than single-family residential mortgages. Over the past three decades, there has been a continual move towards standardization and more transparent disclosure in commercial real estate securitizations. Standardization of securitized financings and their associated disclosures promote liquid trading in the capital markets.

Transparent, liquid trading allows for the efficient origination and pricing of multifamily mortgage loans by market participants and the placement of those loans, as mortgage-backed securities (MBS), in the investor market.

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

2018 Standardization and Securitization Highlights:

- Fannie Mae issued $64 billion in multifamily MBS in 2018, which accounted for 98 percent of its multifamily production.
- In an effort to improve the liquidity and increase demand for multifamily MBS, in 2018 Fannie Mae issued $7.5 billion of multifamily structured securities through 10 Real Estate Mortgage Investment Conduit transactions as part of our GeMS™ program. GeMS structured securities are backed by multifamily MBS previously issued by Fannie Mae and are sold to institutional investors who might not otherwise

invest in multifamily MBS. Of the 2018 GeMS issuances, $2.6 billion were Green GeMS which were backed by multifamily Green MBS. In 2019, Fannie Mae will continue to market its multifamily structured product offerings through the GeMS program.

- In 2018, Multifamily expanded the new DUS Disclose™ platform to include disclosure on all securities that Multifamily issues, including our REMICs and Megas. Providing one location for investors to access data and documents on our securities and enabling them to link REMICs to the underlying MBS increases transparency. In addition, we expanded the data available on our Green products enabling us to broaden the investor base in our securities. All of these activities support the liquidity of our lending platform.

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

Affordable Housing Partnerships

CHARTER ACT REQUIREMENT: Describe the activities undertaken by the corporation with nonprofit and for-profit organizations and with State and local governments and housing finance agencies, including how the corporation's activities support the objectives of comprehensive housing affordability strategies under section 105 of the Cranston-Gonzalez National Affordable Housing Act.[12]

Activities undertaken by Fannie Mae in 2018 with nonprofit and for-profit organizations, state and local governments, and HFAs included:

- Fannie Mae purchased 63,527 single-family loans from HFAs in 2018, with an unpaid principal balance of $11.69 billion.
- Fannie Mae helped provide financing for over 13,000 Low-Income Housing Tax Credit (LIHTC) units of housing by providing $1.342 billion of debt financing on LIHTC projects via our lending partners.
- Through Fannie Mae's SERVE initiative programs, employees make a difference in our communities year-round through volunteer efforts with nonprofit partners. In 2018, 51 percent of our employees volunteered and provided more than 33,217 hours to our nonprofit partners, demonstrating our commitment to serve the communities where we live and work. Employees also supported a wide range of causes and nonprofit organizations through our employee giving programs, including raising $63,000 through employee "fun-raisers" for eight Help the Homeless® community partners.
- In 2018, in partnership with the Disaster Response and Rebuild team, we deployed 476 employee volunteers (7 percent of FTEs) to rebuild homes in Houston, Puerto Rico, the Florida Keys, and Coastal Bend, TX. We worked with 25 nonprofit partners to provide 9,229 volunteer hours repairing and rebuilding 40 households in these communities.

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

- Engaged and partnered with HUD intermediaries and non-profit housing counseling agencies on homeownership counseling initiatives to help increase homeownership in underserved markets, this includes services to help homebuyers become “mortgage ready” and obtain information on affordable lending options, including access to individual development accounts and down payment assistance programs.
- Enhanced partnerships with three universities serving high-needs rural regions to address housing supply issues and consumer financial barriers to housing stability and homeownership. This included the launch of a service learning program that aimed to help increase financial capability of consumers through student financial coaches.
- Facilitated the sale of 1,747 single-family real estate owned properties to or through nonprofits and community-based buyers involved in supporting housing strategies that addressed local stabilization and affordable housing needs, including 1,372 properties in the 28 markets of the Neighborhood Stabilization Initiative.
- The Future Housing Leaders program, which was launched by Fannie Mae in conjunction with the National Urban League to help employers from across the housing sector build diverse pipelines of entry-level talent, made great strides during its first year in 2018. The program actively recruited on 13 college and university campuses and had seven student ambassadors who worked to promote the program on their respective campuses. Over 40 students were placed in paid summer internships with 13 Employer Partners, and through the internships one student received and accepted a full-time job offer.

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

Other Charter Act Requirements

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

The dollar volume and number of mortgages on owner-occupied properties that relate to each of the housing goals are set forth on Table 1A of the Annual Mortgage Report (AMR).[13]

The dollar volume and number of mortgages on rental properties that relate to each of the housing goals are set forth on AMR Table 1B (Multifamily) and Table 1D (single-family rental units). In 2018, Fannie Mae mortgage purchases financed 10,044 rental units affordable to families earning 80 percent or less of AMI living in owner-occupied 2-4 unit properties.[14]

13 The AMR is provided pursuant to § 309(m) of the Charter Act.
14 For 443 units that we financed, affordability data was not provided so these units are not included in our calculation.

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

In 2018, Fannie Mae's purchases of mortgages served 2,599,654 families, as measured by the number of units financed. The income class, race, and gender of homebuyers served, the characteristics of the census tracts, and the geographic distribution of the housing financed, are set forth on AMR Tables 2, 3A, 3B, 4, 5A, 6, 7, 8A, 8B, 9, 10A, 10B and 10C.

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

In 2018, Fannie Mae purchased 9,012 single-family mortgages and 393 multifamily mortgages with an aggregate unpaid principal balance of approximately $1.35 billion and $6 billion, respectively, that were originated in conjunction with public subsidy programs.[15]

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

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

CHARTER ACT REQUIREMENT: Compare the level of securitization versus portfolio activity.

During 2018, Fannie Mae securitized $534.8 billion in mortgage loans. We had total portfolio acquisitions of $277.1 billion, which included $16.2 billion of delinquent loans purchased from our MBS trusts. In 2018, Fannie Mae's portfolio decreased by $51.6 billion.

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

Based upon annual information provided by lenders, Fannie Mae has selling and servicing relationships with approximately 1,802 single-family and 59 multifamily primary market lenders through which the company both purchases loans for its portfolio and issues MBS. The following table sets forth the volume of mortgages purchased in 2018 from single-family lenders identified as minority- or women-owned lenders, women-owned lenders,[16] and single-family and multifamily community-oriented lenders.[17]

Seller/Servicer Type	Volume of Mortgages
Minority- or women-owned	$5.29 billion
Women-owned	$4.32 billion
Community-oriented lenders	$82.6 billion

Efforts to facilitate relationships with single-family lenders include formal business alliances or affinity agreements to provide services and training to incentivize small lender participation with Fannie Mae.[18]

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

16 Some of these women-owned lenders also identified as a minority group such as African-American, Hispanic, Asian-Pacific, or Indian-Alaskan.

17 For these purposes, a "community-oriented lender" is defined as a financial institution with total assets of less than $1.252 billion as of December 31, 2017. This definition parallels the definition of "small bank" under the implementing regulations of the Community Reinvestment Act (12 C.F.R. § 228.12), as in effect during 2018.

18 These agreements do not preclude members from doing business through other secondary market channels.

The Annual Mortgage Report (AMR)

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Table 1A
Fannie Mae's Mortgage Purchases by Mortgage Type and Housing Goal Status
Summary Table on Single-Family Housing Goal Performance
For Calendar Year 2018

	Total Mortgages Eligible To Qualify For All Home Purchase Money Goals	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Goal Mortgages	Qualifying Low-Income Area Purchase Money Subgoal Mortgages	Total Mortgages Eligible To Qualify As Low-Income Refinance[1]	Qualifying Low-Income Refinance Mortgages[1]	All Mortgage Purchases
Purchase of Single-Family Mortgages								
Owner-Occupied 1-Unit Properties/Mortgages:								
UPB ($ Millions)	$254,634	$47,137	$8,194	$50,538	$41,843	$137,132	$29,145	$412,035
Number of Mortgages	1,037,619	292,686	69,494	258,412	206,120	621,606	193,476	1,750,272
Owner-Occupied 2-4 Unit Properties/Mortgages:								
UPB ($ Millions)	$2,062	$323	$53	$1,001	$987	$2,564	$559	$4,637
Number of Mortgages	6,479	1,873	458	3,314	3,244	8,210	2,754	14,730
Total Single-Family Owner-Occupied Mortgages in 1-4 Unit Properties:								
UPB ($ Millions)	$256,696	$47,460	$8,247	$51,539	$42,830	$139,696	$29,705	$416,672
Number of Mortgages	1,044,098	294,559	69,952	261,726	209,364	629,816	196,230	1,765,002
Goals Performance								
Fannie Mae's Single-Family Goals		24%	6%	18%			21%	
Goals Performance Percentage		28.21%	6.70%	25.07%			31.16%	
Fannie Mae's Single-Family Subgoal					14%			
Subgoal Performance Percentage					20.05%			

Mortgages may count toward more than one goal. On certain tables, sum of entries may not equal totals due to rounding.
[1]Make Home Affordable Modification loans are included in all Single-Family tables where applicable. An Enterprise's modification of a loan in accordance with the Make Home Affordable program announced on March 4, 2009, that is held in the Enterprise's portfolio or that is in a pool backing a security guaranteed by the Enterprise, shall be treated as a purchase of a refinance mortgage for the purposes of the housing

Table 1B
Fannie Mae's Mortgage Purchases by Property Size and Housing Goal Status
Summary Table on Multifamily Housing Goal Performance
For Calendar year 2018

	Qualifying Low-Income Purchases		Qualifying Very Low-Income Purchases		All Mortgage Purchases
Purchases of Multifamily Mortgages					
Multifamily 5-50 Unit Properties:					
UPB ($ Million)		$741		$185	$1,871
Number of Mortgages		454		261	581
Number of Properties		458		264	588
Number of Units		11,515		3,598	17,894
Multifamily > 50 Unit Properties:					
UPB ($ Million)		$28,990		$4,309	$58,967
Number of Mortgages		2,443		1,593	2,794
Number of Properties		2,454		1,603	2,805
Number of Units		404,302		73,138	610,336
Missing Affordability Data Adjustments					
Rental Unit Affordability Estimation					
	Eligible Units	Qualifying Units	Eligible Units	Qualifying Units	
Units in Multifamily Properties:					
Number of Units with Missing Data	10,566		10,566		N/A
Units Where Rent Estimation is Not Possible	0		0		N/A
Units Where Rent Estimation is Possible	10,566		10,566		N/A
Large (>50 unit) properties	9,937	6,287	9,937	3,935	N/A
Small (5-50 unit) properties	629	375	629	319	N/A
Not Subject to Cap	10,566	6,661	10,566	4,254	N/A
Subject to Cap	0	0	0	0	N/A
5% Cap	31,411		31,411		N/A
Adjustments to Number of Units for:					
Missing Data		6,661		4,254	N/A
Total Multifamily:					
UPB ($ Million)		$29,731		$4,495	$60,837
Number of Mortgages		2,897		1,854	3,375
Number of Mortgages with both 5-50 and >50 Unit		0		0	0
Number of Properties		2,912		1,867	3,393
Number of Units		415,817		76,736	628,230
Number of Units (Adjusted)		422,478		80,990	628,230
Goals Performance					
Fannie Mae's Multifamily Goals (units)		315,000		60,000	
Goal Performance (units)		422,478		80,990	
Fannie Mae's Small Multifamily Goals (units)		10,000			
Goal Performance (units)		11,890			

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

Table 1C
Fannie Mae's Mortgage Purchases by Mortgage Type and Housing Goal Status
Mortgages from At-Risk Loans that were Modified
For Calendar Year 2018

	Total Mortgages Eligible To Qualify as Low-Income Refinance[1]	Qualifying Low-Income Refinance Mortgages[1]	All Mortgage Purchases
Purchase of Loan Modifications of At-Risk Mortgages			
Owner-Occupied 1-Unit Properties/Mortgages:			
UPB ($ Millions)	$1	$0	$3
Number of Mortgages	4	3	22
Owner-Occupied 2-4 Unit Properties/Mortgages:			
UPB ($ Millions)	$0	$0	$0
Number of Mortgages	0	0	1
Total Loan Modifications of At-Risk Mortgages:			
UPB ($ Millions)	$1	$0	$3
Number of Mortgages	4	3	23

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

Table 1D

Distribution of Rental Units Financed by Fannie Mae's Purchases of Mortgages on Single-Family Rental Properties

For Calendar Year 2018

	Low-Income Units	Very Low-Income Units	Total Units Financed
Purchases of Single-Family Mortgages			
Owner-Occupied 2-4 Unit Properties/Mortgages:			
UPB ($ Millions)	$1,090	$213	$2,493
Number of Mortgages	8,442	2,043	14,689
Number of Units	10,044	2,354	17,790
Investor Owned 1-4 Unit Properties/Mortgages:			
UPB ($ Millions)	$8,729	$1,372	$28,960
Number of Mortgages	65,263	11,935	150,483
Number of Units	90,448	17,429	188,572
Total Single-Family:			
UPB ($ Millions)	$9,818	$1,586	$31,452
Number of Mortgages	73,705	13,978	165,172
Number of Units	100,492	19,783	206,362

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

Table 2
Distribution of Single-Family Owner-Occupied Mortgages
Purchased by Fannie Mae
By Income Class of Mortgagor(s)
For Calendar Year 2018

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
Income No More Than 50% of Median Income							
$UPB(Millions)	$8,247	$8,247	$4,423	$6,986	$8,326	$7,016	$15,342
Number of Mortgages	69,952	69,952	37,601	59,855	70,747	60,127	130,874
Portion of Qualifying or Total Mortgages Acquired	23.75%	100.00%	14.37%	30.50%	6.30%	9.36%	7.41%
Income More Than 50% But No More Than 60% of Median Income							
$UPB(Millions)	$9,987	$0	$4,706	$6,073	$10,096	$6,093	$16,189
Number of Mortgages	65,600	0	31,246	40,867	66,493	41,037	107,530
Portion of Qualifying or Total Mortgages Acquired	22.27%	0.00%	11.94%	20.83%	5.92%	6.39%	6.09%
Income More Than 60% But No More Than 80% of Median Income							
$UPB(Millions)	$29,226	$0	$12,528	$16,646	$29,647	$16,712	$46,360
Number of Mortgages	159,007	0	70,266	95,508	162,015	95,994	258,009
Portion of Qualifying or Total Mortgages Acquired	53.98%	0.00%	26.85%	48.67%	14.44%	14.94%	14.62%
Income More Than 80% But No More Than 100% of Median Income							
$UPB(Millions)	$0	$0	$13,087	$0	$34,466	$18,911	$53,378
Number of Mortgages	0	0	61,970	0	157,891	93,463	251,354
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	23.68%	0.00%	14.07%	14.54%	14.24%
Income More Than 100% But No More Than 120% of Median Income							
$UPB(Millions)	$0	$0	$4,550	$0	$32,784	$18,369	$51,153
Number of Mortgages	0	0	18,715	0	133,508	81,207	214,715
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	7.15%	0.00%	11.90%	12.64%	12.17%
Income More Than 120% of Median Income							
$UPB(Millions)	$0	$0	$12,246	$0	$158,829	$75,356	$234,186
Number of Mortgages	0	0	41,928	0	531,577	270,645	802,222
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	16.02%	0.00%	47.36%	42.11%	45.45%
Missing							
$UPB(Millions)	$0	$0	$0	$0	$15	$50	$65
Number of Mortgages	0	0	0	0	70	228	298
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	0.00%	0.00%	0.01%	0.04%	0.02%
All Income Levels[1]							
$UPB(Millions)	$47,460	$8,247	$51,539	$29,705	$274,163	$142,508	$416,672
Number of Mortgages	294,559	69,952	261,726	196,230	1,122,301	642,701	1,765,002
Portion of Qualifying or Total Mortgages Acquired	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

[1]Includes "Missing."

Table 3A
Distribution of Rental Units
Financed by Multifamily Mortgages Purchased by Fannie Mae
By Affordability of Rent[1]
For Calendar year 2018

	Qualifying Low-Income Purchases	Qualifying Very Low- Income	Total Units Financed
Affordable At No More Than 30% of Median Income			
$UPB(MILLIONS)	$1,794	$1,794	$1,794
Number of Units	25,476	25,476	25,476
Portion of Qualifying or Total Units Financed	6.13%	33.20%	4.06%
Affordable At More Than 30% But No More than 50% of Median Income			
$UPB(MILLIONS)	$2,701	$2,701	$2,701
Number of Units	51,260	51,260	51,260
Portion of Qualifying or Total Units Financed	12.33%	66.80%	8.16%
Affordable At More Than 50% But No More than 60% of Median Income			
$UPB(MILLIONS)	$7,034		$7,034
Number of Units	119,102		119,102
Portion of Qualifying or Total Units Financed	28.64%		18.96%
Affordable At More Than 60% But No More than 80% of Median Income			
$UPB(MILLIONS)	$18,202		$18,202
Number of Units	219,979		219,979
Portion of Qualifying or Total Units Financed	52.90%		35.02%
Affordable At More Than 80% But No More than 100% of Median Income			
$UPB(MILLIONS)			$12,210
Number of Units			103,502
Portion of Qualifying or Total Units Financed			16.48%
Affordable At More Than 100% But No More than 120% of Median Income			
$UPB(MILLIONS)			$7,430
Number of Units			52,115
Portion of Qualifying or Total Units Financed			8.30%
Affordable At More Than 120% of Median Income			
$UPB(MILLIONS)			$9,436
Number of Units			46,230
Portion of Qualifying or Total Units Financed			7.36%
Tenant Rent Missing			
$UPB(MILLIONS)			$2,029
Number of Units			10,566
Portion of Qualifying or Total Units Financed			1.68%
All Income Levels[2]			
$UPB(MILLIONS)	$29,731	$4,495	$60,837
Number of Units	415,817	76,736	628,230
Portion of Qualifying or Total Units Financed	100.00%	100.00%	100.00%

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

[2]Includes "Tenant Rent Missing."

Table 3B
Distribution of Rental Units
Financed by Fannie Mae's Purchases of Mortgages on
Single-Family Rental Properties By Affordability of Rent[1]
For Calendar Year 2018

	Low-Income Units	Very Low-Income Units	Total Units Financed
Affordable At No More Than 30% of Median Income			
UPB ($ Millions)	$543	$543	$543
Number of Units	3,900	3,900	3,900
Portion of Low-Income, Very Low-Income, or Total Units Financed	3.88%	19.71%	1.89%
Affordable At More Than 30% But No More than 50% of Median Income			
UPB ($ Millions)	$1,042	$1,042	$1,042
Number of Units	15,883	15,883	15,883
Portion of Low-Income, Very Low-Income, or Total Units Financed	15.81%	80.29%	7.70%
Affordable At More Than 50% But No More than 60% of Median Income			
UPB ($ Millions)	$1,825		$1,825
Number of Units	23,545		23,545
Portion of Low-Income, Very Low-Income, or Total Units Financed	23.43%		11.41%
Affordable At More Than 60% But No More than 80% of Median Income			
UPB ($ Millions)	$6,408		$6,408
Number of Units	57,164		57,164
Portion of Low-Income, Very Low-Income, or Total Units Financed	56.88%		27.70%
Affordable At More Than 80% But No More than 100% of Median Income			
UPB ($ Millions)			$7,659
Number of Units			47,395
Portion of Low-Income, Very Low-Income, or Total Units Financed			22.97%
Affordable At More Than 100% But No More than 120% of Median Income			
UPB ($ Millions)			$5,380
Number of Units			25,647
Portion of Low-Income, Very Low-Income, or Total Units Financed			12.43%
Affordable At More Than 120% of Median Income			
UPB ($ Millions)			$7,862
Number of Units			27,726
Portion of Low-Income, Very Low-Income, or Total Units Financed			13.44%
Tenant Rent Missing			
UPB ($ Millions)			$734
Number of Units			5,102
Portion of Low-Income, Very Low-Income, or Total Units Financed			2.47%
All Income Levels[2]			
UPB ($ Millions)	$9,818	$1,586	$31,452
Number of Units	100,492	19,783	206,362
Portion of Low-Income, Very Low-Income, or Total Units Financed	100.00%	100.00%	100.00%

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

[2]Includes "Tenant Rent Missing."

Table 4
Fannie Mae Single-Family Owner-Occupied Mortgage Purchases
Qualifying for the Low-Income Area Purchase Goal
by Method of Qualification
For Calendar Year 2018

	Tract is in a Designated Disaster Area		Tract is not in a Designated Disaster Area			
	Family Income <= 100% of Area Median	Family Income > 100% of Area Median	Family Income <= 100% of Area Median	Family Income > 100% of Area Median	Qualifying Low-Income Area Purchase Money Mortgages	Total Mortgages Eligible To Qualify As Low-Income Area Purchase Money
Tract Income <= 80% of Area Median						
$UPB(Millions)	$2,842	$3,332	$15,037	$13,464	$34,675	$34,675
Number of Mortgages	19,692	13,636	86,930	47,007	167,265	167,265
Percentage of Eligible	11.77%	8.15%	51.97%	28.10%	100.00%	100.00%
80% < Tract Income < 100% of Area Median and Tract >= 30% Minority						
$UPB(Millions)	$1,793	$0	$6,363	$0	$8,155	$19,532
Number of Mortgages	11,069	0	31,030	0	42,099	80,647
Percentage of Eligible	13.73%	0.00%	38.48%	0.00%	52.20%	100.00%
80% < Tract Income < 100% of Area Median and Tract < 30% Minority						
$UPB(Millions)	$1,436	$0	$0	$0	$1,436	$26,028
Number of Mortgages	9,958	0	0	0	9,958	134,986
Percentage of Eligible	7.38%	0.00%	0.00%	0.00%	7.38%	100.00%
Tract Income >= 100% of Area Median[1]						
$UPB(Millions)	$7,272	$0	$0	$0	$7,272	$176,461
Number of Mortgages	42,404	0	0	0	42,404	661,200
Percentage of Eligible	6.41%	0.00%	0.00%	0.00%	6.41%	100.00%
Total						
$UPB(Millions)	$13,343	$3,332	$21,399	$13,464	$51,539	$256,696
Number of Mortgages	83,123	13,636	117,960	47,007	261,726	1,044,098
Percentage of Eligible	7.96%	1.31%	11.30%	4.50%	25.07%	100.00%

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

Table 5A
Distribution of Fannie Mae's Single-Family Owner-Occupied
Mortgage Purchases By Race of Borrower(s) on Loan Application[1]
For Calendar Year 2018

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
American Indian or Alaskan Native[2]							
$UPB(Millions)	$188	$43	$216	$196	$811	$608	$1,419
Number of Mortgages	1,223	362	1,163	1,332	3,552	3,084	6,636
Portion of Qualifying or Total Mortgages Acquired	0.42%	0.52%	0.44%	0.68%	0.32%	0.48%	0.38%
Asian[2]							
$UPB(Millions)	$3,452	$623	$4,505	$1,264	$21,006	$7,627	$28,633
Number of Mortgages	16,828	4,258	17,390	6,138	68,092	24,986	93,078
Portion of Qualifying or Total Mortgages Acquired	5.71%	6.09%	6.64%	3.13%	6.07%	3.89%	5.27%
Black or African American[2]							
$UPB(Millions)	$2,769	$537	$3,712	$1,791	$10,471	$6,153	$16,624
Number of Mortgages	17,200	4,483	20,146	12,249	46,070	30,569	76,639
Portion of Qualifying or Total Mortgages Acquired	5.84%	6.41%	7.70%	6.24%	4.10%	4.76%	4.34%
Native Hawaiian or Other Pacific Islander[2]							
$UPB(Millions)	$117	$18	$147	$103	$577	$493	$1,071
Number of Mortgages	631	139	644	525	2,082	1,754	3,836
Portion of Qualifying or Total Mortgages Acquired	0.21%	0.20%	0.25%	0.27%	0.19%	0.27%	0.22%
White - Hispanic or Latino[3]							
$UPB(Millions)	$5,473	$1,094	$8,002	$3,048	$24,459	$12,696	$37,155
Number of Mortgages	32,822	8,576	40,597	18,513	102,451	55,800	158,251
Portion of Qualifying or Total Mortgages Acquired	11.14%	12.26%	15.51%	9.43%	9.13%	8.68%	8.97%
White - Non Hispanic or Latino							
$UPB(Millions)	$29,924	$5,101	$27,613	$17,697	$177,527	$87,862	$265,388
Number of Mortgages	194,332	45,500	148,206	121,722	752,912	408,138	1,161,050
Portion of Qualifying or Total Mortgages Acquired	65.97%	65.04%	56.63%	62.03%	67.09%	63.50%	65.78%
Two or More Minority Races[4]							
$UPB(Millions)	$55	$10	$86	$47	$308	$199	$507
Number of Mortgages	292	76	359	268	1,096	787	1,883
Portion of Qualifying or Total Mortgages Acquired	0.10%	0.11%	0.14%	0.14%	0.10%	0.12%	0.11%
Joint - either Borrower or Co-Borrower are of a Minority Group[5]							
$UPB(Millions)	$343	$31	$854	$225	$5,316	$2,109	$7,426
Number of Mortgages	1,858	246	3,358	1,306	18,088	8,018	26,106
Portion of Qualifying or Total Mortgages Acquired	0.63%	0.35%	1.28%	0.67%	1.61%	1.25%	1.48%
Information not Provided by Borrower or Co-Borrower[6]							
$UPB(Millions)	$4,497	$704	$5,765	$5,068	$30,288	$23,677	$53,965
Number of Mortgages	25,966	5,724	26,886	32,780	115,067	105,238	220,305
Portion of Qualifying or Total Mortgages Acquired	8.82%	8.18%	10.27%	16.70%	10.25%	16.37%	12.48%
Not Applicable							
$UPB(Millions)	$0	$0	$0	$0	$0	$0	$0
Number of Mortgages	0	0	0	0	0	0	0
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Data not Provided by Loan Seller							
$UPB(Millions)	$641	$87	$640	$265	$3,399	$1,084	$4,484
Number of Mortgages	3,407	588	2,977	1,397	12,891	4,327	17,218
Portion of Qualifying or Total Mortgages Acquired	1.16%	0.84%	1.14%	0.71%	1.15%	0.67%	0.98%
Total							
$UPB(Millions)	$47,460	$8,247	$51,539	$29,705	$274,163	$142,508	$416,672
Number of Mortgages	294,559	69,952	261,726	196,230	1,122,301	642,701	1,765,002
Portion of Qualifying or Total Mortgages Acquired	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 5A continues on next page.

Table 5A
Distribution of Fannie Mae's Single-Family Owner-Occupied
Mortgage Purchases By Race of Borrower(s) on Loan Application[1]
For Calendar Year 2018

[1]Borrowers are asked to report both Race and Ethnicity. Race associated with the loan is based on data for the borrower and, if any, co-borrower. Borrower and co-borrower may be identified with any combination of, and up to, 5 race categories: (1) American Indian or Alaska Native, (2) Asian, (3) Black or African American, (4) Native Hawaiian or Other Pacific Islander, and (5) White. A borrower or co-borrower identified as both White and one minority race is classified as the minority race. If race is known for one borrower but not the other borrower, the loan is classified according to the known race. A loan where one borrower is identified as White and the race of the other borrower is missing, or where both the borrower and co-borrower are identified as White, is categorized in one of the two White categories. Separately, ethnicity associated with a loan also is based on data for the borrower and, if any, co-borrower. Borrower and co-borrower may choose either (1) Hispanic or Latino or (2) Not Hispanic or Latino. In this table, the White race category is further categorized as either "Hispanic or Latino," or "Not Hispanic or Latino." Table 5B shows the ethnicity distribution of all loans acquired.

[2]If the borrower and co-borrower are both identified as the same minority race or different minority races, the loan is classified as the race of the borrower.

[3]If the loan is classified as White (see footnote 1) and if either borrower or co-borrower is identified as Hispanic or Latino, the loan is classified as "White - Hispanic or Latino." The category "White - Non-Hispanic or Latino" includes loans where borrower and co-borrower are both identified as "Not Hispanic or Latino" or when the ethnicity is missing for both borrowers.

[4]The loan is classified as "Two or More Minority Races" where: the borrower is identified as two or more minority races and either there is no co-borrower or the co-borrower is identified as one or more minority races, or one borrower's race is missing and the other borrower is identified as two or more minority races.

[5]If either the borrower or co-borrower is identified as one or more minority race(s) and the other borrower is identified as White, the loan is classified as "Joint."

[6]This category consists of mortgages where borrower and co-borrower race information is not provided in mail, internet, or telephone application, even if ethnicity data are reported.

Table 5B
Distribution of Fannie Mae's Single-Family Owner-Occupied Mortgage
Purchases By Ethnicity of Borrower(s) on Loan Application[1]
For Calendar Year 2018

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
Borrower and Co-Borrower are Hispanic or Latino:							
$UPB(Millions)	$5,837	$1,198	$8,200	$3,474	$22,475	$12,698	$35,173
Number of Mortgages	35,055	9,414	42,097	21,215	96,921	57,414	154,335
Portion of Qualifying or Total Mortgages Acquired	11.90%	13.46%	16.08%	10.81%	8.64%	8.93%	8.74%
Borrower and Co-Borrower are not Hispanic or Latino:							
$UPB(Millions)	$35,430	$6,126	$35,285	$20,605	$207,770	$101,494	$309,264
Number of Mortgages	223,428	53,020	181,955	138,578	857,279	460,316	1,317,595
Portion of Qualifying or Total Mortgages Acquired	75.85%	75.79%	69.52%	70.62%	76.39%	71.62%	74.65%
Joint - Either Borrower or Co-Borrower are Hispanic or Latino:[2]							
$UPB(Millions)	$361	$29	$901	$237	$5,675	$2,640	$8,315
Number of Mortgages	1,993	223	3,767	1,374	20,130	10,089	30,219
Portion of Qualifying or Total Mortgages Acquired	0.68%	0.32%	1.44%	0.70%	1.79%	1.57%	1.71%
Information not Provided by Borrower or Co-Borrower:[3]							
$UPB(Millions)	$5,190	$808	$6,527	$5,093	$35,039	$24,563	$59,602
Number of Mortgages	30,632	6,690	30,929	33,402	135,487	110,112	245,599
Portion of Qualifying or Total Mortgages Acquired	10.40%	9.56%	11.82%	17.02%	12.07%	17.13%	13.91%
Not Applicable:							
$UPB(Millions)	$0	$0	$0	$0	$0	$0	$0
Number of Mortgages	0	0	0	0	0	0	0
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Data Not Provided by Loan Seller:							
$UPB(Millions)	$641	$87	$625	$295	$3,204	$1,113	$4,317
Number of Mortgages	3,451	605	2,978	1,661	12,484	4,770	17,254
Portion of Qualifying or Total Mortgages Acquired	1.17%	0.86%	1.14%	0.85%	1.11%	0.74%	0.98%
Total:							
$UPB(Millions)	$47,460	$8,247	$51,539	$29,705	$274,163	$142,508	$416,672
Number of Mortgages	294,559	69,952	261,726	196,230	1,122,301	642,701	1,765,002
Portion of Qualifying or Total Mortgages Acquired	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Table 6
Distribution of Fannie Mae's Single-Family Owner-Occupied
Mortgage Purchases By Gender of Borrower(s)[1]
For Calendar Year 2018

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
All Male:							
$UPB(Millions)	$17,948	$3,221	$17,685	$9,241	$81,466	$39,405	$120,871
Number of Mortgages	111,702	26,948	92,048	60,810	344,049	179,305	523,354
Portion of Qualifying or Total Mortgages Acquired	37.92%	38.52%	35.17%	30.99%	30.66%	27.90%	29.65%
All Female:							
$UPB(Millions)	$17,184	$3,611	$14,692	$10,298	$54,185	$29,665	$83,851
Number of Mortgages	111,319	31,674	82,533	70,751	255,012	150,116	405,128
Portion of Qualifying or Total Mortgages Acquired	37.79%	45.28%	31.53%	36.06%	22.72%	23.36%	22.95%
Male and Female:							
$UPB(Millions)	$8,408	$847	$14,091	$6,195	$110,756	$55,042	$165,798
Number of Mortgages	48,760	6,743	63,271	38,867	416,178	230,182	646,360
Portion of Qualifying or Total Mortgages Acquired	16.55%	9.64%	24.17%	19.81%	37.08%	35.81%	36.62%
Not Applicable:							
$UPB(Millions)	$0	$0	$0	$0	$0	$0	$0
Number of Mortgages	0	0	0	0	0	0	0
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Not Provided:							
$UPB(Millions)	$3,040	$469	$4,013	$3,470	$20,868	$15,908	$36,776
Number of Mortgages	18,296	3,972	19,295	23,323	82,074	73,696	155,770
Portion of Qualifying or Total Mortgages Acquired	6.21%	5.68%	7.37%	11.89%	7.31%	11.47%	8.83%
Missing:[2]							
$UPB(Millions)	$880	$99	$1,059	$500	$6,889	$2,488	$9,377
Number of Mortgages	4,482	615	4,579	2,479	24,988	9,402	34,390
Portion of Qualifying or Total Mortgages Acquired	1.52%	0.88%	1.75%	1.26%	2.23%	1.46%	1.95%
Total:							
$UPB(Millions)	$47,460	$8,247	$51,539	$29,705	$274,163	$142,508	$416,672
Number of Mortgages	294,559	69,952	261,726	196,230	1,122,301	642,701	1,765,002
Portion of Qualifying or Total Mortgages Acquired	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

[2]"Missing" includes any HMDA new data points submitted by lenders.

Table 7
Distribution of Fannie Mae's Single-Family Owner-Occupied
Mortgage Purchases By Minority Concentration of Census Tract
For Calendar Year 2018

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
Minority < 10%	67,496	16,367	21,285	43,993	264,755	145,425	410,180
10% <= Minority < 20%	70,280	15,781	34,695	41,655	285,181	145,419	430,600
20% <= Minority < 30%	45,053	10,338	31,764	27,459	179,325	94,931	274,256
30% <= Minority < 50%	53,624	12,424	68,868	34,569	205,991	117,087	323,078
50% <= Minority < 80%	39,898	10,015	66,191	29,498	132,145	89,149	221,294
80% <= Minority <= 100%	18,205	5,026	38,871	19,054	54,749	50,640	105,389
Tract Missing / Unable to Classify	3	1	52	2	155	50	205
Total:	294,559	69,952	261,726	196,230	1,122,301	642,701	1,765,002

Table 8A
Distribution of Fannie Mae's Multifamily Mortgage Purchases
By Minority Concentration of Census Tract
For Calendar Year 2018

	Qualifying Low-Income Units	Qualifying Very Low-Income Units	Total Units Financed
Minority < 10%	16,838	3,465	26,185
10% <= Minority < 20%	50,603	6,416	81,357
20% <= Minority < 30%	51,858	6,777	87,455
30% <= Minority < 50%	93,113	13,022	160,602
50% <= Minority < 80%	121,998	21,371	172,246
80% <= Minority <= 100%	81,407	25,685	100,385
Tract Missing / Unable to Classify	0	0	0
Total:	415,817	76,736	628,230

Table 8B
Distribution of Rental Units Financed by Fannie Mae's Purchases of Mortgages
on Single-Family Rental Properties by Minority Concentration of Census Tract
For Calendar Year 2018

	Qualifying Low-Income Units	Qualifying Very Low-Income Units	Total Units Financed
Minority < 10%	12,789	3,185	21,894
10% <= Minority < 20%	17,865	3,465	36,615
20% <= Minority < 30%	13,561	2,479	29,237
30% <= Minority < 50%	18,912	3,482	42,164
50% <= Minority < 80%	20,112	3,662	41,396
80% <= Minority <= 100%	17,244	3,509	34,987
Tract Missing / Unable to Classify	9	1	69
Total:	100,492	19,783	206,362

Table 9
Distribution of Fannie Mae's Single-Family Owner-Occupied Mortgage
Purchases Minority Percentage of Census Tract by Income of Borrower
For Calendar Year 2018

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
Income <=50% of Median Income							
Minority < 10%	16,367	16,367	3,686	13,470	16,641	13,544	30,185
10% <= Minority < 30%	26,119	26,119	9,980	20,480	26,369	20,565	46,934
30% <= Minority < 50%	12,424	12,424	10,051	10,419	12,537	10,456	22,993
50% <= Minority < 80%	10,015	10,015	9,018	9,302	10,127	9,350	19,477
80% <= Minority <= 100%	5,026	5,026	4,865	6,183	5,072	6,211	11,283
Tract Missing / Unable to Classify	1	1	1	1	1	1	2
Subtotal	69,952	69,952	37,601	59,855	70,747	60,127	130,874
50% < Income <=60% of MSA Median Income							
Minority < 10%	15,275	0	2,693	9,327	15,603	9,378	24,981
10% <= Minority < 30%	25,759	0	8,487	14,363	26,029	14,416	40,445
30% <= Minority < 50%	11,687	0	8,677	7,138	11,835	7,167	19,002
50% <= Minority < 80%	8,920	0	7,651	6,167	9,024	6,190	15,214
80% <= Minority <= 100%	3,958	0	3,737	3,871	4,001	3,885	7,886
Tract Missing / Unable to Classify	1	0	1	1	1	1	2
Subtotal	65,600	0	31,246	40,867	66,493	41,037	107,530
60% < Income <=80% of MSA Median Income							
Minority < 10%	35,854	0	5,634	21,196	36,846	21,356	58,202
10% <= Minority < 30%	63,455	0	18,889	34,271	64,499	34,419	98,918
30% <= Minority < 50%	29,513	0	20,170	17,012	29,990	17,095	47,085
50% <= Minority < 80%	20,963	0	17,009	14,029	21,329	14,088	35,417
80% <= Minority <= 100%	9,221	0	8,563	9,000	9,350	9,036	18,386
Tract Missing / Unable to Classify	1	0	1	0	1	0	1
Subtotal	159,007	0	70,266	95,508	162,015	95,994	258,009
80% < Income <=100% of MSA Median Income							
Minority < 10%	0	0	4,986	0	35,378	20,825	56,203
10% <= Minority < 30%	0	0	17,031	0	64,137	33,792	97,929
30% <= Minority < 50%	0	0	17,702	0	29,601	16,909	46,510
50% <= Minority < 80%	0	0	14,556	0	20,039	13,389	33,428
80% <= Minority <= 100%	0	0	7,692	0	8,733	8,547	17,280
Tract Missing / Unable to Classify	0	0	3	0	3	1	4
Subtotal	0	0	61,970	0	157,891	93,463	251,354
100% < Income <=120% of MSA Median Income							
Minority < 10%	0	0	1,367	0	30,981	18,091	49,072
10% <= Minority < 30%	0	0	3,974	0	55,256	30,199	85,455
30% <= Minority < 50%	0	0	3,791	0	24,437	14,820	39,257
50% <= Minority < 80%	0	0	5,423	0	15,940	11,452	27,392
80% <= Minority <= 100%	0	0	4,156	0	6,890	6,644	13,534
Tract Missing / Unable to Classify	0	0	4	0	4	1	5
Subtotal	0	0	18,715	0	133,508	81,207	214,715
120% MSA Median Income < Income							
Minority < 10%	0	0	2,919	0	129,304	62,097	191,401
10% <= Minority < 30%	0	0	8,098	0	228,215	106,910	335,125
30% <= Minority < 50%	0	0	8,477	0	97,591	50,633	148,224
50% <= Minority < 80%	0	0	12,534	0	55,686	34,674	90,360
80% <= Minority <= 100%	0	0	9,858	0	20,703	16,310	37,013
Tract Missing / Unable to Classify	0	0	42	0	78	21	99
Subtotal	0	0	41,928	0	531,577	270,645	802,222
Borrower Income Missing							
Minority < 10%	0	0	0	0	2	134	136
10% <= Minority < 30%	0	0	0	0	1	49	50
30% <= Minority < 50%	0	0	0	0	0	7	7
50% <= Minority < 80%	0	0	0	0	0	6	6
80% <= Minority <= 100%	0	0	0	0	0	7	7
Tract Missing / Unable to Classify	0	0	0	0	67	25	92
Subtotal	0	0	0	0	70	228	298
Total:	294,559	69,952	261,726	196,230	1,122,301	642,701	1,765,002

Table 10A
Distribution of Fannie Mae's Single-Family Owner-Occupied Mortgage Purchases
By State and Territory
For Calendar Year 2018

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
Alabama	3,246	824	1,536	2,007	13,579	6,892	20,471
Alaska	458	105	302	461	1,546	1,096	2,642
Arizona	10,523	2,247	9,581	7,101	44,435	22,002	66,437
Arkansas	1,579	444	2,257	1,033	6,848	3,892	10,740
California	10,347	1,305	24,538	24,220	92,417	111,849	204,266
Colorado	9,469	1,820	7,995	9,944	34,207	24,646	58,853
Connecticut	4,421	1,176	2,075	1,558	10,957	4,291	15,248
Delaware	1,315	392	772	759	4,846	1,989	6,835
District of Columbia	839	194	1,078	572	2,354	1,275	3,629
Florida	19,415	3,851	35,221	11,207	96,620	37,765	134,385
Georgia	8,539	1,905	8,357	5,426	38,498	18,487	56,985
Hawaii	559	73	671	697	3,067	2,385	5,452
Idaho	3,328	755	1,752	1,721	12,470	5,094	17,564
Illinois	14,424	4,218	8,017	6,973	41,637	21,978	63,615
Indiana	6,406	1,751	3,011	3,471	21,045	10,073	31,118
Iowa	5,202	1,699	1,762	1,974	12,657	5,420	18,077
Kansas	2,632	728	1,035	1,239	7,972	3,664	11,636
Kentucky	4,126	1,196	3,615	1,696	11,570	5,205	16,775
Louisiana	2,235	512	3,664	1,833	10,045	7,001	17,046
Maine	813	193	352	714	3,038	1,875	4,913
Maryland	7,992	2,288	5,889	4,879	20,916	11,334	32,250
Massachusetts	6,817	1,401	4,131	5,445	19,862	14,364	34,226
Michigan	10,711	2,896	5,308	8,028	35,804	23,914	59,718
Minnesota	12,456	3,743	8,447	5,470	30,465	13,837	44,302
Mississippi	937	189	695	795	4,928	3,529	8,457
Missouri	7,225	2,182	7,739	4,159	22,339	11,926	34,265
Montana	1,218	251	567	810	4,727	2,680	7,407
Nebraska	3,627	1,076	1,524	1,408	9,478	4,003	13,481
Nevada	4,482	760	4,431	3,540	20,278	11,000	31,278
New Hampshire	1,772	410	865	1,131	5,803	3,045	8,848
New Jersey	6,193	1,263	3,599	4,063	25,823	15,701	41,524
New Mexico	1,799	459	1,703	924	7,140	2,979	10,119
New York	8,844	1,634	5,569	5,201	34,432	19,853	54,285
North Carolina	9,900	2,442	10,393	4,870	41,454	15,425	56,879
North Dakota	591	149	173	419	1,910	1,194	3,104
Ohio	12,174	3,391	5,360	5,489	35,270	15,316	50,586
Oklahoma	2,276	593	3,420	1,269	9,095	4,523	13,618
Oregon	3,551	483	3,422	3,918	19,187	13,108	32,295
Pennsylvania	11,535	3,135	6,018	5,691	38,189	16,335	54,524
Rhode Island	1,041	170	481	629	3,586	1,837	5,423
South Carolina	5,226	1,309	7,453	2,606	21,970	8,278	30,248
South Dakota	1,439	412	470	538	3,789	1,535	5,324
Tennessee	5,333	1,217	3,493	3,807	22,459	11,503	33,962
Texas	17,014	2,828	26,528	12,936	90,302	52,136	142,438
Utah	6,412	1,189	3,622	4,043	19,957	10,966	30,923
Vermont	596	138	182	396	2,018	958	2,976
Virginia	10,589	2,841	8,091	5,505	30,205	14,408	44,613
Washington	10,207	2,027	9,241	8,538	36,118	24,278	60,396
West Virginia	627	161	544	508	2,690	1,799	4,489
Wisconsin	11,320	3,317	4,222	4,021	28,468	11,651	40,119
Wyoming	737	206	253	520	2,369	1,342	3,711
Guam	0	0	25	3	38	18	56
Puerto Rico	39	3	225	63	1,272	1,000	2,272
Virgin Islands	3	1	52	2	88	25	113
Other Territories	0	0	0	0	0	0	0
Unable to Geocode	0	0	0	0	64	22	86
Total	294,559	69,952	261,726	196,230	1,122,301	642,701	1,765,002

Table 10B
Distribution of Fannie Mae's
Multifamily Mortgage Purchases by State And Territory
For Calendar Year 2018

	Qualifying Low-Income Units	Qualifying Very Low-Income Units	Total Units Financed
Alabama	6,713	930	8,587
Alaska	132	56	145
Arizona	19,009	1,657	27,590
Arkansas	3,916	802	4,513
California	11,088	3,160	68,723
Colorado	7,532	920	13,194
Connecticut	1,746	604	3,098
Delaware	850	1	873
District of Columbia	686	627	1,592
Florida	16,743	1,062	47,570
Georgia	28,905	6,785	38,225
Hawaii	81	32	206
Idaho	730	52	1,289
Illinois	8,711	3,078	14,693
Indiana	12,931	1,582	15,986
Iowa	1,452	629	2,080
Kansas	6,160	2,042	6,311
Kentucky	5,445	1,814	6,301
Louisiana	4,686	1,268	5,025
Maine	10	0	25
Maryland	22,173	4,264	24,589
Massachusetts	2,205	813	4,486
Michigan	12,443	1,994	16,109
Minnesota	5,654	985	6,996
Mississippi	3,488	168	4,350
Missouri	8,419	3,169	8,974
Montana	260	84	328
Nebraska	1,828	757	2,040
Nevada	5,575	469	9,227
New Hampshire	1,642	29	2,695
New Jersey	2,562	1,054	5,369
New Mexico	4,277	667	5,110
New York	14,718	6,508	22,494
North Carolina	26,129	4,907	32,277
North Dakota	11	0	12
Ohio	17,263	3,992	20,542
Oklahoma	4,057	1,281	4,107
Oregon	3,641	185	7,133
Pennsylvania	6,396	1,907	10,032
Rhode Island	1,155	282	1,475
South Carolina	6,958	1,102	8,459
South Dakota	191	120	192
Tennessee	11,177	1,882	14,677
Texas	86,322	9,665	108,625
Utah	6,760	390	8,471
Vermont	6	0	60
Virginia	11,979	1,818	14,824
Washington	8,344	532	14,126
West Virginia	705	307	880
Wisconsin	1,647	115	3,236
Wyoming	306	189	309
Guam	0	0	0
Puerto Rico	0	0	0
Virgin Islands	0	0	0
Other Territories	0	0	0
Unable to Geocode	0	0	0
Total	415,817	76,736	628,230

Table 10C
Distribution of Rental Units Financed by Fannie Mae's Purchases of
Mortgages on Single-Family Rental Properties by State And Territory
For Calendar Year 2018

	Qualifying Low-Income Units	Qualifying Very Low-Income Units	Total Units Financed
Alabama	1,033	242	1,547
Alaska	385	64	494
Arizona	2,891	427	6,448
Arkansas	609	86	890
California	8,239	1,117	38,314
Colorado	2,530	329	6,532
Connecticut	1,740	513	2,257
Delaware	365	80	534
District of Columbia	360	61	725
Florida	3,623	598	12,668
Georgia	2,824	374	5,582
Hawaii	155	20	782
Idaho	1,288	137	2,143
Illinois	4,661	1,093	7,778
Indiana	1,884	428	2,760
Iowa	765	255	901
Kansas	772	163	980
Kentucky	845	224	1,103
Louisiana	1,015	121	2,032
Maine	374	60	554
Maryland	2,104	360	3,078
Massachusetts	4,579	974	6,589
Michigan	2,941	576	4,153
Minnesota	2,228	464	2,950
Mississippi	185	24	425
Missouri	3,075	1,155	3,734
Montana	468	71	749
Nebraska	650	171	802
Nevada	1,582	241	3,950
New Hampshire	628	119	811
New Jersey	4,313	498	7,271
New Mexico	624	113	1,238
New York	4,534	1,166	11,432
North Carolina	2,975	485	5,239
North Dakota	90	35	116
Ohio	4,626	1,490	5,596
Oklahoma	1,073	147	1,534
Oregon	1,501	118	4,460
Pennsylvania	4,098	1,105	5,454
Rhode Island	1,015	127	1,349
South Carolina	963	151	2,051
South Dakota	234	103	321
Tennessee	1,919	258	3,697
Texas	5,797	688	14,866
Utah	2,018	382	3,777
Vermont	155	22	226
Virginia	2,480	379	3,862
Washington	3,787	656	7,157
West Virginia	112	30	190
Wisconsin	3,002	1,186	3,359
Wyoming	361	93	443
Guam	1	0	2
Puerto Rico	7	3	388
Virgin Islands	9	1	62
Other Territories	0	0	0
Unable to Geocode	0	0	7
Total	100,492	19,783	206,362

Table 11
Distribution of Fannie Mae's Single-Family Owner-Occupied
Mortgage Purchases[1] By LTV Category
For Calendar Year 2018

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
0% < LTV <= 60%							
$UPB(Millions)	$3,651	$932	$2,642	$11,681	$19,661	$43,799	$63,461
Number of Mortgages	28,700	9,494	18,027	85,109	98,954	223,264	322,218
Portion of Total	9.74%	13.57%	6.89%	43.37%	8.82%	34.74%	18.26%
60% < LTV <= 80%							
$UPB(Millions)	$14,595	$2,652	$15,395	$16,290	$108,400	$87,122	$195,522
Number of Mortgages	88,702	22,044	76,011	100,253	417,712	371,590	789,302
Portion of Total	30.11%	31.51%	29.04%	51.09%	37.22%	57.82%	44.72%
80% < LTV <= 90%							
$UPB(Millions)	$6,353	$1,025	$7,766	$1,174	$48,625	$8,423	$57,048
Number of Mortgages	37,004	8,379	35,074	7,268	184,238	34,121	218,359
Portion of Total	12.56%	11.98%	13.40%	3.70%	16.42%	5.31%	12.37%
90% < LTV <= 95%							
$UPB(Millions)	$9,580	$1,426	$12,864	$422	$64,053	$2,789	$66,842
Number of Mortgages	58,189	12,084	61,997	2,666	253,373	11,625	264,998
Portion of Total	19.75%	17.27%	23.69%	1.36%	22.58%	1.81%	15.01%
95% < LTV <= 100%							
$UPB(Millions)	$13,282	$2,213	$12,871	$59	$33,370	$184	$33,554
Number of Mortgages	81,964	17,951	70,617	397	167,590	959	168,549
Portion of Total	27.83%	25.66%	26.98%	0.20%	14.93%	0.15%	9.55%
100% < LTV							
$UPB(Millions)	$0	$0	$0	$78	$54	$190	$243
Number of Mortgages	0	0	0	537	434	1,124	1,558
Portion of Total	0.00%	0.00%	0.00%	0.27%	0.04%	0.17%	0.09%
Missing LTV							
$UPB(Millions)	$0	$0	$0	$0	$0	$2	$2
Number of Mortgages	0	0	0	0	0	18	18
Portion of Total	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total							
$UPB(Millions)	$47,460	$8,247	$51,539	$29,705	$274,163	$142,508	$416,672
Number of Mortgages	294,559	69,952	261,726	196,230	1,122,301	642,701	1,765,002
Portion of Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Table 12A
Distribution of Single-Family Owner-Occupied Purchase Money Mortgages
Acquired by Fannie Mae
By Income Class and First Time/Repeat Borrower Status
For Calendar Year 2018

Borrower Income	First-Time Buyer Mortgages	Repeat Buyer Mortgages	Buyer Status Not Available Mortgages	Total Mortgages
Income <= 50% of Area Median Income (AMI)				
$UPB(Millions)	$6,020	$2,227	$0	$8,247
Number of Mortgages	50,363	19,589	0	69,952
Portion of Total Mortgages Acquired	9.53%	3.80%		6.70%
Income >50% But <= 60% of AMI				
$UPB(Millions)	$7,076	$2,911	$0	$9,987
Number of Mortgages	46,224	19,376	0	65,600
Portion of Total Mortgages Acquired	8.74%	3.76%		6.28%
Income >60% But <= 80% of AMI				
$UPB(Millions)	$19,137	$10,089	$0	$29,226
Number of Mortgages	103,471	55,536	0	159,007
Portion of Total Mortgages Acquired	19.57%	10.78%		15.23%
Income >80% But <= 100% of AMI				
$UPB(Millions)	$19,689	$14,124	$0	$33,813
Number of Mortgages	88,771	64,996	0	153,767
Portion of Total Mortgages Acquired	16.79%	12.61%		14.73%
Income >100% But <= 120% of AMI				
$UPB(Millions)	$16,511	$15,394	$0	$31,905
Number of Mortgages	65,586	62,928	0	128,514
Portion of Total Mortgages Acquired	12.40%	12.21%		12.31%
Income >120% of AMI				
$UPB(Millions)	$54,010	$89,497	$0	$143,506
Number of Mortgages	174,294	292,905	0	467,199
Portion of Total Mortgages Acquired	32.96%	56.83%		44.75%
Missing				
$UPB(Millions)	$4	$8	$0	$12
Number of Mortgages	17	42	0	59
Portion of Total Mortgages Acquired	0.00%	0.01%		0.01%
All Income Levels[1]				
$UPB(Millions)	$122,447	$134,249	$0	$256,696
Number of Mortgages	528,726	515,372	0	1,044,098
Portion of Total Mortgages Acquired	100.00%	100.00%		100.00%

[1]Includes "Borrower Income Missing."

Table 12B
Single-Family Owner-Occupied Purchase Money Mortgages Acquired by
Fannie Mae by First-Time/Repeat Borrower Status, for Mortgages Qualifying
and Not Qualifying for the Low-Income Area Purchase SUBGOAL
For Calendar Year 2018

Subgoal Qualifying Status	First-Time Buyer Mortgages	Repeat Buyer Mortgages	Status of Buyer Not Available	Total Mortgages
Subgoal-Qualifying Mortgages				
$UPB(Millions)	$28,573	$14,257	$0	$42,830
Number of Mortgages	142,307	67,057	0	209,364
Percentage of Total	26.92%	13.01%		20.05%
Non-Qualifying Mortgages				
$UPB(Millions)	$93,873	$119,992	$0	$213,865
Number of Mortgages	386,419	448,315	0	834,734
Percentage of Total	73.08%	86.99%		79.95%
Total Mortgages				
$UPB(Millions)	$122,447	$134,249	$0	$256,696
Number of Mortgages	528,726	515,372	0	1,044,098
Percentage of Total	100.00%	100.00%		100.00%