FEDERAL HOUSING FINANCE AGENCY
FHFA

2018 REPORT TO CONGRESS


FEDERAL HOUSING
FHFA
FINANCE AGENCY

Federal Housing Finance Agency
Office of the Director

June 11, 2019

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

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

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

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

Dear Chairs and Ranking Members:

I am pleased to transmit the Federal Housing Finance Agency's (FHFA's) 2018 Report to Congress. This Report meets the requirements of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended by the Housing and Economic Recovery Act of 2008 (12 USC 4521(a)).

This is the first annual report I am submitting to Congress since becoming the Director of FHFA in 2019. This report covers activities during 2018, and was largely prepared before my tenure. To that end, I am not able to endorse or represent any particular views or assertions in this report as my own, but did want to adhere to the June 15 statutory deadline.

During 2018, FHFA continued to serve as regulator of the 11 Federal Home Loan Banks (FHLBanks) and the FHLBanks' joint Office of Finance. The FHLBanks are member-owned cooperatives that provide liquidity to their members by making loans to member institutions and housing associates secured with eligible collateral consisting primarily of single-family mortgages, multifamily mortgages, government and agency securities, and commercial real estate loans. The Office of Finance issues consolidated obligations to fund the FHLBanks.

FHFA also served as regulator and conservator of Fannie Mae and Freddie Mac (the Enterprises), which remain in their eleventh year of conservatorship; something that few, if any, would have foreseen on September 6, 2008. Although several changes to the operations and activities of the Enterprises have taken place since then, taxpayers remain vulnerable and the time for comprehensive housing finance reform is now. It will be critical to set a path for ending the conservatorships of the Enterprises in the near future while working with Congress and the Administration to transition to a reformed housing finance system.

Reform remains overdue, despite prior efforts, and we should view this task with some urgency. I encourage Congress to pursue legislation to move our country toward a more sustainable housing finance system. These reforms should reduce the risk to the taxpayer, promote private sector competition, and support sustainable homeownership. To that end, I offer the following legislative recommendations:

Act on Housing Finance Reform

There is urgent need for Congress to act on housing finance reform. The Enterprise conservatorships were established as a short-term measure to address instability and ensure market function during the financial crisis. They are now of unprecedented duration and scope and leave the mortgage market, and American taxpayers, vulnerable to another market downturn. FHFA will set an ambitious agenda that ensures that the mortgage market and FHFA's regulated entities do not return to pre-financial crisis business models. I encourage Congress to act alongside the Administration and FHFA, to make sure that the Enterprises are well-capitalized, well-regulated, and well-managed to withstand any future downturn in the economy.

In looking at one aspect of reforming our housing finance system, the Enterprises' current duopoly undercuts competition in the market. Increased competition would reduce market reliance on either Enterprise and enhance market stability, as well as benefit home buyers. To promote competition, Congress should authorize additional competitors and provide FHFA chartering authority similar to that of the Office of the Comptroller of the Currency.

Strengthen FHFA's Powers

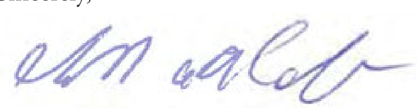
FHFA should have the same powers today, with the same flexibility, as other federal financial safety and soundness regulators. Although the Federal Deposit Insurance Act was used as a model for FHFA authority, the Agency has identified areas where its powers could be enhanced or made explicit to achieve parity and add clarity. FHFA has previously noted the importance of oversight of third parties that contract with its regulated entities to provide critical services supporting the secondary mortgage market, including nonbank mortgage servicers for the Enterprises. Oversight of such counterparties can now be exercised only through provisions in contracts with the regulated entities. In contrast, other federal financial regulators are statutorily authorized to examine companies that provide services to depository institutions and systemically important financial market utilities. The Financial Stability Oversight Council and the Government Accountability Office have each recommended granting FHFA authority to examine third parties that do business with its regulated entities, and FHFA concurs with those recommendations.

Regulatory capital is another area where greater alignment between FHFA authorities and those of other safety and soundness regulators would be a critical statutory enhancement. Through a rulemaking on Enterprise capital, FHFA is taking action to inform, and be informed by, market participants on appropriate risk-based capital requirements and leverage limits for guarantors of mortgage backed securities. FHFA's statute, however, requires it to use definitions of some capital terms that are outdated, inappropriate, do not apply to other financial institutions, and constrain FHFA's flexibility. Applying those definitions requires undesirable work-arounds. Amending or eliminating statutory capital definitions that apply only to the Enterprises, thereby providing FHFA the same flexibility as other financial regulators, would permit FHFA to develop more tailored and appropriate capital and leverage standards, for consideration by Congress, the Administration, and market participants when working toward housing finance reform.

FHFA stands ready to assist Congress in furthering these legislative recommendations. In the meantime, I will work within my statutory authorities to address vulnerabilities in our current housing finance system where possible. Important post-crisis changes to the housing finance system and the Enterprises' activities should be preserved. These include the recent implementation of the Uniform Mortgage Backed Security, continued use of credit risk transfers, and providing equitable access to lenders of all sizes to the Enterprises. Making sure FHFA's regulated entities are well-capitalized, well-regulated, and well-managed remains a critical task, and it must be done to allow them to withstand any future downturn in the economy.

Finally, I would like to thank the dedicated Agency staff whose diligent efforts and commitment to public service are evidenced by this report and its findings. FHFA will continue to carry out its statutory responsibilities and mission, and I look forward to maintaining and enhancing FHFA's position as a strong, independent, and world-class financial regulator. I also look forward to working with Congress, the Administration, and others to pursue needed reforms to create a safer and more secure housing finance system to better serve all Americans.

Sincerely,



Mark A. Calabria
Director, Federal Housing Finance Agency

List of Abbreviations

AB – Advisory Bulletin
AFS – Available-for-Sale
AHP – Affordable Housing Program
AMA – Acquired Member Assets
ASMB – American Survey of Mortgage Borrowers
Bank Act – Federal Home Loan Bank Act
CDFI – Community Development Financial Institution
CEAR – Certificate for Excellence in Accountability Reporting
CFI – Community Financial Institution
CFPB – Consumer Financial Protection Bureau
CICA – Community Investment Cash Advance Program
CIP – Community Investment Program
CMA – Core Mission Activities
COs – Consolidated Obligations
CRS – Call Report System
CRT – Credit Risk Transfer
CSP – Common Securitization Platform
CSS – Common Securitization Solutions, LLC
DBR – Division of Bank Regulation
DER – Division of Enterprise Regulation
D&I – Diversity and Inclusion
Dodd-Frank Act – Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010
DTI – Debt-to-Income
DTS – Duty to Serve
DUS – Delegated Underwriting and Servicing Program
eMortgage – Electronic Mortgage
eNote – Electronic Promissory Note
Enterprises – Fannie Mae and Freddie Mac
FAST – Fixing America's Surface Transportation Act
Fannie Mae – Federal National Mortgage Association
Federal Reserve Board – Board of Governors of the Federal Reserve System
FHFA – Federal Housing Finance Agency
FHA – Federal Housing Administration
FHLBank – Federal Home Loan Bank
FISMA – Federal Information Security Management Act
FMS – Financial Management System
FPM – Federal Property Managers
Freddie Mac – Federal Home Loan Mortgage Corporation
FY – Fiscal Year
GAAP – Generally Accepted Accounting Principles
GAO – U.S. Government Accountability Office
HAMP – Home Affordable Modification Program
HARP – Home Affordable Refinance Program
HERA – Housing and Economic Recovery Act of 2008
HMDA – Home Mortgage Disclosure Act
HUD – U.S. Department of Housing and Urban Development
KT – Multifamily Aggregation Risk Transfer
LEP – Limited English Proficiency
LIHTC – Low-Income Housing Tax Credit
LTV – Loan-to-Value
MAAp – Mortgage Assistance Application
MBS – Mortgage-Backed Securities
MI – Mortgage Insurer
MIRS – Monthly Interest Rate Survey
MISMO – Mortgage Industry Standards Maintenance Organization
MPF – Mortgage Partnership Finance
MPP – Mortgage Purchase Program
MRAs – Matters Requiring Attention
MSA – Metropolitan Statistical Area
NPL – Non-performing Loans
NMDB – National Mortgage Database
No Fear Act – Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002
NSI – Neighborhood Stabilization Initiative
NSMO – National Survey of Mortgage Originations
OF – Office of Finance
OIG – Office of Inspector General
OMB – Office of Management and Budget
OMWI – Office of Minority and Women Inclusion
PAR – Performance and Accountability Report
PC – Participation Certificate
PLMBS – Private-Label MBS
PMIERs – Private Mortgage Insurer Eligibility Requirements
PRISM – Procurement Request Information System Management
PSPA – Senior Preferred Stock Purchase Agreement
RAD – HUD Rental Assistance Demonstration Program
Regulated Entities – Fannie Mae, Freddie Mac, and the FHLBanks
REO – Real Estate Owned
RFI – Request for Input
RIF – Risk in Force
RPL – Re-performing Loan
Safety and Soundness Act – Federal Housing Enterprises Financial Safety and Soundness Act of 1992
SCR – Structured Credit Risk
SDQ – Seriously Delinquent
SSI – Single Security Initiative
Tax Act – Tax Cuts and Jobs Act of 2017
Treasury Department – U.S. Department of the Treasury
UBAF – Uniform Borrower Assistance Form
UCD – Uniform Closing Disclosure Dataset
UMBS – Uniform Mortgage-Backed Security
UMDP – Uniform Mortgage Data Program
UPB – Unpaid Principal Balance
URLA – Uniform Residential Loan Application
USDA – U.S. Department of Agriculture
VA – Veterans Administration

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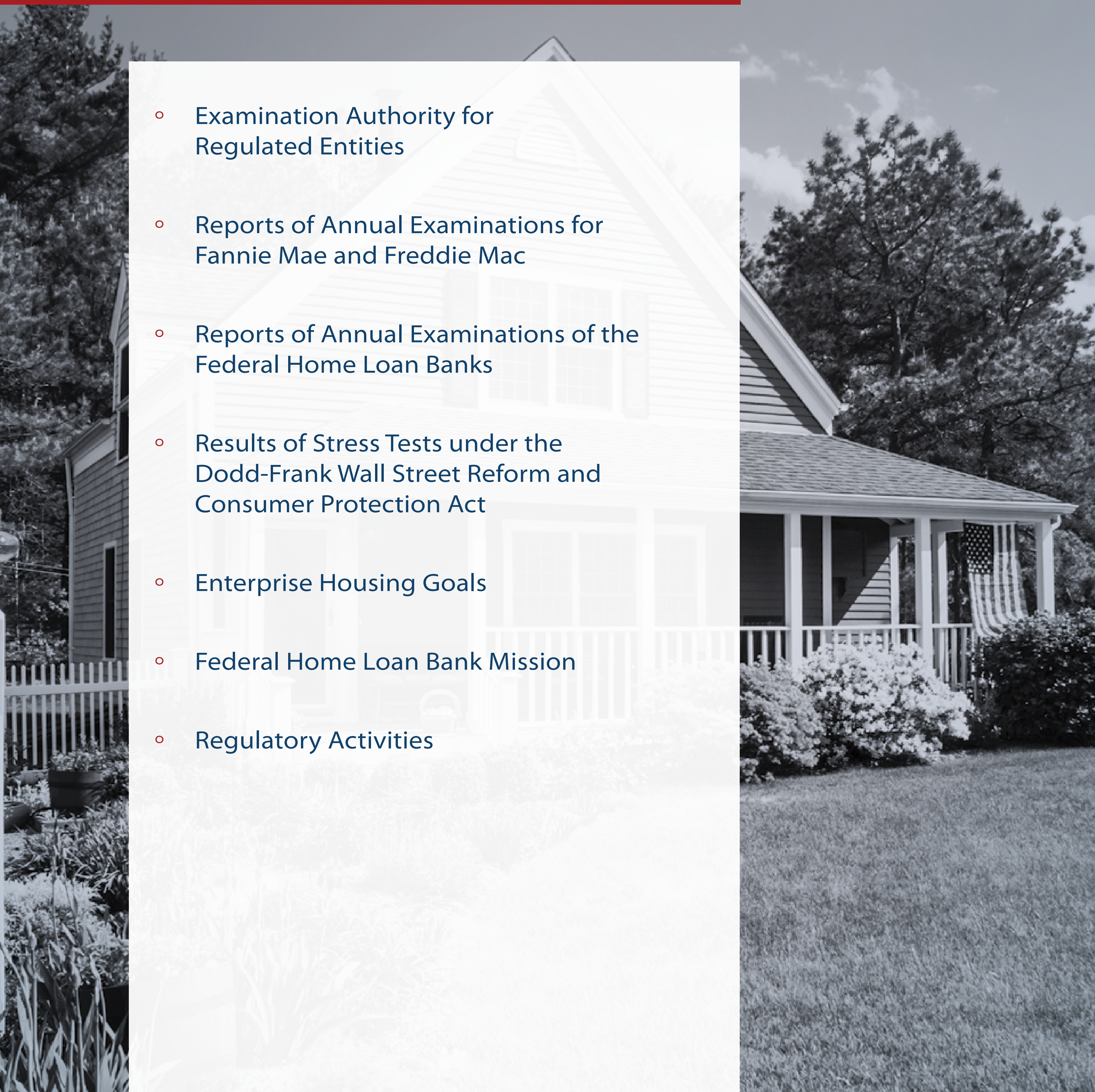
Supervision and Oversight



- Examination Authority for Regulated Entities
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- Regulatory Activities

The Federal Housing Finance Agency (FHFA) was established by the Housing and Economic Recovery Act of 2008 (HERA). The Agency is responsible for the effective supervision, regulation, and housing mission oversight of the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), and the Federal Home Loan Bank System – which includes the 11 Federal Home Loan Banks (FHLBanks) and the Office of Finance (OF), a joint office of the FHLBanks. FHFA's mission is to ensure that Fannie Mae and Freddie Mac (the Enterprises) and the FHLBanks (together, "the regulated entities") operate in a safe and sound manner so that they serve as a reliable source of liquidity and funding for housing finance and community investment. Since 2008, FHFA has also served as conservator of Fannie Mae and Freddie Mac.

Examination Authority for Regulated Entities

Section 1317(a) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act), 12 U.S.C. § 4517(a), requires FHFA to conduct annual on-site examinations of the Enterprises and the FHLBanks. Examination of the FHLBanks is also performed pursuant to Section 20 of the Federal Home Loan Bank Act (Bank Act), 12 U.S.C. § 1440.

For each regulated entity, FHFA prepares an annual report of examination, which identifies weaknesses and assigns examination ratings. FHFA communicates deficiencies and violations by regulated entities as adverse findings. The 2018 reports of examination were delivered to the directors and management of the Enterprises in March 2019 and to the FHLBanks periodically throughout the year based on FHFA's examination schedule.

Scope of Examination

FHFA conducts supervision using a risk-based approach to identify existing and emerging risks to the regulated entities, to evaluate the overall effectiveness of each regulated entity's risk management systems and controls, and to assess compliance with laws and regulations applicable to the regulated entity. In 2018[1], FHFA's examination activities included targeted examinations and ongoing monitoring, including assessing the remediation of previously issued Matters Requiring Attention (MRAs). FHFA also assessed the responses of the regulated entities' boards of directors and management to deficiencies and weaknesses identified by the regulated entities' internal audit departments and external auditors.

Rating System

Pursuant to FHFA's Advisory Bulletin AB 2012-03, *FHFA Examination Rating System* (AB 2012-03), FHFA applies the "CAMELSO" rating system to report its supervisory views. The CAMELSO framework includes ratings for the overall condition of the regulated entity (the composite rating), and seven individual component ratings for financial condition and risk management:

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

[1] Unless otherwise specified, all dates in this report refer to 2018.

Supervision of Fannie Mae and Freddie Mac

FHFA's Division of Enterprise Regulation (DER) is responsible for carrying out on-site examinations and ongoing supervision of the Enterprises. In 2018, FHFA performed examination activities in the areas of credit, market, model, and operational risk, as well as governance, compliance, accounting, auditing, and financial disclosure. Enterprise examinations included assessment of the safety and soundness of each Enterprise (*e.g.*, financial performance, condition, and overall risk management practices), as well as compliance with regulations.

Examination activity at each Enterprise is led by an Examiner-in-Charge and is carried out by an on-site team with support from offsite subject-matter experts. Following completion of examination activity, DER communicates any adverse findings in writing to the Enterprise, and the Enterprise submits a corrective action plan to remediate the findings. Following execution of the remediation plan, the Enterprise's internal audit function or an independent third party validates the completion of remediation, and DER reviews corrective action through examination activities.

FHFA issues a report of examination that identifies supervisory concerns and contains examination ratings reflecting FHFA's view of the regulated entity's financial safety and soundness and risk management practices. The annual Report of Examination is signed by the Examiner-in-Charge and issued to the Enterprise's board of directors.

Supervision of the Federal Home Loan Banks

FHFA's Division of Bank Regulation (DBR) is responsible for carrying out on-site examinations and ongoing supervision of the FHLBanks. Oversight of the FHLBanks promotes both safe and sound operation and achievement of their housing finance and community investment mission. In 2018, FHFA examined all of the FHLBanks and the OF. An Examiner-in-Charge and a team of examiners conduct each annual examination with support from financial analysts, economists, accountants, and attorneys. In addition, FHFA examiners visit each of the FHLBanks between examinations to follow up on examination findings and to discuss emerging issues.

Examiners communicate all adverse findings to FHLBank management and any MRAs to the FHLBank's board of directors and management. In addition, examiners obtain a commitment to correct deficiencies in a timely manner and then verify the effectiveness of those corrective actions.

DBR maintains an off-site monitoring program that reviews monthly and quarterly financial reports and other information, such as data on FHLBank investments and information related to FHLBank member activity. DBR monitors debt issuances by the OF and tracks financial market trends. DBR and other FHFA offices also review FHLBank documents and analyze responses to a number of periodic and ad hoc information requests, including data and information on FHLBank collateral, unsecured credit, liquidity, and advances.

Reports of Annual Examinations for Fannie Mae and Freddie Mac

Financial Overview of the Enterprises

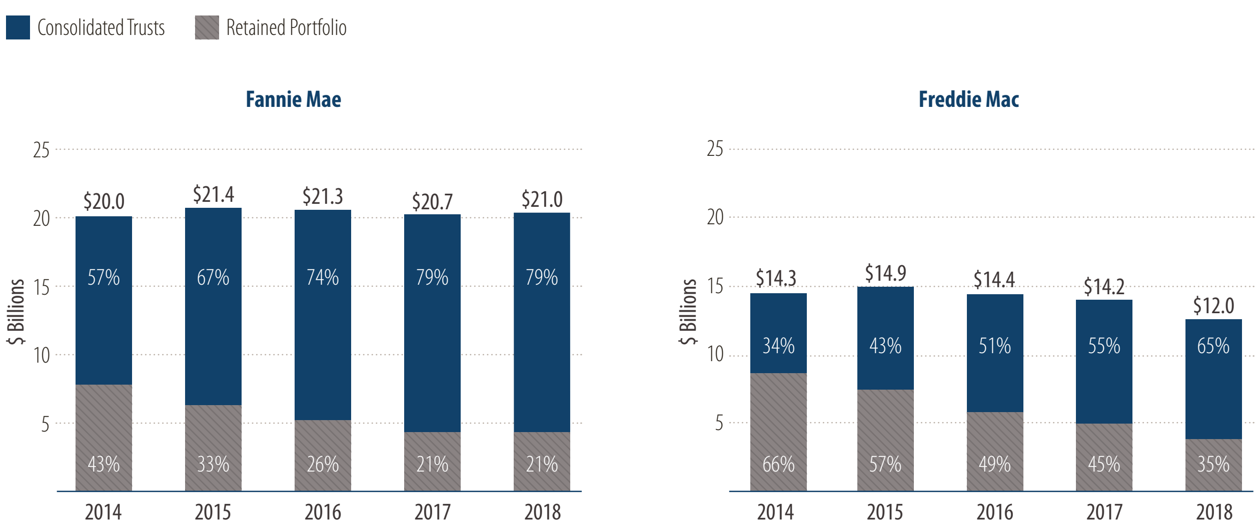
The Enterprises were created by Congress to provide stability and liquidity in the secondary housing finance market. They purchase single-family mortgages that lenders have already made to borrowers, pool these mortgages into mortgage-backed securities (MBS), and sell them to investors. The Enterprises guarantee the payment of principal and interest on the underlying mortgages and charge lenders a guarantee fee for taking on the credit risk associated with the purchased mortgages. The Enterprises also purchase multifamily mortgages.

Enterprise Income – Fannie Mae reported annual net income of $16.0 billion and annual comprehensive income of $15.6 billion for 2018, compared to annual net income of $2.5 billion and annual comprehensive income of $2.3 billion for 2017.

Freddie Mac reported annual net income of $9.2 billion and annual comprehensive income of $8.6 billion for 2018, compared to annual net income of $5.6 billion and annual comprehensive income of $5.6 billion for 2017. Both Enterprises' net income and comprehensive income increased significantly year-over-year. The increase was primarily driven by lower full-year 2017 income, which was due to the one-time provision for federal income taxes that resulted from the enactment of the Tax Cuts and Jobs Act of 2017 (Tax Act). Fannie Mae and Freddie Mac recognized approximately $9.9 billion and $5.4 billion, respectively, of federal income tax provision in the fourth quarter of 2017.

The Enterprises have two primary sources of revenue: guarantee fees on mortgages held by consolidated trusts holding Enterprise MBS; and the difference between the interest income earned on the assets in the Enterprises' retained mortgage portfolios and the interest expense paid on the debt that funds those assets. In 2018, as in prior years, the Enterprises earned a greater proportion of net income from guarantee fees than from interest income. This is primarily a result of guarantee fee increases and reductions of the retained portfolios in accordance with the requirements of the Senior Preferred Stock Purchase Agreements (PSPAs) between the U.S. Department of the Treasury (Treasury Department) and the Enterprises. Figure 1 shows changes since 2014 in the level and composition of the Enterprises' net interest income.

Figure 1: Enterprises' Net Interest Income 2014-2018



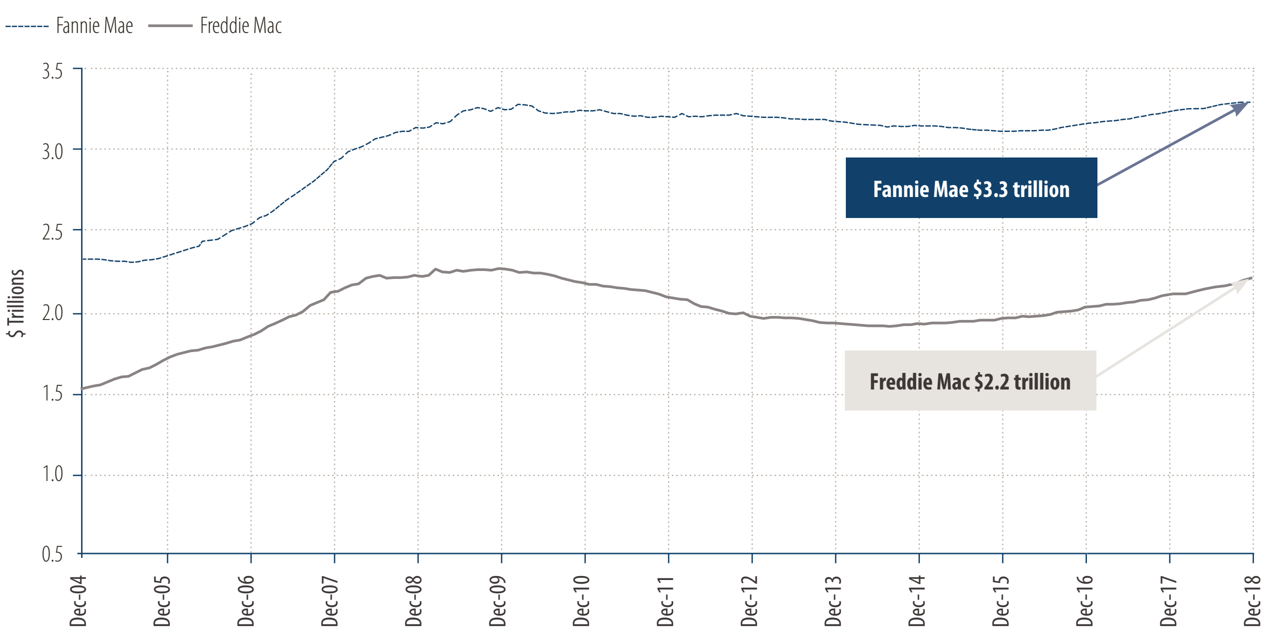
Enterprise Mortgage Portfolios – The Enterprises' mortgage portfolios have been stable over the past few years. Decreases in retained portfolio balances have generally been offset by increases in guarantee portfolio balances.

Fannie Mae purchased $446 billion of single-family mortgages in 2018, a decrease of approximately 11 percent from $502 billion in 2017. Freddie Mac purchased $308 billion of single-family mortgages in 2018, a decrease of approximately 10 percent from $344 billion in 2017. Both Enterprises experienced lower single-family mortgage purchase volume year-over-year, primarily due to a decline in refinance activity as a result of higher average mortgage interest rates. Multifamily purchase volumes were relatively flat in 2018 compared to 2017 as the multifamily mortgage market remained relatively stable. Fannie Mae's multifamily new purchase volume in 2018 was $65 billion, a decrease of approximately $1 billion from 2017. Freddie Mac's multifamily new purchase volume in 2018 was $78 billion, an increase of $5 billion from 2017. The Enterprises' total mortgages and guarantees are shown in Figure 2.

Historically, the Enterprises' investment portfolios exposed them to a significant amount of interest rate risk that was mitigated using derivatives, such as swaps and swaptions.

In the absence of hedge accounting, derivatives are marked-to-market through earnings but most of the Enterprises' other financial assets and liabilities (which the derivatives economically offset) are not. As a result, the Enterprises are vulnerable to earnings volatility when interest rates (and thus derivatives' fair values) fluctuate, but the corresponding hedge items do not. To reduce that volatility in earnings, Freddie Mac implemented fair value hedge accounting in 2017 and now applies it both to loans and debt. For the hedged loans and debt, the interest rate-based changes in their fair value are recognized in net interest income along with the change in fair value of the derivative hedging instruments (*i.e.*, interest-rate swaps), thus reducing the size of the quarterly volatility in earnings since the hedged items' fair values move in the opposite direction of the derivatives. Though net interest income in 2018 was approximately $900 million less than it would have been without hedge accounting, the recorded changes in fair value were also much smaller and thus the earnings variability was as well. Currently, Fannie Mae does not use hedge accounting; however, it is considering implementing it in the future.

Figure 2: Enterprises' Mortgage Portfolio 2004-2018[2]



2 Mortgage portfolio includes mortgages and mortgage-related securities held as investments and mortgages that are pooled into MBS issued by the Enterprises for which the Enterprise guarantees payment of principal and interest.

Conservatorships and the Senior Preferred Stock Purchase Agreements (PSPAs) – As part of HERA's amendments to the Safety and Soundness Act, Congress granted the Director of FHFA the authority to appoint FHFA as conservator or receiver of any of the regulated entities upon determining that specified criteria had been met. On September 6, 2008, FHFA exercised this authority and placed Fannie Mae and Freddie Mac into conservatorships. Since the Enterprises were placed into conservatorships, the Treasury Department has provided essential financial commitments of taxpayer funding for each Enterprise under its respective PSPA. As of December 31, 2018, Fannie Mae and Freddie Mac have drawn a combined total of $191.4 billion in taxpayer support under the PSPAs and have paid the Treasury Department a combined total of $292.3 billion in dividends on Treasury's senior preferred stock. Under the terms of the PSPAs, an Enterprise's dividend payments do not offset the amounts drawn from the Treasury Department. The terms of the PSPAs also require the Enterprises to reduce their retained portfolios, and the Enterprises are constrained by the PSPAs from building capital while they remain in conservatorship.

Pursuant to the third amendment to the PSPAs on August 17, 2012, the fixed 10 percent dividend on senior preferred stock was replaced, effective January 1, 2013, with a sweep of net worth that exceeded a "Capital Reserve Amount," which was established at $3.0 billion in 2013 with mandated declines of $600 million each subsequent year. Accordingly, the capital reserve would have declined to zero on January 1, 2018. However, in December 2017, FHFA entered into a letter agreement with the Treasury Department on behalf of each Enterprise to reinstate a $3.0 billion Capital Reserve Amount under the PSPA for each Enterprise, beginning in the fourth quarter of 2017. Under the terms of the letter agreement, each Enterprise will only declare and make dividend payment amounts beyond the $3.0 billion Capital Reserve Amount.

In the first quarter of 2018, FHFA submitted a request to the Treasury Department on behalf of Fannie Mae for $3.7 billion and on behalf of Freddie Mac for $0.3 billion to eliminate their net worth deficits. Each Enterprise incurred a net worth deficit at the end of 2017 due to the recognition of a one-time federal income tax provision expense to re-measure its deferred tax asset as a result of the Tax Act, which was enacted into law on December 22, 2017. As both Enterprises entered 2018, they had insufficient capital reserves to absorb losses due to the deficit at the end of 2017. However, during 2018, the Enterprises generated over $24 billion in combined comprehensive income, which allowed each Enterprise to re-establish the $3.0 billion Capital Reserve Amount.

Implementation of the Current Expected Credit Loss Model (CECL) – In June 2016, the Financial Accounting Standards Board issued Accounting Standard Update (ASU) 2016-13 which requires significant changes to how companies record their loan loss reserves in the financial statements. The ASU is effective on January 1, 2020, with the election to early-adopt on January 1, 2019. The ASU is intended to provide sufficient reserves on the books of financial institutions in the event of a financial crisis. Under the ASU, companies will set aside larger amounts of funds to cover expected future credit losses, which will be reflected in institutions' financial statements.

The Enterprises are expected to adopt the standard on January 1, 2020. While the Enterprises are not able to reasonably estimate the effect the adoption of the ASU will have on their financial statements, it may increase their allowance for credit losses and decrease (perhaps substantially) their retained earnings in the period of adoption, which could result in a net worth deficit. FHFA is monitoring the implementation of the ASU at the Enterprises.

Future Outlook – A high or rising interest rate environment and the continued reductions in income from the Enterprises' shrinking mortgage investment portfolio, combined with mark-to-market volatility from the Enterprises' derivatives portfolio, as well as the adoption of CECL, could increase the likelihood of negative net worth in future quarters. Moreover, initiatives such as credit risk transfer transactions confer risk management benefits but impose costs that could reduce Enterprise earnings.

Overview of Annual Examination Results

The term CAMELSO refers to the seven components of the examination framework that FHFA uses to report its examination findings to its regulated entities. Those components are **C**apital; **A**sset quality; **M**anagement; **E**arnings; **L**iquidity; **S**ensitivity to market risk; and **O**perational risk.

Capital – Pursuant to the PSPAs, the Enterprises are unable to retain capital, therefore, the capital levels are not linked to risk profiles and the Enterprises do not have independent ability to augment capital levels. FHFA has suspended the Enterprises' capital classifications and regulatory capital requirements during the conservatorships.

Asset Quality – When reviewing asset quality, FHFA examiners evaluate the quantity of existing and potential credit risk associated with loan and investment portfolios and management's ability to identify, measure, monitor, and control credit risk. In 2018, the Enterprises had generally positive trends in the levels of adversely classified assets, serious delinquencies, and real estate owned (REO) properties. Both Enterprises reduced credit risk exposure by executing different types of credit risk transfer.

Each Enterprise's single-family mortgage portfolio experienced modest growth in 2018. Both Enterprises increased the acquisition of loans with high debt-to-income and loan-to-value ratios and will therefore need to maintain diligence in underwriting, credit administration, and risk management practices to ensure identification, monitoring, and management of related credit risks.

Counterparties, including seller/servicers and mortgage insurers, expose the Enterprises to credit risks. Certain counterparties experienced challenges in 2018 due to deterioration in financial condition, regulatory issues, or housing market developments. Ongoing Enterprise counterparty risk management included the application of eligibility requirements, implementation of quality control functions and other oversight processes, and contingency planning in accordance with FHFA supervisory guidance.

The Enterprises' multifamily portfolios grew in 2018, within limits set by FHFA as conservator. Risk management of multifamily credit exposures was generally satisfactory.

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

Freddie Mac senior management promoted an effective risk management culture, and the board made progress in addressing vacancies and selecting the non-executive chairman. The enterprise-wide risk management framework continues to be generally well implemented, but additional work remains for its operational risk components. The framework and governance for stress testing is being improved. Important remedial actions have been completed for Freddie Mac's model risk management; however, additional work remains in that area. Further, management is working to enhance processes related to the Office of the Trustee, new initiatives, and delegations of authority.

In recent years, Fannie Mae has significantly improved its corporate governance structure and processes. Further work remains, however, to ensure that significant risks are subject to heightened executive level oversight and escalated to appropriate parties in a timely manner. Management is also in the process of implementing a standardized risk management approach across the Enterprise. Although this initiative has not yet been fully and effectively implemented, when complete it should strengthen Fannie Mae's risk and compliance capabilities and change management processes.

Earnings, Liquidity, and Sensitivity to Market Risk – When reviewing Enterprise earnings, FHFA examiners consider the quantity, trend, sustainability, and quality of earnings (*e.g.*, the adequacy of provisions to maintain the allowance for loan losses and other valuation allowance accounts). Review of liquidity includes assessing the current level and prospective sources of liquidity compared to funding needs, as well as the adequacy of funds management practices relative to the Enterprise's size, complexity, and risk profile. Examination of sensitivity to market risk includes assessing the ability of management to identify, measure, monitor, and control exposure to market risk given the Enterprise's size, complexity and risk profile.

Freddie Mac's 2018 comprehensive income of $8.6 billion was $3.0 billion higher than the 2017 comprehensive income of $5.6 billion. The 2017 comprehensive income included a $5.4 billion deferred tax asset write-down due to the reduction in the corporate tax rate from 35 percent to 21 percent, and a $2.9 billion after-tax non-agency securities settlement recognized as income. Excluding the DTA write-down and securities settlement, and applying the 21 percent tax rate, the 2017 comprehensive income would have been $9.7 billion, higher than the $8.6 billion reported in 2018.

Freddie Mac continues to carry a sufficient volume of liquid assets and is able to reliably access funds at acceptable terms to meet both current and anticipated funding needs. Portfolio duration gap, convexity, and volatility measures indicate low sensitivity to rate changes; however, spread risk, which cannot be cost-effectively hedged, remains a significant factor. Exposure to adverse spread movements on mortgage-related securities has declined with the reduction in the size of the mortgage investment portfolio; however, large multifamily pipeline and increasing spread volatility in the latter part of 2018 resulted in significant spread-related losses.

Fannie Mae's comprehensive income of $15.6 billion in 2018 increased from $2.3 billion in 2017. The $13.3 billion year-over-year increase was primarily attributable to an $11.8 billion favorable variance in tax expense reflecting the impact of the enactment of the Tax Act on Fannie Mae's earnings. Fannie Mae's pre-tax income of $20.1 billion in 2018 compares with pre-tax income of $18.4 billion in 2017. The year-over-year increase of $1.7 billion was primarily the result of a shift to fair value gains from fair value losses and an increase in credit-related income, which was partially offset by a decrease in other non-interest income.

Fannie Mae has access to a variety of liquidity sources and maintains the ability to meet its cash requirements without adverse consequences to its daily operations. Market value-based interest rate exposures remained low throughout the year as duration, convexity, and volatility risk metrics were managed within board- and management-approved limits. Fannie Mae reduced exposure limits in line with the declining balance of the retained mortgage portfolio, which fell below the $250 billion PSPA cap by a significant margin at year-end 2018.

Operational Risk – When assessing operational risk management, FHFA examiners consider exposures to loss from inadequate or failed internal processes, people, and systems, including internal controls and information technology. The Enterprises' inherent operational risk is high, largely as a result of complex business processes and financial operations; heavy reliance on information technology to manage and process large amounts of data; continually evolving information security and cybersecurity threats; and reliance on counterparties, vendors, and other third parties. Business resiliency and disaster recovery remain key management and supervisory concerns for both Enterprises, and both Enterprises continue to enhance information security consistent with FHFA guidance. Implementation of the common securitization platform is scheduled for 2019, and management at each Enterprise is working to ensure a smooth operational transition.

Freddie Mac is working to shift the Enterprise's information technology infrastructure to the cloud while addressing challenges in fully and effectively executing the shift. Management has enhanced information security management during the year, but has not yet made all necessary improvements in identity and access management. The Enterprise's operational risk management framework continues to improve, but implementation of a third-party risk management framework is still in the early stages.

Fannie Mae operated in an environment of continuing change resulting from strategic initiatives that target business transformation and workforce and organizational improvements, as well as adoption and execution of a new cloud computing strategy. The Enterprise made further progress on long-term initiatives to retire legacy systems and applications and to transform the Enterprise's data management infrastructure. The Enterprise faced operational challenges from employing new processes and tools that present different types of risk exposure and from recent system enhancements to integrate with the Common Securitization Platform.

Diversity & Inclusion – After administering its first comprehensive review of Fannie Mae's and Freddie Mac's Diversity and Inclusion (D&I) programs in 2017, the supervision and examination team of FHFA's Office of Minority & Women Inclusion (OMWI) leveraged its second year of examination results to provide further guidance in the areas of workforce, supplier diversity, and capital markets/financial transactions. OMWI also established formal data reporting standards and systems to support standardized reporting to facilitate its review and development of D&I standards for application across FHFA's regulated entities.

In alignment with the requirements of 12 CFR Part 1223 and conservatorship scorecard guidance, both Fannie Mae and Freddie Mac implemented a formalized process to assess and, where appropriate, integrate D&I across Enterprise programs and initiatives. They also identified performance-based D&I goals against scorecard initiatives.

For Common Securitization Solutions, LLC (CSS), the joint venture Fannie Mae and Freddie Mac established to develop and administer the Common Securitization Platform (CSP), OMWI communicated with management and provided guidance as CSS created its D&I strategic plan. OMWI also began developing its 2019 examination plan to perform a comprehensive review of CSS's D&I program, including the following components: Board Oversight; Strategic Planning; Organizational Framework; Supplier Diversity and Inclusion; Workforce Diversity and Inclusion; Reporting; and Compliance/Audit.

Reports of Annual Examinations of the Federal Home Loan Banks

Congress passed the Federal Home Loan Bank Act in 1932 to establish the Federal Home Loan Bank System and reinvigorate a housing market devastated by the Great Depression. The current FHLBank System includes 11 district FHLBanks, each serving a designated geographic area of the United States, and the OF, which issues consolidated obligations (CO) to fund the FHLBanks. The FHLBanks are member-owned cooperatives that provide a reliable source of liquidity to member financial institutions by making loans, known as advances, to member institutions and housing associates. The FHLBanks secure these advances with eligible collateral, which consists primarily of single-family mortgages, multifamily mortgages, government and agency securities, and commercial real estate loans. Community Financial Institutions (CFIs) may pledge secured loans for small business, small farm, small agri-business, and community development activities as collateral for advances.[3]

Financial Overview of the FHLBanks

Year-end total FHLBank assets were $1.1 trillion in 2018, essentially unchanged from 2017. For 2018, the FHLBanks reported their highest ever aggregate net income of $3.6 billion, up $179 million from 2017. Net interest income improved in 2018 but was largely offset by declines in other income, primarily because of losses on derivative and hedging activities as well as fewer gains on litigation settlements.

[3] As defined in the Bank Act, the term Community Financial Institution means a member, the deposits of which are insured under the Federal Deposit Insurance Act, that has average total assets over the last three years at or below an established threshold. For calendar year 2018, the CFI asset threshold was $1.173 billion.

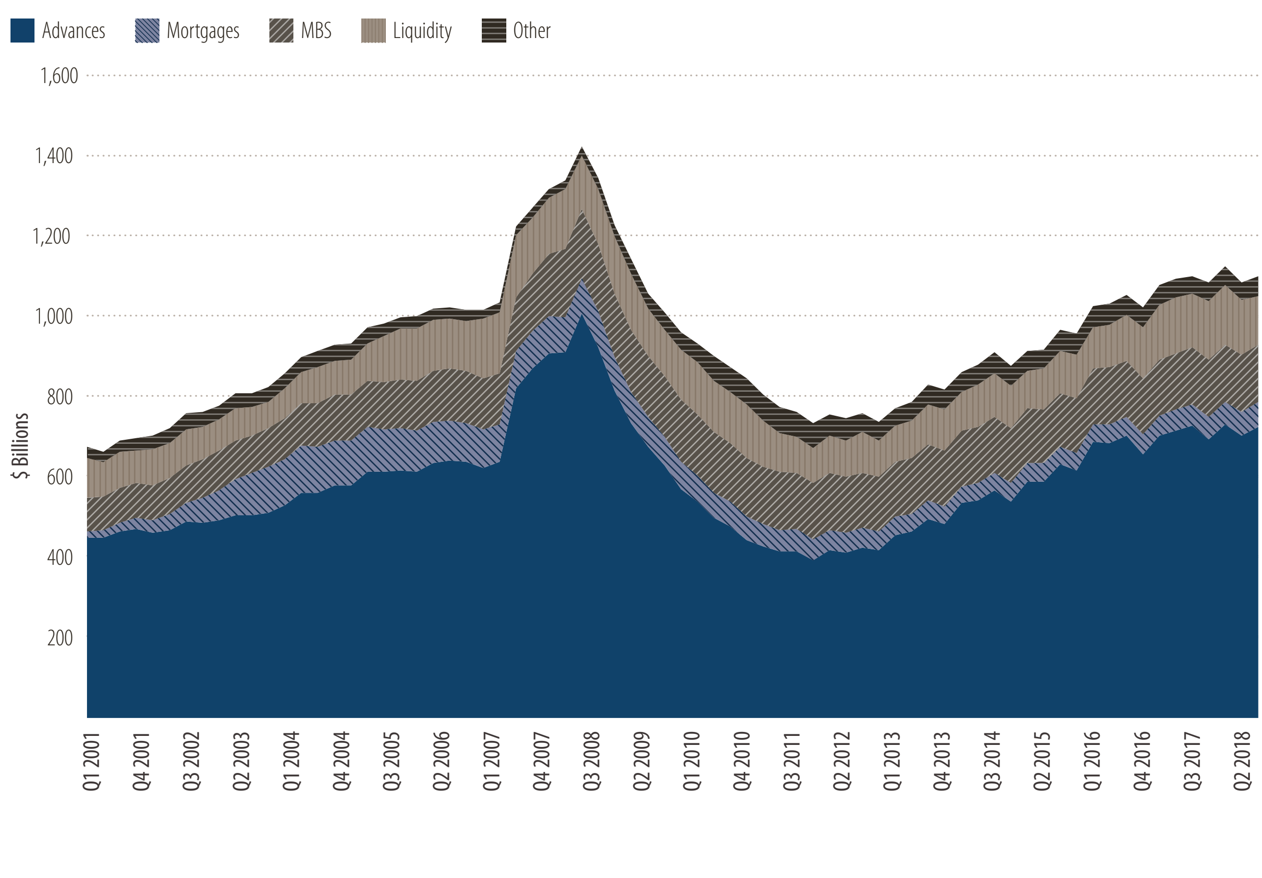
Aggregate assets mostly maintained their levels with some changes in composition through the year (Figure 3). Mortgages increased by 16.1 percent, advances decreased by 0.4 percent, and cash and investments decreased by 2.3 percent. At year-end, the FHLBanks held 66.0 percent of total assets in advances, 27.9 percent in cash and investments, and 5.7 percent in mortgages.

In 2018, FHLBank advances decreased $2.8 billion to $728.8 billion. The decrease marked the end of a six-year upward trend though demand for advances is below the levels experienced during the height of the financial crisis. Seven FHLBanks reported increases in advances and four reported decreases. FHLBank members use advances for various reasons, including to fund mortgage portfolios or meet operational liquidity needs. In recent years, some larger members may have used advances to meet regulatory liquidity requirements.

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

The FHLBanks held $62.6 billion of mortgages on their balance sheets at December 31, 2018, up from $53.9 billion at year-end 2017, with $15.1 billion of new purchases by unpaid principal balance.

Figure 3: Historical Portfolio of the FHLBank System



Under the off-balance sheet programs, members of FHLBanks sell mortgages to the FHLBank of Chicago, which either concurrently sells the loan to either Fannie Mae (MPF Xtra) or an investor (MPF Direct), or pools the loans into securities guaranteed by the Government National Mortgage Association (Ginnie Mae) (MPF Government MBS). FHLBank members delivered $1.9 billion of mortgages under MPF Xtra and $247 million of jumbo mortgages under MPF Direct. Members also delivered $539 million of mortgages to the FHLBank of Chicago to securitize through the MPF Government MBS program.

The aggregate investment portfolio of the FHLBanks consists of 46.4 percent MBS, 39.3 percent cash and liquidity, 14.3 percent other investments (principally agency debt securities, U.S. Treasuries, and, for the FHLBank of Chicago, federally-backed student loan asset-backed securities). The FHLBanks held $143.0 billion of MBS, primarily made up of MBS securitized by Freddie Mac and Fannie Mae. At year-end 2018, the FHLBanks held $121.1 billion of cash and liquidity investments. The FHLBanks are significant participants in the federal funds market.

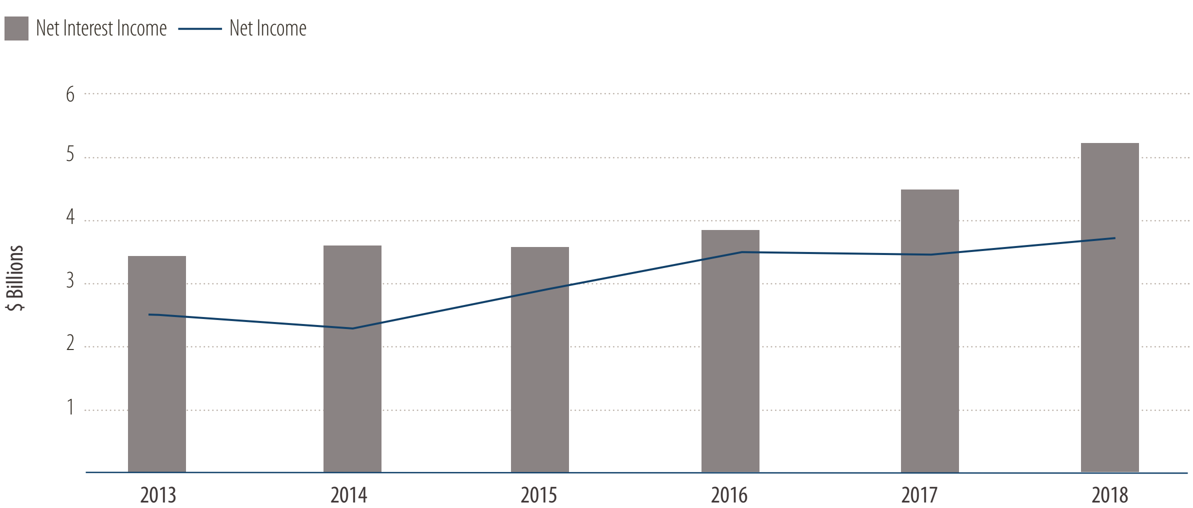
The FHLBanks' issuance of standby letters of credit has increased substantially over the past several years. At $165.8 billion, the amount of letters of credit was up $16.4 billion year-over-year and up $116.4 billion over the past 10 years. Letters of credit are typically used by members to secure public unit deposits. On the rare occasion that a beneficiary draws against a standby letter of credit, the member on whose behalf the FHLBank issued the letter of credit is required to reimburse the FHLBank, which may elect to convert that repayment obligation to an advance.

COs totaled $1.03 trillion and consisted of $603.6 billion of bonds and $426.0 billion of discount notes. To address FHFA's supervisory concern regarding maturity gaps, the FHLBanks changed their funding mix in recent years to more heavily use bonds.[4] This continued into 2018 with COs comprising 58.6 percent bonds and 41.4 percent discount notes at year-end.

The FHLBanks have primarily turned to floating-rate bonds to substitute for discount notes, though in many cases the bonds are short-term. Short-term funding (funding with a remaining maturity of less than one year) made up 76.2 percent of COs at year-end 2018.

Net income was $3.6 billion in 2018, and all FHLBanks were profitable. Earnings sustainability increased in 2018 with net interest income up $765 million year-over-year while other income decreased $580 million, primarily because of losses on derivatives and hedging activities and lower litigation gains in 2018 than those received 2017. See Figure 4. Operating expenses increased by $86 million over the same period.

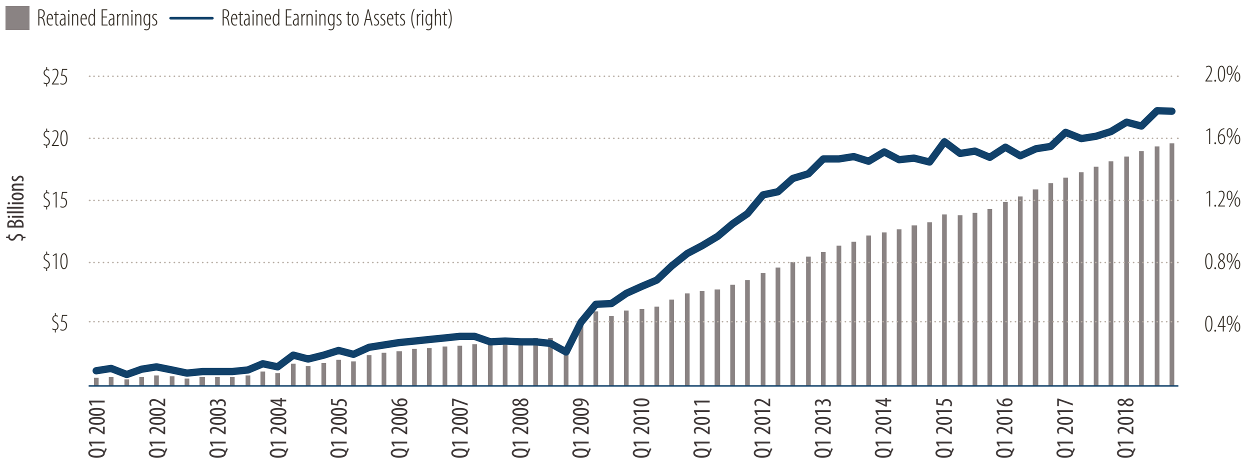
Figure 4: FHLBank's Net Interest Income and Net Income



[4] The term "maturity gap" refers to the difference between assets and liabilities maturing within a certain time interval. The FHLBanks monitor their maturity gaps at 3 and 12 months.

Aggregate return on assets was 0.32 percent in 2018, up from 0.31 percent in 2017, while return on equity was 6.18 percent, down from 6.27 percent. Sound profitability allowed the FHLBanks to continue to build retained earnings in 2018. Aggregate retained earnings totaled $19.5 billion or 1.8 percent of assets at the end of 2018, up from $18.1 billion or 1.6 percent of assets the prior year. At year-end 2008, during the financial crisis, the FHLBanks held only $3.0 billion of aggregate retained earnings, which represented 0.2 percent of assets (Figure 5).

Figure 5: Retained Earnings of the FHLBanks



Aggregate regulatory capital consisted of $38.5 billion paid-in Generally Accepted Accounting Principles (GAAP) capital stock, $19.5 billion in retained earnings, and $1.1 billion of mandatorily redeemable capital stock as of December 31, 2018.[5]

At year-end 2018, all FHLBanks met both the minimum regulatory capital ratio of 4 percent of assets and their individual risk-based capital requirements.

[5] FHLBanks reclassify capital stock subject to redemption from capital stock to mandatorily redeemable capital stock (a liability) generally after a member exercises a written redemption right, gives notice of intent to withdraw from membership, or attains non-member status by merger or acquisition, relocation, charter termination, or involuntary termination from membership. Additionally, when FHFA's 2016 Final Rule on FHLBank Membership declared captive insurance companies ineligible for membership in the FHLBanks, all remaining captive insurance capital stock was reclassified as mandatorily redeemable capital stock because the rule required the FHLBanks to terminate the membership of those companies by no later than five years after the rule took effect.

FHLBank Financial Comparisons

The size and composition of FHLBank assets vary across the FHLBank System. Individual FHLBanks ranged from total assets of $47.7 billion to $154.5 billion as of December 31, 2018. The ratio of advances to assets ranged from 50.0 percent to 76.7 percent. The ratio of mortgage loans to assets was 5.7 percent overall, with two FHLBanks having ratios above 15.0 percent. The market value to par value of capital stock ratio was comfortably above 100 percent at each FHLBank.

Figure 6: FHLBank Selected Balance Sheet Items and Ratios

($billions)	SYS	BOS	NYK	PIT	ATL	CIN	IND	CHI	DSM	DAL	TOP	SFR
Total Assets - $	1,103.8	63.6	144.4	107.5	154.5	99.2	65.4	92.9	146.5	72.8	47.7	109.3
Advances - % of Assets	66.0%	67.9%	72.8%	76.7%	70.2%	55.3%	50.0%	56.7%	72.6%	56.1%	60.2%	67.2%
% of Advances with remaining maturity < 1 year	55.9%	55.5%	64.8%	45.6%	66.7%	70.3%	47.5%	41.8%	47.5%	53.2%	51.6%	57.5%
Mortgages - % of Assets	5.7%	6.8%	2.0%	4.1%	0.2%	10.6%	17.4%	7.6%	5.3%	3.0%	17.6%	2.8%
Cash and Investments - % of Assets	27.9%	25.0%	24.8%	18.8%	29.0%	33.9%	32.1%	35.2%	21.8%	40.7%	21.6%	29.6%
MBS Investments - % of Assets	13.0%	10.0%	11.6%	7.5%	14.3%	15.9%	13.9%	13.1%	11.6%	14.9%	14.7%	16.4%
MBS to regulatory capital ratio	2.48	1.66	2.16	1.51	2.90	2.94	2.86	2.87	2.19	2.97	2.86	2.71
Liquidity - % of Assets	11.0%	13.5%	8.4%	8.1%	13.0%	17.7%	11.6%	12.3%	6.1%	14.4%	4.2%	12.5%
Consolidated Obligations - $	1,029.6	59.0	134.8	101.2	145.1	92.6	61.2	85.4	136.7	67.7	44.6	101.5
Discount Notes - % of COs	41.4%	56.1%	37.6%	36.5%	45.5%	50.7%	34.2%	50.5%	31.4%	52.8%	46.2%	28.8%
% of COs maturity < 1 year	76.2%	72.5%	86.0%	73.3%	83.6%	73.5%	64.3%	71.9%	70.3%	74.5%	66.4%	84.9%
Regulatory Capital Ratio	5.4%	6.2%	5.4%	5.0%	4.9%	5.4%	4.9%	6.0%	5.3%	5.0%	5.1%	6.0%
Retained Earnings - $	19.5	1.4	1.7	1.3	2.1	1.0	1.1	3.5	2.1	1.1	0.9	3.3
Market Value of Equity as a percent of Capital Stock	152%	152%	130%	134%	138%	119%	153%	293%	137%	148%	173%	216%

Financial performance was not uniform across the FHLBanks in 2018, but was generally strong. Net income ranged from $170 million to $560 million, while return on equity ranged from 5.22 percent to 7.20 percent. At the aggregate level, FHLBanks' operating expenses made up 21.6 percent of net interest income.

Figure 7: FHLBank Selected Income Statement Items and Ratios

($ in millions)	SYS	BOS	NYK	PIT	ATL	CIN	IND	CHI	DSM	DAL	TOP	SFR
Net Income - $	3,566	217	560	347	416	339	195	303	460	199	170	360
Return on Assets	0.32%	0.35%	0.36%	0.36%	0.27%	0.32%	0.30%	0.33%	0.31%	0.29%	0.31%	0.32%
Return on Equity	6.18%	6.38%	7.20%	7.03%	5.54%	6.29%	6.43%	5.74%	6.21%	5.22%	6.82%	5.42%
Net Interest Income (NII) - $	5,256	312	797	467	562	499	288	513	635	310	271	601
Net Interest Spread	0.37%	0.38%	0.43%	0.39%	0.28%	0.37%	0.35%	0.44%	0.32%	0.34%	0.42%	0.43%
Yield on Advances	2.20%	2.23%	2.34%	2.28%	2.11%	2.15%	2.22%	2.09%	2.30%	2.10%	2.13%	2.11%
Yield on Investments	2.44%	2.27%	2.29%	2.40%	2.38%	2.18%	2.42%	2.96%	2.39%	2.46%	2.27%	2.68%
Yield of Mortgage Loans	3.45%	3.33%	3.36%	3.61%	5.29%	3.22%	3.25%	4.18%	3.42%	3.77%	3.28%	3.70%
Cost of Funds on COs	1.96%	1.93%	1.91%	1.97%	1.92%	1.89%	2.10%	2.07%	2.04%	1.94%	1.92%	1.87%
Operating Expenses to NII	21.6%	23.0%	16.0%	16.0%	23.4%	13.3%	27.2%	35.9%	18.8%	25.9%	20.8%	24.2%

FHLBank Membership – At the end of 2018, the FHLBanks had a total of 6,863 members, down from 6,988 in 2017, primarily due to mergers. Membership at each FHLBank ranged from 291 to 1,365 members. The aggregate membership consisted of 4,185 commercial banks, 1,490 credit unions, 692 thrifts, 436 insurance companies, and 60 non-depository Community Development Financial Institutions (CDFIs). Approximately 57 percent of FHLBank members were active borrowers. The top 10 largest borrowers of each district made up more than 70 percent of all advances at the FHLBanks of New York, Pittsburgh, Atlanta, Cincinnati, Chicago, and San Francisco.

Figure 8: FHLBank Selected Income Statement Items and Ratios

	SYS	BOS	NYK	PIT	ATL	CIN	IND	CHI	DSM	DAL	TOP	SFR
Total Members	6,863	439	328	291	848	646	379	704	1,365	810	721	332
Commercial Banks	4,185	57	129	146	505	374	161	487	999	585	586	156
Credit Unions	1,490	163	95	56	229	134	129	94	243	118	87	142
Thrifts	692	160	74	58	69	83	31	73	50	57	25	12
Insurance Companies	436	55	26	29	37	48	53	44	67	43	21	13
CDFIs	60	4	4	2	8	7	5	6	6	7	2	9
Ten Largest Borrowers - % of Advances		45.7%	73.4%	84.6%	74.0%	75.3%	61.3%	70.3%	68.5%	54.2%	65.0%	78.5%

Rating Component Overview

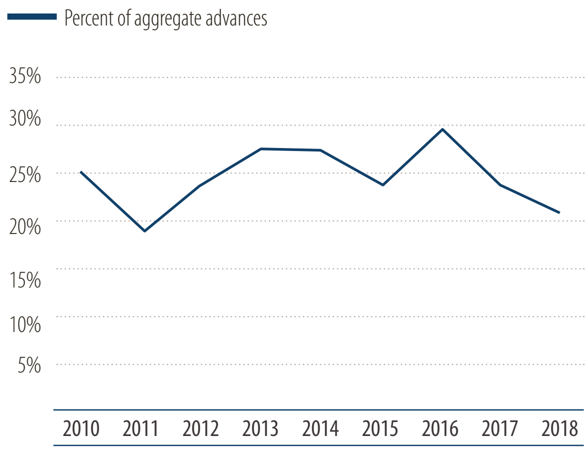
Capital – Capital management practices were strong or satisfactory at all of the FHLBanks in 2018. The FHLBanks have generally adequate levels of capital, including retained earnings, relative to their risk profiles. Examiners recommended changes to calculating the minimum retained earnings targets at a few of the FHLBanks.

Asset Quality – Asset quality at the FHLBanks was strong or satisfactory, although examiners identified areas for improvement for risk management practices at nearly all of the FHLBanks. These areas include: managing the extension of unsecured credit; modeling and documenting collateral discounts; modeling and documenting advance pricing; improving collateral haircut methodology; determining AMA credit enhancement requirements; managing high-risk collateral; and managing concentration risk for both AMA and large borrowers.

While the level of overall risk presented by advances is low, concentration of advances to subsidiaries of large bank holding companies remains elevated, though lower at year-end 2018 for the second consecutive year. In 2017, the largest borrowers at the holding company level were J.P. Morgan Chase & Co, Wells Fargo & Company, Citigroup Inc., and Bank of America Corp., which together represented $175 billion or 24.0 percent of total FHLBank advances. In 2018, the largest aggregate borrowers at the holding company level were J.P. Morgan Chase & Co, Wells Fargo & Company, Ally Financial, and PNC Financial Services Group, which accounted for $154 billion or 21.1 percent of aggregate advances, the lowest top four borrower concentration since 2011 (Figure 9).

The composition of the top four holding companies with advances outstanding to their subsidiaries at year-end changes over time. Since 2010, Bank of America Corporation, Capital One, Citigroup Inc., Hudson City Bancorp, JP Morgan Chase & Company, Metlife Inc., PNC Financial Services Group, Ally Financial, and Wells Fargo & Company have been among the top four borrowers at year-end.

Figure 9: Top 4 holding companies with advances outstanding



Management – Overall examination conclusions for management were either satisfactory or effective during 2018, though one FHLBank exhibited continued weaknesses, owing largely to the management of operational risks. At other FHLBanks, examiners identified concerns regarding management roles and responsibilities, internal audit, diversity and inclusion, and compliance with FHFA regulations.

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

Liquidity – Liquidity risk management was strong or satisfactory at all of the FHLBanks, and all FHLBanks met their liquidity requirements in 2018. Examiners indicated only a few concerns during the year, including ensuring compliance with OF policies, addressing potential conflicts of interest, and better tracking of liquidity.

Sensitivity to Market Risk – The FHLBanks overall have moderate levels of market risk exposure. Mortgage assets continue to be the greatest source of market risk, but the FHLBanks are also exposed to "basis risk," which arises when the index for a floating-rate asset does not move identically with the index for the supporting floating-rate liability. Even though market risk management was satisfactory at each of the FHLBanks, examiners identified enhancements several FHLBanks should make to their market risk models, documentation, and reports.

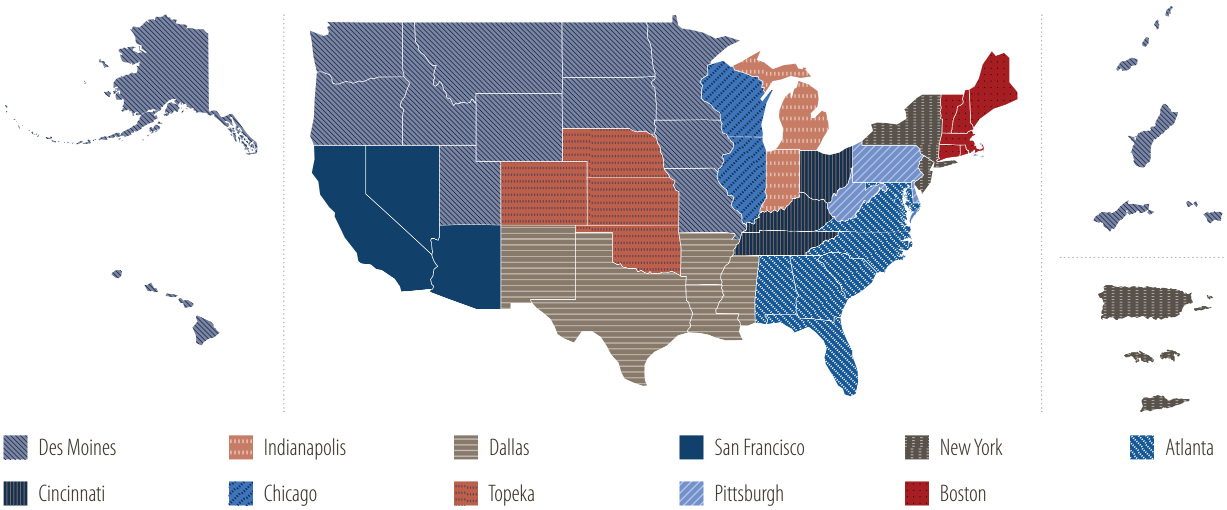
Operational Risk – Operational risk management was generally satisfactory, though FHFA expressed supervisory concerns at one FHLBank. Across other FHLBanks, examiners identified areas that exhibited or could exhibit unacceptable operational risks in information security, FHFA data reporting, and vendor management. Business continuity and FHLBank failover procedures continue to be a concern at several FHLBanks.

Diversity & Inclusion (D&I) – After administering its first comprehensive review of the FHLBank System's D&I programs in 2017, the supervision and examination team of FHFA's OMWI leveraged its second year of examination results to provide further guidance in the areas of workforce, supplier diversity, and capital markets/financial transactions. OMWI also established formal data reporting standards and systems to support standardized reporting to facilitate its review and development of D&I standards for application across the FHLBank System.

In alignment with the requirements of 12 CFR Part 1223, the FHLBank System has implemented a formalized process to assess and, where appropriate, integrate D&I across their organizations. Each regulated entity in the FHLBank System has developed D&I strategic plans and identified performance-based D&I goals. The FHLBank System's regulated entities have agreed to consider D&I competency as required criteria when assessing and selecting candidates as successors for key senior executive and management positions.

Overview of Annual Examination Results

11 Federal Home Loan Bank Districts



District 1: The Federal Home Loan Bank of Boston

At the time of its 2018 examination in April, FHFA concluded the FHLBank's overall condition and operations were satisfactory, with strong capital and liquidity positions, sufficient earnings to cover operations, and a strong mission-assets orientation. Further, the examination observed the credit risk exposure to the PLMBS portfolio continued to decrease. Primary examination concerns related to model risk governance, information technology controls, business continuity planning, advance pricing, and elements of the FHLBank's D&I program.

District 2: The Federal Home Loan Bank of New York

At the time of its 2018 examination in April, FHFA concluded the FHLBank's overall condition and operations were satisfactory. The FHLBank had strong earnings, liquidity and asset quality reflecting effective board and senior management oversight. Further, the FHLBank maintained a sound capital position and a highly mission-focused balance sheet. Primary examination concerns related to model risk governance, information technology controls, business continuity planning, and large member lending controls.

District 3: The Federal Home Loan Bank of Pittsburgh

At the time of its 2018 examination in July, FHFA concluded the FHLBank's overall condition and operations were satisfactory. The FHLBank had strong capital and liquidity positions as well as strong earnings sufficient to support operations and pay a reasonable dividend to members. Further, the FHLBank exhibited satisfactory market, credit, and operational risk oversight and maintained a strong mission orientation. Primary examination concerns related to information technology, assessment of risks in the AMA portfolio, large member advance concentrations, and elements of the FHLBank's D&I program.

District 4: The Federal Home Loan Bank of Atlanta

At the time of its 2018 examination in January, FHFA concluded the FHLBank's overall condition and operations were strong. The FHLBank had sound liquidity and capital levels and strong earnings to support operations and contribute to retained earnings. Further, the FHLBank maintained an advance-focused mission orientation and an experienced senior management team. Primary examination concerns related to the compliance program, advance-pricing methodology, business continuity planning and testing, and data loss prevention and protection.

District 5: The Federal Home Loan Bank of Cincinnati

At the time of its 2018 examination in January, FHFA concluded the FHLBank's overall condition and operations were satisfactory. The FHLBank had satisfactory management and asset quality, and a strong mission orientation. Further, the FHLBank had satisfactory liquidity, capital, operational risk management, and earnings sufficient to support operations and augment retained earnings. Primary examination concerns related to model risk governance, AMA repurchase requirements, business continuity testing, and elements of the FHLBank's D&I program.

District 6: The Federal Home Loan Bank of Indianapolis

At the time of its 2018 examination in October, FHFA concluded the FHLBank's overall condition and operations were satisfactory. The FHLBank had sufficient capital and earnings and satisfactory asset quality, liquidity and sensitivity to market risk. Further, operational risk had improved to an acceptable level, and the board and senior management provided satisfactory oversight of operations. Primary examination concerns related to regulatory compliance risk management, AMA credit enhancement requirements, information technology controls, and diversity and inclusion program oversight.

District 7: The Federal Home Loan Bank of Chicago

At the time of its 2018 examination in September, FHFA concluded the FHLBank's overall condition and operations were satisfactory. The FHLBank had strong capital, and satisfactory earnings, asset quality, liquidity, and operational risk management, and limited exposure to market risk. Further, in its role as MPF Provider, the FHLBank adequately managed the MPF program and collaborated with participating FHLBanks. Primary examination concerns related to the prioritization of technology initiatives, business continuity planning, enterprise-wide issue management, mortgage pricing, MPF credit enhancement modeling, collateral data management, and elements of the FHLBank's D&I program.

District 8: The Federal Home Loan Bank of Des Moines

At the time of its 2018 examination in September, FHFA had supervisory concern about the FHLBank, as operational risk remained high and operational risk management practices needed improvement. The FHLBank's financial condition was adequate because of its satisfactory capital position and earnings performance. Further, the Bank's liquidity and sensitivity to market risk positions were sound. In addition to operational risk issues, primary examination concerns related to the FHLBank's Affordable Housing Homeownership Set-Aside Program, Whistleblower Protection Program, market risk modeling, and collateral risk oversight.

District 9: The Federal Home Loan Bank of Dallas

At the time of its 2018 examination in April, FHFA concluded the FHLBank's overall condition and operations were satisfactory. The FHLBank's financial condition was satisfactory, as indicated by adequate capitalization, strong liquidity, and improved earnings results. Further, board and senior management oversight remained effective. Primary examination concerns related to operational resiliency and business continuity planning, monitoring of progress toward certain FHLBank objectives including mortgage asset growth, technology infrastructure upgrades, the rollout of a new mortgage loan purchase program, and elements of the FHLBank's D&I program.

District 10: The Federal Home Loan Bank of Topeka

At the time of its 2018 examination in July, FHFA concluded the FHLBank's overall condition and operations were satisfactory. The FHLBank had strong earnings, asset quality, and liquidity positions and a sound capital position. Further, board and senior management oversight of operations was effective, and sensitivity to market risk and operational risk were moderate. Primary examination concerns related to the FHLBank's disaster recovery site, business continuity planning, model risk management, elements of its information technology controls, multifamily security investment modeling and reporting, and its AMA credit enhancement requirements.

District 11: The Federal Home Loan Bank of San Francisco

At the time of its 2018 examination in January, FHFA concluded the FHLBank's overall condition and operations were satisfactory. The FHLBank had strong capital, adequate earnings, strong liquidity, and low sensitivity to market risk. Further, asset quality was satisfactory and management and board oversight remained effective. Primary examination concerns related to data risk and compliance risk management, and information technology and debt issuance controls. Additionally, governance and monitoring of the FHLBank's $100 million charitable contribution needed improvement.

Office of Finance (OF)

At the time of its 2018 examination in July, FHFA concluded that OF's overall condition and operations were satisfactory. Board and senior management oversight was effective. Further, OF's operational risk position and management were generally sound. Primary examination concerns related to information technology governance policy and practices, debt services process risk assessment, and the Office of Foreign Asset Control (OFAC) compliance program.

FHLBank Directors' Compensation and Expenses

The FHLBanks are governed by boards of directors ranging in size from 14 to 24. The majority of directors for each FHLBank are officers or directors of its member institutions and the remaining board members (at least 40 percent) are independent directors. Independent directors must reside in the FHLBank district for which they serve. They cannot be officers of a FHLBank, or directors, officers, or employees of a member of the FHLBank on which they serve as directors.

OF has a different structure, with five independent directors plus the 11 FHLBank Presidents serving on its board. The FHLBank Presidents do not receive compensation for their service on the OF board.

The FHLBanks are permitted to pay reasonable compensation for the time required of their boards of directors and necessary expenses, subject to FHFA review.

Each of the 11 FHLBanks and OF provides FHFA with its respective director's compensation policy (Policy), which establishes the maximum compensation for each director, the criteria each director needs to meet in order to receive that compensation, and the timing of payments for the upcoming year. FHFA assesses the reasonableness of the proposed maximum compensation using third-party market data. FHFA reviews each Policy to ensure that it contains provisions specifying that the board reduce compensation of any director who does not participate in a sufficient number of meetings, or is not a contributing member of the board. All of the FHLBanks and OF have provisions for withholding compensation if a director's attendance falls below a certain level. Based on the attendance reports and compensation paid reports submitted by each of the regulated entities for 2018, FHFA found that all of the FHLBanks and OF adhered to their Policies and reduced director compensation when required.

Figure 10 shows the maximum compensation available to the directors at each FHLBank and OF for 2018. The figures in the table represent the approved maximum compensation amounts for the listed board positions.

Figure 10: 2018 Annual Maximum Compensation for FHLBank and OF Directors

	Chair	Vice Chair	Audit Committee Chair	Other Committee Chairs	Directors
Atlanta	$130,000	$120,000	$115,000	$110,000	$100,000
Boston	$132,500	$112,500	$112,500	$112,500	$102,500
Chicago	$137,000	$122,000	$122,000	$112,000	$102,000
Cincinnati	$145,000	$125,500	$125,500	$122,500	$110,000
Dallas	$128,750	$113,300	$113,300	$108,150	$97,850
Des Moines	$134,000	$123,500	$118,500	$113,500	$103,000
Indianapolis[1]	$135,000	$115,000	$115,000	$110,000	$100,000
New York	$127,500	$112,500	$112,500	$112,500	$102,500
Office of Finance[2,3]	$135,000	N/A	$115,000	$110,000	$102,500
Pittsburgh[4]	$141,250	$118,750	$118,750	$118,750	$106,250
San Francisco[5]	$135,000	$130,000	$120,000	$115,000	$105,000
Topeka	$133,750	$113,750	$113,750	$113,750	$103,750
Average	**$134,563**	**$118,800**	**$116,817**	**$113,221**	**$102,946**
Median	**$134,500**	**$118,750**	**$115,000**	**$112,500**	**$102,500**

[1] The Chairman's fee maximum includes $10,000 for also chairing the Executive Committee of the Board.

[2] The compensation at OF is for independent directors only. FHLBank Presidents do not receive compensation for these responsibilities.

[3] The Chair of the Risk Committee for OF also receives $115,000.

[4] The actual amounts received may vary slightly up or down based on the actual stipulated payment of quarterly retainers and board meeting fees.

[5] The Chair of the Risk Committee receives $120,000 and members of the audit committee receive $110,000.

FHFA includes certain spousal and guest payments as compensation. Spouse/guest payments include travel expenses reimbursed to the director and the cost of group events offered to directors and their guests in conjunction with a meeting such as banquets, meals, and entertainment, allocated based on attendance. Where spouse/guest expenses are treated as perquisites, they are considered compensation to the director, who is then required to pay taxes on these expenses. The FHLBanks reported perquisites consistent with FHFA's treatment in 2018.

Figure 11 reflects director compensation paid (and deferred) in 2018, in addition to amounts paid for spouse/guest travel and other expenses in 2018.

Figure 11: FHLBank Directors Compensation for 2018

Federal Home Loan Bank	Director Compensation Paid in Cash		Director Deferred Compensation		Spouse/Guest Expenses		Total Director Compensation Paid (Cash + Deferred + Spouse/Guest Expenses)	
	Average	Total	Average	Total	Average	Total	Average	Total
Atlanta	$83,500	$1,169,000	$24,714	$346,000	$2,486	$34,802	$110,700	$1,549,802
Boston	$69,957	$1,189,275	$39,013	$663,225	$0	$0	$108,971	$1,852,500
Chicago	$98,281	$1,769,050	$10,108	$181,950	$749	$13,480	$109,138	$1,964,480
Cincinnati	$115,572	$2,080,290	$0	$0	$2,268	$40,820	$117,839	$2,121,110
Dallas	$71,883	$1,222,005	$32,632	$554,745	$408	$6,930	$104,922	$1,783,680
Des Moines	$85,869	$2,060,852	$21,463	$515,100	$47	$1,123	$107,378	$2,577,074
Indianapolis	$74,544	$1,267,250	$32,221	$547,750	$1,019	$17,317	$107,783	$1,832,317
New York[1]	$102,072	$1,939,360	$0	$0	$1,352	$25,688	$103,424	$1,965,048
Office of Finance	$114,000	$570,000	$0	$0	$45	$226	$114,045	$570,226
Pittsburgh	$94,052	$1,598,884	$13,235	$225,000	$450	$7,657	$107,738	$1,831,541
San Francisco	$64,033	$960,495	$50,914	$763,705	$297	$4,451	$115,243	$1,728,652
Topeka	$86,899	$1,564,188	$21,851	$393,313	$2,163	$38,943	$110,913	$1,996,443
Total (all directors)	$1,060,661	$17,390,649	$246,151	$4,190,788	$11,284	$191,437	$1,318,095	$21,772,874
Average	$88,388	$1,449,221	$20,513	$349,232	$940	$15,953	$109,841	$1,814,406
Median	$86,384	$1,415,719	$21,657	$369,656	$600	$10,568	$109,054	$1,842,409

[1] The FHLBank of New York had 19 directors in 2018; one director declined partial year compensation of $25,620 for his duties as director. Another director resigned in September 2018, receiving a partial year payment of $70,300 as well as a $25,000 honorary service award; the combination falling under the maximum threshold per the FHLBank's Policy.

In addition to information about director compensation, the FHLBanks and OF are required to submit to FHFA for review the expenses paid or reimbursed to their boards of directors each year. In 2018, FHFA continued to require the FHLBanks to submit directors' expenses in detail. Figure 12 shows the expense per director and the total expense for the FHLBank for each category requested.

Figure 12: FHLBank Directors Expenses for 2018

Federal Home Loan Bank	Board Expenses Attributable to Directors		Director Training Expenses		Other Director Expenses (if any)		Group Expenses	
	Average	Total	Average	Total	Average	Total	Average	Total
Atlanta	$12,558	$175,815	$4,534	$63,482	$1,203	$16,842	$8,032	$112,443
Boston	$5,227	$88,853	$672	$11,426	$516	$8,764	$2,059	$35,002
Chicago	$7,463	$134,326	$3,121	$56,187	$561	$10,097	$2,865	$51,573
Cincinnati	$11,719	$210,935	$1,438	$25,879	$237	$4,260	$1,654	$29,766
Dallas	$4,371	$74,302	$1,997	$33,951	$389	$6,608	$4,165	$70,811
Des Moines	$7,771	$186,493	$3,539	$84,948	$594	$14,262	$6,385	$153,244
Indianapolis	$5,135	$87,288	$2,942	$50,022	$566	$9,628	$2,698	$45,872
New York	$7,214	$137,061	$1,205	$22,896	$551	$10,462	$3,436	$65,292
Office of Finance[1]	$6,662	$33,308	$3,693	$18,467	$1,499	$7,496	$11,571	$57,857
Pittsburgh	$7,088	$120,489	$3,680	$62,563	$1,986	$33,768	$1,720	$29,245
San Francisco	$9,614	$144,211	$3,410	$51,156	$1,966	$29,497	$3,720	$55,804
Topeka	$8,885	$159,931	$684	$12,308	$889	$15,999	$2,772	$49,891
Total (all directors)	$93,704	$1,553,012	$30,918	$493,285	$10,957	$167,681	$51,078	$756,800
Average	$7,809	$129,418	$2,576	$41,107	$913	$13,973	$4,257	$63,067
Median	$7,338	$135,693	$3,032	$41,987	$580	$10,280	$3,151	$53,688

1 Group expenses for the Office of Finance covers the full board including the 11 FHLBank Presidents.

Board expenses attributable to directors include all items reimbursed to the director for travel, including transportation and lodging, rental car, mileage, and meals. Board training expenses include expenses to pay external speakers to address boards of directors meetings, board members to attend training conferences, and educational materials. The “other director expense” category includes expenses, whether reimbursed to the director or paid directly by the FHLBank, for attendance at FHLBank-related events such as annual member meetings, Chair/Vice Chair meetings, and Council of FHLBanks meetings. Group expenses include expenses not directly attributable to individuals, such as food and beverage service while meetings are in progress, audio-visual services, and meeting space.

Figure 13 is a summary table of the compensation and total expenses shown as an average per director and a total expenditure for each FHLBank.

Figure 13: FHLBank Directors Compensation and Expenses for 2018

Federal Home Loan Bank	Total Director Compensation Paid (Cash + Deferred + Spouse/Guest Expenses)		Total Director Expenses (All expenses including board expenses, training, group and other expenses)		Total Director Cost (Total Compensation + Total Expenses)	
	Average	Total	Average	Total	Average	Total
Atlanta	$110,700	$1,549,802	$26,327	$368,582	$137,027	$1,918,384
Boston	$108,971	$1,852,500	$8,473	$144,044	$117,444	$1,996,544
Chicago	$109,138	$1,964,480	$14,010	$252,183	$123,148	$2,216,662
Cincinnati	$117,839	$2,121,110	$15,047	$270,839	$132,886	$2,391,949
Dallas	$104,922	$1,783,680	$10,922	$185,672	$115,844	$1,969,352
Des Moines	$107,378	$2,577,074	$18,289	$438,946	$125,668	$3,016,020
Indianapolis	$107,783	$1,832,317	$11,342	$192,809	$119,125	$2,025,126
New York[1]	$103,424	$1,965,048	$12,406	$235,710	$115,829	$2,200,758
Office of Finance	$114,045	$570,226	$23,426	$117,129	$137,471	$687,355
Pittsburgh	$107,738	$1,831,541	$14,474	$246,065	$122,212	$2,077,606
San Francisco	$115,243	$1,728,652	$18,711	$280,668	$133,955	$2,009,320
Topeka	$110,913	$1,996,443	$13,229	$238,130	$124,143	$2,234,573
Total (all directors)	$1,318,095	$21,772,874	$186,657	$2,970,777	$1,504,752	$24,743,651
Average	$109,841	$1,814,406	$15,555	$247,565	$125,396	$2,061,971
Median	$109,054	$1,842,409	$14,242	$242,097	$123,645	$2,051,366

[1] The FHLBank of New York had 19 directors in 2018; one director declined partial year compensation.

Results of Stress Tests Under the Dodd-Frank Wall Street Reform and Consumer Protection Act

Summary

Section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) requires certain financial companies with total consolidated assets of more than $10 billion, and which are regulated by a primary federal financial regulatory agency, to conduct annual stress tests to determine whether the companies have sufficient capital to absorb losses and support operations during adverse economic conditions. Dodd-Frank Act stress testing is a forward-looking exercise that assesses the impact on capital levels that would result from immediate financial shocks and nine quarters of adverse economic conditions.

Beginning in 2014, FHFA required the Enterprises and the FHLBanks to conduct stress tests pursuant to the Dodd-Frank Act. The 2018 stress tests were based on the regulated entities' portfolios as of December 31, 2017. The assessment period for the annual Dodd-Frank Act stress tests covered nine quarters, beginning with the first calendar quarter of 2018 through the first calendar quarter of 2020. The regulated entities were required to submit the results of stress tests based on three scenarios: a Baseline scenario; an Adverse scenario; and a Severely Adverse scenario.

The Baseline scenario reflects moderate expansion in economic activity in the United States, with average nominal house price appreciation of about 2.75 percent per year over the planning horizon, a modest decline in unemployment rate below 4 percent through the end of the scenario period, and a moderate rise in mortgage interest rates in line with long-term Treasury yields.

The Adverse scenario reflects a moderate recession in the U.S., with a 12 percent decline in house prices, a steady rise in unemployment, an initial deflationary period which is then followed by a steady increase in consumer prices, and rising mortgage interest rates. The Severely Adverse scenario reflects a severe global recession, with a 30 percent and 40 percent decline in U.S. house prices and commercial real estate prices, respectively, a significant rise in unemployment rate, and a drop in short-term interest rates to near zero accompanied by unchanged long-term Treasury rates. Mortgage interest rates increase in the first half of the scenario period before gradually falling.

FHFA aligned the stress test scenario variables and assumptions with those used by the Board of Governors of the Federal Reserve System (Federal Reserve Board) in its annual Dodd-Frank Act stress tests. Similar to the stress testing assumptions used by the Federal Reserve Board for the Adverse and Severely Adverse scenarios, FHFA required the regulated entities to apply a global market shock to securities and other assets held at fair value. The assumed result of the global market shock was an instantaneous loss and reduction of capital in the first quarter of the planning horizon with no recovery of such losses during the scenario period.

The regulated entities were also required to incorporate a counterparty default scenario component involving an instantaneous and unexpected default of their largest counterparty across securities lending, repurchase/reverse repurchase agreements, and derivative exposures, as well as, single-family mortgage insurance providers and providers of multifamily credit enhancements. The result of the counterparty default scenario component was reflected in the stress test as an instantaneous loss and reduction of capital.

In prior years, the Enterprises applied a standard effective tax rate of 35 percent, consistent with the prevailing corporate tax rate. For the 2018 Dodd-Frank Act stress tests reporting cycle the standard effective tax rate was lowered to 21 percent, consistent with the current corporate tax rate under the Tax Act signed into law on December 22, 2017.

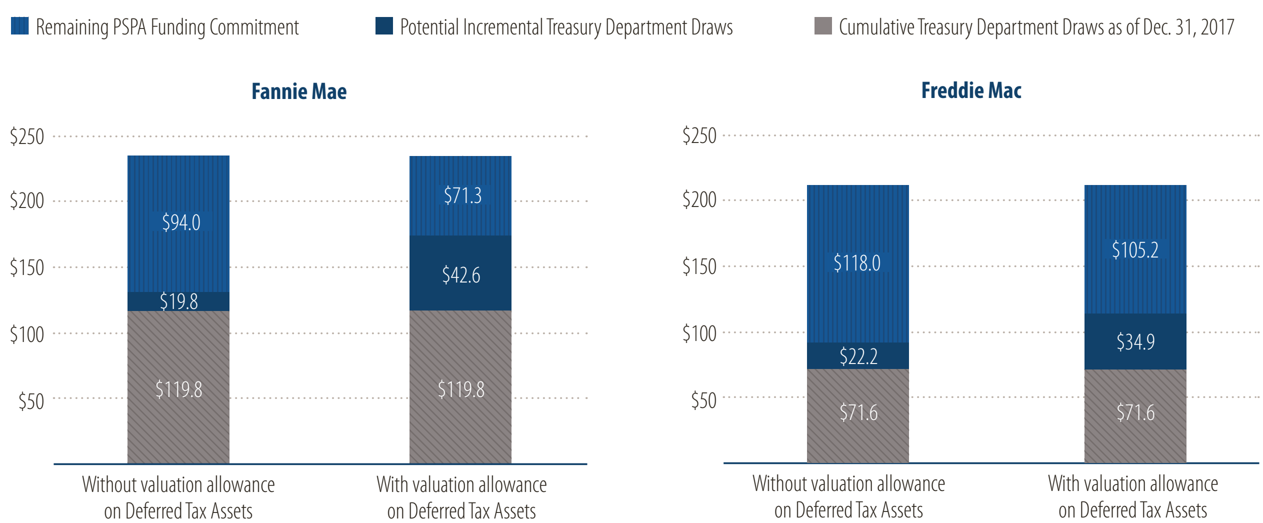
2018 Stress Test Results for the Severely Adverse Scenario

FHFA, acting in its capacity as conservator, published the results of the Severely Adverse stress tests of Fannie Mae and Freddie Mac on August 7. The FHLBanks published their results between November 15 and November 30.

Fannie Mae – In the Severely Adverse scenario, Fannie Mae projected additional draws from the Treasury Department of between $19.8 billion and $42.6 billion depending on the treatment of deferred tax assets. As of December 31, 2017, Fannie Mae had drawn $119.8 billion from the Treasury Department under the terms of the PSPA, with $113.9 billion of remaining funding commitment. Fannie Mae projected that the remaining funding commitment under the PSPA at the end of the Severely Adverse scenario would range between $71.3 billion and $94.0 billion (Figure 14).

Freddie Mac – In the Severely Adverse scenario, Freddie Mac projected additional draws from the Treasury Department of between $22.2 billion and $34.9 billion depending on the treatment of deferred tax assets. As of December 31, 2017, Freddie Mac had drawn $71.6 billion from the Treasury Department under the terms of the PSPA, with $140.2 billion of remaining funding commitment. Freddie Mac projected that the remaining funding commitment under the PSPA at the end of the Severely Adverse scenario would range between $105.2 billion and $118.0 billion (Figure 14).

Figure 14: Severely Adverse Scenario Projections

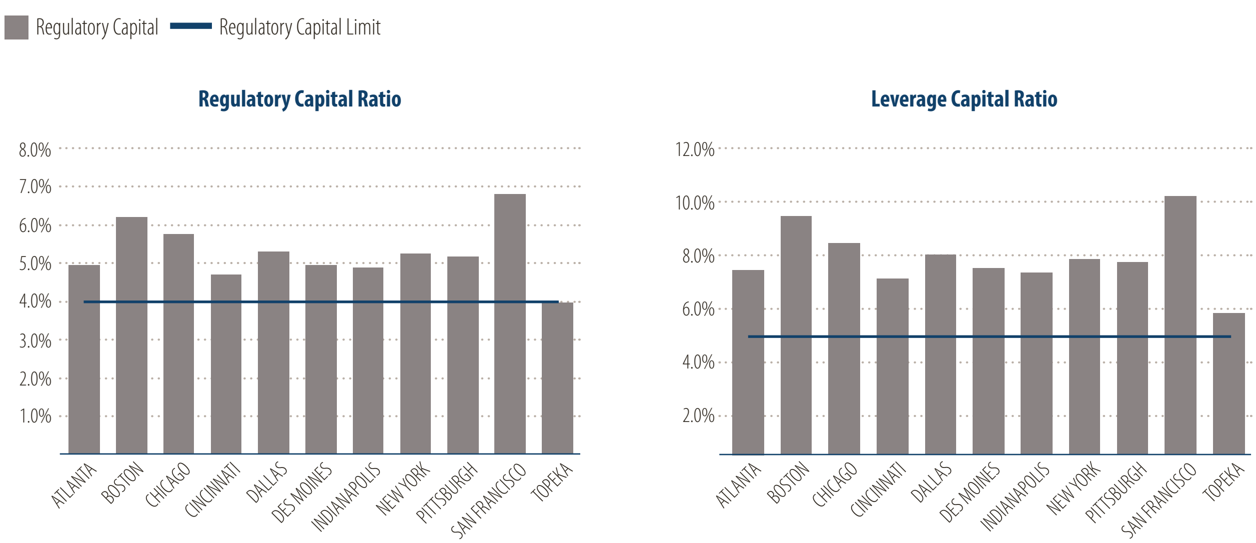


Federal Home Loan Banks – All of the FHLBanks maintained compliance with regulatory capital and leverage capital requirements over the nine quarters of the stress test. Though some variables caused negative net income or other reductions in capital under the severely adverse scenarios, these losses were lower than the cushion the FHLBanks held above their capital requirements at the start of the stress test. Figure 15 depicts each of the FHLBanks' lowest regulatory and leverage capital ratios reached during the nine-quarter horizon.

All eleven FHLBanks projected negative net income in the first quarter under the Severely Adverse scenario. Only one FHLBank projected a cumulative loss over the nine quarters; the loss occurred entirely in the first quarter of the projection period and was primarily due to counterparty default exposure.

Several FHLBanks projected significant declines in GAAP capital in the Severely Adverse scenario. The declines were mainly a function of declines in the market value of Available-for-Sale (AFS) securities related to the global market shock assumptions. Declines in the value of AFS securities directly reduced GAAP capital but did not flow through net income. The level of decline in values was primarily a function of the size and rating of the FHLBank's PLMBS portfolio held as AFS.

Figure 15: FHLBank's Regulatory and Leverage Capital Ratios



Enterprise Housing Goals

The Safety and Soundness Act requires FHFA to establish annual housing goals for mortgages purchased by the Enterprises. FHFA established the most recent housing goals levels for the Enterprises for 2018 through 2020 in a final rule published on February 12, 2018.[6]

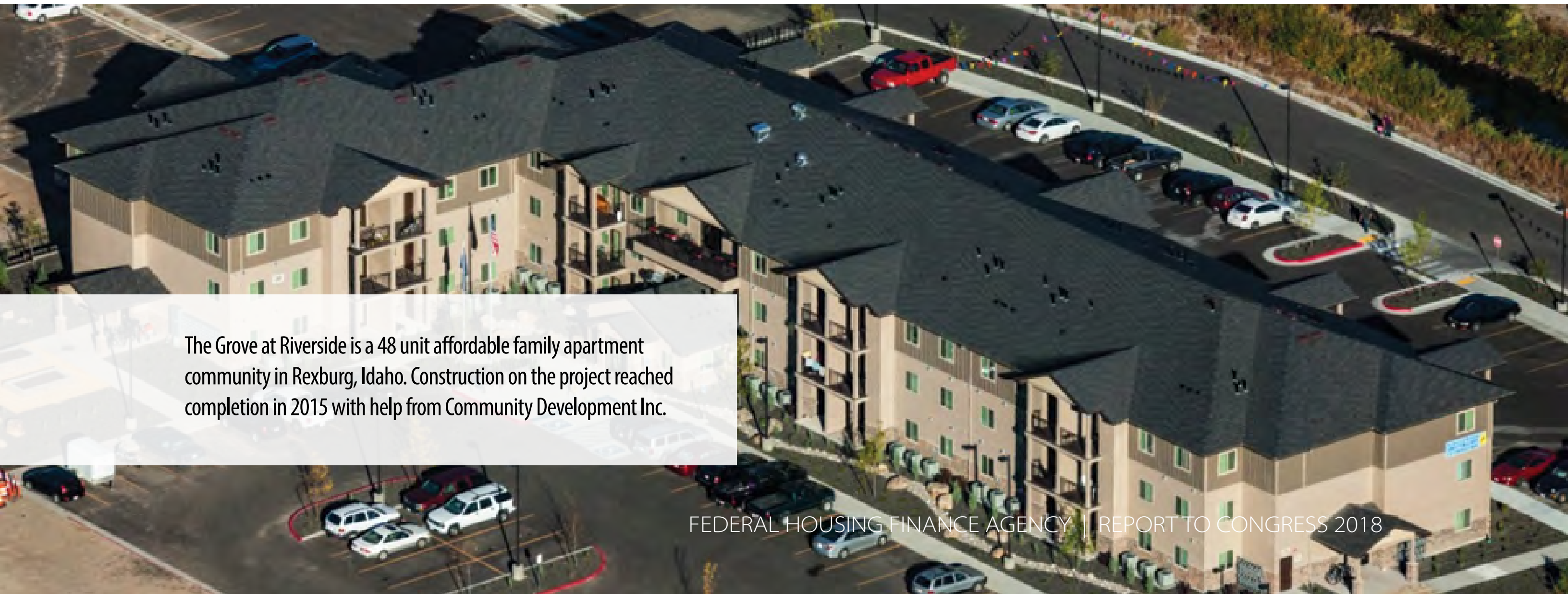
Under FHFA's regulation, the Enterprises were subject to housing goals in the following categories for 2018 through 2020:

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

FHFA evaluates whether an Enterprise has met a single-family goal by comparing its performance to both a benchmark level that is established in advance and a market level that is determined retrospectively using Home Mortgage Disclosure Act (HMDA) data.

FHFA evaluates whether an Enterprise has met a multifamily housing goal by comparing its performance to a benchmark level that is established in advance. The multifamily goals do not include a retrospective market comparison.

[6] *See* 12 CFR part 1282.



The Grove at Riverside is a 48 unit affordable family apartment community in Rexburg, Idaho. Construction on the project reached completion in 2015 with help from Community Development Inc.

Figure 16: 2017-2018 Enterprise Housing Goals Performance

Category	2017 Benchmarks	2017 Market[b]	2017 Performance[a]	2017 FHFA Goals Determination	2018 Benchmarks	2018 Performance[c]
Single-Family Goals[d]						
Low-income home purchase goal	24%	24.3%	Fannie Mae: 25.5% Freddie Mac: 23.2%	Fannie Mae: Met Freddie Mac: Did Not Meet	24%	Fannie Mae: 28.2% Freddie Mac: 25.8%
Very low-income home purchase goal	6%	5.9%	Fannie Mae: 5.9% Freddie Mac: 5.7%	Fannie Mae: Met Freddie Mac: Did Not Meet	6%	Fannie Mae: 6.7% Freddie Mac: 6.3%
Low-income areas home purchase subgoal	14%	17.1%	Fannie Mae: 18.3% Freddie Mac: 16.4%	Fannie Mae: Met Freddie Mac: Met	14%	Fannie Mae: 20.1% Freddie Mac: 17.3%
Low-income areas home purchase goal	18%	21.5%	Fannie Mae: 22.9% Freddie Mac: 20.9%	Fannie Mae: Met Freddie Mac: Met	18%	Fannie Mae: 25.1% Freddie Mac: 22.6%
Low-income refinance goal	21%	25.4%	Fannie Mae: 24.8% Freddie Mac: 24.8%	Fannie Mae: Met Freddie Mac: Met	21%	Fannie Mae: 31.2% Freddie Mac: 27.3%
Multifamily Goals (units)						
Low-income multifamily goal	300,000	NA	Fannie Mae: 401,145 Freddie Mac: 408,096	Fannie Mae: Met Freddie Mac: Met	315,000	Fannie Mae: 422,478 Freddie Mac: 474,063
Very low-income multifamily subgoal	60,000	NA	Fannie Mae: 82,674 Freddie Mac: 92,274	Fannie Mae: Met Freddie Mac: Met	60,000	Fannie Mae: 80,990 Freddie Mac: 105,612
Small multifamily low-income subgoal	10,000	NA	Fannie Mae: 12,043 Freddie Mac: 39,743	Fannie Mae: Met Freddie Mac: Met	10,000	Fannie Mae: 11,890 Freddie Mac: 39,353

Source: Federal Housing Finance Agency, Fannie Mae, Freddie Mac.

[a] Official performance in 2017 as determined by FHFA, based on analysis of Enterprise loan-level data.

[b] Goal-qualifying shares of single-family home purchase or refinance conventional conforming mortgages originated in the primary mortgage market, based on FHFA analysis of 2017 HMDA data. Market levels for 2018 will be determined by FHFA later in 2019.

[c] Performance as reported by the Enterprises in their March 2019 *Annual Housing Activities Reports*. Official performance on all goals in 2018 will be determined by FHFA after analysis of Enterprise loan-level data. Low-income refinance goal performance for 2014-2017 included credit for qualifying permanent HAMP loan modifications.

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

Figure 16 reflects Enterprise housing goals performance in 2017 and 2018. The official figures on Enterprise goal performance in 2017 are based on FHFA analysis of loan-level data the Enterprises provided to FHFA in 2018. In addition, FHFA completed its retrospective comparison of the market for 2017 using HMDA data. In December 2018, FHFA sent final determination letters to the Enterprises on their 2017 goal performance and FHFA's calculation of the market level for 2017; these determinations are reflected in Figure 16.

As indicated in Figure 16, Fannie Mae's performance in 2017 exceeded both the benchmark levels and the market levels for three of the five single-family goals. For the low-income refinance goal, Fannie Mae's performance at 24.8 percent exceeded the 21 percent benchmark level but fell short of the 25.4 percent market level. For the very low-income home purchase goal, Fannie Mae's performance at 5.9 percent fell short of the 6 percent benchmark level but matched the 5.9 percent market level. Based on these numbers, FHFA determined that Fannie Mae achieved each of the single-family goals for 2017. Fannie Mae's performance also exceeded the benchmark levels for each of the three multifamily goals for 2017.

Freddie Mac's performance in 2017 exceeded the benchmark levels and fell short of the market levels for three of the five single-family goals: the low-income areas home purchase goal; the low-income areas home purchase subgoal; and the low-income refinance goal. For the low-income home purchase goal, Freddie Mac's performance (23.2 percent) fell short of both the benchmark level (24 percent) and the market level (24.3 percent). Similarly, for the very low-income home purchase goal, Freddie Mac's performance at 5.7 percent fell short of both the 6 percent benchmark level and the 5.9 percent market level. Freddie Mac's performance exceeded the benchmark levels for each of the three multifamily goals.

Freddie Mac has been subject to a housing plan from 2016 through 2018. In 2014, Freddie Mac's performance on the low-income and very low-income home purchase goals fell short of both the benchmark and market levels for the second consecutive year. As a result, in 2015, FHFA required Freddie Mac to submit a housing plan outlining steps it would take to achieve these goals in 2016 and 2017. Freddie Mac delivered a plan as required and FHFA approved the plan in March 2016.

Freddie Mac's performance on these two goals improved in 2015, in both absolute terms and relative to the market levels, but its performance again fell short of both the benchmark and market levels. For that reason, FHFA required Freddie Mac to submit a revised housing plan, extending the plan through 2018. Freddie Mac submitted its revised plan, which FHFA approved in April 2017. Freddie Mac achieved both the low-income and very low-income home purchase housing goals for 2016. While FHFA determined that Freddie Mac failed to achieve the single-family low-income and very low-income home purchase goals for 2017 and that achievement of the goals by Freddie Mac was feasible for 2017, FHFA did not require Freddie Mac to extend its formal housing plan beyond 2018. FHFA did not extend the housing plan because of the steps Freddie Mac has taken to improve its performance under the housing plan for 2016-2018.

FHFA's process for assessing the Enterprises' housing goals performance in 2018 is still underway. Figure 16 shows the goal levels and preliminary figures on Enterprise housing goals performance in 2018 based on information the Enterprises submitted in their March 2019 *Annual Housing Activities Reports* and *Annual Mortgage Reports* for 2018. FHFA will make final determinations on Enterprise housing goals performance and market performance for 2018 later this year.

Duty to Serve

The Safety and Soundness Act requires FHFA to issue a regulation to implement the Duty to Serve requirements specified in the statute.[7] The statute requires the Enterprises to serve three specified underserved markets – manufactured housing, affordable housing preservation, and rural housing – by improving the distribution and availability of mortgage financing in a safe and sound manner for residential properties that serve very low-, low-, and moderate-income families in these markets. The statute further requires that FHFA establish a process for annually evaluating and rating the Enterprises' compliance with their Duty to Serve obligations.

In December 2016, FHFA issued a final rule implementing the Duty to Serve statutory requirements.[8] Under the regulation, each Enterprise is required to submit to FHFA an Underserved Markets Plan that covers a three-year period and describes the activities and objectives the Enterprise will undertake to meet its Duty to Serve obligations in each underserved market. The regulation sets forth specific activities that the Enterprises may consider undertaking to receive Duty to Serve credit and provides that the Enterprises may propose additional activities. The regulation does not mandate any particular activities, but requires the Enterprises to consider ways to better serve families in the three underserved markets.

Underserved Markets Plans – On December 18, 2017, FHFA issued a Non-Objection for each Enterprise's first Underserved Markets Plan for 2018-2020 (Plan). The Plans became effective and the Enterprises began implementing them on January 1.[9] Throughout the year, FHFA monitored the Enterprises' implementation of their Plans through review of quarterly reports submitted by the Enterprises.

Under the Duty to Serve regulation and FHFA's Evaluation Guidance, an Enterprise may propose to modify its Plan at any point if future events affect its ability to achieve the Plan's original objectives.

[7] *See* 12 U.S.C. § 4565.

[8] 81 FR 96242 (Dec. 29, 2016). 12 CFR Part 1282.

[9] The Enterprises' final 2018-2020 Duty to Serve Underserved Markets Plans can be found here for Fannie Mae and here for Freddie Mac.

In September, Fannie Mae submitted 22 proposed modifications to its Plan. FHFA determined that four of these modifications would result in substantial changes, and on October 3 issued a Request for Input with a due date of November 2 for public input.[10] After considering the justifications for the modifications submitted by Fannie Mae and the public input received, FHFA issued a Non-Objection to the proposed modifications.[11] FHFA published modified Plans for both Enterprises on December 19.

In March 2019, the Enterprises submitted annual reports detailing their actions and progress toward achieving the objectives in their Plans over 2018. The Enterprises' performance under their Plans will be evaluated and rated using a three-part process established in the regulation and described in detail in FHFA's Evaluation Guidance: 1) a quantitative assessment of whether the Enterprise achieved its objectives; 2) a qualitative assessment of the Enterprise's impact on affordable housing in the underserved markets; and 3) an assessment of extra credit-eligible activities undertaken by the Enterprises. In 2019, FHFA will issue a final rating for each underserved market in each Enterprise's Plan. Achievements described in the Enterprises' annual reports for the three underserved markets are summarized below.

In 2018, the share of Enterprise loans for low- and moderate-income borrowers in the **manufactured housing** market was higher than in previous years, and both Enterprises exceeded the loan purchase targets in their Plans for this market (Figure 17 and Figure 18). Both Enterprises' Plans, for years two and three of the Plans, include a pilot for bulk purchases of manufactured housing loans titled as chattel. The Enterprises engaged with industry stakeholders to inform the development of pilot criteria and standards.

For the **affordable housing preservation** market, both Enterprises' Plans include objectives that seek to support U.S. Department of Housing and Urban Development (HUD) Section 8 properties, the HUD Rental Assistance Demonstration (RAD) program, properties with Low-Income Housing Tax Credit (LIHTC) debt, small multifamily properties, shared equity programs, energy efficiency for single-family and multifamily properties, and residential economic diversity. Both Enterprises made progress towards achieving these objectives in 2018, including through research and stakeholder engagement to identify new offerings and enhancements to existing products to increase liquidity. Fannie Mae also identified potential product enhancements and guideline changes to support housing for the elderly through HUD's Section 202 program, U.S. Department of Agriculture (USDA) Section 515 multifamily properties, the purchase and rehabilitation of distressed properties, and state and local affordable housing programs.[12]

For the **rural housing** market, both Enterprises made a higher share of loan purchases in high-needs rural regions in 2018 than in previous years.[13] Both Enterprises exceeded the 2018 targets in their Plans for loan purchases in high-needs rural regions (Figure 17 and Figure 18). Fannie Mae engaged with multiple stakeholders to inform future loan purchase activities to support high-needs rural populations.[14] Freddie Mac met its targets for facilitating homebuyer education among high-needs rural populations, and conducted research and outreach to inform development of sweat equity and renovation financing opportunities in high-needs rural regions.

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10 The Request for Input can be found here and the commenter list can be found here.

11 Freddie Mac submitted a technical edit to correct a miscalculation in a baseline and a target. FHFA determined that public input and issuance of a Non-Objection were not required for this type of modification.

12 Freddie Mac's Plan also includes an objective related to the Section 515 program that was deemed infeasible for 2018.

13 The Duty to Serve regulation defines "high-needs rural region" any of the following regions provided the region is located in a rural area: Middle Appalachia; the Lower Mississippi Delta; a colonia; or a tract located in a persistent poverty county outside of these three regions. *See* 12 CFR § 1282.1.

14 The Duty to Serve regulation defines "high-needs rural population" as any of the following populations provided the population is located in a rural area: members of a Federally recognized Indian tribe located in an Indian area or agricultural workers. *See* 12 CFR § 1282.1.

Figure 17: Freddie Mac Loan Purchase Performance Relative to Targets

Market	Activity	2018 Target[15]	2018 Purchases	Performance Relative to Target
Manufactured Housing	Manufactured Homes Titled as Real Property	3,075 loans	3,601 loans	Exceeded
Affordable Housing Preservation	Section 8	16,750 units	27,241 units	Exceeded
	HUD Rental Assistance Demonstration Program	750 units	1,161 units	Exceeded
	Low Income Housing Tax Credits (LIHTC) Debt	20,500 units	41,926 units	Exceeded
	Financing of Small Multifamily Rental Properties	Either 1 transaction or $100 million	1 transaction, $418 million	Exceeded
	Support for Residential Economic Diversity: Additional Activity	2,600 units	3,647 units	Exceeded
Rural Housing[16]	High-Needs Rural Regions	7,900 loans	8,754 loans	Exceeded

Figure 18: Fannie Mae Loan Purchase Performance Relative to Targets

Market	Activity	2018 Target[17]	2018 Purchases	Performance Relative to Target
Manufactured Housing	Manufactured Homes Titled as Real Property	8,750 loans	12,604 loans	Exceeded
Affordable Housing Preservation	Section 8	25,350 units	25,370 units	Exceeded
	HUD Rental Assistance Demonstration Program	6 loans	11 loans	Exceeded
	Low Income Housing Tax Credits (LIHTC) Debt	83 loans	84 loans	Exceeded
	Multifamily Energy Efficiency	622 loans	1,072 loans	Exceeded
	Purchase/Rehabilitation of Distressed Properties	8,510 loans	8,266 loans	Partial
Rural Housing[18]	High-Needs Rural Regions	10,700 loans	11,700 loans	Exceeded

[15] 2018 targets are determined by each Enterprise using methodology described in their Plans.

[16] Both Enterprises included a second activity under Rural Housing related to small financial institutions. Due to data reporting challenges, FHFA is not including a row for that activity at this time.

[17] 2018 targets are determined by each Enterprise using the methodology described in their Plans.

[18] Both Enterprises included a second activity under Rural Housing related to small financial institutions. Due to data reporting challenges, FHFA is not including a row for that activity at this time.

Completed over multiple phases, the 2003 AHP funded Hale Mahaolu Ehiku project was the first affordable rental housing project in Kihei, Maui for seniors. The complex also offers supportive services and a place dedicated for senior activities.

Affordable Housing Allocations

As amended in 2008, the Safety and Soundness Act requires each Enterprise to set aside in each fiscal year an amount equal to 4.2 basis points (0.042 percent) for each dollar of the unpaid principal balance (UPB) of its total new business purchases,[19] and to allocate or otherwise transfer 65 percent of the amount set aside to the Secretary of HUD to fund the Housing Trust Fund, and 35 percent to the Secretary of the Treasury Department to fund the Capital Magnet Fund. The Housing Trust Fund is designed to assist states in meeting the housing needs of the lowest income families, and the Capital Magnet Fund is a special account within the CDFI Fund designed to increase investment in affordable housing, economic development, and community development facilities in low-income or underserved rural areas.[20]

FHFA is statutorily authorized to temporarily suspend an Enterprise's affordable housing allocations, generally based on the financial condition of the Enterprise.[21] In November 2008, FHFA directed each Enterprise to suspend the allocations until further notice. That suspension was lifted in December 2014, when FHFA directed each Enterprise, commencing with the Enterprise's fiscal (calendar) year 2015, to set aside amounts for allocation to the affordable housing funds.[22] The 2014 directive instructed the Enterprises to transfer allocated amounts to HUD or the Treasury Department, as appropriate, within 60 days after the end of the Enterprise's fiscal year, unless the set aside and allocation would contribute to the financial instability of the Enterprise and subject to any further FHFA direction.[23]

In 2018, Fannie Mae's total new business purchases were $512 billion and, as a result, total affordable housing allocation payments of $215 million were made as directed in April 2019.[24]

Freddie Mac's total new business purchases in 2018 were $385.2 billion and, as a result, total affordable housing allocation payments of $161.7 million were made as directed in April 2019.[25]

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[19] *See* 12 U.S.C. § 4567(a).

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

[21] *Id.,* § 4567(b).

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

[23] *See* ***FHFA Statement on the Housing Trust Fund and Capital Magnet Fund***.

[24] Fannie Mae's Form 10-K for 2018, 2/14/19, pp. 19, 178.

[25] Freddie Mac's Form 10-K for 2018, 2/14/19, p .171.

Federal Home Loan Bank Mission

In 2018, FHFA continued its supervision and oversight to ensure that the FHLBanks are focused on their statutory housing finance and community development mission.

Core Mission of the Federal Home Loan Banks

FHFA's Core Mission Activities (CMA) regulation (12 CFR § 1265.2) describes the mission of the FHLBanks as providing financial products and services to members and housing associates that assist and enhance those institutions' financing of housing and community lending. Short- and long-term advances (loans) to their members (primarily collateralized by residential mortgage loans and government and agency securities) have historically been the primary mission asset of the FHLBanks. The CMA regulation also includes other types of assets in the definition of core mission activities, such as mortgage loans that qualify as AMA. The CMA regulation does not establish core mission levels, but FHFA's regulation on strategic business plans (12 CFR § 1239.14), as applied to the FHLBanks, requires each FHLBank's board of directors to adopt, maintain, and periodically review a strategic business plan that "describes, at a minimum, how the significant business activities of the regulated entity will achieve its mission and public purposes consistent with" the applicable statutes and the core mission activities regulation.

FHFA provided further guidance on core mission activities in Advisory Bulletin (AB 2015-05), "FHLBank Core Mission Achievement." As described in the AB, FHFA measures each FHLBank's core mission achievement by calculating the ratio of its Primary Mission Assets (advances plus AMA) relative to its outstanding consolidated obligations (COs). The AB established two threshold ratios (55 percent and 70 percent), creating three general categories:

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

FHFA calculates these ratios using annual average par values, as reported by the FHLBanks in FHFA's Call Report System (CRS). FHFA assesses each FHLBank's core mission achievement on an annual basis and expects that each FHLBank's strategic plan will address mission achievement, but will expect a more thorough plan for increasing the core mission ratio for any FHLBank that is markedly below the 70 percent level.

At year-end 2018, the FHLBank System core mission ratio exceeded 70 percent. Ten of the FHLBanks had ratios of 70 percent or higher, up from nine in 2017, and the remaining FHLBank had a core mission ratio of 65 percent.

FHLBank Affordable Housing Program

The Bank Act requires each of the 11 FHLBanks to establish an Affordable Housing Program (AHP) to provide financing for the construction, purchase, or rehabilitation of affordable housing for very low- and low- or moderate-income households. AHP applicants are FHLBank member financial institutions that support an eligible beneficiary by providing subsidized advances or grants. Each FHLBank annually funds its AHP with 10 percent of its preceding year's net earnings, subject to a minimum $100 million contribution by the FHLBank System as a whole. In 2018, the FHLBanks made more than $384 million in AHP subsidies available nationwide (Figure 19). From 1990, when AHP funds were first awarded, through 2018, the FHLBanks awarded approximately $6.2 billion in AHP subsidies and assisted over 911,000 households.

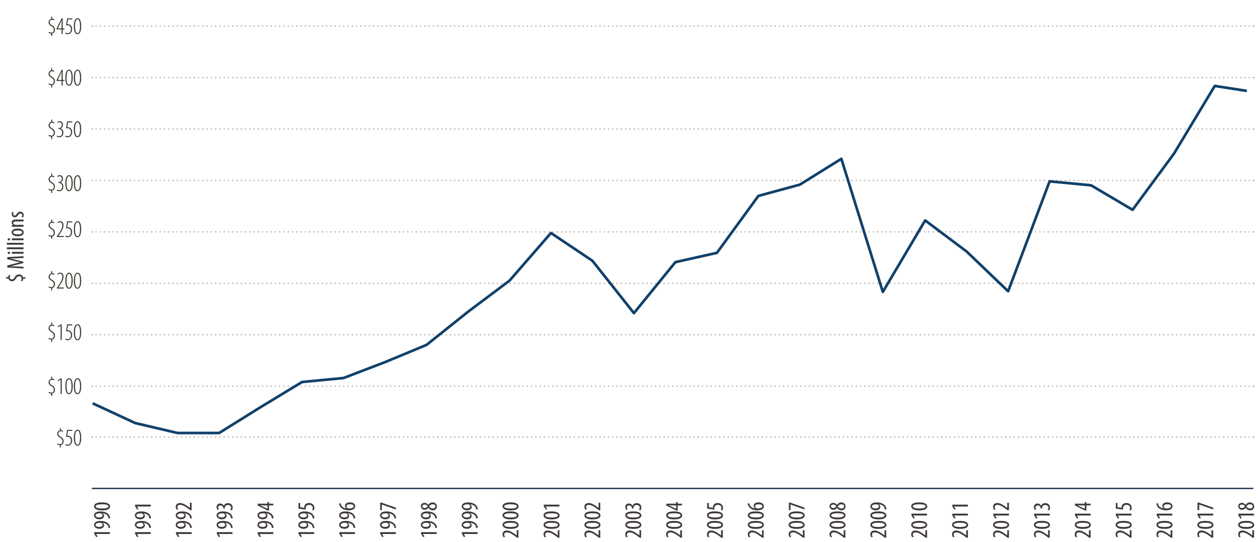
AHP subsidies must be used either to finance homeownership by households with incomes at or below 80 percent of the area median income, or to finance the purchase, construction, or rehabilitation of rental housing in which at least 20 percent of the units will be occupied by, and affordable to, households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

The FHLBanks under the AHP regulation (12 CFR Part 1291) offer AHP subsidies through two FHLBank programs. The first program is the mandatory competitive application program, under which the FHLBanks provide subsidized advances or grants to members on behalf of project sponsors for eligible projects. The second program is an optional homeownership set-aside program under which the FHLBanks disburse grants to members to provide assistance to eligible homebuyers or homeowners.

On November 28, FHFA issued a final rule amending the AHP regulation.[26] Among other changes, the final rule provides the FHLBanks additional authority to allocate their AHP funds, authorizes the FHLBanks to establish separate competitive funds that target specific affordable housing needs in their districts, and provides the FHLBanks additional flexibility in designing their project selection scoring systems to address affordable housing needs in their districts. Although the final rule was effective as of December 28, 2018, the earliest date by which the FHLBanks must comply with any of the new requirements is January 1, 2020. In 2018, none of the FHLBanks elected to implement any of the changes. Therefore, the FHLBanks' administration of their AHPs in 2018 was not governed by any of the changes made by the final rule.

[26] 83 FR 61186 (Nov. 28, 2018)

Figure 19: FHLBanks AHP Statutory Contributions



Source: Federal Housing Finance Agency. Data as of December 31, 2018.

AHP Competitive Application Program – For the AHP competitive application program, the FHLBanks accept applications from members on behalf of project sponsors, typically nonprofit organizations or housing finance agencies. In 2018, approximately 89 percent of all units funded under the competitive application program were rental housing units, a decrease from 92 percent in 2017 (Figure 20).

Figure 20: 2018 AHP Competitive Application Overview

	Rental Housing Projects	Owner Occupied Housing Projects	Total Housing Projects
Total Number of Awarded Projects	443	161	604
Subsidy Awarded ($ in Millions)	$294.0	$51.8	$345.8
Number of Housing Units	27,259	3,345	30,604
Average Subsidy per Unit	$10,787	$15,482	$11,300
Number of Very Low-Income Housing Units[a]	19,276	1,740	21,016

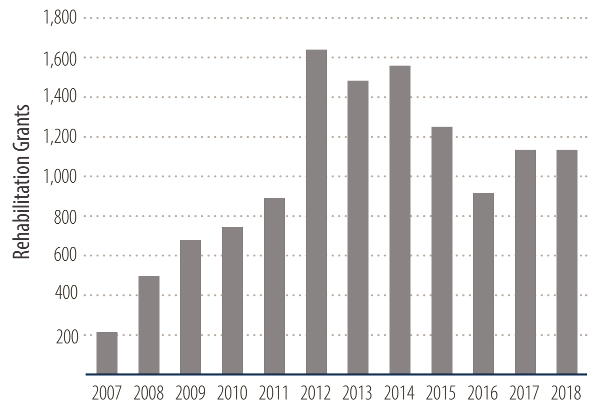
Source: Federal Housing Finance Agency. Data are current as of December 31, 2018 excluding AHP competitive application withdrawn projects. Dollars have been rounded.
[a] Very low-income is defined as households with incomes at or below 50 percent of the area median income.

AHP Homeownership Set-Aside Program – In addition to its competitive application program, an FHLBank may annually set aside up to the greater of $4.5 million or 35 percent of its statutorily-required AHP annual contribution to fund homeownership programs. All 11 FHLBanks offered homeownership set-aside programs in 2018, with total funding of approximately $112 million.

At least one-third of an FHLBank's annual aggregate homeownership set-aside program allocation must be designated to assist low- or moderate-income first-time homebuyers. FHLBank members may also use set-aside funds to assist other low- or moderate-income households to purchase or rehabilitate a home.

The maximum permissible amount of set-aside subsidy per household is $15,000.[27] In 2018, the average subsidy for all households participating in the set-aside program was approximately $6,000. The most common use of set-aside assistance has been for down payment and closing cost assistance to borrowers. The number of set-aside grants used for owner-occupied home rehabilitation (such as lead-based paint removal, weather proofing, and accessibility retrofits) had consistently increased since 2007 from 215 to a high of 1,642 in 2012. In 2018, the number of grants used for rehabilitation decreased slightly to 1,120 grants, from 1,135 grants in 2017 (Figure 21).

Figure 21: Number of AHP Homeownership Set-Aside Grants Used for Rehabilitation Assistance (2007-2018)



Source: Federal Housing Finance Agency

[27] The amendments to the AHP regulation published in November 2018 provide for the maximum permissible amount of set-aside subsidy to increase to $22,000.

AHP Used in Conjunction with Other Sources of Funding – The AHP is designed to work with a variety of other funding sources and is frequently used in conjunction with funding from federal, state, or local housing programs and nonprofit organizations. Unlike other housing programs, in which the developer is typically the applicant for the subsidy, under the AHP a financial institution (an FHLBank member) is the applicant for funding. Depending on the proposed use of the subsidy, the member might provide a construction or permanent grant or loan to a project or a mortgage to a homebuyer, or the member might pass through the FHLBank subsidy to a homeowner as a home repair grant. In all cases, the Bank Act requires that the AHP subsidy be passed on to the lower-income beneficiary.

In 2018, approximately 60 percent of AHP projects received additional funding from federal programs (Figure 22). The most frequently used source of funding was the Low-Income Housing Tax Credit Program, which supported about 60 percent of all approved rental housing applications. The HOME Investment Partnerships Program and the Community Development Block Grant Program were among the other programs used in conjunction with AHP funds.

Figure 22: Number of AHP Projects Approved in 2018 Receiving Federal Funding

Community Development Block Grant Program	51
HOME Investment Partnerships Program	135
Low-Income Housing Tax Credit Program	267
Federal Housing Administration Programs	18
Other Federal Housing Programs	56
Projects Not Receiving Funding from Federal Sources	243

Source: Federal Housing Finance Agency. Data are current as of December 31, 2018, excluding AHP competitive application withdrawn projects. Some projects receive federal funding from more than one source.

FHLBank Community Investment and Community Investment Cash Advance Programs

The FHLBanks' Community Investment Program (CIP) offers advances to FHLBank members at the cost of the FHLBanks' consolidated obligations of comparable maturities, taking into account reasonable administrative costs. CIP funds may assist the financing of housing for households with incomes at or below 115 percent of area median income. CIP funds also may be used for economic development projects in low- and moderate-income neighborhoods or that benefit low- and moderate-income households. In 2018, the FHLBanks issued approximately $3.0 billion in CIP advances for housing projects and approximately $105.1 million for economic development projects.

The FHLBanks' Community Investment Cash Advance Program (CICA) offers low-cost, long-term advances or grants for members and housing associates, such as state and local housing finance agencies and economic development finance authorities, to finance targeted economic development projects. In 2018, the FHLBanks issued approximately $3.1 billion in CICA advances for economic development projects such as commercial, industrial, and manufacturing projects, social services, and public facilities.

Community Development Financial Institutions – Two types of Community Development Financial Institutions (CDFIs) are eligible for membership in an FHLBank: federally insured depositories; and non-depository CDFIs. Federally insured depositories, such as CDFI banks, have long been eligible for membership. In 2008, HERA amended the Bank Act to allow FHLBank membership to include non-depository CDFIs, such as community development loan funds, certified by the Treasury Department's CDFI Fund.

At the end of 2018, 60 non-depository CDFIs were members of the FHLBank System, up from 48 such members in 2017.[28]

[28] *See* list of all FHLBank members, including CDFIs ***here***.

FHLBank Housing Goals

Under FHFA's FHLBank Housing Goals regulation (12 CFR Part 1281), the FHLBanks are subject to housing goals requirements for single-family loans purchased by the FHLBanks from their members through their Acquired Member Assets (AMA) programs. The housing goals measure the extent to which FHLBanks' AMA programs serve low- and very low-income families and families residing in low-income areas. The housing goals are generally consistent with the single-family housing goals for Fannie Mae and Freddie Mac, but they take into account the unique mission and ownership structure of the FHLBanks.

Under FHFA's regulation, in order for an FHLBank to be subject to these housing goals, the total unpaid principal balance of loans purchased through the AMA programs by the FHLBank must exceed $2.5 billion in a given year. For any FHLBank that is subject to the housing goals in a given year, FHFA undertakes an evaluation to determine that FHLBank's housing goals performance in four housing goal categories. The categories are: low-income home purchase; very low-income home purchase; low-income areas home purchase; and low-income refinance. For each category, FHFA evaluates whether the percentage share of the FHLBank's applicable AMA mortgage purchases meets or exceeds a retrospective market comparison level using Home Mortgage Disclosure Act (HMDA) data available the next year.

In 2018, the FHLBank of Chicago exceeded the $2.5 billion threshold. FHFA is in the process of evaluating the FHLBank's housing goals performance based on its AMA mortgage purchases. FHFA will determine whether the FHLBank met the housing goal levels for the four goal categories in 2018 after HMDA data becomes available later in 2019. FHFA has informed the FHLBank of Chicago that FHFA will not require the submission of a housing plan based on the FHLBank's performance in 2018.

On November 2, FHFA proposed amendments to the FHLBank housing goals to address limitations in the existing regulation. The proposed rule would set a single prospective mortgage purchase housing goal as a share of each FHLBank's total AMA purchases and would set a new small member participation housing goal for participation by small institutions. The proposed amendments would provide greater certainty about each year's housing goals expectations by eliminating the volume threshold. The proposed rule would also allow FHLBanks to propose different goal levels for mortgage purchases and small member participation, subject to FHFA approval.

Community Support Program

The Bank Act requires FHFA to adopt regulations establishing standards of community investment or service required for FHLBank members to maintain continued access to long-term advances.[29] The Bank Act further states that the regulations shall take into account factors such as a member's performance under the Community Reinvestment Act of 1977 (CRA) and the member's record of lending to first-time homebuyers.[30] FHFA's Community Support regulation establishes standards to implement these statutory provisions, as well as procedures for submission and review of members' community support performance.[31] The regulation requires members to submit Community Support Statements to FHFA once every two years describing their latest CRA ratings and their activities supporting first-time homebuyers. FHFA reviews the Community Support Statements and determines whether the members have complied with the community support standards and whether any members' access to long-term advances and FHLBank Affordable Housing Programs and other FHLBank Community Investment Cash Advance Programs should be restricted. Pursuant to the two-year review cycle, members were not required to submit Community Support Statements in 2018. The next review year for the Community Support Statements will take place in 2019.

[29] 12 U.S.C. 1430(g)(1).

[30] *Id*. at 1430(g)(2).

[31] 12 CFR Part 1290.

Regulatory Activities

In 2018, FHFA issued 41 proposed rules, final rules, policy guidance documents, and regulatory orders. These regulatory activities support FHFA's mission as regulator of the FHLBanks, Fannie Mae, and Freddie Mac.

The following tables summarize the proposed rules, final rules, policy guidance documents, and regulatory orders. The tables also indicate if a proposed rule has been adopted in final form since the proposal was published.

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

Proposed Regulations: Regulated Entities			
Rule/Regulation Title	Reference	Date (2018)	Description/Explanation/Comments
Validation and Approval of Credit Score Models	83 FR 65575; 12 CFR Part 1254	December 21	Would establish a four-step process for validation and approval of credit score models by the Enterprises, including: (1) the solicitation of applications from credit score model developers; (2) an initial review of submitted applications; (3) a Credit Score Assessment by an Enterprise; and (4) an Enterprise Business Assessment.
Federal Home Loan Bank Housing Goals Amendments	83 FR 55114; 12 CFR Part 1281	November 2	Would amend FHFA's FHLBank Housing Goals regulation by eliminating the existing $2.5 billion volume threshold that triggers the application of housing goals for each FHLBank, and replacing the existing four separate retrospective housing goals with a single prospective mortgage purchase housing goal and a separate small member participation housing goal. Would also allow the FHLBanks to request FHFA approval of alternative target levels for the proposed goals.
Miscellaneous Federal Home Loan Bank Operations and Authorities–Financing Corporation Assessments	83 FR 48569; 12 CFR Part 1271	September 26	See Final Regulations table; adopted in final form on December 7.
Uniform Mortgage-Backed Security	83 FR 46889; 12 CFR Part 1248	September 17	To improve the liquidity of the Enterprises To-Be-Announced (TBA) eligible MBS, this regulation would require the Enterprises to maintain policies that promote aligned investor cash flows both on current TBA-eligible MBS, and, upon its implementation, on the Uniform Mortgage-Backed Security (UMBS) – a common, fungible MBS that will be eligible for trading in the TBA market for fixed-rate mortgage loans backed by 1-4 unit (single-family) properties.
Golden Parachute and Indemnification Payments	83 FR 43801; 12 CFR Part 1231	August 28	See Final Regulations table; adopted in final form on December 20.
Enterprise Capital Requirements	83 FR 33312; 12 CFR Parts 1206, 1240, and 1750	July 17	Would establish a new regulatory capital framework for the Enterprises, to include a new framework for risk-based capital requirements and two alternatives for an updated minimum leverage capital requirement. The risk-based framework would provide a granular assessment of credit risk specific to different mortgage loan categories, as well as market risk, operational risk, and going-concern buffer components.
Responsibilities of Boards of Directors, Corporate Practices, and Corporate Governance	83 FR 14781; 12 CFR Parts 1239 and 1273	April 6	See Final Regulations table; adopted in final form on October 19.

Repeal of Federal Housing Finance Board Regulations	83 FR 14205; 12 CFR Parts 900, 906, and 956-999	April 3	See Final Regulations table; adopted in final form on September 10.
Affordable Housing Program Amendments	83 FR 11344; 12 CFR Parts 1290 and 1291	March 14	See Final Regulations table; adopted in final form on November 28.
Margin and Capital Requirements for Covered Swap Entities	83 FR 7413; 12 CFR Part 1221	February 21	See Final Regulations table; adopted in final form on November 9.

Final Regulations:
Federal Housing Finance Agency

Rule/Regulation Title	Reference	Date (2018)	Description/Explanation/Comments
Freedom of Information Act Implementation	83 FR 5681; 12 CFR Part 1202	February 9	This regulation is the final version of a previous interim final rule, with minor revisions for consistency and clarification, amending FHFA's Freedom of Information Act (FOIA) regulation. The amendments incorporated the requirements of the FOIA Improvement Act of 2016 and made clarifications and updates to the existing regulation. The interim final rule became effective on March 15, 2017. The final regulation went into effect February 9.

Final Regulations:
Regulated Entities

Rule/Regulation Title	Reference	Date (2018)	Description/Explanation/Comments
Federal Home Loan Bank Capital Requirements	84 FR 5308; 12 CFR Part 1277	Adopted December 18	Amended the existing regulatory capital requirements for the FHLBanks by revising the credit risk component of the risk-based capital requirement, as well as the limitations on extensions of unsecured credit, principally to remove requirements that the FHLBanks calculate those requirements based on ratings issued by a Nationally Recognized Statistical Rating Organization. Instead, the final rule requires the FHLBanks to use their own internal rating methodologies. The final rule also revises the percentages used in the regulation to calculate the credit risk capital charges for advances and non-mortgage assets. The final regulation takes effect on January 1, 2020. Due to the government shutdown, publication was delayed until February 20, 2019.

Golden Parachute and Indemnification Payments	83 FR 65283; 12 CFR Part 1231	December 20	Amended FHFA's golden parachute payments regulation to better align it with areas of FHFA's supervisory concern and reduce administrative and compliance burdens. The regulation requires FHFA review and consent before a regulated entity or OF enters into agreements to make, or makes, golden parachute payments if the regulated entity or OF is in a troubled condition, in conservatorship or receivership, or insolvent. FHFA's experience implementing the regulation indicated that it required review of some agreements and payments where there was little risk of excess or abuse, and thus that it was too broad. The regulation went into effect on January 22, 2019.
Miscellaneous Federal Home Loan Bank Operations and Authorities – Financing Corporation Assessments	83 FR 63054; 12 CFR Part 1271	December 7	This final rule facilitates the upcoming dissolution of the Financing Corporation (FICO), a vehicle established by one of FHFA's predecessors to issue bonds, the proceeds of which were used to help fund the resolution of failed savings and loan associations during the 1980s. By statute, FICO obtains the monies to pay the interest on those bonds by assessing depository institutions that are insured by the Federal Deposit Insurance Corporation (FDIC). The final rule addresses the manner in which FICO will conduct the 2019 assessments, which will be the last of those assessments. The final rule provides that all payments made by FDIC-insured depository institutions during 2019 are final, and that no adjustments to prior FICO assessments will be permitted after March 26, 2019, the projected date as of which the FDIC will finalize the amounts of the final collection for the 2019 assessments. The regulation went into effect on January 7, 2019.
Federal Home Loan Bank Affordable Housing Program Amendments Final Rule	83 FR 61186; 12 CFR Parts 1290 and 1291	November 28	Amended FHFA's regulation addressing requirements for the FHLBanks' Affordable Housing Program (AHP) to: provide the FHLBanks additional authority to allocate their AHP funds; authorize the FHLBanks to establish separate competitive funds that target specific affordable housing needs in their districts; provide the FHLBanks additional flexibility in designing their project selection scoring systems to address affordable housing needs in their districts; remove the requirement for retention agreements for owner-occupied units where the AHP subsidy is used solely for rehabilitation; provide for a calculation of household subsidy repayment amount that prioritizes return of the household's investment in the housing to the household; reduce administrative burdens related to calculating and obtaining household subsidy repayments based on net proceeds of the sale of a home; further align certain project monitoring requirements with those of other federal government funding programs; clarify the requirements for remediating AHP noncompliance; clarify certain operational requirements; and streamline and reorganize the regulation. The final rule also amends the community support regulation, part 1291, to require that each FHLBank's targeted community lending plan identify and assess housing needs to be addressed through the FHLBank's AHP and specify which of such needs will be addressed by any targeted fund(s). The regulation went into effect on December 28, 2018.
Responsibilities of Boards of Directors, Corporate Practices, and Corporate Governance	83 FR 52950; 12 CFR Parts 1239 and 1273	October 19	Amended FHFA's regulation pertaining to FHLBank strategic business plans so that it applies to the Enterprises as well. As amended, the regulation requires that the board of directors of each regulated entity have in effect at all times a strategic business plan that describes its strategy for achieving its mission and public purposes. The regulation went into effect on December 18, 2018.
Federal Home Loan Bank Community Support Program – Administrative Amendments	83 FR 52115; 12 CFR Part 1290	October 16	Amended FHFA's community support regulation to require that FHFA establish relevant dates for FHFA's biennial community support review by written notice to the FHLBanks. The amendments do not affect the substantive requirements of the regulation and do not change the criteria for determining member compliance with the community support standards and eligibility for access to long-term FHLBank advances. The regulation went into effect on November 15, 2018.

Margin and Capital Requirements for Covered Swap Entities	83 FR 50805; 12 CFR Part 1221	October 10	Adopted jointly by FHFA, the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (Federal Reserve Board), the Federal Deposit Insurance Corporation (FDIC), and the Farm Credit Administration (collectively, the Agencies), this regulation amended their rules to conform the definition of "Eligible Master Netting Agreement" to the definition of "Qualifying Master Netting Agreement" in the Federal Reserve Board, OCC, and FDIC Qualified Financial Contracts (QFC) Rules. The amendment to the Swap Margin Rule ensures that netting agreements of firms subject to the Swap Margin Rule are not excluded from the definition of "Eligible Master Netting Agreement" based solely on their compliance with the QFC Rules. The amendment also ensures that margin amounts required for non-cleared swaps covered by agreements that otherwise constitute Eligible Master Netting Agreements can continue to be calculated on a net portfolio basis, notwithstanding changes to those agreements that will be made in some instances by firms revising their netting agreements to achieve compliance with the QFC Rules. The regulation went into effect on November 9, 2018.
Indemnification Payments Final Rule	83 FR 49987; 12 CFR Part 1231	October 4	Established standards for identifying whether an indemnification payment by a regulated entity or OF to an affiliated party, in connection with an administrative proceeding or civil action instituted by FHFA, is prohibited or permissible. The regulation does not apply to any regulated entity operating in conservatorship or receivership, or to a limited-life regulated entity. The regulation went into effect on November 5, 2018.
Civil Money Penalty Inflation Adjustments	83 FR 43965; 12 CFR Parts 1209, 1217, and 1250	August 29	Amended FHFA's Rules of Practice and Procedure and other Agency regulations to adjust each civil money penalty within its jurisdiction to account for inflation, pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015. The regulation went into effect on September 28, 2018.
Repeal of Federal Housing Finance Board Regulations; Technical Amendments to FHFA Regulations	83 FR 39323; 12 CFR Parts 900, 906, 956-999, 1200, 1206, 1223, and 1261	August 9	This regulation repealed certain Federal Housing Finance Board (Finance Board) regulations that defined regulatory terms and other regulations that described the process by which the Finance Board conducted its monthly interest rate survey (MIRS). The repealed provisions are either obsolete or duplicate existing FHFA regulations. The final rule also repealed several unused subchapters of the Finance Board regulations, corrected inaccurate cross-references in some FHFA regulations, and amended a table relating to information collections under the Paperwork Reduction Act. The regulation went into effect on September 10, 2018.
2018-2020 Enterprise Housing Goals	83 FR 5878; 12 CFR Part 1282	February 12	Amended FHFA's regulation on the annual housing goals for mortgages purchased by the Enterprises. The housing goals include separate categories for single-family and multifamily mortgages on housing that is affordable to low-income and very low-income families, among other categories. The final rule established new benchmark levels for each of the housing goals and subgoals for 2018 through 2020. In addition, the final rule made a number of clarifying and conforming changes. The regulation went into effect on March 14, 2018.

Policy Guidance: Regulated Entities			
Policy Subject	**Reference**	**Date (2018)**	**Description/Explanation/Comments**
Advisory Bulletin on Interest Rate Risk Management	AB 2018-09	September 28	Communicates FHFA's guidance for interest rate risk management at the regulated entities. This guidance supersedes the Finance Board's AB Interest Rate Risk Management (AB 2004-05). Interest rate risk management is a key component in the management of market risk. These guidelines describe principles the regulated entities should follow to identify, measure, monitor, and control interest rate risk.
Advisory Bulletin on Oversight of Third-Party Provider Relationships	AB 2018-08	September 28	Communicates FHFA's guidance to the regulated entities and OF on assessing and managing risks associated with third-party provider relationships. When entering into third-party provider relationships, the regulated entities can be exposed to financial, operational, legal, compliance, and reputational risk. Effective risk management of third-party provider relationships is essential to the safe and sound operations of the regulated entities.
Advisory Bulletin on Federal Home Loan Bank Liquidity Guidance	AB 2018-07	August 23	Communicates FHFA's guidance for maintaining sufficient amounts of liquidity that will enable FHLBanks to provide advances and fund letters of credit for members during a sustained capital markets disruption. Although this guidance sets expectations for how FHLBanks may best measure and maintain sufficient liquidity, the FHLBanks should also use liquidity metrics that are commensurate with their funds management strategies and that provide a comprehensive assessment of their liquidity risk to ensure that sufficient funds are available at a reasonable cost to meet potential demands. This guidance rescinds the March 6, 2009 Liquidity Supervisory Letter as of March 31, 2019, but does not supplant existing regulations that pertain to liquidity at the FHLBanks.
Advisory Bulletin on Liquidity Risk Management	AB 2018-06	August 22	Communicates to the Enterprises FHFA's guidance for the management of liquidity risk. The AB summarizes the principles of sound liquidity risk management, and, where appropriate, aligns with the regulation of other financial intermediaries. FHFA expects the Enterprises to use liquidity metrics that are commensurate with their funds management strategies and provide a comprehensive view of their liquidity risk to ensure that sufficient funds are available at a reasonable cost to meet potential demands. This AB supersedes AB 2014-01 (Liquidity Risk Management).
Advisory Bulletin on Oversight of Multifamily Seller/Servicer Relationships	AB 2018-05	August 15	Communicates to the Enterprises FHFA's supervisory expectations for effectively managing multifamily Seller/Servicer relationships. This AB is applicable to the counterparty risk management of third-party relationships managed by an Enterprise's multifamily business unit.
Advisory Bulletin on Cloud Computing Risk Management	AB 2018-04	August 14	Communicates FHFA guidance to the regulated entities and OF on assessing and managing risks associated with third-party cloud providers. Effective risk management of cloud computing providers is critical to safe and sound operations. The AB encourages each entity to use a risk-based approach across several key areas that are listed in the AB, as a means of meeting FHFA supervisory expectations.

Advisory Bulletin on Advances Pricing	AB 2018-03	August 3	Communicates FHFA's guidance to the FHLBanks on the methods an FHLBank may use to demonstrate and document its compliance with the minimum advance pricing requirements set forth in FHFA's regulations.
Advisory Bulletin on Federal Home Loan Bank Use of Models and Methodologies for Internal Assessments for Mortgage Asset Credit Risk	AB 2018-02	April 25	Communicates FHFA's guidance to the FHLBanks on the use of models and methodologies to assess credit risk associated with mortgage assets, including Acquired Member Asset mortgage pools, mortgage-backed securities, and collateralized mortgage obligations, as required by FHFA regulations. This guidance supplements more general guidance issued by FHFA on model risk management by describing minimally acceptable criteria in selecting a mortgage asset credit risk model and the associated input of a macroeconomic stress scenario to be used in assessing mortgage asset credit risk.
Advisory Bulletin on Federal Home Loan Bank Scenario Determination for Market Risk Models Used for Risk-Based Capital	AB 2018-01	February 7	Communicates FHFA's guidance to the FHLBanks on determinations of market risk scenarios that are incorporated into the FHLBanks' internal market risk models, as required under the market risk capital requirement of the risk-based capital regulation. This guidance will supersede both AB 03-10, Guidance on Value-at-Risk Modeling, October 06, 2003 (as modified on July 22, 2016), and Revised Technical Guidance for Calculation of Market Risk Capital Requirement, April 25, 2013. By separate letter, FHFA subsequently advised the FHLBanks that examiners will defer using this guidance until January 1, 2020.

Examination Guidance:
Federal Housing Finance Agency

Policy Subject	Reference	Date (2018)	Description/Explanation/Comments
FHFA Examination Manual	N/A	*Board of Directors and Senior Management Examination Module* revised July *Managing Single-Family Seller-Servicer Relationships Examination Supplemental Guidance Module* issued April *Enterprise Risk Management Examination Module* issued March	The FHFA Examination Manual, first published in 2013, comprises an overview of the examination process and 26 modules that provide examination instructions and work programs organized by risk category or line of business or activity. The Examination Manual serves as a reference tool and describes standards and expectations for the examinations of the regulated entities and OF. In March, FHFA issued the Enterprise Risk Management Examination Module; in April, FHFA issued the Managing Single-Family Seller-Servicer Relationships Examination Supplemental Guidance Module; and in July, FHFA revised the Board of Directors and Senior Management Examination Manual Module. Supplemental examination modules complement the modules in the FHFA Examination Manual.

Regulatory Orders			
Rule/Regulation Title	**Reference**	**Date (2018)**	**Description/Explanation/Comments**
Financing Corporation Dissolution	2018-OR-B-5	November 30	This FHFA Director's order approved a plan under which the Financing Corporation (FICO) will be dissolved after it has repaid the last of its bonds in September 2019, as required by statute. FICO is a funding vehicle established by a predecessor to FHFA, which issued 30-year bonds the proceeds of which were used to help resolve the savings and loan crisis in the 1980s. The FHLBanks are the sole stockholders of FICO.
Approval of 2019 Financing Corporation (FICO) Budget	2018-OR-B-4	November 28	FHFA's regulations require that the FHFA Director approve the annual FICO budget. This Director's order approves the 2019 FICO annual budget.
Information Submission with Respect to Executive Compensation - Fannie Mae, Freddie Mac, Federal Home Loan Banks, and the Office of Finance	2018-OR-FNMA-2; 2018-OR-FHLMC-2; and 2018-OR-B-2	May 11	Orders on Information Submissions, with respect to Executive Compensation, are designed to support FHFA's statutory mandate to prohibit a regulated entity from providing to its executive officers compensation that is not reasonable and comparable. The Orders are associated with FHFA's executive compensation regulation (12 CFR Part 1230) and amend a 2014 Order on the same subject. The amendments extend coverage of the Orders to any regulated entity in conservatorship or receivership (currently, the Enterprises) and provide clarity and better alignment with current FHFA policy and practice. Many of the changes reduce regulatory burden. The Orders were effective on June 10, 2018.
Reporting by Regulated Entities of Stress Testing Results	2018-OR-FNMA-01; 2018-OR-FHLMC-01; and 2018–OR-B-01	March 1	Stress tests, required by the Dodd-Frank Act, are designed to determine whether the regulated entities have the capital necessary to absorb losses under adverse economic conditions. FHFA's stress testing regulation (12 CFR Part 1238) requires annual stress testing and reporting of results for the Enterprises and FHLBanks. The Orders directed the regulated entities to report their stress testing results as of December 31, 2017, in the form and content required by the regulation and the summary instructions and guidance issued on March 1, 2018. The Orders were effective immediately.

Conservatorships of the Enterprises

- MAINTAIN
- REDUCE
- BUILD

Since exercising its authority to place the Enterprises in conservatorship in September 2018, FHFA has used four key approached to manage the conservatorships of Fannie Mae and Freddie Mac. First, FHFA establishes the overall strategic direction for the Enterprises in the Agency's *2014 Strategic Plan for the Conservatorships of Fannie Mae and Freddie Mac (2014 Conservatorship Strategic Plan)* and in annual scorecards. Second, FHFA authorizes the Enterprises' boards of directors and senior management to oversee and carry out the day-to-day operations of the companies. Third, FHFA has carved out actions of the Enterprises that require advance approval by FHFA. Fourth, FHFA regularly oversees and monitors Enterprise activities.

The following section provides select highlights of Fannie Mae, Freddie Mac, and FHFA activities to fulfill the three strategic goals in the 2014 Conservatorship Strategic Plan and the *2018 Scorecard for Fannie Mae, Freddie Mac and Common Securitization Solutions (2018 Scorecard)*:

MAINTAIN, in a safe and sound manner, foreclosure prevention activities and credit availability for new and refinanced mortgages to foster liquid, efficient, competitive, and resilient national housing finance markets;

REDUCE taxpayer risk through increasing the role of private capital in the mortgage market; and

BUILD a new single-family securitization infrastructure for use by the Enterprises and adaptable for use by other participants in the secondary market in the future.

For additional information about the Enterprises' performance relative to the *2018 Scorecard*, please see the *2018 Scorecard Progress Report*, published on April 26, 2019.

MAINTAIN

Maintain, in a safe and sound manner, foreclosure prevention activities and credit availability for new and refinanced mortgages to foster liquid, efficient, competitive, and resilient national housing finance markets.

FHFA established specific objectives in the *2018 Scorecard* for the Enterprises to assess opportunities to address credit access and to develop recommendations for improvement; to improve the effectiveness of pre-purchase counseling and homeownership education; and to conclude their assessments of updated credit score models for underwriting, pricing, and investor disclosures, and, as appropriate, plan for implementation. This section describes those objectives and the activities of the Enterprises to support them during 2018.

Access to Mortgage Credit for Creditworthy Borrowers

The *2018 Scorecard* called for the Enterprises to increase access to mortgage credit for creditworthy borrowers, consistent with the full extent of applicable credit requirements and risk-management practices. Accordingly, the *2018 Scorecard* instructed the Enterprises to work on the following activities:

Opportunities to Support Credit Access – The Enterprises engaged in a number of initiatives and pilot programs during 2018 with the intent of supporting access to mortgage credit.

In July 2018, Freddie Mac implemented HomeOne, which provides a low down payment option for first-time homebuyers and a traditional rate and/or term refinance option for borrowers with at least 3 percent equity. HomeOne financing is available to first-time homebuyers regardless of their income levels or geographic locations, allowing more borrowers to responsibly become homeowners. To mitigate credit risk, purchase program participants must complete home buyer education, take out a fixed-rate loan, and occupy the property financed as their primary residence. HomeOne also allows a low-equity homeowner to reduce monthly payments by refinancing into a lower rate mortgage, a longer-term mortgage, or a mortgage with both a lower rate and a longer term. HomeOne refinances are available on loans already owned and securitized by Freddie Mac, and borrowers may not cash out their equity in the property as part of the transaction.

Fannie Mae launched a marketing strategy for lenders, realtors, and borrowers to responsibly increase access to credit and raise awareness of affordable financing options. The strategy includes education about low down payment financing products, such as HomeReady, through local outreach and media campaigns.

Each Enterprise also implemented a high loan-to-value ratio refinance program to replace the Home Affordable Refinance Program (HARP), which is being retired. The new, aligned program will allow a borrower whose mortgage is already owned or securitized by an Enterprise to refinance in situations where home values have declined.

Assessing Low-Balance Loan Availability – Informed by their research and outreach efforts in 2017, the Enterprises continued to increase the availability of financing for low-balance loans that meet their credit standards. In 2018, the Enterprises focused on increasing financial incentives for lenders/seller/servicers to originate low-balance loans, increasing market awareness of available products, and reducing costs for originating and selling low-balance loans. FHFA expects these efforts to increase the volume of low-balance loans purchased by the Enterprises.

Support for Borrowers with Limited English Proficiency – The 2018 Scorecard required the Enterprises to continue to support access to credit for borrowers with limited English proficiency (LEP borrowers). During 2018, FHFA and the Enterprises worked with industry stakeholders to finalize a multi-year language access plan. To implement the first phase of the multi-year plan, FHFA and the Enterprises created Mortgage Translations – a micro-site within **FHFA.gov**. Using input from the industry and federal and state government agencies, Mortgage Translations launched on October 15 with a collection of mortgage documents and educational materials translated into Spanish, as well as a new online Spanish-English glossary produced by the Consumer Financial Protection Bureau (CFPB) to help standardize translations across the mortgage industry. The information included targets lenders, servicers, housing counselors, realtors, and other mortgage professionals to provide LEP borrowers with resources relevant to the entire mortgage process.

Updated Credit Score Models – At the end of 2017, FHFA issued a Request for Input (RFI) that discussed options for updating the Enterprises' credit score requirements. The RFI was based on FHFA's review of the challenges associated with a credit score change and concerns expressed by some market participants. The RFI sought public comments on concerns industry participants expressed to FHFA, including how to address competition among credit score providers, and the potential costs and benefits to various market segments of updating the Enterprises' credit score requirements. The RFI focused on four proposals under consideration by FHFA and the associated operational challenges. The RFI closed March 30, 2018. FHFA received over 100 responses representing views from all parts of the mortgage finance industry, including consumers, mortgage lenders, mortgage insurers, and nonprofit housing agencies.

FHFA was in the process of making a determination on updating the Enterprise credit score requirements when, on May 24, Congress enacted the Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018 (Pub. L. No. 115-174), Section 310 of which requires FHFA promulgate a rule to establish minimum standards and criteria for the Enterprise validation and approval of credit scores. As a result, FHFA determined the Enterprise credit score requirements would not be updated until after that required rulemaking was complete. The first major step in implementing Section 310 was the issuance of a proposed rule which FHFA published on December 13. The proposed rule would define a four-step process for an Enterprise to validate and approve credit score models including: (1) the solicitation of applications from credit score model developers; (2) an initial review of submitted applications; (3) a Credit Score Assessment by an Enterprise; and (4) an Enterprise Business Assessment. Comments on the proposed rule were due March 21, 2019.

Appraisal Process Modernization – Throughout 2018, the Enterprises engaged industry stakeholders, including lenders, appraisers, and other valuation-service providers, and vendors, to assess challenges related to the current appraisal process and discuss possible solutions. Industry participants identified common themes around appraisal service shortages in some geographic areas, and pressure to shorten the turnaround time needed to perform an appraisal. Potential solutions focused on leveraging currently available technologies to provide efficiency in the appraisal process, including additional valuation products or services that appropriately address safety and soundness, and appraiser capacity issues. FHFA continues to work with the Enterprises and industry stakeholders to review those solutions.

Partnering with Housing Finance Agencies – During the first quarter of 2018, FHFA and the Enterprises independently reached out to stakeholders to assess opportunities to work with housing finance agencies (HFAs) to improve access to mortgage credit across market segments. Those outreach efforts generated common themes regarding HFA products and programs, pricing, interactions with third parties, and technology. In subsequent quarters, the Enterprises and FHFA reviewed the ideas generated and identified ways to streamline, align, and improve how the Enterprises work with HFAs.

Finalize Post-Crisis Loss Mitigation Activities

The *2018 Scorecard* called for the Enterprises to finalize post-crisis loss mitigation policies and to continue to support responsibly the Neighborhood Stabilization Initiative (NSI). The Enterprises started developing aligned post-crisis loss mitigation policies under the 2016 Scorecard. During 2018, the Enterprises worked to finalize aligned loss mitigation policies addressing short-term hardships, foreclosure alternatives (such as short sales and deeds-in-lieu of foreclosure), loss mitigation letters for distressed mortgage borrowers, and foreclosure timelines and compensation for servicers of distressed mortgage assets. The Enterprises also continued to support responsibly the NSI through their ongoing strategic partnership with the National Community Stabilization Trust in 28 Metropolitan Statistical Areas (MSAs) characterized by comparatively large numbers of low-value real estate owned (REO) properties.

Assess the Mortgage Servicing Business Model

Informed by the 2017 Joint Servicing Market Survey results, the *2018 Scorecard* called for the Enterprises to assess challenges facing the mortgage servicing market and identify potential solutions to ensure ongoing liquidity in the market for mortgage servicing rights and the financial strength of mortgage servicers as counterparties to the Enterprises. Survey respondents emphasized the need to improve alignment between the Enterprises, including alignment between Enterprise processes, automation of interactions between servicers and the Enterprises, and data quality control. In 2018, the Enterprises conducted further industry outreach and began efforts to improve their servicer-facing systems and processes. As part of those efforts, work is underway to improve Enterprise technology that supports expense reimbursement and property preservation operations. The goal of these initial efforts is to gradually improve Enterprise tools that support servicing operations.

Single-Family Rental Strategies

In response to growth in the single-family rental market and with the goal of improving the affordability of single-family rentals, FHFA approved the Enterprises' participation in several pilot transactions involving the purchase of single-family homes by large investors through their multifamily business units. The purpose of the pilots was to understand the challenges and opportunities in the single-family rental market and determine what, if any, role the Enterprises might play. Throughout 2017 and 2018, FHFA evaluated the effects of the Enterprises' participation on single-family rental market stability, affordability, and liquidity. FHFA's evaluation, which included extensive outreach, determined that the Enterprises' existing single-family investment home rental programs play an important role for small investors, and that the market for larger investors has performed successfully without additional liquidity from the Enterprises. As a result, in August 2018, FHFA directed the Enterprises to conclude their participation in the single-family rental market beyond existing Enterprise single-family programs.

Supporting Liquidity in Multifamily Workforce Housing Markets

The *2018 Scorecard* required the Enterprises to explore opportunities for further supporting liquidity in the multifamily workforce housing[32] market. In 2018, both Enterprises conducted research on workforce housing, reached out to industry experts, examined ongoing rental affordability challenges, and assessed the availability of capital to support workforce housing. The Enterprises also looked closely at existing state and local programs designed to preserve workforce housing. These efforts were supported by FHFA's Workforce Housing Workshop in June 2018, which gathered key stakeholders together to discuss the Enterprises' role in supporting workforce housing. This research and outreach, including the findings from the workshop, will help inform the Enterprises as they work to develop strategies that address the shortages of rental housing affordable to low- and moderate-income households.

Multifamily Business

The *2018 Scorecard* maintained loan production caps on each Enterprise's multifamily business to further the strategic goal of maintaining Fannie Mae's and Freddie Mac's multifamily activities while not impeding the participation of private capital. The *2018 Scorecard* set the cap for each Enterprise at $35.0 billion with exclusions from the caps for financing a range of mission-related activities.

FHFA designed exclusions from the cap to support affordable and underserved segments of the multifamily market because these segments are not adequately served by the private sector. Exclusions include financing for subsidized affordable housing, manufactured housing communities, and small multifamily properties (between 5 and 50 units). Additional exclusions cover financing for affordable properties in rural areas, energy efficiency improvements in Enterprise-financed properties, and market-rate units that are affordable to very low-, low-, and moderate-income tenants in standard, high-cost, very high-cost, and extremely high-cost rental markets.

In 2018, the Enterprises actively managed their loan production to ensure they did not exceed the published cap. Fannie Mae's total multifamily finance activity for the year was approximately $65 billion, of which $30 billion fell within the cap and $36 billion was in the excluded categories. Freddie Mac's total multifamily finance activity for the year was approximately $77 billion, of which $33 billion fell within the cap and $45 billion was in the excluded categories.

[32] The term workforce housing is often used to describe housing for households that earn between 60-120 percent of area median income. During FHFA's Workforce Housing Workshop, participants discussed the possible need for an industry standard definition, and whether or not "workforce housing" is the best description for this segment of the rental market.

REDUCE

Reduce taxpayer risk through increasing the role of private capital in the mortgage market.

The 2014 Conservatorship Strategic Plan focuses on reducing taxpayer risk by increasing the role of private capital in the secondary mortgage market. To further that goal, the *2018 Scorecard* called for the Enterprises to work on the following initiatives.

Credit Risk Transfers for Single-Family Credit Guarantee Business

The Enterprises' credit risk transfer (CRT) programs have become a core part of the Enterprises' single-family credit guarantee business. The programs transfer credit risk to private capital via securities issuances, insurance/reinsurance transactions, senior-subordinate securitizations, front-end lender risk sharing transactions, and other pilot transactions.[33]

For 2018, the Enterprises were required to transfer risk on at least 90 percent of the UPB of their acquisitions of single-family mortgage loans targeted for credit risk transfer. Targeted loans include fixed-rate, non-HARP loans with terms over 20 years and LTV ratios above 60 percent. Such loans represent a substantial amount of the credit risk associated with all new loan acquisitions.

Since the beginning of the program in 2013, the Enterprises have transferred a portion of credit risk on loans with approximately $2.8 trillion in UPB and total RIF of about $91.5 billion. In 2018, the Enterprises transferred credit risk on single-family mortgage loans with a total UPB of approximately $643 billion and total RIF of about $22.2 billion as in Figure 23.

[33] For a detailed description of transaction types, see Federal Housing Finance Agency, ***Overview of Fannie Mae and Freddie Mac Credit Risk Transfer Transactions***, August 2015, and ***Credit Risk Transfer Progress Report***, Fourth Quarter 2018.

Figure 23: Enterprise Single-Family Mortgage Credit Risk Transfer Activity (2013 – 2018)

Year	Enterprise	Risk in Force[a] $ billions	Reference Pool UPB[b] $ billions
2013	Fannie Mae	$0.8	$31.9
	Freddie Mac	$1.5	$57.9
	Total	**$2.2**	**$89.8**
2014	Fannie Mae	$6.1	$230.9
	Freddie Mac	$6.1	$147.5
	Total	**$12.2**	**$378.4**
2015	Fannie Mae	$7.3	$239.1
	Freddie Mac	$8.8	$181.3
	Total	**$16.1**	**$420.4**
2016[c]	Fannie Mae	$9.8	$332.9
	Freddie Mac	$8.4	$215.0
	Total	**$18.1**	**$548.0**
2017[c]	Fannie Mae	$12.6	$417.3
	Freddie Mac	$8.1	$271.8
	Total	**$20.6**	**$689.1**
2018	Fannie Mae	$11.1	$332.0
	Freddie Mac	$11.1	$311.4
	Total	**$22.2**	**$643.4**
TOTAL	Fannie Mae	$47.7	$1,586.2
	Freddie Mac	$43.8	$1,183.9
	Total	$91.5	$2,770.1

Source: Federal Housing Finance Agency

[a] Volume of notes issued in debt transactions or RIF in insurance/reinsurance transactions . Together those amounts equal the maximum credit loss exposure of private investors.

[b] UPB of pools of mortgage loans on which credit risk is transferred.

[c] Totals for 2016 and 2017 include the total contracted UPB and RIF for front-end MI pilot transactions.

Credit Risk Transfers for Multifamily Business

Transferring credit risk to the private sector is an integral part of the multifamily business model for both Enterprises. The *2018 Scorecard* called for the Enterprises to continue their current multifamily CRT initiatives and to explore additional CRT opportunities. Over 97 percent of the targeted multifamily new acquisitions by the Enterprises involved a transfer of credit risk to private capital.

In 2018, Fannie Mae transferred credit risk on approximately $62 billion of its multifamily production through its delegated underwriting and servicing program (known as DUS). Additionally, Fannie Mae continued to grow its multifamily CIRT program, in which Fannie Mae transfers a portion of the risk it retained from DUS transactions to a panel of reinsurers. During the year, Fannie Mac executed two multifamily CIRT transactions with total UPB of $22 billion and RIF of $440 million.

In 2018, Freddie Mac transferred a portion of credit risk on 95 percent or $69 billion of its targeted multifamily new acquisitions. Freddie Mac's K Certificate program is its primary multifamily credit risk transfer mechanism. Since 2010, Freddie Mac has securitized senior-subordinate notes through its K Certificates to transfer risk on 90 percent of the UPB of its multifamily loan acquisitions. K Certificates transfer most of the credit risk to investors through subordinated bonds that are structured to absorb expected and unexpected credit risk. In addition, Freddie Mac transfers credit risk through programs for multifamily small balance loans, multifamily mortgage loans awaiting securitization in Freddie Mac K Certificates, and hard-to-securitize loans. In the fourth quarter of 2018, Freddie Mac also executed its first multifamily credit risk transfer transaction to reinsurers.

Retained Mortgage Portfolios

The *2018 Scorecard* called for the Enterprises to continue implementing FHFA-approved plans to reduce their retained portfolios. Implementing those plans shifts credit, asset liquidity, and interest rate risks from the Enterprises to private investors. Each Enterprise's plan requires it to prioritize selling its less-liquid assets, such as non-agency securities, in a commercially reasonable manner, consistent with neighborhood stabilization. Each Enterprise's plan also requires that it meets the annual cap imposed by the PSPA, even under adverse conditions such as rising interest rates or falling house prices. The PSPA cap applicable on December 31, 2018 was $250 billion. To ensure that the PSPA cap is met even under such adverse conditions, FHFA requires each Enterprise to provide a buffer by meeting a cap that is 10 percent below the PSPA cap.

In accordance with each Enterprise's 2018 retained portfolio plan, which were approved by FHFA in February 2018, the Enterprises made significant progress in reducing their retained portfolios during 2018. At year-end, each Enterprise's retained portfolio was below the year-end 2018 PSPA cap of $250 billion and below FHFA's requirement of $225 billion by December 31, 2018. As of December 31, 2018, Freddie Mac's portfolio was approximately $218 billion, and Fannie Mae's was approximately $179 billion, a reduction in their combined portfolios of $87 billion in 2018.

Private Mortgage Insurer Eligibility Requirements (PMIERs) 2.0

In 2015, the Enterprises issued revised PMIERs for mortgage insurers (MIs) that are Enterprise counterparties. Those requirements set the criteria and terms an MI must meet to insure loans that are eligible for purchase by the Enterprises. PMIERs established financial standards that require MIs to demonstrate adequate resources to pay claims and operational standards relating to quality control processes and performance metrics. Noncompliance with the requirements or material deviations from the performance expectations trigger remediation.

PMIERS 2.0 incorporates changes that were previously announced through guidance documents, clarifies the operational requirements, and enhances the financial requirements. The clarifications to the operational requirements focus on quality control, underwriting, consistency with master policies, and the timeliness of payouts on claims. The enhancements to the financial requirements principally include refinements to the definition of allowable assets and strengthening mitigants to counterparty risk posed to the MIs by reinsurers.

BUILD

Build a new single-family securitization infrastructure for use by the Enterprises and adaptable for use by other participants in the secondary market in the future.

The third and final strategic goal of the *2014 Conservatorship Strategic Plan* calls for building a new infrastructure for the securitization functions of the Enterprises that is adaptable for use by other market participants in the future. The *2018 Scorecard* continued to prioritize work by the Enterprises and Common Securitization Solutions, LLC (CSS) to develop the Common Securitization Platform (CSP) and a common Enterprise MBS (Single Security Initiative). The *2018 Scorecard* also required continued work to support the standardization of mortgage data.

Single Security Initiative and Common Securitization Platform

The CSP and Single Security Initiative (SSI) are significant, multi-year, interrelated projects that remain ongoing priorities of FHFA during conservatorship of the Enterprises. The Enterprises will use the CSP as the operational and technical platform through which they will issue and administer a common MBS, to be known as the Uniform Mortgage-Backed Security or UMBS. The *2018 Scorecard* called for the Enterprises and CSS, the joint venture Fannie Mae and Freddie Mac established to develop and administer the CSP, to continue working with FHFA and each other to build and test the CSP. The *2018 Scorecard* also called for the Enterprises to implement the changes necessary to integrate their systems and operations with the CSP, and to implement fully the SSI on the CSP in 2019.

In addition, the *2018 Scorecard* calls for the Enterprises and CSS to continue to work together to obtain and use input from the SSI/CSP Industry Advisory Group.

CSP Developments – With the implementation of Release 1 of the CSP on November 21, 2016, Freddie Mac transferred to CSS operational responsibilities for the monthly issuance and settlement of its single-class MBS backed by 15-, 20-, and 30-year fixed-rate loans and for the computation of the monthly pool and bond factors[34] for Freddie Mac's Participation Certificates (PCs) and Giant PCs (Giants). Since that implementation, Freddie Mac has used the CSP for monthly issuance and settlement of approximately 1,100 new securities representing about $57 billion in UPB, and for monthly bond administration functions related to 257,000 securities backed by approximately 10 million loans with approximately $1.7 trillion in UPB.

During 2018, the Enterprises and CSS completed several testing phases, including system-to-system, joint end-to-end, and tri-party end-to-end testing for Release 2 of the CSP. Testing with third-party providers and partners such as the Federal Reserve Bank of New York will continue into 2019. Testing with vendors that use and distribute securities disclosure data is also underway.

[34] Release of pool and bond factors to the market enables investors to calculate the principal and interest payments they expect to receive on mortgage securities they own. The pool factor for an MBS or PC is a fraction equal to the current outstanding security-level principal balance divided by the original security-level principal balance. The bond factor for a resecuritization is comparable to the pool factor for an MBS or PC except that the remaining security-level principal balance used to calculate a bond factor reflects the cumulative distribution of the underlying securities, not the underlying mortgage loans.

On September 24, Freddie Mac and CSS migrated Freddie Mac's production processing for single-class MBS (that is, PCs and Giants) from Release 1 to the relevant Release 2 code, confirming that the relevant Release 2 modules are production ready for single-class securities.

The Enterprises and CSS converted the data for approximately 1,000,000 securities to CSS and the parties began parallel processing on November 28, 2018. Parallel processing is the final phase of testing prior to production. During parallel processing, all functions performed to issue and administer the new UMBS and administer all existing securities are executed in unison with the Enterprises.

With deployment of Release 2 in June 2019, Fannie Mae and Freddie Mac will both use CSP for issuance and monthly processing of single-class UMBS backed by fixed rate loans, single-class resecuritizations of UMBS (to be known as Supers), multiclass securities such as REMICs, and various functions that will differ by Enterprise for securities that are backed by adjustable-rate loans. Release 2 modules include Data Acceptance, Issuance Support, Bond Administration with Tax Calculations, and Disclosure.

FHFA, the Enterprises and CSS worked together to launch the UMBS on June 3, 2019 as previously announced.

Industry Outreach and Other Readiness Activities – Throughout 2018, the Enterprises and FHFA have engaged in activities to facilitate market readiness, which requires planning, investment, and preparation on the part of a wide variety of market participants, including MBS investors, dealers, seller/servicers, vendors, and providers of critical infrastructure. A smooth transition also requires market participants to have clarity about how certain regulations will apply in the new environment.

The Enterprises' activities have included market readiness surveys, tabletop exercise planning and execution sessions for industry participants, investor outreach (including foreign investors), and vendor-oriented webinars. The Enterprises also continued to participate in industry forums and conferences, webinars, conference calls, meetings with individual firms, and consultations with advisory and industry-sponsored working groups.

In conjunction with these outreach activities, the Enterprises have developed a variety of materials related to SSI implementation and published them on Enterprise or FHFA websites. Materials added this year have included video clips from the May Single Security Conference, vendor SSI-readiness timelines, and a monthly SSI newsletter that the Enterprises started publishing in March and which had a subscriber base of 2,200 recipients as of October 2018.

The Enterprises worked closely with many of the providers of critical market infrastructures and services to develop plans for the June 3, 2019 UMBS launch.

The December 2017 update enumerated regulatory issues associated with the SSI that remained to be resolved, including the accounting and tax treatment of the Freddie Mac exchange and regulatory limits on the concentration of exposures to a single issuer. The Internal Revenue Service and the Securities and Exchange Commission have, respectively, provided guidance on these issues.

Progress is also being made to resolve other issues. On March 7, 2019, SIFMA announced changes to their *Good Delivery Guidelines*[35] to allow UMBS or Supers issued by either Fannie Mae or Freddie Mac to trade without the issuer being identified in the trade confirmation that is executed on the relevant trade date. Two days before settlement (known as "48-hour day"), the seller will notify the buyer of the specific securities to be delivered (or whether securities issued by both Enterprises will be delivered). That notification would be incorporated into the current TBA market practice of sellers notifying buyers of the exact securities they will receive on 48-hour day.

Another issue of interest to market participants has been the stance of the Federal Reserve System vis-à-vis the SSI. The Federal Reserve System is the largest single holder of Enterprise TBA-eligible MBS, which reside in the System Open Market Account (SOMA). The Open

[35] *See* ***Uniform Practices for the Clearance and Settlement of Mortgage-Backed Securities and Other Related Securities***, Chapter 8, "***Standard Requirements for Delivery on Settlements of UMBS and Ginnie Mae Securities***."

Market Desk at the Federal Reserve Bank of New York is responsible for conducting open market operations to achieve monetary policy objectives as set by the Federal Open Market Committee. The minutes for the July/August meeting of that Committee indicated that the Open Market Desk "planned to develop the capability to conduct UMBS transactions and, to more efficiently manage the portfolio, convert some portion of the SOMA's existing agency MBS holdings to UMBS where appropriate."

Another important aspect of market readiness is the ability to exchange Freddie Mac's legacy TBA-eligible securities—PCs and Giants —for "mirror" 55-day UMBS and Supers, which will be backed by the same loans as the existing securities. Because PCs and Giants currently pay investors on the 45th day after interest starts to accrue for the payment period and UMBS and Supers will pay on the 55th day, the exchange offer will include compensation for the ten-day delay in receipt of payments to investors.

Freddie Mac has announced that it will offer two paths for current owners of its legacy securities to conduct an exchange. Freddie Mac is calling the first path Dealer-facilitated Exchange and the second path Direct-to-Freddie Mac Exchange via TradeWeb. As the names imply, a primary distinction between these paths is whether a Freddie Mac-approved Dealer acts as an agent for the investor to facilitate the exchange with Freddie Mac. Freddie Mac initially developed Dealer-facilitated Exchange and added the second exchange path in response to concerns raised by market participants, particularly large investors and custodians. To prepare for exchange, Freddie Mac began creating mirror securities in August. Freddie Mac made the exchange available in May 2019.

Alignment Activities – FHFA and the Enterprises have worked together to develop processes to identify and align those Enterprise programs, policies, and practices that could materially affect prepayment speeds of UMBS issued by Fannie Mae and Freddie Mac. During 2018, FHFA started publishing quarterly ***Prepayment Monitoring Reports*** to provide transparency to market participants about the ex post alignment of Enterprise prepayment speeds. On September 17, FHFA published a Proposed Rule to codify alignment requirements under FHFA's broad regulatory authority to ensure that the Enterprises meet the public policy purposes enumerated in their charters. The rulemaking is intended to provide confidence to market participants that the close alignment of prepayment speeds on the Enterprises' TBA-eligible securities will endure post-conservatorship, facilitating the vitality of the UMBS. The rule was adopted in final form March 5, 2019 and the UMBS launched on June 3, 2019.

Mortgage Data Standardization

The Uniform Mortgage Data Program is a multifaceted technology strategy first announced in May 2010 with the goal of standardizing data throughout the mortgage industry to improve lender efficiency, loan quality, and mortgage credit risk management. In 2018, the Enterprises continued collaborating with the mortgage industry to develop and implement uniform data standards for single-family mortgage loans. This effort included the electronic collection of the Uniform Closing Disclosure Dataset (UCD), continuing implementation of the redesigned Uniform Residential Loan Application (URLA), and new specifications for each Enterprises' Automated Underwriting System (AUS). In addition, the Enterprises assessed and, as appropriate, began to implement strategies to redesign the Uniform Appraisal Dataset (UAD) and appraisal forms.

Other Conservatorship Activities

Boards of Directors – As conservator, FHFA reviews the appointment of new directors serving on the boards of directors of each Enterprise. In 2018, FHFA reviewed the election of Christopher Herbert to serve on Freddie Mac's board of directors. Two Freddie Mac board members, Nicolas Retsinas, and Richard Hartnack, resigned or rotated off the board in 2018. This reduced the number of members of the board of directors by one, leaving the board with 12 members as of year-end 2018. During 2018, FHFA reviewed the election of Manolo Sanchéz and Antony Jenkins to serve on Fannie Mae's board of directors. Four Fannie Mae board members, George Haywood, Egbert Perry, Tim Mayopoulos, and Bart Harvery, resigned or rotated off the board in 2018. This reduced the number of members of the board of directors by two, leaving the board with 10 members as of year-end 2018.

Management – FHFA, as conservator, worked closely with Fannie Mae during 2018 to ensure continuity following the announcement that CEO Tim Mayopoulos would resign in the second half of 2018. As part of its CEO succession plan, Fannie Mae selected board member Hugh Frater to act as interim CEO while Fannie Mae conducted an outside search for a permanent CEO. On March 26, 2019, Fannie Mae appointed Frater as permanent CEO. FHFA, as conservator, also worked closely with Freddie Mac during 2018 to ensure continuity following the announcement that CEO Don Layton would resign from Freddie Mac in the second half of 2019. In March 2019, Freddie Mac announced David M. Brickman would succeed him effective July 1.

Enterprise Compensation – No changes were made to the Enterprises' Executive Compensation Plan in 2018. Overall compensation levels generally continue to fall between the 25th and 50th percentile of the market, which FHFA considers a recommended and acceptable range for Enterprise executive officers. Compensation for the Enterprises' CEOs is maintained at the statutory maximum.

FHFA continues to closely examine all compensation requests by the Enterprises and maintains an active dialogue with each Enterprise about current and future compensation actions.

Private-Label Mortgage-Backed Securities – All of the cases brought by FHFA in 2011 alleging federal and state securities violations have now been resolved, 17 through settlements, and the 18th through trial with a verdict in FHFA's favor, now affirmed. The settlements and verdict resulted in FHFA collecting more than $25 billion from these cases.

Research and Publications

- Reports to Congress
- House Price Index
- Public Use Databases
- Monthly Interest Rate Survey (MIRS)
- National Mortgage Database Program
- NMDB Research Publications
- Research Publications

During 2018, FHFA published all reports required by statute, as well as research papers related to housing and market conditions. Reports and publications are posted on FHFA's website at **www.FHFA.gov**.

Reports to Congress

Pursuant to requirements under federal law, including HERA and the Dodd-Frank Act, FHFA submitted all required annual reports to Congress in 2018. Additionally, as required by statute, FHFA submitted monthly reports on the number of loan modifications and other foreclosure prevention activities of the Enterprises.

Guarantee Fee Study – The Safety and Soundness Act requires FHFA to conduct an ongoing study of the guarantee fees charged by Fannie Mae and Freddie Mac. In December 2018, FHFA released its tenth annual *Guarantee Fee Study Report*. The report covers 2017 and examines the fees charged by the Enterprises for guaranteeing conventional single-family mortgages, including the amount of these fees and the criteria used to determine them. The report utilized aggregated data collected from the Enterprises.

Annual Housing Report – FHFA submitted its tenth *Annual Housing Report* to Congress in October 2018, which detailed Enterprise housing goals performance in 2017 as well as information on other aspects of the Enterprises' loan purchase activities.

FHLBank Advance Collateral Study – The Bank Act requires FHFA to submit to Congress an annual report on the collateral pledged to the FHLBanks, by collateral type and by each individual FHLBank. In November 2018, FHFA released its tenth *Report on Collateral Pledged to the Federal Home Loan Banks* based on the results of its annual FHLBank Collateral Data Survey.

No FEAR Act Report – The Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (No FEAR Act) requires that federal agencies be publicly accountable for violations of antidiscrimination and whistleblower protection laws. Federal agencies must post both quarterly and annual statistical data relating to federal sector Equal Employment Opportunity complaints on their public websites, reimburse the Treasury Department Judgment Fund for any payments made, and notify employees and applicants for employment about their rights under the federal antidiscrimination and whistleblower laws. In March 2019, FHFA is scheduled to file the *Fiscal Year 2018 No Fear Act Annual Report to Congress*, covering fiscal years 2014 – 2018.

OMWI Annual Report – The Dodd-Frank Act requires most federal financial regulators to establish an Office of Minority and Women Inclusion (OMWI). FHFA's OMWI is responsible for leading the Agency's efforts to advance diversity and inclusion and developing standards for: 1) Equal Employment Opportunity and the racial, ethnic, and gender diversity of the Agency's workforce and senior management of the Agency; 2) increased participation of minority- and women-owned businesses in Agency programs and contracts; and 3) assessing the diversity policies and practices of entities regulated by the Agency.

FHFA must also comply with Section 1116(f) of HERA, which requires the Agency to seek diversity in its workforce, at all levels, consistent with the demographic diversity of the United States. In March 2019, FHFA is scheduled to submit the annual *OMWI Report to Congress* detailing the activities of FHFA's OMWI during the previous calendar year.

Federal Property Manager's Report/Foreclosure Prevention Report – The Emergency Economic Stabilization Act of 2008 directs Federal Property Managers (FPM) to develop and implement plans to maximize assistance for homeowners and encourage servicers of underlying mortgages to take advantage of programs to minimize foreclosures. Each FPM is also required to report to Congress the number and types of loan modifications and the number of foreclosures during the reporting period. FHFA is a designated FPM in its role as conservator for Fannie Mae and Freddie Mac. FHFA delivered required monthly and quarterly FPM reports to Congress throughout 2018.

House Price Index

FHFA continued its regular publication of several types of home price indexes – the "all-transactions," "purchase-only," and "expanded-data" measures – throughout 2018. Such measures are estimated using different underlying datasets, and all provide indications of housing price movements for various geographic areas. These standard indexes are produced quarterly and monthly.

FHFA updated a set of experimental price indexes that are produced on an annual basis for cities, counties, ZIP codes, and census tracts. These measures have been useful in policy analysis and have enabled several lines of research on topics including housing market trends, price cycles, and localized credit risk. Several of these papers have been presented at conferences or have won national awards, and several are expected to be published in leading academic journals.

Public Use Databases

The Safety and Soundness Act requires FHFA to make available to the public loan-level data submitted by the Enterprises in the reports required under Section 309(m) of Fannie Mae's Charter Act and Section 307(e) of Freddie Mac's Charter Act, except for certain proprietary information and personally identifiable information. FHFA is required to make publicly available Enterprise data elements analogous to those required to be reported by mortgage originators under HMDA at the census tract level. The Safety and Soundness Act also requires FHFA to make public certain high-cost securitized loan data it collects to compare the characteristics of high-cost loans the Enterprises purchase and securitize. FHFA is required to release the data by September 30 of the year following the year the mortgages were acquired by the Enterprises. For 2018, FHFA released the required 2017 data to the public through its Public Use Database.

FHFA also maintains a similar Public Use Database with respect to the FHLBanks.

Monthly Interest Rate Survey (MIRS)

Each month FHFA conducts the Monthly Interest Rate Survey (MIRS) by asking a sample of mortgage lenders to report the terms and conditions on all single-family, fully-amortized, purchase-money, non-farm loans that they closed during the last five business days of the month. MIRS excludes FHA-insured and VA-guaranteed loans, multifamily loans, mobile home loans, and loans created by refinancing another mortgage. FHFA collects and consolidates this data and makes available to the public monthly information on interest rates, loan terms, and house prices by property type (all, new, previously occupied), and by loan type (fixed- or adjustable-rate), as well as information on 15-year and 30-year fixed-rate loans. In addition, quarterly information on conventional loans by major metropolitan area and by FHLBank district is also published. FHFA also publishes annual and monthly data from 1973 to 2018 on its website.

National Mortgage Database Program

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

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

The NMDB program enables FHFA to meet the statutory requirement of the Safety and Soundness Act to conduct a monthly mortgage market survey. Specifically, FHFA must, through a survey of the mortgage market, collect data on the characteristics of individual mortgages, including those eligible for purchase by Fannie Mae and Freddie Mac and those that are not, and including subprime and nontraditional mortgages. In addition, FHFA must collect information on the creditworthiness of borrowers.[36]

National Mortgage Database Technical Report 6.0 (4/18/2018) – This technical report presents the results from the NSMO survey and provides an overview of the mortgage market and borrowers' experiences in 2016.

[36] The statute also calls for the survey to include a determination of whether subprime and nontraditional borrowers "would qualify for prime lending," a concern at the time this requirement was enacted in 2008. Because of uncertainty around defining the concept of subprime (see Interagency Statement on Subprime Mortgage Lending, 72 FR 37569 (2007)), as well the paucity of data as the Enterprises and many lenders exited that market during and after the financial crisis, it has not been feasible to incorporate such determinations in the NMDB.

National Survey of Mortgage Originations Public Use File (11/8/2018) – The first NSMO public use file release based on the first 15 quarterly waves of the NSMO survey contains data for sample mortgages originated from 2013 through 2016.

National Statistics for New Residential Mortgage in the United States (12/12/2018) – The first set of national statistics derived from NMDB is a step toward implementing the monthly mortgage market survey public data disclosure required by the Safety and Soundness Act.

National Delinquency Rates in the United States (12/20/2018) – The first set of national statistics derived from NMDB provides quarterly delinquency rates in the United States since 2018.

NMDB Research Publications

NMDB Staff Working Paper 18-01: Mortgage Experience of Rural Borrowers – To date, research on rural mortgage markets in the United States has been limited by a lack of data on the specific mortgage experiences of borrowers living in rural areas. To fill this data gap, the National Survey of Mortgage Originations (NSMO) conducted a survey that oversampled people who took out mortgages in completely rural counties in 2014. This paper reports results from this survey, contrasting the characteristics, experiences, and loan terms of mortgage borrowers in completely rural counties to those of borrowers in metropolitan and other non-metropolitan areas.

The 2002 Kenaitze Point project, located in an East Anchorage neighborhood, provides 53 spacious independent living apartments for the elderly, offering six two-bedroom and 47 one-bedroom units.

NMDB Staff Working Paper 18-02: First-Time Homebuyer Counseling and the Mortgage Selection Experience – The existing literature on homebuyer education and counseling (HEC) consists almost exclusively of evaluations of specific programs, generally using mortgage loan performance as the metric of success. This paper contributes to the literature in two ways. First, it provides evidence on the benefits of HEC to mortgage borrowers in aspects other than mortgage performance. Second, the paper evaluates HEC in general, not just one specific program. It does so by drawing from a nationally representative sample of all first-time homebuyers in the United States who took out a mortgage in 2013 and 2014.

Research Publications

In 2018, FHFA published four staff working papers, one of which won "Best Paper in Real Estate Valuation" by the American Real Estate Society. The original research in these working papers represents contributions to the academic, practitioner, and policy communities in the areas of housing finance, regional, and urban economics. Working Papers prepared by FHFA staff are preliminary products circulated to stimulate discussion and critical comment. The analysis and conclusions are those of the authors alone, and should not be interpreted as conveying an official FHFA position, policy, analysis, opinion, or endorsement.

Working Paper 18-01: Are Appraisal Management Companies Value-Adding? – Stylized Facts from AMC and Non-AMC Appraisals – This paper studies whether there are any systematic quality differences between appraisals associated and unassociated with appraisal management companies (AMCs). The results indicate no clear evidence of any systematic quality differences between appraisals associated and unassociated with AMCs.

Working Paper 18-02: House Price Markups and Mortgage Defaults – The transaction price of identical housing units can vary widely due to heterogeneity in buyer and seller preferences, matching, and search costs, generating "markups" above or below the average market price. This paper shows markups are an important driver of mortgage delinquencies, defaults, prepayments, and credit losses conditional on default even after accounting for collateral coverage (loan-to-value ratio) and a comprehensive set of other covariates.

Working Paper 18-03: Appraisal Accuracy, Automated Valuation Models, And Credit Modeling in Rural Areas – For home purchases, lenders generally require an independent appraisal, which, in addition to a home's sales price, is used to calculate a value for the underlying collateral. This study finds that appraisal bias is particularly pervasive in rural areas where over 25 percent of rural properties are appraised at more than 5 percent above contract price.

Working Paper 18-04: A New Home Affordability Estimate – This study constructs a new home affordability estimate (HAE) that focuses on the share of housing stock that is affordable to certain households in the United States. The methodology considers affordability as it relates to funds available for down payments, initial monthly housing-related payments, and future projections of household income and costs. This paper discusses the assumptions and processes for creating the HAE indexes, compares the national time series for very low-income, low-income, and median-income families, and then documents trends across metropolitan areas.

FHFA Operations and Performance

- Performance and Program Assessment
- Financial Operations

Performance and Program Assessment

During fiscal year (FY) 2018,[37] FHFA operated under its *Strategic Plan: Fiscal Years 2018-2022* (Strategic Plan)[38] that was released January 29, 2018. The Strategic Plan set three strategic goals:

- Ensure safe and sound regulated entities;
- Ensure liquidity, stability and access in housing finance; and
- Manage the Enterprises' ongoing conservatorships.

FHFA's Strategic Plan reflects the Agency's priorities as regulator of the FHLBank System and as regulator and conservator of the Enterprises. The Strategic Plan also reflects the priorities outlined for the Enterprises in the 2014 Conservatorship Strategic Plan, which the Agency released in May 2014.

On November 15, 2018, FHFA published its annual *Performance and Accountability Report* (PAR), detailing the Agency's performance and achievements for FY 2018. The PAR reports on FHFA's performance on 25 performance measures established for FY 2018 to help evaluate FHFA's progress toward its strategic goals. FHFA met 22 (88 percent) and did not meet three (12 percent) of its 25 performance measures.

In May 2019, the Association of Government Accountants awarded FHFA the Certificate for Excellence in Accountability Reporting (CEAR) for the eleventh consecutive year. The CEAR award is presented to agencies that have demonstrated excellence in integrating performance and accountability reporting. Only agencies with unmodified opinions on their financial reports from an independent auditor are eligible for the award.

[37] FHFA's fiscal year 2018 extended from October 1, 2017 through September 30, 2018.

[38] ***FHFA Strategic Plan: Fiscal Years 2018-2022*** was released in January 2018.

Financial Operations

Financial Highlights

The Safety and Soundness Act authorizes FHFA to collect annual assessments from its regulated entities to pay its expenses and maintain a working capital fund. In FY 2018, FHFA had $334.2 million in total budgetary resources: $250.0[39] million in assessments; $35.7 million in unobligated balance from prior year budget authority; and $48.5 million in spending authority from offsetting collections. New obligations and upward adjustments (Total) decreased $2.0 million to $310.1 million in FY 2018. Net outlays increased $2.4 million to $256.9 million in FY 2018.

Federal Management System and Strategy

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

FHFA, including FHFA Office of Inspector General (OIG), uses the U.S. Department of the Treasury's Bureau of the Fiscal Service for its accounting services and financial management system (FMS). FHFA is responsible for overseeing the Bureau of the Fiscal Service's performance of accounting services for the Agency. Additionally, during FY 2018, FHFA used the National Finance Center (a service provider within the Department of Agriculture) and the Interior Business Center (a service provider within the Department of Interior) for its payroll and personnel

[39] FHFA assessments are made to fund the current budget of the Agency and the Office of Inspector General (OIG). For FY 2018, this amount is the sum of FHFA's budget of $199.8 million and FHFA OIG's budget of $49.9 million, $14.9 million from special assessment, $1.7 million from investment interest less unobligated funds of $16.3 million from the end of the prior year.

processing. The Agency has streamlined accounting processes by electronically interfacing data from charge cards, investment activities, the Concur travel system, the procurement system, the Invoice Processing Platform payments system, the Interior Business Center payroll system, and the National Finance Center payroll system to FMS.

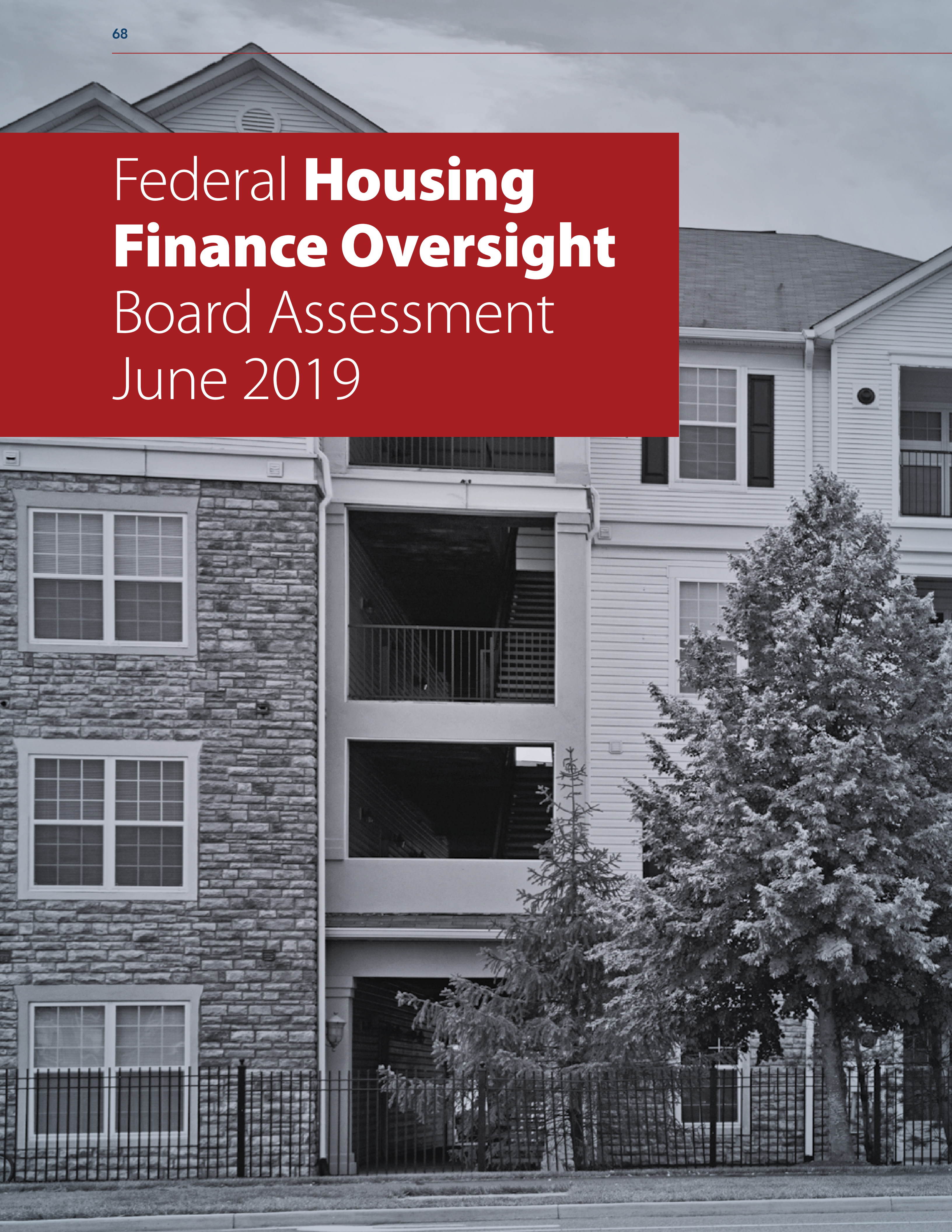
Unmodified Audit Opinions in FY 2018

For every year since its creation in 2008, FHFA received an unmodified audit opinion on its financial statements from the U.S. Government Accountability Office (GAO). GAO found:

- The FHFA financial statements as of and for the fiscal years ending September 30, 2018 and 2017 were presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- FHFA maintained, in all material respects, effective internal control over financial reporting as of September 30, 2018; and
- No reportable noncompliance for fiscal year 2018 with provisions of applicable laws, regulations, contracts, and grant agreements they tested.

The FHFA OIG operates its own network, systems, and related information security programs which are separate from those of the Agency. The FHFA OIG contracted with an independent audit firm to conduct the FY 2018 Federal Information Security Modernization Act of 2014 (FISMA) audit of the FHFA information security program. The audit concluded that FHFA's Information Security Program was compliant with FISMA legislation and applicable Office of Management and Budget guidance, and that sampled security controls from National Institute of Standards and Technology SP 800-53 demonstrated operating effectiveness. The auditor also concluded that there were no significant deficiencies for the FHFA and FHFA OIG information security programs.

Federal **Housing Finance Oversight** Board Assessment June 2019



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

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

FHFA's Annual Report provides a detailed review of these matters related to Fannie Mae and Freddie Mac (the Enterprises) and the Federal Home Loan Bank (FHLBank) System as a basis for this assessment. The assessment of the Federal Housing Finance Oversight Board follows:

Enterprises

The Enterprises continue to operate in conservatorships, as they have since 2008. The U.S. Department of the Treasury (Treasury Department) continues to provide the Enterprises with financial support through the Senior Preferred Stock Purchase Agreements (PSPAs). Through year-end 2018, the Enterprises' cumulative draws under the PSPAs totaled $191.4 billion, and the Enterprises paid $292.3 billion in cumulative cash dividends to the Treasury Department. Under the terms of the PSPAs, the payment of dividends does not offset or pay down prior draws from the Treasury Department by the Enterprises.

Pursuant to the third amendment to the PSPAs on August 17, 2012, the fixed 10 percent dividend on senior preferred stock was replaced, effective January 1, 2013, with a sweep of net worth that exceeded a "Capital Reserve Amount," which was established at $3 billion in 2013 with mandated declines of $600 million each subsequent year. Accordingly, the capital reserve for 2017 was $600 million and would have declined to zero on January 1, 2018. However, in December 2017, FHFA entered into a letter agreement with the Treasury Department on behalf of each Enterprise to reinstate a $3 billion Capital Reserve Amount under the PSPA for each Enterprise, beginning in the fourth quarter of 2017. Under the terms of the letter agreement, each Enterprise will only declare and make dividend payment amounts beyond the $3 billion Capital Reserve Amount.

In the first quarter of 2018, FHFA submitted a request to the Treasury Department on behalf of Fannie Mae for $3.7 billion and on behalf of Freddie Mac for $0.3 billion to eliminate their net worth deficits. Each Enterprise reported a net worth deficit at the end of 2017 due to the recognition of a one-time federal income tax provision expense to re-measure its deferred tax asset as a result of the Tax Act, which was enacted into law on December 22, 2017. As both Enterprises entered 2018, they had insufficient capital reserves to absorb losses due to the deficit at the end of 2017. However, during 2018, the Enterprises generated sufficient income to allow each Enterprise to re-establish the $3 billion Capital Reserve Amount.

In 2018, the Enterprises generated net income of $25.2 billion, up from $8.1 billion in 2017. Each Enterprise continues to have a significant but declining exposure to credit losses from mortgages originated in the several years prior to conservatorship. Revenue from guarantee fees has made up an increasing portion of each Enterprise's net interest income in recent years as net interest income from their retained mortgage portfolios continues to decline. Both Enterprises are subject to quarterly volatility in their financial results primarily as a result of accounting-driven gains and losses on the derivatives they use to manage their interest-rate risk. To minimize the impact of interest rate fluctuation and mitigate the accounting volatility in its financial results, Freddie Mac implemented fair value hedge accounting in 2017. Fannie Mae does not currently utilize hedge accounting.

Initiatives undertaken during the conservatorships of the Enterprises, combined with the Treasury Department's commitment of financial support under the PSPAs, have stabilized the Enterprises. Certain higher-risk mortgage products, such as no-income documentation or interest-only mortgages, have been eliminated from the Enterprises' new guarantees. The Enterprises have significantly reduced their retained portfolios since entering conservatorship as required by the PSPAs and have exceeded their PSPA reduction requirements. Through year-end 2018, their combined retained portfolios had been reduced by approximately 76 percent compared to March 2009 levels.

The Enterprises have also developed credit risk transfer programs that transfer a meaningful amount of credit risk to private investors on 90 percent of the unpaid principal balance (UPB) of new acquisitions in targeted loan categories. From 2013 through 2018, the Enterprises have transferred a portion of credit risk on mortgages with a UPB of $2.8 trillion, representing a risk in force of about $91.5 billion. For 2018, the Enterprises transferred a portion of credit risk on $643 billion of UPB, with about $22.2 billion of risk in force.

The Enterprises have also worked to develop a Common Securitization Platform (CSP) and single mortgage-backed security. In November 2016, the Enterprises and Common Securitization Solutions (CSS) completed Release 1 of this initiative, with Freddie Mac beginning to issue new single-family fixed-rate securities and administer existing single-family fixed-rate securities on the CSP. In March 2018, FHFA announced that Release 2 would be implemented on June 3, 2019, at which point the Enterprises would begin issuing a single security to be called the Uniform Mortgage Backed Security (UMBS). During 2018, the Enterprises and CSS completed several testing phases for Release 2 of the CSP. In September 2018, Freddie Mac and CSS migrated Freddie Mac's production processing for single-class MBS from Release 1 to the relevant Release 2 code, confirming that the relevant Release 2 modules are production ready for single-class securities. Throughout 2018, the Enterprises have undertaken, in consultation with industry stakeholders, significant industry outreach to help prepare market participants for the launch of the UMBS.

The Enterprises continue to manage their credit, counterparty, market (or interest rate), and operational risks. Credit risk management remains a priority for both Enterprises given remaining distressed legacy assets. Counterparty risk exposures require careful monitoring, as changes in the mortgage industry have affected the structure of the Enterprises' counterparties and added new types of seller/servicers. For example, there have been significant transfers of mortgage servicing for Enterprise portfolios from banking organizations to non-depository institutions, which are typically less capitalized than depository institutions that are subject to federal bank capital requirements. FHFA has published supervisory guidance for the Enterprises to implement contingency planning for high risk and high volume counterparties. Market risk, particularly sensitivity to changes in interest rates and mortgage spreads, has declined as the retained mortgage portfolios of both Enterprises continue to decrease, but still needs to be carefully monitored for changes in the interest rate environment and potential market volatility. Operational risks associated with information security and cyber risks are significant for the Enterprises, as they are for all financial institutions.

Consistent with their statutory missions, the Enterprises have continued to provide liquidity, stability, and affordability in the secondary mortgage market during their conservatorships. In 2018, the Enterprises purchased single-family mortgages with a combined UPB of $754.3 billion, compared to $845.4 billion UPB in 2017. The Enterprises purchased a combined volume of multifamily mortgages with a UPB of $142.9 billion in 2018, compared to $139.3 billion in 2017, while increasing their focus on affordable multifamily mortgages.

On May 24, 2018, Congress enacted the Economic Growth, Regulatory Relief, and Consumer Protection Act, Section 310 of which requires FHFA to promulgate a rule to establish minimum standards for the Enterprise validation and approval of credit scores. On December 13, 2018, FHFA issued a proposed rule establishing a process for the Enterprises to assess and approve credit score models. Comments on the proposed rule were due March 21, 2019 and are under review by FHFA.

On July 17, 2018, FHFA published a proposed rule on Enterprise Capital Requirements that would establish a new regulatory capital framework for the Enterprises. The proposed rule included a new framework for risk-based capital requirements and two alternatives for an updated minimum leverage capital requirement. Comments on the proposed rule were due November 16, 2018 and are under review by FHFA.

The Enterprises also continue to have annual housing goal requirements as established by FHFA. In 2018, FHFA determined that Fannie Mae met each single-family and multifamily goal requirement for 2017. Freddie Mac met each of its multifamily goal requirements for 2017, but FHFA determined Freddie Mac did not meet the requirements for the low-income and very low-income home purchase goals. While FHFA determined that Freddie Mac failed to achieve its single-family low-income and very low-income home purchase goals for 2017, FHFA did not require Freddie Mac to extend its formal housing plan beyond 2018 because the Enterprise has taken steps to improve its performance under the existing housing plan for 2016-2018.

In support of the Enterprises' statutory duty to serve three underserved markets – manufactured housing, affordable housing preservation, and rural housing – the Enterprises issued draft Duty to Serve plans for public input and FHFA review on May 8, 2017. After FHFA engaged in an iterative feedback process with the Enterprises to help ensure that their Plans incorporated public input and were adequate to serve each underserved market, on December 18, 2017, FHFA issued a Non-Objection for both Enterprises' plans, which became effective on January 1, 2018. Under the Duty to Serve regulation and FHFA's evaluation guidance, an Enterprise may propose to modify its plan at any point if future events affect its ability to achieve the plan's original objective. Both Enterprises submitted modified plans in 2018. After FHFA review and receipt of public comments on substantial changes to the plans, FHFA published modified plans for both Enterprises on December 19, 2018. In March 2019, the Enterprises submitted annual reports detailing their actions and progress under their Duty to Serve plans. FHFA will evaluate each Enterprise's performance under its respective Duty to Serve plan and issue a final rating later this year. The Enterprises also made statutorily required contributions to the National Housing Trust Fund and the Capital Magnet Fund in 2018 to support affordable housing initiatives.

FHLBanks

As of December 31, 2018, all 11 FHLBanks exceeded the minimum 4.0 percent regulatory capital ratio. The regulatory capital-to-assets ratio for the FHLBank System was 5.4 percent at the end of 2018, moderately higher than at the end of 2017 as leverage decreased. All FHLBanks were profitable for the year. The FHLBanks' primary business of extending advances to members operated effectively and without credit losses.

The FHLBanks' advances declined marginally during 2018 from $731.5 billion to $728.8 billion. Despite a general increase for several years prior to 2018, advances remain below their 2008 peak and are expected to decline in 2019 due to several factors, including monetary policy. The ten largest company borrowers accounted for 34.7 percent of aggregate advances outstanding at year-end 2018, down from 37.2 percent the previous year. Generally, FHLBanks with high levels of advances outstanding have one or more very large borrowers in their districts.

Overall, the FHLBanks continued to meet their primary mission of providing liquidity to their members through the purchase of whole mortgage loans, off-balance sheet programs, and support of the Affordable Housing Program. System balances of whole mortgage loans totaled $62.5 billion at year-end 2018, up from $53.8 billion at year-end 2017. Off-balance sheet programs include letters of credit and mortgage delivery programs. Letters of credit had a total notional value of $165.8 billion at year-end 2018 and allow members diverse collateral options when securing public unit deposits. Mortgage delivery programs to third-party investors had a combined volume of $2.7 billion in 2018 and provide members with alternative conduits to move mortgages off of their balance sheets, to allow additional mortgage originations. In 2018, the FHLBanks contributed $404 million toward the Affordable Housing Program, which provides funds to support local affordable housing initiatives.

Conclusion

As reflected in the Annual Report, FHFA engaged in significant efforts to oversee the Enterprises and FHLBanks during 2018. While challenges remain for the regulated entities, including the ongoing conservatorships of Fannie Mae and Freddie Mac, FHFA continues to meet its statutory obligations.

Mark A. Calabria
Chairman
Federal Housing Finance Oversight Board

Steven T. Mnuchin
Secretary
U.S. Department of the Treasury

Benjamin S. Carson, Sr.
Secretary
U.S. Department of Housing and Urban Development

Jay Clayton
Chairman
Securities and Exchange Commission

Appendix: Historical Data Tables

Contents

TABLE 1 • FANNIE MAE MORTGAGE PURCHASES

Period	Business Activity ($ in Millions)			
	Purchases			
	Single-Family[a] ($)	Multifamily[a] ($)	Total Mortgages[a] ($)	Mortgage-Related Securities[b] ($)
4Q18	101,819	21,066	122,885	18,964
3Q18	122,876	17,575	140,451	19,626
2Q18	111,057	14,428	125,485	19,648
1Q18	116,274	12,010	128,284	22,744
Annual Data				
2018	452,026	65,079	517,105	80,982
2017	504,119	65,438	569,557	85,535
2016	583,744	55,024	638,768	72,175
2015	475,031	42,032	517,063	49,554
2014	382,747	28,620	411,367	24,885
2013	733,242	28,558	761,800	36,848
2012	835,994	33,394	869,388	26,874
2011	558,249	24,226	582,475	20,760
2010	607,827	17,302	625,129	44,495
2009	700,253	19,912	720,165	161,562
2008	582,947	34,288	617,235	77,523
2007	659,366	45,302	704,668	69,236
2006	524,379	20,646	545,025	102,666
2005	537,004	21,485	558,489	62,232
2004	588,119	16,386	604,505	176,385
2003	1,322,193	31,196	1,353,389	408,606
2002	804,192	16,772	820,964	268,574
2001	567,673	19,131	586,804	209,124
2000	227,069	10,377	237,446	129,716
1999	316,136	10,012	326,148	169,905
1998	354,920	11,428	366,348	147,260
1997	159,921	6,534	166,455	50,317
1996	164,456	6,451	170,907	46,743
1995	126,003	4,966	130,969	36,258
1994	158,229	3,839	162,068	25,905
1993	289,826	4,135	293,961	6,606
1992	248,603	2,956	251,559	5,428
1991	133,551	3,204	136,755	3,080
1990	111,007	3,180	114,187	1,451
1989	80,510	4,325	84,835	Not Applicable Before 1990
1988	64,613	4,170	68,783	
1987	73,942	1,733	75,675	
1986	77,223	1,877	79,100	
1985	42,543	1,200	43,743	
1984	27,713	1,106	28,819	
1983	26,339	140	26,479	
1982	25,929	10	25,939	
1981	6,827	2	6,829	
1980	8,074	27	8,101	
1979	10,798	9	10,807	
1978	12,302	3	12,305	
1977	4,650	134	4,784	
1976	3,337	295	3,632	
1975	3,646	674	4,320	
1974	4,746	2,273	7,019	
1973	4,170	2,082	6,252	
1972	2,596	1,268	3,864	
1971	2,742	1,298	4,040	

Source: Fannie Mae

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

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

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

Period	Purchases ($ in Millions)[a]											
	Single-Family Mortgages								Multifamily Mortgages			
	Conventional				FHA/VA/RD[c]							
	Fixed-Rate[b] ($)	Adjustable-Rate ($)	Seconds ($)	Total ($)	Fixed-Rate[c] ($)	Adjustable-Rate ($)	Total ($)	Total Single-Family Mortgages ($)	Conventional ($)	FHA/RD[c] ($)	Total Multifamily Mortgages ($)	Total Mortgage Purchases ($)
4Q18	99,811	1,636	0	101,447	24	348	372	101,819	21,066	0	21,066	122,885
3Q18	120,443	2,041	0	122,484	40	352	392	122,876	17,575	0	17,575	140,451
2Q18	108,535	2,140	0	110,675	31	351	382	111,057	14,428	0	14,428	125,485
1Q18	113,989	1,919	0	115,908	19	347	366	116,274	12,010	0	12,010	128,284
Annual Data												
2018	442,778	7,736	0	450,514	114	1,398	1,512	452,026	65,079	0	65,079	517,105
2017	489,487	13,160	1	502,648	111	1,360	1,471	504,119	65,438	0	65,438	569,557
2016	573,415	8,834	3	582,252	98	1,394	1,492	583,744	55,024	0	55,024	638,768
2015	459,201	14,245	4	473,450	73	1,508	1,581	475,031	42,032	0	42,032	517,063
2014	363,716	17,324	8	381,048	11	1,688	1,699	382,747	28,620	0	28,620	411,367
2013	713,326	17,785	13	731,124	210	1,908	2,118	733,242	28,558	0	28,558	761,800
2012	806,065	27,142	19	833,226	613	2,155	2,768	835,994	33,394	0	33,394	869,388
2011	517,469	36,837	27	554,333	524	3,392	3,916	558,249	24,226	0	24,226	582,475
2010	565,531	38,023	68	603,622	516	3,689	4,205	607,827	17,299	3	17,302	625,129
2009	663,763	23,108	0	686,871	1,136	12,246	13,382	700,253	19,517	395	19,912	720,165
2008	517,673	46,910	6	564,589	1,174	17,184	18,358	582,947	34,288	0	34,288	617,235
2007	583,253	64,133	34	647,420	1,237	10,709	11,946	659,366	45,302	0	45,302	704,668
2006	429,930	85,313	130	515,373	1,576	7,430	9,006	524,379	20,644	2	20,646	545,025
2005	416,720	111,935	116	528,771	2,285	5,948	8,233	537,004	21,343	142	21,485	558,489
2004	527,456	46,772	51	574,279	9,967	3,873	13,840	588,119	13,684	2,702	16,386	604,505
2003	1,236,045	64,980	93	1,301,118	18,032	3,043	21,075	1,322,193	28,071	3,125	31,196	1,353,389
2002	738,177	48,617	40	786,834	15,810	1,548	17,358	804,192	15,089	1,683	16,772	820,964
2001	534,115	25,648	1,137	560,900	5,671	1,102	6,773	567,673	17,849	1,282	19,131	586,804
2000	187,236	33,809	726	221,771	4,378	920	5,298	227,069	9,127	1,250	10,377	237,446
1999	293,188	12,138	1,198	306,524	8,529	1,084	9,613	316,137	8,858	1,153	10,011	326,148
1998	334,367	14,273	1	348,641	5,768	511	6,279	354,920	10,844	584	11,428	366,348
1997	136,329	21,095	3	157,427	2,062	432	2,494	159,921	5,936	598	6,534	166,455
1996	146,154	15,550	3	161,707	2,415	334	2,749	164,456	6,199	252	6,451	170,907
1995	104,901	17,978	9	122,888	3,009	106	3,115	126,003	4,677	289	4,966	130,969
1994	139,815	16,340	8	156,163	1,953	113	2,066	158,229	3,620	219	3,839	162,068
1993	274,402	14,420	29	288,851	855	120	975	289,826	3,919	216	4,135	293,961
1992	226,332	21,001	136	247,469	1,055	79	1,134	248,603	2,845	111	2,956	251,559
1991	114,321	17,187	705	132,213	1,300	38	1,338	133,551	3,183	21	3,204	136,755
1990	95,011	14,528	654	110,193	799	15	814	111,007	3,165	15	3,180	114,187
1989	60,794	17,692	521	79,007	1,489	14	1,503	80,510	4,309	16	4,325	84,835
1988	35,767	27,492	433	63,692	823	98	921	64,613	4,149	21	4,170	68,783
1987	60,434	10,675	139	71,248	2,649	45	2,694	73,942	1,463	270	1,733	75,675
1986	58,251	7,305	498	66,054	11,155	14	11,169	77,223	1,877	0	1,877	79,100
1985	29,993	10,736	871	41,600	927	16	943	42,543	1,200	0	1,200	43,743
1984	17,998	8,049	937	26,984	729	0	729	27,713	1,106	0	1,106	28,819
1983	18,136	4,853	1,408	24,397	1,942	0	1,942	26,339	128	12	140	26,479
1982	19,311	3,210	1,552	24,073	1,856	0	1,856	25,929	0	10	10	25,939
1981	4,260	107	176	4,543	2,284	0	2,284	6,827	0	2	2	6,829
1980	2,802	0	0	2,802	5,272	0	5,272	8,074	0	27	27	8,101
1979	5,410	0	0	5,410	5,388	0	5,388	10,798	0	9	9	10,807
1978	5,682	0	0	5,682	6,620	0	6,620	12,302	0	3	3	12,305
1977	2,366	0	0	2,366	2,284	0	2,284	4,650	0	134	134	4,784
1976	2,513	0	0	2,513	824	0	824	3,337	0	295	295	3,632
1975	547	0	0	547	3,099	0	3,099	3,646	0	674	674	4,320
1974	1,128	0	0	1,128	3,618	0	3,618	4,746	0	2,273	2,273	7,019
1973	939	0	0	939	3,231	0	3,231	4,170	0	2,082	2,082	6,252
1972	55	0	0	55	2,541	0	2,541	2,596	0	1,268	1,268	3,864
1971	0	0	0	0	2,742	0	2,742	2,742	0	1,298	1,298	4,040

Source: Fannie Mae

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

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

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

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

Period	Purchases ($ in Millions)[a]														
	Fannie Mae Securities				Other Securities										
					Freddie Mac				Ginnie Mae						
	Single-Family				Single-Family				Single-Family						
	Fixed-Rate[b] ($)	Adjustable-Rate ($)	Multi-family ($)	Total Fannie Mae[b] ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Freddie Mac ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Ginnie Mae ($)	Total Private-Label[b] ($)	Mortgage Revenue Bonds ($)	Total Mortgage-Related Securities ($)
4Q18	10,471	141	2,871	13,483	28	-	-	28	5,186	267	-	5,453	-	-	18,964
3Q18	11,140	167	4,482	15,789	29	1	-	30	3,779	28	-	3,807	-	-	19,626
2Q18	10,911	340	3,168	14,419	14	0	-	14	4,249	966	-	5,215	-	-	19,648
1Q18	16,100	133	2,459	18,692	34	11	-	45	3,332	675	-	4,007	-	-	22,744
Annual Data															
2018	48,622	781	12,980	62,383	105	12	-	117	16,546	1,936	-	18,482	-	-	80,982
2017	52,765	1,382	16,337	70,484	1,341	-	-	1,341	13,150	560	-	13,710	-	-	85,535
2016	38,597	1,062	16,119	55,778	3,416	20	-	3,436	12,593	368	-	12,961	-	-	72,175
2015	26,384	1,214	10,710	38,308	3,417	21	0	3,438	7,519	289	0	7,808	0	0	49,554
2014	9,097	1,538	9,939	20,574	1,433	124	0	1,557	2,557	197	0	2,754	0	0	24,885
2013	21,506	1,017	7,422	29,945	3,832	217	0	4,049	2,792	62	0	2,854	0	0	36,848
2012	14,327	842	8,786	23,955	1,102	16	0	1,118	1,745	56	0	1,801	0	0	26,874
2011	6,052	1,025	11,020	18,097	1,908	207	0	2,115	447	93	8	548	0	0	20,760
2010	27,694	301	8,000	35,995	7,095	117	0	7,212	1,263	1	24	1,288	0	0	44,495
2009	92,189	326	5,531	98,046	61,861	158	0	62,019	1,495	0	0	1,495	0	2	161,562
2008	56,894	10,082	1,023	67,999	3,649	3,168	0	6,817	0	128	0	128	2,295	284	77,523
2007	16,126	8,277	506	24,909	2,017	4,055	0	6,072	0	35	0	35	37,435	785	69,236
2006	23,177	14,826	429	38,432	1,044	5,108	0	6,152	77	0	0	77	57,787	218	102,666
2005	8,273	6,344	888	15,505	121	3,449	0	3,570	0	0	0	0	41,369	1,788	62,232
2004	42,214	21,281	1,159	64,654	6,546	8,228	0	14,774	0	0	0	0	90,833	6,124	176,385
2003	341,461	5,842	1,225	348,528	19,340	502	0	19,842	36	0	0	36	34,032	6,168	408,606
2002	238,711	4,219	1,572	244,502	7,856	101	0	7,957	4,425	0	0	4,425	7,416	4,273	268,574
2001	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	180,582	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	20,072	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	333	3,513	4,624	209,124
2000				104,904				10,171				2,493	8,466	3,682	129,716
1999				125,498				6,861				17,561	16,511	3,474	169,905
1998				104,728				21,274				2,738	15,721	2,799	147,260
1997				39,033				2,119				3,508	4,188	1,469	50,317
1996				41,263				779				2,197	777	1,727	46,743
1995				30,432				2,832				20	752	2,222	36,258
1994				21,660				571				2,321	0	1,353	25,905
1993				6,275				0				0	0	331	6,606
1992				4,930				0				0	0	498	5,428
1991				2,384				0				0	0	696	3,080
1990				977				0				0	0	474	1,451

Source: Fannie Mae

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

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

TABLE 1B • FANNIE MAE PURCHASES OF MORTGAGE-RELATED SECURITIES – PART 2, PRIVATE-LABEL DETAIL

Period	Purchases ($ in Millions)[a]								
	Private-Label								
	Single-Family								
		Subprime		Alt-A		Other			
	Manufactured Housing ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multifamily ($)	Total Private-Label ($)
4Q18	0	0	0	0	0	0	0	0	0
3Q18	0	0	0	0	0	0	0	0	0
2Q18	0	0	0	0	0	0	0	0	0
1Q18	0	0	0	0	0	0	0	0	0
Annual Data									
2018	0	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0
2009	0	0	0	0	0	0	0	0	0
2008	0	0	637	175	0	0	987	496	2,295
2007	0	343	15,628	38	5,250	0	178	15,998	37,435
2006	0	0	35,606	1,504	10,469	0	518	9,690	57,787
2005	0	0	24,469	3,574	12,535	118	571	102	41,369
2004	0	176	66,827	7,064	14,935	221	1,509	101	90,833
2003	0	0	25,769	7,734	370	98	0	61	34,032
2002	56	181	4,963	1,756	0	43	381	36	7,416
2001	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	3,513
2000									8,466
1999									16,511
1998									15,721
1997									4,188
1996									777
1995									752

Source: Fannie Mae

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

TABLE 2 • FANNIE MAE MBS ISSUANCES

Period	Business Activity ($ in Millions)			
	MBS Issuances[a]			
	Single-Family MBS ($)	Multifamily MBS ($)	Total MBS ($)	Multiclass MBS[b] ($)
4Q18	108,607	21,071	129,678	7,423
3Q18	129,933	17,516	147,449	12,513
2Q18	111,253	14,678	125,931	20,291
1Q18	120,685	11,062	131,747	17,713
Annual Data				
2018	470,478	64,327	534,805	57,940
2017	514,000	66,363	580,363	68,883
2016	582,817	55,020	637,837	73,269
2015	472,471	43,923	516,394	63,433
2014	375,676	31,997	407,673	59,608
2013	733,111	31,403	764,514	121,237
2012	827,749	37,738	865,487	151,239
2011	564,606	34,066	598,672	139,819
2010	603,247	26,499	629,746	179,767
2009	791,418	16,435	807,853	100,846
2008	536,951	5,862	542,813	67,559
2007	622,458	7,149	629,607	112,563
2006	476,161	5,543	481,704	124,856
2005	500,759	9,379	510,138	123,813
2004	545,635	6,847	552,482	94,686
2003	1,196,730	23,336	1,220,066	260,919
2002	731,133	12,497	743,630	170,795
2001	514,621	13,801	528,422	139,403
2000	204,066	7,596	211,662	39,544
1999	292,192	8,497	300,689	55,160
1998	315,120	11,028	326,148	84,147
1997	143,615	5,814	149,429	85,415
1996	144,201	5,668	149,869	30,780
1995	106,269	4,187	110,456	9,681
1994	128,385	2,237	130,622	73,365
1993	220,485	959	221,444	210,630
1992	193,187	850	194,037	170,205
1991	111,488	1,415	112,903	112,808
1990	96,006	689	96,695	68,291
1989	66,489	3,275	69,764	41,715
1988	51,120	3,758	54,878	17,005
1987	62,067	1,162	63,229	9,917
1986	60,017	549	60,566	2,400
1985	23,142	507	23,649	Not Issued Before 1986
1984	13,087	459	13,546	
1983	13,214	126	13,340	
1982	13,970	Not Issued Before 1983	13,970	
1981	717		717	

Source: Fannie Mae

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

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

TABLE 3 • FANNIE MAE EARNINGS

Period	Earnings ($ in Millions)					
	Net Interest Income[a,b] ($)	Guarantee Fee Income[a] ($)	Administrative Expenses ($)	Credit-Related Expense/ (Income)[c] ($)	Net Income (Loss) ($)	Return on Equity[d] (%)
4Q18	4,973	19	814	923	3,230	N/A
3Q18	5,369	19	740	557	4,011	N/A
2Q18	5,377	18	755	1,157	4,457	N/A
1Q18	5,232	115	750	55	4,261	N/A
Annual Data						
2018	20,951	171	3,059	2,692	15,959	N/M
2017	20,733	96	2,737	-1,520	2,463	N/A
2016	21,295	109	2,741	-1,511	12,313	N/A
2015	21,409	128	3,050	834	10,954	N/A
2014	19,968	175	2,777	-3,822	14,208	N/A
2013	22,404	205	2,545	-11,788	83,963	N/A
2012	21,501	212	2,367	-1,106	17,224	N/A
2011	19,281	227	2,370	27,498	-16,855	N/M
2010	16,409	202	2,597	26,614	-14,014	N/M
2009	14,510	7,211	2,207	73,536	-71,969	N/M
2008	8,782	7,621	1,979	29,809	-58,707	N/M
2007	4,581	5,071	2,669	5,012	-2,050	(8.3)
2006	6,752	4,250	3,076	783	4,059	11.3
2005	11,505	4,006	2,115	428	6,347	19.5
2004	18,081	3,784	1,656	363	4,967	16.6
2003	19,477	3,432	1,454	353	8,081	27.6
2002	18,426	2,516	1,156	273	3,914	15.2
2001	8,090	1,482	1,017	78	5,894	39.8
2000	5,674	1,351	905	94	4,448	25.6
1999	4,894	1,282	800	127	3,912	25.2
1998	4,110	1,229	708	261	3,418	25.2
1997	3,949	1,274	636	375	3,056	24.6
1996	3,592	1,196	560	409	2,725	24.1
1995	3,047	1,086	546	335	2,144	20.9
1994	2,823	1,083	525	378	2,132	24.3
1993	2,533	961	443	305	1,873	25.3
1992	2,058	834	381	320	1,623	26.5
1991	1,778	675	319	370	1,363	27.7
1990	1,593	536	286	310	1,173	33.7
1989	1,191	408	254	310	807	31.1
1988	837	328	218	365	507	25.2
1987	890	263	197	360	376	23.5
1986	384	175	175	306	105	9.5
1985	139	112	142	206	(7)	(0.7)
1984	(90)	78	112	86	(71)	(7.4)
1983	(9)	54	81	48	49	5.1
1982	(464)	16	60	36	(192)	(18.9)
1981	(429)	0	49	(28)	(206)	(17.2)
1980	21	Not Available Before 1981	44	19	14	0.9
1979	322		46	35	162	11.3
1978	294		39	36	209	16.5
1977	251		32	28	165	15.3
1976	203		30	25	127	13.8
1975	174		27	16	115	14.1
1974	142		23	17	107	14.7
1973	180		18	12	126	20.3
1972	138		13	5	96	18.8
1971	49		15	4	61	14.4

Source: Fannie Mae

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

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

[b] Interest income net of interest expense.

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

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

TABLE 4 • FANNIE MAE BALANCE SHEET

End of Period	Balance Sheet ($ in Millions)								
	Total Assets[a,b] ($)	Total Mortgage Assets[a,c] ($)	Nonmortgage Investments[d] ($)	Total Debt Outstanding[a] ($)	Shareholders' Equity (Deficit)[a] ($)	Senior Preferred Stock ($)	Fair Value of Net Assets[a] ($)	Mortgage Assets Held for Investment (Gross)[e] ($)	Indebtedness[f] ($)
4Q18	3,418,318	3,273,303	68,529	3,391,920	6,240	120,836	22,640	179,153	232,471
3Q18	3,401,105	3,258,813	64,020	3,374,370	6,975	120,836	24,053	199,114	247,076
2Q18	3,363,364	3,235,780	52,060	3,337,489	7,459	120,836	29,530	225,805	251,191
1Q18	3,364,402	3,227,248	72,958	3,340,472	3,938	120,836	22,998	228,287	266,035
Annual Data									
2018	3,418,318	3,273,303	68,529	3,391,920	6,240	120,836	22,640	179,153	232,471
2017	3,345,529	3,207,909	48,692	3,330,054	(3,686)	117,149	16,389	230,783	277,469
2016	3,287,968	3,119,826	62,732	3,262,316	6,071	117,149	103	272,354	328,824
2015	3,221,917	3,078,248	56,835	3,197,671	4,059	117,149	(4,177)	345,103	389,496
2014	3,248,176	3,097,727	50,416	3,222,155	3,720	117,149	-16,754	413,313	464,464
2013	3,270,108	3,122,719	55,281	3,234,523	9,591	117,149	-33,318	490,701	534,211
2012	3,222,422	3,094,127	50,450	3,189,517	7,224	117,149	-66,451	633,054	621,779
2011	3,211,484	3,072,709	95,848	3,189,872	-4,571	112,578	-127,795	708,414	742,293
2010	3,221,972	3,103,772	44,503	3,197,000	-2,517	88,600	-120,212	788,771	793,878
2009	869,141	745,271	57,782	774,554	-15,281	60,900	-98,701	769,252	785,775
2008	912,404	767,989	71,550	870,393	-15,314	1,000	-105,150	Not Applicable Before 2009	Not Applicable Before 2009
2007	882,547	723,620	86,875	796,299	44,011	Not Applicable Before 2008	35,799		
2006	843,936	726,434	56,983	767,046	41,506		43,699		
2005	834,168	736,803	46,016	764,010	39,302		42,199		
2004	1,020,934	925,194	47,839	953,111	38,902		40,094		
2003	1,022,275	919,589	59,518	961,280	32,268		28,393		
2002	904,739	820,627	39,376	841,293	31,899		22,130		
2001	799,948	706,347	65,982	763,467	18,118		22,675		
2000	675,224	607,731	52,347	642,682	20,838		20,677		
1999	575,308	523,103	37,299	547,619	17,629		20,525		
1998	485,146	415,434	58,515	460,291	15,453		14,885		
1997	391,673	316,592	64,596	369,774	13,793		15,982		
1996	351,041	286,528	56,606	331,270	12,773		14,556		
1995	316,550	252,868	57,273	299,174	10,959		11,037		
1994	272,508	220,815	46,335	257,230	9,541		10,924		
1993	216,979	190,169	21,396	201,112	8,052		9,126		
1992	180,978	156,260	19,574	166,300	6,774		9,096		
1991	147,072	126,679	9,836	133,937	5,547		Not Available Before 1992		
1990	133,113	114,066	9,868	123,403	3,941				
1989	124,315	107,981	8,338	116,064	2,991				
1988	112,258	100,099	5,289	105,459	2,260				
1987	103,459	93,665	3,468	97,057	1,811				
1986	99,621	94,123	1,775	93,563	1,182				
1985	99,076	94,609	1,466	93,985	1,009				
1984	87,798	84,135	1,840	83,719	918				
1983	78,383	75,247	1,689	74,594	1,000				
1982	72,981	69,356	2,430	69,614	953				
1981	61,578	59,629	1,047	58,551	1,080				
1980	57,879	55,589	1,556	54,880	1,457				
1979	51,300	49,777	843	48,424	1,501				
1978	43,506	42,103	834	40,985	1,362				
1977	33,980	33,252	318	31,890	1,173				
1976	32,393	31,775	245	30,565	983				
1975	31,596	30,820	239	29,963	861				
1974	29,671	28,666	466	28,168	772				
1973	24,318	23,589	227	23,003	680				
1972	20,346	19,652	268	19,239	559				
1971	18,591	17,886	349	17,672	460				

Source: Fannie Mae

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

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

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

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

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

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

TABLE 4A • FANNIE MAE TOTAL MBS OUTSTANDING DETAIL

End of Period	Single-Family Mortgages ($ in Millions)[a,b]							Multifamily Mortgages ($ in Millions)[a]			($ in Millions)	
	Conventional				FHA/VA[c]							
	Fixed-Rate ($)	Adjustable-Rate ($)	Seconds ($)	Total ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Total ($)	Conventional ($)	FHA/RD[b] ($)	Total Multi-family ($)	Total MBS Outstanding[a] ($)	Multiclass MBS Outstanding[d] ($)
4Q18	2,722,503	68,267	111	2,790,881	3,355	1,966	5,321	285,996	1,028	287,024	3,083,226	401,777
3Q18	2,696,668	71,365	118	2,768,151	3,449	2,050	5,499	275,245	1,036	276,281	3,049,931	409,339
2Q18	2,658,594	74,969	127	2,733,690	3,554	2,112	5,666	267,713	1,040	268,753	3,008,109	414,396
1Q18	2,648,640	78,321	137	2,727,098	3,679	2,198	5,877	260,695	1,052	261,747	2,994,722	411,019
Annual Data												
2018	2,722,503	68,267	111	2,790,881	3,355	1,966	5,321	285,996	1,028	287,024	3,083,226	401,777
2017	2,628,581	81,011	147	2,709,739	3,801	2,266	6,067	254,569	1,061	255,630	2,971,436	412,927
2016	2,546,156	87,681	200	2,634,037	4,372	2,795	7,167	214,199	1,145	215,344	2,856,548	421,442
2015	2,445,482	106,130	258	2,551,870	4,787	3,842	8,629	176,071	1,204	177,275	2,737,774	436,544
2014	2,418,717	114,519	329	2,533,565	9,964	83	10,047	147,117	1,237	148,354	2,691,966	460,997
2013	2,386,128	119,084	402	2,505,614	11,383	97	11,480	125,045	1,276	126,321	2,643,415	480,200
2012	2,267,031	137,836	515	2,405,382	14,188	114	14,302	99,899	1,463	101,362	2,521,046	503,349
2011	2,192,594	149,825	643	2,343,062	16,243	130	16,373	72,634	1,639	74,273	2,433,708	516,471
2010	2,172,092	150,378	805	2,323,275	17,167	144	17,311	57,206	1,785	58,991	2,399,577	507,268
2009	2,190,357	179,655	25	2,370,037	15,026	171	15,197	46,628	927	47,555	2,432,789	480,057
2008	2,035,020	203,206	31	2,238,257	12,903	214	13,117	37,298	787	38,085	2,289,459	481,137
2007	1,850,150	214,245	0	2,064,395	14,982	275	15,257	38,218	1,039	39,257	2,118,909	490,692
2006	1,484,147	230,667	0	1,714,814	18,615	454	19,069	42,184	1,483	43,667	1,777,550	456,970
2005	1,290,354	232,689	0	1,523,043	23,065	668	23,733	50,346	1,796	52,142	1,598,918	412,060
2004	1,243,343	75,722	0	1,319,065	31,389	949	32,336	47,386	9,260	56,646	1,408,047	368,567
2003	1,112,849	87,373	0	1,200,222	36,139	1,268	37,407	53,720	9,171	62,891	1,300,520	398,516
2002	875,260	75,430	0	950,690	36,057	1,247	37,304	47,025	5,420	52,445	1,040,439	401,406
2001	752,211	60,842	772	813,825	4,519	1,207	5,726	42,713	1,181	43,894	863,445	392,457
2000	599,999	61,495	1,165	662,659	6,778	1,298	8,076	35,207	780	35,987	706,722	334,508
1999	586,069	51,474	1,212	638,755	7,159	1,010	8,169	31,518	703	32,221	679,145	335,514
1998	545,680	56,903	98	602,681	5,340	587	5,927	28,378	157	28,535	637,143	361,613
1997	483,982	70,106	7	554,095	3,872	213	4,085	20,824	134	20,958	579,138	388,360
1996	460,866	65,682	9	526,557	4,402	191	4,593	16,912	111	17,023	548,173	339,798
1995	431,755	63,436	13	495,204	5,043	91	5,134	12,579	313	12,892	513,230	353,528
1994	415,692	55,780	18	471,490	5,628	0	5,628	8,908	319	9,227	486,345	378,733
1993	405,383	49,987	28	455,398	7,549	0	7,549	8,034	325	8,359	471,306	381,865
1992	360,619	45,718	43	406,380	9,438	0	9,438	8,295	331	8,626	424,444	312,369
1991	290,038	45,110	89	335,237	11,112	0	11,112	8,599	336	8,935	355,284	224,806
1990	225,981	42,443	121	268,545	11,380	0	11,380	7,807	343	8,150	288,075	127,278
1989	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	216,512	64,826
1988											170,097	26,660
1987											135,734	11,359
1986											95,568	Not Issued Before 1987
1985											54,552	
1984											35,738	
1983											25,121	
1982											14,450	
1981											717	
1980											Not Issued before 1981	

Source: Fannie Mae

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

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

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

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

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

End of Period	Whole Loans[b,c] ($)	Fannie Mae Securities[b,d] ($)	Other Mortgage-Related Securities[b,d,e] ($)	Mortgage Assets Held for Investment (Gross)[f] ($)
	($ in Millions)			
4Q18	126,675	45,405	7,073	179,153
3Q18	144,491	47,297	7,326	199,114
2Q18	163,304	55,153	7,348	225,805
1Q18	168,113	52,341	7,833	228,287
Annual Data				
2018	126,675	45,405	7,073	179,153
2017	177,365	48,792	4,626	230,783
2016	220,069	42,054	10,231	272,354
2015	253,592	68,697	22,814	345,103
2014	285,610	92,819	34,884	413,313
2013	314,664	129,841	46,196	490,701
2012	371,708	183,964	77,382	633,054
2011	398,271	220,061	90,082	708,414
2010	427,074	260,429	101,268	788,771
2009	416,543	220,245	132,464	769,252
2008	429,493	228,950	133,753	792,196
2007	403,577	180,163	144,163	727,903
2006	383,045	199,644	146,243	728,932
2005	366,680	234,451	136,758	737,889
2004	400,157	344,404	172,648	917,209
2003	397,633	405,922	105,313	908,868
2002	323,244	380,383	96,152	799,779
2001	167,405	431,776	109,270	708,452
2000	152,634	351,066	106,551	610,251
1999	149,231	281,714	93,122	524,067
1998	155,779	197,375	61,361	414,515
1997	160,102	130,444	26,132	316,678
1996	167,891	102,607	16,554	287,052
1995	171,481	69,729	12,301	253,511
1994	170,909	43,998	7,150	222,057
1993	163,149	24,219	3,493	190,861
1992	134,597	20,535	2,987	158,119
1991	109,251	16,700	3,032	128,983
1990	101,797	11,758	3,073	116,628
1989	95,729	11,720	3,272	110,721
1988	92,220	8,153	2,640	103,013
1987	89,618	4,226	2,902	96,746
1986	94,167	1,606	2,060	97,833
1985	97,421	435	793	98,649
1984	87,205	477	427	88,109
1983	77,983	Not Available Before 1984	273	78,256
1982	71,777		37	71,814
1981	61,411		1	61,412
1980	57,326		1	57,327
1979	51,096		1	51,097
1978	43,315		Not Available Before 1979	43,315
1977	34,377			34,377
1976	32,937			32,937
1975	31,916			31,916
1974	29,708			29,708
1973	24,459			24,459
1972	20,326			20,326
1971	18,515			18,515

Source: Fannie Mae

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

b Unpaid principal balance.

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

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

e Includes mortgage revenue bonds.

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

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

End of Period	Whole Loans ($ in Millions)[a]								
	Single-Family					Multifamily			
	Conventional								
	Fixed-Rate[b] ($)	Adjustable-Rate ($)	Seconds ($)	Total ($)	Total FHA/VA/RD[c] ($)	Conventional ($)	Total FHA/RD[c] ($)	Total ($)	Total Whole Loans ($)
4Q18	72,945	28,629	84	101,658	22,244	2,597	176	2,773	126,675
3Q18	82,911	34,710	88	117,709	23,352	3,238	192	3,430	144,491
2Q18	90,874	44,474	94	135,442	24,078	3,591	193	3,784	163,304
1Q18	87,525	50,535	99	138,159	25,708	4,052	194	4,246	168,113
Annual Data									
2018	72,945	28,629	84	101,658	22,244	2,597	176	2,773	126,675
2017	89,138	56,656	101	145,895	26,879	4,391	200	4,591	177,365
2016	107,307	73,317	115	180,739	29,923	9,198	209	9,407	220,069
2015	198,255	8,453	143	206,851	33,376	13,141	224	13,365	253,592
2014	214,830	10,810	160	225,800	36,442	23,125	243	23,368	285,610
2013	224,174	13,171	156	237,501	39,399	37,497	267	37,764	314,664
2012	251,081	18,008	170	269,259	40,886	61,251	312	61,563	371,708
2011	255,914	23,490	185	279,589	41,555	76,765	362	77,127	398,271
2010	248,335	31,526	207	280,068	51,783	94,792	431	95,223	427,074
2009	208,915	34,602	213	243,730	52,399	119,829	585	120,414	416,543
2008	223,881	44,157	215	268,253	43,799	116,742	699	117,441	429,493
2007	240,090	43,278	261	283,629	28,202	90,931	815	91,746	403,577
2006	255,490	46,820	287	302,597	20,106	59,374	968	60,342	383,045
2005	261,214	38,331	220	299,765	15,036	50,731	1,148	51,879	366,680
2004	307,048	38,350	177	345,575	10,112	43,396	1,074	44,470	400,157
2003	335,812	19,155	233	355,200	7,284	33,945	1,204	35,149	397,633
2002	282,899	12,142	416	295,457	6,404	19,485	1,898	21,383	323,244
2001	140,454	10,427	917	151,798	5,069	8,987	1,551	10,538	167,405
2000	125,786	13,244	480	139,510	4,763	6,547	1,814	8,361	152,634
1999	130,614	6,058	176	136,848	4,472	5,564	2,347	7,911	149,231
1998	135,351	7,633	206	143,190	4,404	5,590	2,595	8,185	155,779
1997	134,543	10,389	268	145,200	4,631	7,388	2,883	10,271	160,102
1996	137,507	12,415	323	150,245	4,739	9,756	3,151	12,907	167,891
1995	137,032	14,756	423	152,211	4,780	11,175	3,315	14,490	171,481
1994	133,882	16,475	537	150,894	4,965	11,681	3,369	15,050	170,909
1993	123,308	19,175	772	143,255	5,305	11,143	3,446	14,589	163,149
1992	91,500	22,637	1,355	115,492	6,097	9,407	3,601	13,008	134,597
1991	69,130	19,763	2,046	90,939	6,962	7,641	3,709	11,350	109,251
1990	61,873	19,558	1,851	83,282	8,524	6,142	3,849	9,991	101,797
1989	55,638	20,751	1,614	78,003	9,450	3,926	4,350	8,276	95,729
1988	53,090	20,004	1,561	74,655	10,480	2,699	4,386	7,085	92,220
1987	55,913	13,702	1,421	71,036	11,652	2,448	4,482	6,930	89,618
1986	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	94,167
1985									97,421
1984									87,205
1983									77,983
1982									71,777
1981									61,411
1980									57,326
1979									51,096
1978									43,315
1977									34,377
1976									32,937
1975									31,916
1974									29,708
1973									24,459
1972									20,326
1971									18,515

Source: Fannie Mae

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

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

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

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

End of Period	Mortgage-Related Securities ($ in Millions)[a]													
	Fannie Mae Securities ($)[b]				Other Securities									
	Single-Family[c]				Freddie Mac				Ginnie Mae					
					Single-Family				Single-Family					
	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Fannie Mae ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Freddie Mac ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Ginnie Mae ($)	Total Private-Label ($)	Total Other Securities[d] ($)
4Q18	30,347	7,390	7,668	45,405	422	35	-	457	1,134	2,065	-	3,199	2,986	6,642
3Q18	32,024	7,563	7,709	47,296	441	39	-	480	1,444	1,894	-	3,338	3,047	6,865
2Q18	40,593	7,874	6,686	55,153	463	56	-	519	1,237	1,931	-	3,168	3,158	6,845
1Q18	37,969	8,042	6,330	52,341	487	64	-	551	870	1,186	-	2,056	4,691	7,298
Annual Data														
2018	30,347	7,390	7,668	45,405	422	35	0	457	1,134	2,065	0	3,199	2,986	6,642
2017	29,841	11,091	7,860	48,792	518	58	0	576	284	557	0	841	2,544	3,961
2016	21,886	12,475	7,693	42,054	1,292	92	0	1,384	950	165	0	1,115	6,455	8,954
2015	40,739	17,022	10,936	68,697	2,856	2,376	0	5,232	734	6	8	748	13,729	19,709
2014	64,904	9,257	18,658	92,819	3,506	2,862	0	6,368	555	9	8	572	23,388	30,328
2013	94,722	12,710	22,409	129,841	4,758	3,366	0	8,124	859	8	32	899	30,854	39,877
2012	140,118	15,717	28,129	183,964	6,911	4,363	0	11,274	1,012	5	32	1,049	56,573	68,896
2011	172,502	19,189	28,370	220,061	8,888	5,621	0	14,509	1,003	7	33	1,043	63,631	79,183
2010	217,075	23,406	19,948	260,429	10,005	7,327	0	17,332	1,393	8	24	1,425	69,986	88,743
2009	203,577	16,272	396	220,245	29,783	11,607	0	41,390	1,119	137	21	1,277	75,344	118,011
2008	207,867	20,637	446	228,950	18,420	14,963	0	33,383	1,343	153	21	1,517	83,406	118,306
2007	158,863	20,741	559	180,163	16,954	14,425	0	31,379	1,575	34	50	1,659	94,810	127,848
2006	194,702	4,342	600	199,644	17,304	12,773	0	30,077	1,905	0	56	1,961	97,281	129,319
2005	230,546	3,030	875	234,451	18,850	9,861	0	28,711	2,273	0	57	2,330	86,915	117,956
2004	339,138	3,869	1,397	344,404	29,328	8,235	0	37,563	4,131	1	68	4,200	108,809	150,572
2003	400,863	3,149	1,910	405,922	30,356	558	0	30,914	6,993	0	68	7,061	46,979	84,954
2002	373,958	3,827	2,598	380,383	32,617	207	0	32,824	15,436	0	85	15,521	28,157	76,502
2001	417,796	5,648	8,332	431,776	42,516	287	26	42,829	18,779	1	109	18,889	29,175	90,893
2000	Not Available Before 2001	Not Available Before 2001	Not Available Before 2001	351,066	Not Available Before 2001	Not Available Before 2001	Not Available Before 2001	33,290	Not Available Before 2001	Not Available Before 2001	Not Available Before 2001	23,768	34,266	91,324
1999				281,714				25,577				23,701	31,673	80,951
1998				197,375				23,453				8,638	19,585	51,676
1997				130,444				5,262				7,696	5,554	18,512
1996				102,607				3,623				4,780	1,486	9,889
1995				69,729				3,233				2,978	747	6,958
1994				43,998				564				3,182	1	3,747
1993				24,219				Not Available Before 1994				972	2	974
1992				20,535								168	3	171
1991				16,700								180	93	273
1990				11,758								191	352	543
1989				11,720								202	831	1,033
1988				8,153								26	810	836
1987				4,226								Not Available Before 1988	1,036	1,036
1986				1,606									1,591	1,591
1985				435									Not Available Before 1986	Not Available Before 1986
1984				477										
1983				Not Available Before 1984										

Source: Fannie Mae

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

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

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

d Excludes mortgage revenue bonds.

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

End of Period	Mortgage-Related Securities ($ in Millions)[a]								
	Private-Label								
	Single-Family[b]								
	Manufactured Housing ($)	Subprime		Alt-A		Other		Multifamily ($)	Total Private-Label ($)
		Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)		
4Q18	43	-	2,392	2	218	6	325	-	2,986
3Q18	45	-	2,436	2	224	7	333	-	3,047
2Q18	46	-	2,518	3	243	7	341	-	3,158
1Q18	49	-	3,922	3	347	7	350	13	4,691
Annual Data									
2018	43	0	2,392	2	218	6	325	0	2,986
2017	51	0	1,135	3	965	8	358	24	2,544
2016	72	4	2,487	4	1,881	33	407	1,567	6,455
2015	460	5	5,208	567	2,914	89	970	3,516	13,729
2014	1,699	194	8,719	4,329	3,416	149	1,194	3,688	23,388
2013	1,902	218	12,104	3,512	7,641	168	1,322	3,987	30,854
2012	2,140	299	14,794	6,423	10,656	190	1,477	20,594	56,573
2011	2,387	331	16,207	6,232	13,438	208	1,590	23,238	63,631
2010	2,660	361	17,678	7,119	15,164	237	1,700	25,067	69,986
2009	2,485	391	20,136	7,515	16,990	255	1,849	25,723	75,344
2008	2,840	438	24,113	8,444	19,414	286	2,021	25,850	83,406
2007	3,316	503	31,537	9,221	23,254	319	1,187	25,473	94,810
2006	3,902	268	46,608	10,722	24,402	376	1,282	9,721	97,281
2005	4,622	431	46,679	11,848	21,203	634	1,455	43	86,915
2004	5,461	889	73,768	11,387	14,223	2,535	487	59	108,809
2003	6,522	1,437	27,738	8,429	383	1,944	428	98	46,979
2002	9,583	2,870	6,534	3,905	20	3,773	1,325	147	28,157
2001	10,708	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	299	29,175
2000	Not Available Before 2001							Not Available Before 2001	34,266
1999									31,673
1998									19,585
1997									5,554
1996									1,486
1995									747
1994									1
1993									2
1992									3
1991									93
1990									352
1989									831
1988									810
1987									1,036
1986									1,591

Source: Fannie Mae

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

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

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

End of Period	Mortgage-Related Securities ($ in Millions)		($ in Millions)			
	Mortgage Revenue Bonds[a] ($)	Total Mortgage-Related Securities[a,b] ($)	Unamortized Premiums, Discounts, Deferred Adjustments, and Fair-Value Adjustments on Securities and Loans[b,c] ($)	Mortgage Assets Held for Investment (Net)[b] ($)	Mortgage Assets Held for Investment (Gross)[b,d] ($)	Limit on Mortgage Assets Held for Investment (Gross)[e] ($)
4Q18	431	52,478	(3,619)	175,534	179,153	250,000
3Q18	462	54,623	(5,154)	193,960	199,114	250,000
2Q18	503	62,501	(6,222)	219,583	225,805	250,000
1Q18	535	60,174	(6,820)	221,467	228,287	250,000
Annual Data						
2018	431	52,478	(3,619)	175,534	179,153	250,000
2017	665	53,418	-6,044	224,739	230,783	288,400
2016	1,278	52,285	-9,570	262,784	272,354	339,300
2015	3,105	91,511	-8,446	336,657	345,103	399,200
2014	4,556	127,703	-6,861	406,452	413,313	422,700
2013	6,319	176,037	-10,302	480,399	490,701	552,500
2012	8,486	261,346	-6,267	626,787	633,054	650,000
2011	10,899	310,143	-9,784	698,630	708,414	729,000
2010	12,525	361,697	-12,284	776,487	788,771	810,000
2009	14,453	352,709	-23,981	745,271	769,252	900,000
2008	15,447	362,703	-24,207	767,989	Not Applicable Before 2009	Not Applicable Before 2009
2007	16,315	324,326	-4,283	723,620		
2006	16,924	345,887	-2,498	726,434		
2005	18,802	371,209	-1,086	736,803		
2004	22,076	517,052	7,985	925,194		
2003	20,359	511,235	10,721	919,589		
2002	19,650	476,535	20,848	820,627		
2001	18,377	541,046	-2,104	706,347		
2000	15,227	457,617	-2,520	607,731		
1999	12,171	374,836	-964	523,103		
1998	9,685	258,736	919	415,434		
1997	7,620	156,576	-86	316,592		
1996	6,665	119,161	-525	286,527		
1995	5,343	82,030	-643	252,868		
1994	3,403	51,148	-1,242	220,815		
1993	2,519	27,712	-692	190,169		
1992	2,816	23,522	-1,859	156,260		
1991	2,759	19,732	-2,304	126,679		
1990	2,530	14,831	-2,562	114,066		
1989	2,239	14,992	-2,740	107,981		
1988	1,804	10,793	-2,914	100,099		
1987	1,866	7,128	-3,081	93,665		
1986	469	Not Available Before 1987	-3,710	94,123		
1985	Not Available Before 1986		-4,040	95,250		
1984			-3,974	84,695		
1983			-3,009	75,782		
1982			-2,458	69,842		
1981			-1,783	59,949		
1980			-1,738	55,878		
1979			-1,320	49,777		
1978			-1,212	42,103		
1977			-1,125	33,252		
1976			-1,162	31,775		
1975			-1,096	30,821		
1974			-1,042	28,665		
1973			-870	23,579		
1972			-674	19,650		
1971			-629	17,886		

Source: Fannie Mae
N/A = not applicable

a Unpaid principal balance.

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

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

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

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

TABLE 6 • FANNIE MAE FINANCIAL DERIVATIVES

End of Period	Financial Derivatives - Notional Amount Outstanding ($ in Millions)						
	Interest Rate Swaps[a] ($)	Interest Rate Caps, Floors, and Corridors ($)	Foreign Currency Contracts ($)	Over-the-Counter Futures, Options, and Forward Rate Agreements[b] ($)	Mandatory Mortgage Purchase & Sell Commitments ($)	Other[c] ($)	Total ($)
4Q18	240,741	0	444	35,881	117,007	34,350	428,423
3Q18	297,472	0	453	33,773	146,473	12,026	490,197
2Q18	283,991	0	460	32,268	238,756	12,448	567,923
1Q18	284,314	0	488	32,094	191,744	12,818	521,458
Annual Data							
2018	240,741	0	444	35,881	117,007	34,350	428,423
2017	294,339	0	470	30,565	177,613	13,240	516,227
2016	307,034	0	430	25,205	148,472	15,078	496,219
2015	384,184	0	553	41,191	125,443	0	551,371
2014	404,375	0	617	67,900	119,026	0	591,918
2013	413,738	500	1,042	137,450	72,937	0	625,667
2012	572,349	6,500	1,195	121,910	159,057	0	861,011
2011	426,688	7,000	1,032	178,470	101,435	0	714,625
2010	502,578	7,000	1,560	176,010	119,870	0	807,018
2009	661,990	7,000	1,537	174,680	121,947	0	967,154
2008	1,023,384	500	1,652	173,060	71,236	0	1,269,832
2007	671,274	2,250	2,559	210,381	55,366	0	941,830
2006	516,571	14,000	4,551	210,271	39,928	0	785,321
2005	317,470	33,000	5,645	288,000	39,194	0	683,309
2004	256,216	104,150	11,453	318,275	40,600	0	730,694
2003	598,288	130,350	5,195	305,175	43,560	0	1,082,568
2002	253,211	122,419	3,932	275,625	Not Available Before 2003	0	655,187
2001	299,953	75,893	8,493	148,800		0	533,139
2000	227,651	33,663	9,511	53,915		0	324,740
1999	192,032	28,950	11,507	41,081		1,400	274,970
1998	142,846	14,500	12,995	13,481		3,735	187,557
1997	149,673	100	9,968	0		1,660	161,401
1996	158,140	300	2,429	0		350	161,219
1995	125,679	300	1,224	29		975	128,207
1994	87,470	360	1,023	0		1,465	90,317
1993	49,458	360	1,023	0		1,425	52,265
1992	24,130	0	1,177	0		1,350	26,658
1991	9,100	0	Not Available Before 1992	50		1,050	10,200
1990	4,800	0		25		1,700	6,525

Source: Fannie Mae

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

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

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

TABLE 7 • FANNIE MAE NONMORTGAGE INVESTMENTS

End of Period	Nonmortgage Investments ($ in Millions)[a]					
	Federal Funds and Eurodollars ($)	Asset-Backed Securities ($)	Repurchase Agreements[b] ($)	Commercial Paper and Corporate Debt[c] ($)	Other[d] ($)	Total ($)
4Q18			32,938	89	35,502	68,529
3Q18	–	–	26,598	94	37,328	64,020
2Q18	–	–	16,300	97	35,663	52,060
1Q18	–	–	39,701	97	33,160	72,958
Annual Data						
2018	–	–	32,938	89	35,502	68,529
2017	0	0	19,470	0	29,222	48,692
2016	0	0	30,415	0	32,317	62,732
2015	0	0	27,350	0	29,485	56,835
2014	0	0	30,950	0	19,466	50,416
2013	0	0	38,975	0	16,306	55,281
2012	0	0	32,500	0	17,950	50,450
2011	0	2,111	46,000	0	47,737	95,848
2010	5,000	5,321	6,750	0	27,432	44,503
2009	44,900	8,515	4,000	364	3	57,782
2008	45,910	10,598	8,000	6,037	1,005	71,550
2007	43,510	15,511	5,250	13,515	9,089	86,875
2006	9,410	18,914	0	27,604	1,055	56,983
2005	8,900	19,190	0	16,979	947	46,016
2004	3,860	25,644	70	16,435	1,829	47,839
2003	12,575	26,862	111	17,700	2,270	59,518
2002	150	22,312	181	14,659	2,074	39,376
2001	16,089	20,937	808	23,805	4,343	65,982
2000	7,539	17,512	87	8,893	18,316	52,347
1999	4,837	19,207	122	1,723	11,410	37,299
1998	7,926	20,993	7,556	5,155	16,885	58,515
1997	19,212	16,639	6,715	11,745	10,285	64,596
1996	21,734	14,635	4,667	6,191	9,379	56,606
1995	19,775	9,905	10,175	8,629	8,789	57,273
1994	17,593	3,796	9,006	7,719	8,221	46,335
1993	4,496	3,557	4,684	0	8,659	21,396
1992	6,587	4,124	3,189	0	5,674	19,574
1991	2,954	2,416	2,195	0	2,271	9,836
1990	5,329	1,780	951	0	1,808	9,868
1989	5,158	1,107	0	0	2,073	8,338
1988	4,125	481	0	0	683	5,289
1987	2,559	25	0	0	884	3,468
1986	1,530	0	0	0	245	1,775
1985	1,391	0	0	0	75	1,466
1984	1,575	0	0	0	265	1,840
1983	9	0	0	0	227	236
1982	1,799	0	0	0	631	2,430
1981	Not Available Before 1982	Not Available Before 1982	Not Available Before 1982	Not Available Before 1982	Not Available Before 1982	1,047
1980						1,556
1979						843
1978						834
1977						318
1976						245
1975						239
1974						466
1973						227
1972						268
1971						349

Source: Fannie Mae

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

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

c Includes corporate bonds.

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

TABLE 8 • FANNIE MAE MORTGAGE ASSET QUALITY

End of Period	Mortgage Asset Quality				
	Single-Family Serious Delinquency Rate[a] (%)	Multifamily Serious Delinquency Rate[b] (%)	Credit Losses as a Proportion of the Guarantee Book of Business[c, d] (%)	Real Estate Owned as a Proportion of the Guarantee Book of Business[d] (%)	Credit-Enhanced Outstanding as a Proportion of the Guarantee Book of Business[e] (%)
4Q18	0.76	0.06	0.07	0.08	51.0
3Q18	0.82	0.07	0.07	0.08	49.2
2Q18	0.97	0.10	0.10	0.09	47.4
1Q18	1.16	0.13	0.07	0.09	46.3
Annual Data					
2018	0.76	0.06	0.07	0.08	51.0
2017	1.24	0.11	0.10	0.10	44.3
2016	1.20	0.05	0.12	0.15	37.2
2015	1.55	0.07	0.35	0.22	23.1
2014	1.89	0.05	0.20	0.35	20.9
2013	2.38	0.10	0.15	0.38	19.6
2012	3.29	0.24	0.48	0.35	18.8
2011	3.91	0.59	0.61	0.37	18.4
2010	4.48	0.71	0.77	0.53	19.1
2009	5.38	0.63	0.45	0.30	21.2
2008	2.42	0.30	0.23	0.23	23.9
2007	0.98	0.08	0.05	0.13	23.7
2006	0.65	0.08	0.02	0.09	22.3
2005	0.79	0.32	0.01	0.08	21.8
2004	0.63	0.11	0.01	0.07	20.5
2003	0.60	0.29	0.01	0.06	22.6
2002	0.57	0.08	0.01	0.05	26.8
2001	0.55	0.27	0.01	0.04	34.2
2000	0.45	0.07	0.01	0.05	40.4
1999	0.47	0.11	0.01	0.06	20.9
1998	0.56	0.23	0.03	0.08	17.5
1997	0.62	0.37	0.04	0.10	12.8
1996	0.58	0.68	0.05	0.11	10.5
1995	0.56	0.81	0.05	0.08	10.6
1994	0.47	1.21	0.06	0.10	10.2
1993	0.48	2.34	0.04	0.10	10.6
1992	0.53	2.65	0.04	0.09	15.6
1991	0.64	3.62	0.04	0.07	22.0
1990	0.58	1.70	0.06	0.09	25.9
1989	0.69	3.20	0.07	0.14	Not Available Before 1990
1988	0.88	6.60	0.11	0.15	
1987	1.12	Not Available Before 1988	0.11	0.18	
1986	1.38		0.12	0.22	
1985	1.48		0.13	0.32	
1984	1.65		0.09	0.33	
1983	1.49		0.05	0.35	
1982	1.41		0.01	0.20	
1981	0.96		0.01	0.13	
1980	0.90		0.01	0.09	
1979	0.56		0.02	0.11	
1978	0.55		0.02	0.18	
1977	0.46		0.02	0.26	
1976	1.58		0.03	0.27	
1975	0.56		0.03	0.51	
1974	0.51		0.02	0.52	
1973	Not Available Before 1974		0.00	0.61	
1972			0.02	0.98	
1971			0.01	0.59	

Source: Fannie Mae

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

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

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

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

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

TABLE 9 • FANNIE MAE CAPITAL

End of Period	Capital ($ in Millions)[a]									
	Minimum Capital Requirement			Risk-Based Capital Requirement						
	Core Capital[b] ($)	Minimum Capital Requirement[c] ($)	Minimum Capital Surplus (Deficit)[d] ($)	Total Capital[e] ($)	Risk-Based Capital Requirement[f] ($)	Risk-Based Capital Surplus (Deficit)[g] ($)	Market Capitalization[h] ($)	Core Capital/Total Assets[i] (%)	Core Capital/ Total Assets Plus Unconsolidated MBS[i, j] (%)	Common Share Dividend Payout Rate[k] (%)
4Q18	(114,919)	22,216	(137,135)	N/A	N/A	N/A	1,228	-3.36%	-3.36%	N/A
3Q18	(114,174)	22,496	(136,670)	N/A	N/A	N/A	1,668	-3.36%	-3.35%	N/A
2Q18	(113,726)	22,608	(136,333)	N/A	N/A	N/A	1,644	-3.38%	-3.37%	N/A
1Q18	(117,245)	22,920	(140,165)	N/A	N/A	N/A	1,633	-3.48%	-3.48%	N/A
Annual Data										
2018	(114,919)	22,216	(137,135)	N/A	N/A	N/A	1,228	-3.36%	-3.36%	N/A
2017	-121,389	23,007	-144,396	N/A	N/A	N/A	3,069	-3.63	-3.62	N/A
2016	-111,836	24,351	-136,187	N/A	N/A	N/A	4,517	(3.40)	-3.39	N/A
2015	-114,526	25,144	-139,670	N/A	N/A	N/A	1,899	(3.55)	-3.54	N/A
2014	-115,202	27,044	-142,246	N/A	N/A	N/A	2,380	(3.55)	-3.53	N/A
2013	-108,811	28,472	-137,283	N/A	N/A	N/A	3,486	-3.33	-3.31	N/A
2012	-110,350	30,862	-141,212	N/A	N/A	N/A	295	(3.42)	(3.41)	N/A
2011	-115,967	32,463	-148,430	N/A	N/A	N/A	233	(3.61)	(3.59)	N/A
2010	-89,516	33,676	-123,192	N/A	N/A	N/A	336	(2.78)	(2.76)	N/A
2009	-74,540	33,057	-107,597	N/A	N/A	N/A	1,314	(8.58)	(2.26)	N/A
2008	-8,641	33,552	-42,193	N/A	N/A	N/A	825	(0.95)	(0.27)	N/M
2007	45,373	31,927	13,446	48,658	24,700	23,958	38,946	5.14	1.51	N/M
2006	41,950	29,359	12,591	42,703	26,870	15,833	57,735	4.97	1.60	32.4
2005	39,433	28,233	11,200	40,091	12,636	27,455	47,373	4.73	1.62	17.2
2004	34,514	32,121	2,393	35,196	10,039	25,157	69,010	3.38	1.42	42.1
2003	26,953	31,816	-4,863	27,487	27,221	266	72,838	2.64	1.16	20.8
2002	20,431	27,688	-7,257	20,831	17,434	3,397	63,612	2.26	1.05	34.5
2001	25,182	24,182	1,000	25,976	Not Applicable Before 2002	Not Applicable Before 2002	79,281	3.15	1.51	23.0
2000	20,827	20,293	533	21,634			86,643	3.08	1.51	26.0
1999	17,876	17,770	106	18,677			63,651	3.11	1.43	28.8
1998	15,465	15,334	131	16,257			75,881	3.19	1.38	29.5
1997	13,793	12,703	1,090	14,575			59,167	3.52	1.42	29.4
1996	12,773	11,466	1,307	13,520			39,932	3.64	1.42	30.4
1995	10,959	10,451	508	11,703			33,812	3.46	1.32	34.6
1994	9,541	9,415	126	10,368			19,882	3.50	1.26	30.8
1993	8,052	7,064	988	8,893			21,387	3.71	1.17	26.8
1992	Not Applicable Before 1993	Not Applicable Before 1993	Not Applicable Before 1993	Not Applicable Before 1993			20,874	Not Applicable Before 1993	Not Applicable Before 1993	23.2
1991							18,836			21.3
1990							8,490			14.7
1989							8,092			12.8
1988							3,992			11.2
1987							2,401			11.7
1986							3,006			8.0
1985							1,904			30.1
1984							1,012			N/A
1983							1,514			13.9
1982							1,603			N/A
1981							502			N/A
1980							702			464.2
1979							Not Available Before 1980			45.7
1978										30.3
1977										31.8
1976										33.6
1975										31.8
1974										29.6
1973										18.1
1972										15.2
1971										18.7

Sources: Fannie Mae and FHFA

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

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

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

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

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

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

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

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

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

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

j Unconsolidated MBS are those held by third parties.

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

TABLE 10 • FREDDIE MAC MORTGAGE PURCHASES

Period	Business Activity ($ in Millions)			
	Purchases[a]			
	Single-Family ($)	Multifamily ($)	Total Mortgages[b] ($)	Mortgage-Related Securities[c/d] ($)
4Q18	76,440	30,694	107,134	17,321
3Q18	81,843	17,908	99,751	17,246
2Q18	84,383	15,813	100,196	18,506
1Q18	65,531	13,042	78,573	13,690
Annual Data				
2018	308,197	77,457	385,654	66,763
2017	343,566	73,201	416,767	81,592
2016	392,507	56,830	449,337	77,239
2015	350,560	47,264	397,824	58,580
2014	255,253	28,336	283,589	59,690
2013	422,742	25,872	448,614	49,383
2012	426,849	28,774	455,623	16,627
2011	320,793	20,325	341,118	108,281
2010	386,378	15,372	401,750	46,134
2009	475,350	16,571	491,921	236,856
2008	357,585	23,972	381,557	297,614
2007	466,066	21,645	487,711	231,039
2006	351,270	13,031	364,301	241,205
2005	381,673	11,172	392,845	325,575
2004	354,812	12,712	367,524	223,299
2003	701,483	15,292	716,775	385,078
2002	533,194	10,654	543,848	299,674
2001	384,124	9,510	393,634	248,466
2000	168,013	6,030	174,043	91,896
1999	232,612	7,181	239,793	101,898
1998	263,490	3,910	267,400	128,446
1997	115,160	2,241	117,401	35,385
1996	122,850	2,229	125,079	36,824
1995	89,971	1,565	91,536	39,292
1994	122,563	847	123,410	19,817
1993	229,051	191	229,242	Not Available Before 1994
1992	191,099	27	191,126	
1991	99,729	236	99,965	
1990	74,180	1,338	75,518	
1989	76,765	1,824	78,589	
1988	42,884	1,191	44,075	
1987	74,824	2,016	76,840	
1986	99,936	3,538	103,474	
1985	42,110	1,902	44,012	
1984	Not Available Before 1985	Not Available Before 1985	21,885	
1983			22,952	
1982			23,671	
1981			3,744	
1980			3,690	
1979			5,716	
1978			6,524	
1977			4,124	
1976			1,129	
1975			1,716	
1974			2,185	
1973			1,334	
1972			1,265	
1971			778	

Source: Freddie Mac

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

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

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

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

TABLE 10A • FREDDIE MAC MORTGAGE PURCHASES DETAIL BY TYPE OF LOAN

Period	Purchases ($ in Millions)[a]											
	Single-Family Mortgages								Multifamily Mortgages			
	Conventional				FHA/VA[d]							
	Fixed-Rate[b] ($)	Adjustable-Rate[c] ($)	Seconds ($)	Total ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Total ($)	Total Single-Family Mortgages ($)	Conventional ($)	FHA/RD ($)	Total Multi-family Mortgages ($)	Total Mortgage Purchases ($)
4Q18	75,619	793	0	76,412	28	0	28	76,440	30,694	0	30,694	107,134
3Q18	80,911	899	0	81,810	33	0	33	81,843	17,908	0	17,908	99,751
2Q18	83,166	1,194	0	84,360	23	0	23	84,383	15,813	0	15,813	100,196
1Q18	64,550	962	0	65,512	19	0	19	65,531	13,042	0	13,042	78,573
Annual Data												
2018	304,246	3,848	0	308,094	103	0	103	308,197	77,457	0	77,457	385,654
2017	333,612	9,841	0	343,453	113	0	113	343,566	73,201	0	73,201	416,767
2016	385,806	6,555	0	392,361	146	0	146	392,507	56,830	0	56,830	449,337
2015	337,637	12,760	0	350,397	163	0	163	350,560	47,264	0	47,264	397,824
2014	239,469	15,711	0	255,180	73	0	73	255,253	28,336	0	28,336	283,589
2013	406,605	16,007	0	422,612	130	0	130	422,742	25,872	0	25,872	448,614
2012	408,576	18,075	0	426,651	198	0	198	426,849	28,774	0	28,774	455,623
2011	294,918	25,685	0	320,603	190	0	190	320,793	20,325	0	20,325	341,118
2010	368,352	17,435	0	385,787	591	0	591	386,378	15,372	0	15,372	401,750
2009	470,355	3,615	0	473,970	1,380	0	1,380	475,350	16,571	0	16,571	491,921
2008	327,006	30,014	0	357,020	565	0	565	357,585	23,972	0	23,972	381,557
2007	387,760	78,149	0	465,909	157	0	157	466,066	21,645	0	21,645	487,711
2006	272,875	77,449	0	350,324	946	0	946	351,270	13,031	0	13,031	364,301
2005	313,842	67,831	0	381,673	0	0	0	381,673	11,172	0	11,172	392,845
2004	293,830	60,663	0	354,493	319	0	319	354,812	12,712	0	12,712	367,524
2003	617,796	82,270	0	700,066	1,417	0	1,417	701,483	15,292	0	15,292	716,775
2002	468,901	63,448	0	532,349	845	0	845	533,194	10,654	0	10,654	543,848
2001	353,056	30,780	0	383,836	288	0	288	384,124	9,507	3	9,510	393,634
2000	145,744	21,201	0	166,945	1,068	0	1,068	168,013	6,030	0	6,030	174,043
1999	224,040	7,443	0	231,483	1,129	0	1,129	232,612	7,181	0	7,181	239,793
1998	256,008	7,384	0	263,392	98	0	98	263,490	3,910	0	3,910	267,400
1997	106,174	8,950	0	115,124	36	0	36	115,160	2,241	0	2,241	117,401
1996	116,316	6,475	0	122,791	59	0	59	122,850	2,229	0	2,229	125,079
1995	75,867	14,099	0	89,966	5	0	5	89,971	1,565	0	1,565	91,536
1994	105,902	16,646	0	122,548	15	0	15	122,563	847	0	847	123,410
1993	208,322	20,708	1	229,031	20	0	20	229,051	191	0	191	229,242
1992	175,515	15,512	7	191,034	65	0	65	191,099	27	0	27	191,126
1991	91,586	7,793	206	99,585	144	0	144	99,729	236	0	236	99,965
1990	56,806	16,286	686	73,778	402	0	402	74,180	1,338	0	1,338	75,518
1989	57,100	17,835	1,206	76,141	624	0	624	76,765	1,824	0	1,824	78,589
1988	34,737	7,253	59	42,049	835	0	835	42,884	1,191	0	1,191	44,075
1987	69,148	4,779	69	73,996	828	0	828	74,824	2,016	0	2,016	76,840
1986	96,105	2,262	90	98,457	1,479	0	1,479	99,936	3,538	0	3,538	103,474
1985	40,226	605	34	40,865	1,245	0	1,245	42,110	1,902	0	1,902	44,012

Source: Freddie Mac

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

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

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

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

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

Period	Purchases ($ in Millions)[a]														
	Freddie Mac Securities[b]				Other Securities										
					Fannie Mae				Ginnie Mae[c]						
	Single-Family				Single-Family				Single-Family						
	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Freddie Mac ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Fannie Mae ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Ginnie Mae ($)	Total Private-Label[d] ($)	Mortgage Revenue Bonds ($)	Total Mortgage-Related Securities[c] ($)
4Q18	16,093	852	321	17,266	3	52	0	55	0	0	0	0	0	0	17,321
3Q18	15,917	808	0	16,725	14	507	0	521	0	0	0	0	0	0	17,246
2Q18	16,606	1,124	0	17,730	0	776	0	776	0	0	0	0	0	0	18,506
1Q18	12,998	555	0	13,553	1	136	0	137	0	0	0	0	0	0	13,690
Annual Data															
2018	61,614	3,339	321	65,274	18	1,471	0	1,489	0	-	0	-	-	0	66,763
2017	72,631	2,833	0	75,464	5,117	437	0	5,554	0	24	0	24	0	550	81,592
2016	65,274	5,981	12	71,267	5,345	485	0	5,830	0	142	0	142	0	0	77,239
2015	48,764	5,532	97	54,393	1,624	2,239	0	3,863	0	324	0	324	0	0	58,580
2014	43,922	7,568	392	51,882	2,695	5,005	0	7,700	0	73	0	73	35	0	59,690
2013	44,760	296	0	45,056	4,251	50	0	4,301	0	0	0	0	26	0	49,383
2012	13,272	3,045	119	16,436	0	170	0	170	0	0	0	0	21	0	16,627
2011	94,543	5,057	472	100,072	5,835	2,297	0	8,132	0	0	0	0	77	0	108,281
2010	40,462	923	382	41,767	0	373	0	373	0	0	0	0	3,994	0	46,134
2009	176,974	5,414	0	182,388	43,298	2,697	0	45,995	0	0	27	27	8,266	180	236,856
2008	192,701	26,344	111	219,156	49,534	18,519	0	68,053	0	0	8	8	10,316	81	297,614
2007	111,976	26,800	2,283	141,059	2,170	9,863	0	12,033	0	0	0	0	76,134	1,813	231,039
2006	76,378	27,146	0	103,524	4,259	8,014	0	12,273	0	0	0	0	122,230	3,178	241,205
2005	106,682	29,805	0	136,487	2,854	3,368	0	6,222	64	0	0	64	179,962	2,840	325,575
2004	72,147	23,942	146	96,235	756	3,282	0	4,038	0	0	0	0	121,082	1,944	223,299
2003	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	266,989	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	47,806	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	166	69,154	963	385,078
2002				192,817				45,798				820	59,376	863	299,674
2001				157,339				64,508				1,444	24,468	707	248,466
2000				58,516				18,249				3,339	10,304	1,488	91,896
1999				69,219				12,392				3,422	15,263	1,602	101,898
1998				107,508				3,126				319	15,711	1,782	128,446
1997				31,296				897				326	1,494	1,372	35,385
1996				33,338				Not Available Before 1997				Not Available Before 1997	Not Available Before 1997	Not Available Before 1997	36,824
1995				32,534											39,292
1994				19,817											19,817

Source: Freddie Mac

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

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

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

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

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

Period	Purchases ($ in Millions)[a]								
	Private-Label								
	Single-Family								
	Manufactured Housing ($)	Subprime		Alt-A[b]		Other[c]		Multifamily[d] ($)	Total Private-Label ($)
		Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)		
4Q18	0	0	0	0	0	0	0	0	0
3Q18	0	0	0	0	0	0	0	0	0
2Q18	0	0	0	0	0	0	0	0	0
1Q18	0	0	0	0	0	0	0	0	0
Annual Data									
2018	0	0	0	0	0	0	0	-	-
2017	0	0	0	0	0	0	0	0	-
2016	0	0	0	0	0	0	0	-	-
2015	0	0	0	0	0	0	0	-	-
2014	0	0	0	0	0	0	0	35	35
2013	0	0	0	0	0	26	0	-	26
2012	0	0	0	0	0	21	0	-	21
2011	0	0	0	0	0	77	0	-	77
2010	0	0	0	0	0	3,172	0	822	3,994
2009	0	0	0	0	0	7,874	0	392	8,266
2008	0	60	46	0	618	8,175	0	1,417	10,316
2007	127	843	42,824	702	9,306	48	0	22,284	76,134
2006	0	116	74,645	718	29,828	48	0	16,875	122,230
2005	0	Not Available Before 2006	Not Available Before 2006	Not Available Before 2006	Not Available Before 2006	2,191	162,931	14,840	179,962
2004	0					1,379	108,825	10,878	121,082
2003	0					Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	69,154
2002	318								59,376
2001	0								24,468
2000	15								10,304
1999	3,293								15,263
1998	1,630								15,711
1997	36								1,494

Source: Freddie Mac

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

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

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

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

TABLE 11 • FREDDIE MAC MBS ISSUANCES

Period	Business Activity ($ in Millions)			
	MBS Issuances[a]			
	Single-Family MBS[b] ($)	Multifamily MBS ($)	Total MBS[b] ($)	Multiclass MBS[c] ($)
4Q18	83,257	22,228	105,485	55,897
3Q18	85,060	13,894	98,954	39,937
2Q18	84,048	13,133	97,181	40,453
1Q18	65,545	14,832	80,377	47,328
Annual Data				
2018	317,910	64,087	381,997	183,615
2017	354,131	62,571	416,702	126,752
2016	395,459	47,744	443,203	123,435
2015	356,599	33,392	389,991	82,620
2014	259,763	19,770	279,533	105,174
2013	435,499	25,267	460,766	111,436
2012	446,162	20,317	466,479	124,376
2011	304,629	12,632	317,261	166,539
2010	384,719	8,318	393,037	136,366
2009	472,461	2,951	475,412	86,202
2008	352,776	5,085	357,861	64,305
2007	467,342	3,634	470,976	133,321
2006	358,184	1,839	360,023	169,396
2005	396,213	1,654	397,867	208,450
2004	360,933	4,175	365,108	215,506
2003	705,450	8,337	713,787	298,118
2002	543,716	3,596	547,312	331,672
2001	387,234	2,357	389,591	192,437
2000	165,115	1,786	166,901	48,202
1999	230,986	2,045	233,031	119,565
1998	249,627	937	250,564	135,162
1997	113,758	500	114,258	84,366
1996	118,932	770	119,702	34,145
1995	85,522	355	85,877	15,372
1994	116,901	209	117,110	73,131
1993	208,724	0	208,724	143,336
1992	179,202	5	179,207	131,284
1991	92,479	0	92,479	72,032
1990	71,998	1,817	73,815	40,479
1989	72,931	587	73,518	39,754
1988	39,490	287	39,777	12,985
1987	72,866	2,152	75,018	0
1986	96,798	3,400	100,198	2,233
1985	37,583	1,245	38,828	2,625
1984	Not Available Before 1985	Not Available Before 1985	18,684	1,805
1983			19,691	1,685
1982			24,169	Not Issued Before 1983
1981			3,526	
1980			2,526	
1979			4,546	
1978			6,412	
1977			4,657	
1976			1,360	
1975			950	
1974			46	
1973			323	
1972			494	
1971			65	

Source: Freddie Mac

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

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

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

TABLE 12 • FREDDIE MAC EARNINGS

Period	Earnings ($ in Millions)					
	Net Interest Income[a] ($)	Guarantee Fee Income[a] ($)	Administrative Expenses ($)	Credit-Related (Benefit) Expenses[b] ($)	Net Income (Loss) ($)	Return on Equity[c] (%)
4Q18	2,743	208	646	(277)	1,100	N/M
3Q18	3,257	209	569	(342)	2,706	N/M
2Q18	3,003	200	558	(45)	2,503	N/M
1Q18	3,018	194	520	97	2,926	N/M
Annual Data						
2018	12,021	811	2,293	(567)	9,235	N/M
2017	14,164	662	2,106	105	5,625	N/M
2016	14,379	513	2,005	-516	7,815	N/M
2015	14,946	369	1,927	-2,327	6,376	N/M
2014	14,263	329	1,881	254	7,690	N/M
2013	16,468	271	1,805	-2,605	48,668	N/M
2012	17,611	201	1,561	1,949	10,982	N/M
2011	18,397	170	1,506	11,287	-5,266	N/M
2010	16,856	143	1,597	17,891	-14,025	N/M
2009	17,073	3,033	1,685	29,837	-21,553	N/M
2008	6,796	3,370	1,505	17,529	-50,119	N/M
2007	3,099	2,635	1,674	3,060	-3,094	(21.0)
2006	3,412	2,393	1,641	356	2,327	9.8
2005	4,627	2,076	1,535	347	2,113	8.1
2004	9,137	1,382	1,550	140	2,937	9.4
2003	9,498	1,653	1,181	2	4,816	17.7
2002	9,525	1,527	1,406	126	10,090	47.2
2001	7,448	1,381	1,024	39	3,158	20.2
2000	3,758	1,243	825	75	3,666	39.0
1999	2,926	1,019	655	159	2,223	25.5
1998	2,215	1,019	578	342	1,700	22.6
1997	1,847	1,082	495	529	1,395	23.1
1996	1,705	1,086	440	608	1,243	22.6
1995	1,396	1,087	395	541	1,091	22.1
1994	1,112	1,108	379	425	983	23.3
1993	772	1,009	361	524	786	22.3
1992	695	936	329	457	622	21.2
1991	683	792	287	419	555	23.6
1990	619	654	243	474	414	20.4
1989	517	572	217	278	437	25.0
1988	492	465	194	219	381	27.5
1987	319	472	150	175	301	28.2
1986	299	301	110	120	247	28.5
1985	312	188	81	79	208	30.0
1984	213	158	71	54	144	52.0
1983	125	132	53	46	86	44.5
1982	30	77	37	26	60	21.9
1981	34	36	30	16	31	13.1
1980	54	23	26	23	34	14.7
1979	55	18	19	20	36	16.2
1978	37	14	14	13	25	13.4
1977	31	9	12	8	21	12.4
1976	18	3	10	-1	14	9.5
1975	31	3	10	11	16	11.6
1974	42	2	8	33	5	4.0
1973	31	2	7	15	12	9.9
1972	10	1	5	4	4	3.5
1971	10	1	Not Available Before 1972	Not Available Before 1972	6	5.5

Source: Freddie Mac
N/M = not meaningful

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

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

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

TABLE 13 • FREDDIE MAC BALANCE SHEET

End of Period	Balance Sheet ($ in Millions)[a]								
	Total Assets ($)	Total Mortgage Assets[b] ($)	Nonmortgage Investments ($)	Total Debt Outstanding ($)	Stockholders' Equity ($)	Senior Preferred Stock ($)	Fair-Value of Net Assets ($)	Mortgage Assets Held for Investment (Gross)[c] ($)	Indebtedness[d] ($)
4Q18	2,063,060	1,983,053	55,751	2,044,950	4,477	72,648	Not Available	218,080	255,700
3Q18	2,063,457	1,959,826	75,827	2,041,990	5,559	72,648	Not Available	227,804	281,092
2Q18	2,041,732	1,947,428	66,998	2,021,162	4,585	72,648	Not Available	236,391	278,781
1Q18	2,022,483	1,934,138	61,291	2,004,807	2,150	72,648	Not Available	240,982	281,561
Annual Data									
2018	2,063,060	1,983,053	55,751	2,044,950	4,477	72,648	Not Available	218,080	255,700
2017	2,049,776	1,941,680	79,991	2,034,630	(312)	72,336	Not Available	253,455	316,729
2016	2,023,376	1,906,843	72,685	2,002,004	5,075	72,336	Not Available	298,426	356,743
2015	1,985,892	1,866,588	80,795	1,970,269	2,940	72,336	Not Available	346,911	418,021
2014	1,945,360	1,852,646	58,585	1,929,363	2,651	72,336	(30,400)	408,414	454,029
2013	1,965,831	1,855,095	69,019	1,940,521	12,835	72,336	(41,200)	461,024	511,345
2012	1,989,557	1,912,929	58,076	1,966,743	8,827	72,336	(58,300)	557,544	552,472
2011	2,147,216	2,062,713	39,342	2,131,983	(146)	72,171	(78,400)	653,313	674,314
2010	2,261,780	2,149,586	74,420	2,242,588	(401)	64,200	(58,600)	696,874	728,217
2009	841,784	716,974	26,271	780,604	4,278	51,700	(62,500)	755,272	805,073
2008	850,963	748,747	18,944	843,021	(30,731)	14,800	(95,600)	804,762	Not Applicable Before 2009
2007	794,368	710,042	41,663	738,557	26,724	Not Applicable Before 2008	12,600	720,813	
2006	804,910	700,002	68,614	744,341	26,914		31,800	703,959	
2005	798,609	709,503	57,324	740,024	25,691		30,900	710,346	
2004	795,284	664,582	62,027	731,697	31,416		30,900	653,261	
2003	803,449	660,531	53,124	739,613	31,487		27,300	645,767	
2002	752,249	589,899	91,871	665,696	31,330		22,900	567,272	
2001	641,100	503,769	89,849	578,368	19,624		18,300	497,639	
2000	459,297	385,451	43,521	426,899	14,837		Not Available Before 2001	385,693	
1999	386,684	322,914	34,152	360,711	11,525			324,443	
1998	321,421	255,670	42,160	287,396	10,835			255,009	
1997	194,597	164,543	16,430	172,842	7,521			164,421	
1996	173,866	137,826	22,248	156,981	6,731			137,755	
1995	137,181	107,706	12,711	119,961	5,863			107,424	
1994	106,199	73,171	17,808	93,279	5,162			73,171	
1993	83,880	55,938	18,225	49,993	4,437			55,938	
1992	59,502	33,629	12,542	29,631	3,570			33,629	
1991	46,860	26,667	9,956	30,262	2,566			26,667	
1990	40,579	21,520	12,124	30,941	2,136			21,520	
1989	35,462	21,448	11,050	26,147	1,916			21,448	
1988	34,352	16,918	14,607	26,882	1,584			16,918	
1987	25,674	12,354	10,467	19,547	1,182			12,354	
1986	23,229	13,093	Not Available Before 1987	15,375	953			13,093	
1985	16,587	13,547		12,747	779			13,547	
1984	13,778	10,018		10,999	606			10,018	
1983	8,995	7,485		7,273	421			7,485	
1982	5,999	4,679		4,991	296			4,679	
1981	6,326	5,178		5,680	250			5,178	
1980	5,478	5,006		4,886	221			5,006	
1979	4,648	4,003		4,131	238			4,003	
1978	3,697	3,038		3,216	202			3,038	
1977	3,501	3,204		3,110	177			3,204	
1976	4,832	4,175		4,523	156			4,175	
1975	5,899	4,878		5,609	142			4,878	
1974	4,901	4,469		4,684	126			4,469	
1973	2,873	2,521		2,696	121			2,521	
1972	1,772	1,726		1,639	110			1,726	
1971	1,038	935		915	107			935	

Source: Freddie Mac

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

b Excludes allowance for loan losses.

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

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

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

End of Period	Single-Family Mortgages ($ in Millions)					Multifamily Mortgages ($ in Millions)			($ in Millions)	
	Conventional									
	Fixed-Rate[b] ($)	Adjustable-Rate[c] ($)	Seconds[d] ($)	Total ($)	Total FHA/VA[d]	Conventional ($)	FHA/RD ($)	Multifamily Mortgages ($)	Total MBS Outstanding[e] ($)	Multiclass MBS Outstanding[f] ($)
4Q18	1,694,596	37,568	0	1,732,164	1,532	230,892	0	230,892	1,964,588	528,413
3Q18	1,661,412	38,988	0	1,700,400	1,587	219,782	0	219,782	1,921,769	517,493
2Q18	1,635,052	41,262	0	1,676,314	1,653	213,904	0	213,904	1,891,871	510,088
1Q18	1,610,171	43,432	0	1,653,603	1,719	206,650	0	206,650	1,861,972	496,839
Annual Data										
2018	1,694,596	37,568	0	1,732,164	1,532	230,892	0	230,892	1,964,588	528,413
2017	1,598,054	45,791	0	1,643,845	1,783	199,168	0	199,168	1,844,796	475,624
2016	1,510,170	48,467	0	1,558,637	2,110	152,236	0	152,236	1,712,983	422,528
2015	1,409,898	68,234	0	1,478,132	2,413	114,130	0	114,130	1,594,675	411,016
2014	1,338,926	72,095	0	1,411,021	2,835	87,836	0	87,836	1,501,692	410,133
2013	1,306,504	72,187	1	1,378,692	3,152	71,793	0	71,793	1,453,637	402,309
2012	1,269,642	76,095	1	1,345,738	3,452	49,542	0	49,542	1,398,732	427,630
2011	1,303,916	81,977	2	1,385,895	4,106	32,080	0	32,080	1,422,081	451,716
2010	1,357,124	84,471	2	1,441,597	4,434	21,954	0	21,954	1,467,985	429,115
2009	1,364,796	111,550	3	1,476,349	3,544	15,374	0	15,374	1,495,267	448,329
2008	1,242,648	142,495	4	1,385,147	3,970	13,597	0	13,597	1,402,714	517,654
2007	1,206,495	161,963	7	1,368,465	4,499	8,899	0	8,899	1,381,863	526,604
2006	967,580	141,740	12	1,109,332	5,396	8,033	0	8,033	1,122,761	491,696
2005	836,023	117,757	19	953,799	6,289	14,112	0	14,112	974,200	437,668
2004	736,332	91,474	70	827,876	9,254	15,140	0	15,140	852,270	390,516
2003	649,699	74,409	140	724,248	12,157	15,759	0	15,759	752,164	347,833
2002	647,603	61,110	5	708,718	12,361	8,730	0	8,730	729,809	392,545
2001	609,290	22,525	10	631,825	14,127	7,132	0	7,132	653,084	299,652
2000	533,331	36,266	18	569,615	778	5,708	0	5,708	576,101	309,185
1999	499,671	33,094	29	532,794	627	4,462	0	4,462	537,883	316,168
1998	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	478,351	260,504
1997									475,985	233,829
1996									473,065	237,939
1995									459,045	246,336
1994									460,656	264,152
1993									439,029	265,178
1992									407,514	218,747
1991									359,163	146,978
1990									316,359	88,124
1989									272,870	52,865
1988									226,406	15,621
1987									212,635	3,652
1986									169,186	5,333
1985									99,909	5,047
1984									70,026	3,214
1983									57,720	1,669
1982									42,952	Not Issued Before 1983
1981									19,897	
1980									16,962	
1979									15,316	
1978									12,017	
1977									6,765	
1976									2,765	
1975									1,643	
1974									780	
1973									791	
1972									444	
1971									64	

Source: Freddie Mac

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

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

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

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

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

f Amounts are included in total MBS outstanding column.

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

TABLE 14 • FREDDIE MAC MORTGAGE ASSETS HELD FOR INVESTMENT DETAIL

End of Period	($ in Millions)			
	Whole Loans[a] ($)	Freddie Mac Securities[a] ($)	Other Mortgage-Related Securities[a] ($)	Mortgage Assets Held for Investment (Gross)[b, c] ($)
4Q18	91,618	120,148	6,314	218,080
3Q18	96,505	124,062	7,237	227,804
2Q18	98,759	129,726	7,906	236,391
1Q18	100,812	131,587	8,583	240,982
Annual Data				
2018	91,618	120,148	6,314	218,080
2017	107,171	135,552	10,732	253,455
2016	127,549	136,184	34,693	298,426
2015	145,664	147,824	53,423	346,911
2014	164,472	161,541	82,401	408,414
2013	181,308	168,034	111,682	461,024
2012	221,313	186,763	149,468	557,544
2011	253,970	223,667	175,676	653,313
2010	234,746	263,603	198,525	696,874
2009	138,816	374,615	241,841	755,272
2008	111,476	424,524	268,762	804,762
2007	82,158	356,970	281,685	720,813
2006	65,847	354,262	283,850	703,959
2005	61,481	361,324	287,541	710,346
2004	61,360	356,698	235,203	653,261
2003	60,270	393,135	192,362	645,767
2002	63,886	341,287	162,099	567,272
2001	62,792	308,427	126,420	497,639
2000	59,240	246,209	80,244	385,693
1999	56,676	211,198	56,569	324,443
1998	57,084	168,108	29,817	255,009
1997	48,454	103,400	Not Available Before 1998	164,421
1996	46,504	81,195		137,755
1995	43,753	56,006		107,424
1994	Not Available Before 1995	30,670		73,171
1993		15,877		55,938
1992		6,394		33,629
1991		Not Available Before 1992		26,667
1990				21,520
1989				21,448
1988				16,918
1987				12,354
1986				13,093
1985				13,547
1984				10,018
1983				7,485
1982				4,679
1981				5,178
1980				5,006
1979				4,003
1978				3,038
1977				3,204
1976				4,175
1975				4,878
1974				4,469
1973				2,521
1972				1,726
1971				935

Source: Freddie Mac

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

b Excludes allowance for loan losses.

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

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

End of Period	Whole Loans ($ in Millions)[a]								
	Single-Family					Multifamily			Total Whole Loans ($)
	Conventional				Total FHA/VA[c] ($)				
	Fixed-Rate[b] ($)	Adjustable-Rate ($)	Seconds ($)	Total ($)		Conventional ($)	FHA/RD ($)	Total ($)	
4Q18	55,311	1,214	0	56,525	306	34,785	2	34,787	91,618
3Q18	63,231	1,287	0	64,518	316	31,669	2	31,671	96,505
2Q18	65,777	1,378	0	67,155	321	31,281	2	31,283	98,759
1Q18	66,301	1,583	0	67,884	332	32,594	2	32,596	100,812
Annual Data									
2018	55,311	1,214	0	56,525	306	34,785	2	34,787	91,618
2017	66,926	1,675	0	68,601	331	38,222	17	38,239	107,171
2016	82,295	2,439	0	84,734	398	42,415	2	42,417	127,549
2015	92,931	3,185	0	96,116	461	49,084	3	49,087	145,664
2014	106,499	4,544	0	111,043	473	52,953	3	52,956	164,472
2013	115,073	6,511	0	121,584	553	59,168	3	59,171	181,308
2012	133,506	9,953	0	143,459	1,285	76,566	3	76,569	221,313
2011	156,361	13,804	0	170,165	1,494	82,308	3	82,311	253,970
2010	130,722	16,643	0	147,365	1,498	85,880	3	85,883	234,746
2009	50,980	2,310	0	53,290	1,588	83,935	3	83,938	138,816
2008	36,071	2,136	0	38,207	548	72,718	3	72,721	111,476
2007	21,578	2,700	0	24,278	311	57,566	3	57,569	82,158
2006	19,211	1,233	0	20,444	196	45,204	3	45,207	65,847
2005	19,238	903	0	20,141	255	41,082	3	41,085	61,481
2004	22,055	990	0	23,045	344	37,968	3	37,971	61,360
2003	25,889	871	1	26,761	513	32,993	3	32,996	60,270
2002	33,821	1,321	3	35,145	705	28,033	3	28,036	63,886
2001	38,267	1,073	5	39,345	964	22,480	3	22,483	62,792
2000	39,537	2,125	9	41,671	1,200	16,369	Not Available Before 2001	16,369	59,240
1999	43,210	1,020	14	44,244	77	12,355		12,355	56,676
1998	47,754	1,220	23	48,997	109	7,978		7,978	57,084
1997	40,967	1,478	36	42,481	148	5,825		5,825	48,454
1996	Not Available Before 1997	Not Available Before 1997	Not Available Before 1997	Not Available Before 1997	Not Available Before 1997	4,746		4,746	46,504
1995						3,852		3,852	43,753

Source: Freddie Mac

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

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

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

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

End of Period	Mortgage-Related Securities ($ in Millions)[a]													
	Freddie Mac Securities[b/c]				Other Securities[c]									
	Single-Family				Fannie Mae				Ginnie Mae					
					Single-Family				Single-Family					
	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Freddie Mac ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Fannie Mae ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multi-family ($)	Total Ginnie Mae ($)	Total Private-Label ($)	Total Other Securities ($)
4Q18	95,705	17,282	7,161	120,148	1,520	2,419	0	3,939	25	4	11	40	2,099	6,078
3Q18	98,705	18,447	6,910	124,062	1,703	2,650	0	4,353	27	4	11	42	2,600	6,995
2Q18	103,314	19,475	6,937	129,726	1,968	2,417	0	4,385	32	35	11	78	3,137	7,600
1Q18	104,179	20,287	7,121	131,587	2,754	2,080	0	4,834	34	38	12	84	3,342	8,260
Annual Data														
2018	95,705	17,282	7,161	120,148	1,520	2,419	0	3,939	25	4	11	40	2,099	6,078
2017	107,213	21,258	7,081	135,552	2,861	2,191	0	5,052	36	123	12	171	5,157	10,380
2016	102,778	27,651	5,755	136,184	7,650	3,876	0	11,526	56	178	12	246	22,266	34,038
2015	119,072	22,873	5,879	147,824	6,038	6,753	0	12,791	90	77	12	179	39,265	52,235
2014	131,683	26,532	3,326	161,541	6,852	9,303	0	16,155	119	67	12	198	63,879	80,232
2013	137,164	28,083	2,787	168,034	7,240	9,421	3	16,664	150	78	15	243	91,237	108,144
2012	147,751	36,630	2,382	186,763	10,864	12,518	84	23,466	202	91	15	308	120,038	143,812
2011	174,440	46,219	3,008	223,667	16,543	15,998	128	32,669	253	104	16	373	134,841	167,883
2010	206,974	54,534	2,095	263,603	21,238	18,139	316	39,693	296	117	27	440	148,515	188,648
2009	294,958	77,708	1,949	374,615	36,549	28,585	528	65,662	341	133	35	509	163,816	229,987
2008	328,965	93,498	2,061	424,524	35,142	34,460	674	70,276	398	152	26	576	185,041	255,893
2007	269,896	84,415	2,659	356,970	23,140	23,043	922	47,105	468	181	82	731	218,914	266,750
2006	282,052	71,828	382	354,262	25,779	17,441	1,214	44,434	707	231	13	951	224,631	270,016
2005	299,167	61,766	391	361,324	28,818	13,180	1,335	43,333	1,045	218	30	1,293	231,594	276,220
2004	304,555	51,737	406	356,698	41,828	14,504	1,672	58,004	1,599	81	31	1,711	166,411	226,126
2003	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	393,135	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	74,529	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	2,760	107,301	184,590
2002				341,287				78,829				4,878	70,752	154,459
2001				308,427				71,128				5,699	42,336	119,163
2000				246,209				28,303				8,991	35,997	73,291
1999				211,198				13,245				6,615	31,019	50,879
1998				168,108				3,749				4,458	16,970	25,177
1997				103,400				Not Available Before 1998				6,393	Not Available Before 1998	Not Available Before 1998
1996				81,195								7,434		
1995				56,006								Not Available Before 1996		
1994				30,670										
1993				15,877										
1992				6,394										

Source: Freddie Mac

[a] Based on unpaid principal balances.

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

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

TABLE 14B • FREDDIE MAC MORTGAGE ASSETS HELD FOR INVESTMENT DETAIL – PART 2, MORTGAGE-RELATED SECURITIES, PRIVATE-LABEL DETAIL

End of Period	Mortgage-Related Securities ($ in Millions)[a/d]								
	Private-Label								
	Single-Family								
		Subprime		Alt-A[b]		Other[c]			
	Manufactured Housing ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multifamily ($)	Total Private-Label ($)
4Q18	358	3	1,383	45	187	0	91	32	2,099
3Q18	367	3	1,782	46	251	0	94	57	2,600
2Q18	376	3	2,262	49	284	0	97	66	3,137
1Q18	413	3	2,323	55	342	0	101	105	3,342
Annual Data									
2018	358	3	1,383	45	187	0	91	32	2,099
2017	428	3	3,315	58	410	0	812	131	5,157
2016	566	9	10,311	340	1,461	0	3,176	6,403	22,266
2015	630	10	17,285	753	3,045	0	5,309	12,233	39,265
2014	704	11	27,675	955	5,035	0	8,287	21,212	63,879
2013	778	116	39,583	1,417	9,594	0	10,426	29,323	91,237
2012	862	311	44,086	1,774	13,036	0	12,012	47,957	120,038
2011	960	336	48,696	2,128	14,662	0	13,949	54,110	134,841
2010	1,080	363	53,855	2,405	16,438	0	15,646	58,728	148,515
2009	1,201	395	61,179	2,845	18,594	0	17,687	61,915	163,816
2008	1,326	438	74,413	3,266	21,801	0	19,606	64,191	185,041
2007	1,472	498	100,827	3,720	26,343	0	21,250	64,804	218,914
2006	1,510	408	121,691	3,626	31,743	0	20,893	44,760	224,631
2005	1,680	Not Available Before 2006	Not Available Before 2006	Not Available Before 2006	Not Available Before 2006	4,749	181,678	43,487	231,594
2004	1,816					8,243	115,168	41,184	166,411
2003	2,085					Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	107,301
2002	2,394								70,752
2001	2,462								42,336
2000	2,896								35,997
1999	4,693								31,019
1998	1,711								16,970

Source: Freddie Mac

a Based on unpaid principal balances.

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

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

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

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

End of Period	Mortgage-Related Securities ($ in Millions)		($ in Millions)			
	Mortgage Revenue Bonds[a] ($)	Total Mortgage-Related Securities[a] ($)	Unamortized Premiums, Discounts, Deferred Fees, Plus Unrealized Gains/Losses on Available-for-Sale Securities[b] ($)	Mortgage Assets Held for Investment (Net)[c] ($)	Mortgage Assets Held for Investment (Gross)[d] ($)	Limit on Mortgage Assets Held for Investment (Gross)[e] ($)
4Q18	236	126,462	N/A	N/A	218,080	250,000
3Q18	242	131,298	N/A	N/A	227,804	288,408
2Q18	306	137,632	N/A	N/A	236,391	288,408
1Q18	324	140,170	N/A	N/A	240,982	288,408
Annual Data						
2018	236	126,462	N/A	N/A	218,080	250,000
2017	352	146,284	N/A	N/A	253,455	288,408
2016	657	170,877	N/A	N/A	298,426	339,304
2015	1,188	201,247	N/A	N/A	346,911	399,181
2014	2,169	243,942	N/A	N/A	408,414	469,625
2013	3,538	279,716	N/A	N/A	461,024	552,500
2012	5,656	336,231	N/A	N/A	557,544	650,000
2011	7,793	399,343	N/A	N/A	653,313	729,000
2010	9,877	462,128	N/A	N/A	696,874	810,000
2009	11,854	616,456	-38,298	716,974	755,272	900,000
2008	12,869	693,286	-56,015	748,747	804,762	Not Applicable Before 2009
2007	14,935	638,655	-10,771	710,042	720,813	
2006	13,834	638,112	-3,957	700,002	703,959	
2005	11,321	648,865	-843	709,503	710,346	
2004	9,077	591,901	11,321	664,582	653,261	
2003	7,772	585,497	14,764	660,531	645,767	
2002	7,640	503,386	22,627	589,899	567,272	
2001	7,257	434,847	6,130	503,769	497,639	
2000	6,953	326,453	-242	385,451	385,693	
1999	5,690	267,767	-1,529	322,914	324,443	
1998	4,640	197,925	661	255,670	255,009	
1997	3,031	Not Available Before 1998	122	164,543	164,421	
1996	1,787		71	137,826	137,755	
1995	Not Available Before 1996		282	107,706	107,424	
1994			Not Available Before 1995 and after 2009	73,171	73,171	
1993				55,938	55,938	
1992				33,629	33,629	
1991				26,667	26,667	
1990				21,520	21,520	
1989				21,448	21,448	
1988				16,918	16,918	
1987				12,354	12,354	
1986				13,093	13,093	
1985				13,547	13,547	
1984				10,018	10,018	
1983				7,485	7,485	
1982				4,679	4,679	
1981				5,178	5,178	
1980				5,006	5,006	
1979				4,003	4,003	
1978				3,038	3,038	
1977				3,204	3,204	
1976				4,175	4,175	
1975				4,878	4,878	
1974				4,469	4,469	
1973				2,521	2,521	
1972				1,726	1,726	
1971				935	935	

Source: Freddie Mac
N/A = not available

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

TABLE 15 • FREDDIE MAC FINANCIAL DERIVATIVES

End of Period	Financial Derivatives – Notional Amount Outstanding ($ in Millions)									
	Interest Rate Swaps[a] ($)	Interest Rate Caps, Floors, and Corridors ($)	Foreign Currency Contracts ($)	Over-the-Counter Futures, Options, and Forward Rate Agreements ($)	Treasury-Based Contracts[b] ($)	Exchange-Traded Futures, Options and Other Derivatives ($)	Credit Derivatives[c] ($)	Commitments[d] ($)	Other ($)	Total ($)
4Q18	516,240	10,000	0	138,331	40,075	121,110	2,030	36,044	12,212	876,042
3Q18	497,718	10,000	0	121,453	40,159	136,185	2,112	63,636	11,490	882,753
2Q18	493,088	10,000	0	111,312	37,259	165,037	2,216	74,913	11,719	905,544
1Q18	551,022	10,000	0	104,280	37,633	212,812	4,651	77,875	4,569	1,002,842
Annual Data										
2018	516,240	10,000	0	138,331	40,075	121,110	2,030	36,044	12,212	876,042
2017	557,115	10,000	0	115,118	50,820	216,565	3,569	54,207	2,906	1,010,300
2016	586,033	10,000	0	114,392	28,763	109,531	2,951	45,353	2,879	899,902
2015	429,712	10,000	0	99,463	1,332	55,000	3,899	29,114	3,033	631,553
2014	418,844	10,000	0	95,260	7,471	40,000	5,207	27,054	3,204	607,040
2013	524,624	19,000	528	103,010	270	50,000	5,386	18,731	3,477	725,026
2012	547,491	28,000	1,167	90,585	1,185	39,938	8,307	25,530	3,628	745,831
2011	503,893	28,000	1,722	182,974	2,250	41,281	10,190	14,318	3,621	788,249
2010	721,259	28,000	2,021	207,694	4,193	211,590	12,833	14,292	3,614	1,205,496
2009	705,707	35,945	5,669	287,193	540	159,659	14,198	13,872	3,521	1,226,304
2008	766,158	36,314	12,924	251,426	28,403	106,610	13,631	108,273	3,281	1,327,020
2007	711,829	0	20,118	313,033	0	196,270	7,667	72,662	1,302	1,322,881
2006	440,879	0	29,234	252,022	2,000	20,400	2,605	10,012	957	758,109
2005	341,008	45	37,850	193,502	0	86,252	2,414	21,961	738	683,770
2004	178,739	9,897	56,850	224,204	2,001	127,109	10,926	32,952	114,100	756,778
2003	287,592	11,308	46,512	349,650	8,549	122,619	15,542	89,520	152,579	1,083,871
2002	290,096	11,663	43,687	277,869	17,900	210,646	17,301	191,563	117,219	1,177,944
2001	442,771	12,178	23,995	187,486	13,276	358,500	10,984	121,588	0	1,170,778
2000	277,888	12,819	10,208	113,064	2,200	22,517	N/A	N/A	35,839	474,535
1999	126,580	19,936	1,097	172,750	8,894	94,987	Not Applicable Before 2000	Not Applicable Before 2000	0	424,244
1998	57,555	21,845	1,464	63,000	11,542	157,832			0	313,238
1997	54,172	21,995	1,152	6,000	12,228	0			0	95,547
1996	46,646	14,095	544	0	651	0			0	61,936
1995	45,384	13,055	0	0	24	0			0	58,463
1994	21,834	9,003	0	0	0	0			0	30,837
1993	17,888	1,500	0	0	0	0			0	19,388

Source: Freddie Mac
N/A = not available
[a] Amounts for 2010 through the current period include exchange-settled interest rate swaps.
[b] Amounts for years 2002 through the current period include exchange-traded.
[c] Includes prepayment management agreement and swap guarantee derivatives.
[d] Commitments include commitments to purchase and sell investments in securities and mortgage loans and commitments to purchase and extinguish or issue debt securities of consolidated trusts. Years before 2004 include commitments to purchase and sell various debt securities.

TABLE 16 • FREDDIE MAC NONMORTGAGE INVESTMENTS

End of Period	Nonmortgage Investments ($ in Millions)[a]					
	Federal Funds and Eurodollars ($)	Asset-Backed Securities ($)	Repurchase Agreements ($)	Commercial Paper and Corporate Debt ($)	Other[b] ($)	Total ($)
4Q18	0	0	34,771	0	20,980	55,751
3Q18	0	0	48,540	0	27,287	75,827
2Q18	0	0	41,769	0	25,229	66,998
1Q18	0	0	41,828	0	19,463	61,291
Annual Data						
2018	0	0	34,771	0	20,980	55,751
2017	0	0	55,903	0	24,088	79,991
2016	0	0	51,548	0	21,137	72,685
2015	0	0	63,644	0	17,151	80,795
2014	0	0	51,903	0	6,682	58,585
2013	0	0	62,383	0	6,636	69,019
2012	0	292	37,563	0	20,221	58,076
2011	0	302	12,044	2,184	24,812	39,342
2010	3,750	44	42,774	441	27,411	74,420
2009	0	4,045	7,000	439	14,787	26,271
2008	0	8,794	10,150	0	0	18,944
2007	162	16,588	6,400	18,513	0	41,663
2006	19,778	32,122	3,250	11,191	2,273	68,614
2005	9,909	30,578	5,250	5,764	5,823	57,324
2004	18,647	21,733	13,550	0	8,097	62,027
2003	7,567	16,648	13,015	5,852	10,042	53,124
2002	6,129	34,790	16,914	13,050	20,988	91,871
2001	15,868	26,297	17,632	21,712	8,340	89,849
2000	2,267	19,063	7,488	7,302	7,401	43,521
1999	10,545	10,305	4,961	3,916	4,425	34,152
1998	20,524	7,124	1,756	7,795	4,961	42,160
1997	2,750	2,200	6,982	3,203	1,295	16,430
1996	9,968	2,086	6,440	1,058	2,696	22,248
1995	110	499	9,217	1,201	1,684	12,711
1994	7,260	0	5,913	1,234	3,401	17,808
1993	9,267	0	4,198	1,438	3,322	18,225
1992	5,632	0	4,060	53	2,797	12,542
1991	2,949	0	4,437	0	2,570	9,956
1990	1,112	0	9,063	0	1,949	12,124
1989	3,527	0	5,765	0	1,758	11,050
1988	4,469	0	9,107	0	1,031	14,607
1987	3,177	0	5,859	0	1,431	10,467

Source: Freddie Mac

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

[b] Beginning in 2017, amounts include certain secured lending activity. From 2009 through current period, amounts include Treasury bills and Treasury notes. For 2004 through 2006, amounts include obligations of states and municipalities classified as available-for-sale securities. For 2003 and previous years, amounts include nonmortgage-related securities classified as trading, debt securities issued by the U.S. Treasury and other federal agencies, obligations of states and municipalities, and preferred stock. Beginning in 2017, amounts include certain secured lending activity. From

TABLE 17 • FREDDIE MAC MORTGAGE ASSET QUALITY

End of Period	Mortgage Asset Quality				
	Single-Family Delinquency Rate[a] (%)	Multifamily Delinquency Rate[b] (%)	Credit Losses/Average Total Mortgage Portfolio[c] (%)	REO/Total Mortgage Portfolio[d] (%)	Credit-Enhanced[e]/Total Mortgage Portfolio[d] (%)
4Q18	0.69	0.01	0.11	0.04	58.0
3Q18	0.73	0.01	0.23	0.04	56.0
2Q18	0.82	0.01	0.09	0.04	55.0
1Q18	0.97	0.02	0.06	0.04	50.0
Annual Data					
2018	0.69	0.01	0.11	0.04	58.0
2017	1.08	0.02	0.19	0.04	48.0
2016	1.00	0.03	0.09	0.06	40.0
2015	1.32	0.02	0.26	0.09	33.0
2014	1.88	0.04	0.22	0.14	26.0
2013	2.39	0.09	0.27	0.25	16.0
2012	3.25	0.19	0.64	0.24	13.0
2011	3.58	0.22	0.68	0.30	14.0
2010	3.84	0.26	0.72	0.36	15.0
2009	3.98	0.20	0.41	0.23	16.0
2008	1.83	0.05	0.20	0.17	18.0
2007	0.65	0.02	0.03	0.08	17.0
2006	0.42	0.06	0.01	0.04	16.0
2005	0.53	0.00	0.01	0.04	17.0
2004	0.73	0.06	0.01	0.05	19.0
2003	0.86	0.05	0.01	0.06	21.0
2002	0.77	0.13	0.01	0.05	27.4
2001	0.62	0.15	0.01	0.04	34.7
2000	0.49	0.04	0.01	0.04	31.8
1999	0.39	0.14	0.02	0.05	29.9
1998	0.50	0.37	0.04	0.08	27.3
1997	0.55	0.96	0.08	0.11	15.9
1996	0.58	1.96	0.10	0.13	10.0
1995	0.60	2.88	0.11	0.14	9.7
1994	0.55	3.79	0.08	0.18	7.2
1993	0.61	5.92	0.11	0.16	5.3
1992	0.64	6.81	0.09	0.12	Not Available Before 1993
1991	0.61	5.42	0.08	0.14	
1990	0.45	2.63	0.08	0.12	
1989	0.38	2.53	0.08	0.09	
1988	0.36	2.24	0.07	0.09	
1987	0.36	1.49	0.07	0.08	
1986	0.42	1.07	Not Available Before 1987	0.07	
1985	0.42	0.63		0.10	
1984	0.46	0.42		0.15	
1983	0.47	0.58		0.15	
1982	0.54	1.04		0.12	
1981	0.61	Not Available Before 1982		0.07	
1980	0.44			0.04	
1979	0.31			0.02	
1978	0.21			0.02	
1977	Not Available Before 1978			0.03	
1976				0.04	
1975				0.03	
1974				0.02	

Source: Freddie Mac

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

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

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

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

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

TABLE 18 • FREDDIE MAC CAPITAL[a]

End of Period	Capital ($ in Millions)									
	Minimum Capital Requirement			Risk-Based Capital Requirement						
	Core Capital[b] ($)	Minimum Capital Requirement[c] ($)	Regulatory Capital Surplus (Deficit)[c] ($)	Total Capital[d] ($)	Risk-Based Capital Requirement[e] ($)	Risk-Based Capital Surplus (Deficit)[f] ($)	Market Capitalization[g] ($)	Core Capital/ Total Assets[h] (%)	Core Capital/ Total Assets plus Unconsolidated MBS[i] (%)	Common Share Dividend Payout Rate[j] (%)
4Q18	(68,036)	17,553	(85,589)	N/A	N/A	N/A	689	(3.30)	(2.99)	N/A
3Q18	(66,576)	18,061	(84,637)	N/A	N/A	N/A	910	(3.23)	(2.94)	N/A
2Q18	(67,697)	17,809	(85,506)	N/A	N/A	N/A	1,034	(3.32)	(3.03)	N/A
1Q18	(70,200)	17,661	(87,861)	N/A	N/A	N/A	878	(3.47)	(3.19)	N/A
Annual Data										
2018	(68,036)	17,553	(85,589)	N/A	N/A	N/A	689	(3.30)	(2.99)	N/A
2017	(73,037)	18,431	(91,468)	N/A	N/A	N/A	1,638	(3.56)	(3.30)	N/A
2016	(67,717)	18,933	(86,650)	N/A	N/A	N/A	2,431	(3.35)	(3.18)	N/A
2015	(70,549)	19,687	(90,236)	N/A	N/A	N/A	1,053	(3.55)	(3.42)	N/A
2014	(71,415)	20,090	(91,505)	N/A	N/A	N/A	1,339	(3.67)	(3.54)	N/A
2013	(59,495)	21,404	(80,899)	N/A	N/A	N/A	1,885	(3.03)	(2.94)	N/A
2012	(60,571)	22,063	(82,634)	N/A	N/A	N/A	169	-3.04	-3.02	N/A
2011	-64,322	24,405	-88,727	N/A	N/A	N/A	136	-3.00	-3.03	N/A
2010	-52,570	25,987	-78,557	N/A	N/A	N/A	195	-2.32	-2.37	N/A
2009	-23,774	28,352	-52,126	N/A	N/A	N/A	953	-2.82	-1.02	N/A
2008	-13,174	28,200	-41,374	N/A	N/A	N/A	473	-1.55	-0.58	N/M
2007	37,867	26,473	11,394	40,929	14,102	26,827	22,018	4.77	1.74	N/M
2006	35,365	25,607	9,758	36,742	15,320	21,422	44,896	4.39	1.83	63.9
2005	35,043	24,791	10,252	36,781	11,282	25,499	45,269	4.35	1.97	56.4
2004	34,106	23,715	10,391	34,691	11,108	23,583	50,898	4.29	2.07	30.7
2003	32,416	23,362	9,054	33,436	5,426	28,010	40,158	4.03	2.08	15.6
2002	28,990	22,339	6,651	24,222	4,743	19,479	40,590	3.85	1.96	6.2
2001	20,181	19,014	1,167	Not Applicable Before 2002	Not Applicable Before 2002	Not Applicable Before 2002	45,473	3.15	1.56	18.9
2000	14,380	14,178	202				47,702	3.13	1.39	20.0
1999	12,692	12,287	405				32,713	3.28	1.37	20.1
1998	10,715	10,333	382				44,797	3.33	1.34	20.7
1997	7,376	7,082	294				28,461	3.79	1.10	21.1
1996	6,743	6,517	226				19,161	3.88	1.04	21.3
1995	5,829	5,584	245				14,932	4.25	0.98	21.1
1994	5,169	4,884	285				9,132	4.87	0.91	20.5
1993	4,437	3,782	655				9,005	5.29	0.85	21.6
1992	Not Applicable Before 1993	Not Applicable Before 1993	Not Applicable Before 1993				8,721	Not Applicable Before 1993	Not Applicable Before 1993	23.1
1991							8,247			21.6
1990							2,925			23.2
1989							4,024			24.3

Sources: Freddie Mac and FHFA

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

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

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

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

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

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

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

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

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

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

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

TABLE 19 • FEDERAL HOME LOAN BANKS COMBINED STATEMENT OF INCOME

End of Period	($ in Millions)				
	Net Interest Income ($)	Operating Expenses ($)	Affordable Housing Program Assessment ($)	REFCORP Assessment [1, 2] ($)	Net Income ($)
4Q18	1,319	311	90	0	791
3Q18	1,340	289	107	0	942
2Q18	1,332	268	110	0	971
1Q18	1,265	263	97	0	858
Annual Data					
2018	5,256	1,131	404	0	3,562
2017	4,481	1,064	384	0	3,376
2016	3,835	1,025	392	0	3,408
2015	3,548	1085	332	0	2,856
2014	3,522	932	269	0	2,245
2013	3,415	889	293	0	2,527
2012	4,052	839	296	0	2,606
2011	4,104	853	188	160	1,593
2010	5,234	860	229	498	2,081
2009	5,432	813	258	572	1,855
2008	5,243	732	188	412	1,206
2007	4,516	714	318	703	2,827
2006	4,293	671	295	647	2,612
2005	4,207	657	282	625	2,525
2004	4,171	547	225	505	1,994
2003	3,877	450	218	490	1,885
2002	3,722	393	168	375	1,507
2001	3,446	364	220	490	1,970
2000	3,313	333	246	553	2,211
1999	2,534	282	199	Not Applicable Before 2000	2,128
1998	2,116	258	169		1,778
1997	1,772	229	137		1,492
1996	1,584	219	119		1,330
1995	1,401	213	104		1,300
1994	1,230	207	100		1,023
1993	954	197	75		884
1992	736	207	50		850
1991	1,051	264	50		1,159
1990	1,510	279	60		1,468

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

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

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

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

TABLE 20 • FEDERAL HOME LOAN BANKS COMBINED BALANCE SHEET

End of Period	($ in Millions)								
	Total Assets ($)	Advances to Members Outstanding ($)	Mortgage Loans Held ($)	Mortgage-Related Securities ($)	Consolidated Obligations ($)	Capital Stock ($)	Retained Earnings ($)	Regulatory Capital	Regulatory Capital/ Total Assets
4Q18	1,102,850	728,767	62,534	142,991	1,029,525	38,498	19,504	59,064	5.36
3Q18	1,089,255	706,005	60,075	142,565	1,016,294	37,415	19,308	57,801	5.31
2Q18	1,130,235	734,457	57,209	142,357	1,057,260	38,670	18,914	58,793	5.20
1Q18	1,087,860	697,066	54,898	143,776	1,016,889	37,285	18,463	56,985	5.24
Annual Data									
2018	1,102,850	728,767	62,534	142,991	1,029,525	38,498	19,504	59,064	5.36
2017	1,103,451	731,544	53,827	141,299	1,033,081	37,657	18,099	57,027	5.17
2016	1,056,712	705,225	48,476	138,650	988,742	36,234	16,330	54,318	5.14
2015	969,353	634,022	44,585	133,680	905,982	34,185	14,325	49,449	5.10
2014	913,343	570,726	43,563	139,180	848,334	33,705	13,244	49,577	5.43
2013	834,200	498,599	44,442	140,309	767,141	33,375	12,206	50,578	6.06
2012	762,454	425,750	49,425	138,522	692,138	33,535	10,524	50,989	6.69
2011	766,086	418,157	53,377	140,154	697,124	35,542	8,577	52,936	6.91
2010	878,109	478,589	61,191	146,881	800,998	41,735	7,552	57,356	6.53
2009	1,015,583	631,159	71,437	152,028	934,876	44,982	6,033	60,153	5.92
2008	1,349,053	928,638	87,361	169,170	1,258,267	49,551	2,936	59,625	4.42
2007	1,271,800	875,061	91,610	143,513	1,178,916	50,253	3,689	56,051	4.41
2006	1,016,469	640,681	97,974	130,228	934,214	42,001	3,143	47,247	4.65
2005	997,389	619,860	105,240	122,328	915,901	42,043	2,600	46,102	4.62
2004	924,751	581,216	113,922	124,417	845,738	40,092	1,744	42,990	4.65
2003	822,418	514,037	113,438	97,867	740,721	37,703	1,098	38,801	4.72
2002	763,052	489,338	60,455	96,386	673,383	35,186	716	35,904	4.71
2001	696,254	472,540	27,641	86,730	621,003	33,288	749	34,039	4.89
2000	653,687	437,861	16,149	77,385	591,606	30,537	728	31,266	4.78
1999	583,212	395,747	2,026	62,531	525,419	28,361	654	29,019	4.98
1998	434,002	288,189	966	52,232	376,715	22,287	465	22,756	5.24
1997	348,575	202,265	37	47,072	304,493	18,833	341	19,180	5.50
1996	292,035	161,372	0	42,960	251,316	16,540	336	16,883	5.78
1995	272,661	132,264	0	38,029	231,417	14,850	366	15,213	5.58
1994	239,076	125,893	0	29,967	200,196	13,095	271	13,373	5.59
1993	178,897	103,131	0	22,217	138,741	11,450	317	11,766	6.58
1992	162,134	79,884	0	20,123	114,652	10,102	429	10,531	6.50
1991	154,556	79,065	0	Not Available Before 1992	108,149	10,200	495	Not Available Before 1992	Not Available Before 1992
1990	165,742	117,103	0		118,437	11,104	521		

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

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

TABLE 21 • FEDERAL HOME LOAN BANKS NET INCOME

End of Period	($ in Millions)													
	Atlanta	Boston	Chicago	Cincinnati	Dallas	Des Moines	Indianapolis	New York	Pittsburgh	San Francisco	Seattle	Topeka	Combining Adjustment	System Total
4Q18	88	44	67	80	58	100	39	122	78	73	--	43	(1)	791
3Q18	107	65	77	91	50	113	39	157	99	102	--	42	--	942
2Q18	107	53	85	85	49	129	69	155	91	104	--	45	(1)	971
1Q18	114	55	74	83	42	118	48	126	79	81	--	40	(2)	858
Annual Data														
2018	416	217	303	339	199	460	195	560	347	360	--	170	(4)	3,562
2017	349	190	317	314	150	518	156	479	340	376	--	197	(10)	3,376
2016	278	173	327	268	79	649	113	401	260	712	--	162	(14)	3,408
2015	301	289	349	249	67	131	121	415	257	638	(32)	93	(22)	2,856
2014	271	150	392	244	49	121	117	315	256	205	60	106	(41)	2,245
2013	338	212	343	261	88	110	218	305	148	308	61	119	16	2,527
2012	270	207	375	235	81	111	143	361	130	491	71	110	21	2,606
2011	184	160	224	138	48	78	110	244	38	216	84	77	(8)	1,593
2010	278	107	366	164	105	133	111	276	8	399	21	34	79	2,081
2009	283	(187)	(65)	268	148	146	120	571	(37)	515	(162)	237	18	1,855
2008	254	(116)	(119)	236	79	127	184	259	19	461	(199)	28	(7)	1,206
2007	445	198	111	269	130	101	122	323	237	652	71	150	18	2,827
2006	414	196	188	253	122	89	118	285	216	542	26	136	27	2,612
2005	344	135	244	220	242	228	153	230	192	369	2	136	30	2,525
2004	294	90	365	227	65	100	131	161	119	293	83	93	(27)	1,994
2003	207	92	437	171	113	135	134	46	69	323	144	88	(74)	1,885
2002	267	76	205	178	(50)	46	81	234	(27)	292	147	58	0	1,507
2001	162	113	164	189	114	74	104	285	85	425	178	77	0	1,970
2000	298	146	129	193	129	124	127	277	173	377	139	99	0	2,211
1999	282	137	131	173	109	132	125	244	184	332	165	90	24	2,128
1998	221	116	111	176	99	116	111	186	143	294	154	81	(30)	1,778
1997	192	103	99	135	87	110	98	144	110	249	129	65	(29)	1,492
1996	165	96	92	116	95	111	80	131	97	219	118	58	(48)	1,330
1995	159	92	73	91	91	103	74	136	82	200	87	50	63	1,300
1994	120	69	57	68	78	76	71	126	58	196	75	45	(16)	1,024
1993	114	57	49	33	39	50	53	117	62	163	122	35	(12)	884
1992	124	52	51	41	26	47	59	141	58	131	93	33	(5)	850
1991	158	88	58	51	38	46	64	156	57	316	58	64	7	1,159

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

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

TABLE 22 • FEDERAL HOME LOAN BANKS ADVANCES OUTSTANDING

End of Period	($ in Millions)												
	Atlanta	Boston	Chicago	Cincinnati	Dallas	Des Moines	Indianapolis	New York	Pittsburgh	San Francisco	Seattle	Topeka	System Total
4Q18	108,462	43,193	52,628	54,822	40,794	106,323	32,728	105,179	82,476	73,434	--	28,730	728,767
3Q18	109,746	40,928	54,667	57,771	42,242	100,787	33,567	100,166	68,301	69,359	--	28,472	706,005
2Q18	104,537	41,312	54,468	60,559	43,590	109,963	33,888	110,782	76,340	70,314	--	28,705	734,457
1Q18	91,733	37,988	50,840	63,883	35,304	108,253	32,965	112,202	70,278	66,642	--	26,978	697,066
Annual Data													
2018	108,462	43,193	52,628	54,822	40,794	106,323	32,728	105,179	82,476	73,434	--	28,730	728,767
2017	102,440	37,566	48,085	69,918	36,461	102,613	34,055	122,448	74,280	77,382	-	26,296	731,544
2016	99,077	39,099	45,067	69,882	32,506	131,601	28,096	109,257	76,809	49,845	-	23,986	705,225
2015	104,168	36,076	36,778	73,292	24,747	89,173	26,909	93,874	74,505	50,919	-	23,580	634,022
2014	99,644	33,482	32,485	70,406	18,942	65,168	20,790	98,797	63,408	38,986	10,314	18,303	570,726
2013	89,588	27,517	23,489	65,270	15,979	45,650	17,337	90,765	50,247	44,395	10,935	17,425	498,599
2012	87,503	20,790	14,530	53,944	18,395	26,614	18,130	75,888	40,498	43,750	9,135	16,573	425,750
2011	86,971	25,195	15,291	28,424	18,798	26,591	18,568	70,864	30,605	68,164	11,292	17,394	418,157
2010	89,258	28,035	18,901	30,181	25,456	29,253	18,275	81,200	29,708	95,599	13,355	19,368	478,589
2009	114,580	37,591	24,148	35,818	47,263	35,720	22,443	94,349	41,177	133,559	22,257	22,254	631,159
2008	165,856	56,926	38,140	53,916	60,920	41,897	31,249	109,153	62,153	235,664	36,944	35,820	928,638
2007	142,867	55,680	30,221	53,310	46,298	40,412	26,770	82,090	68,798	251,034	45,524	32,057	875,061
2006	101,476	37,342	26,179	41,956	41,168	21,855	22,282	59,013	49,335	183,669	27,961	28,445	640,681
2005	101,265	38,068	24,921	40,262	46,457	22,283	25,814	61,902	47,493	162,873	21,435	27,087	619,860
2004	95,867	30,209	24,192	41,301	47,112	27,175	25,231	68,508	38,980	140,254	14,897	27,490	581,216
2003	88,149	26,074	26,443	43,129	40,595	23,272	28,925	63,923	34,662	92,330	19,653	26,882	514,037
2002	82,244	26,931	24,945	40,063	36,869	23,971	28,944	68,926	29,251	81,237	20,036	25,921	489,338
2001	71,818	24,361	21,902	35,223	32,490	20,745	26,399	60,962	29,311	102,255	24,252	22,822	472,540
2000	58,249	21,594	18,462	31,935	30,195	21,158	24,073	52,396	25,946	110,031	26,240	17,582	437,861
1999	45,216	22,488	17,167	28,134	27,034	22,949	19,433	44,409	36,527	90,514	26,284	15,592	395,747
1998	33,561	15,419	14,899	17,873	22,191	18,673	14,388	31,517	26,050	63,990	21,151	8,477	288,189
1997	23,128	12,052	10,369	14,722	13,043	10,559	11,435	19,601	16,979	49,310	15,223	5,844	202,265
1996	16,774	9,655	10,252	10,882	10,085	10,306	9,570	16,486	12,369	39,222	10,850	4,921	161,372
1995	13,920	8,124	8,282	8,287	9,505	11,226	7,926	15,454	9,657	25,664	9,035	5,185	132,264
1994	14,526	8,504	6,675	7,140	8,039	9,819	7,754	14,509	8,475	25,343	8,899	6,212	125,893
1993	11,340	7,208	4,380	4,274	10,470	6,362	6,078	12,162	6,713	23,847	5,889	4,407	103,131
1992	9,301	5,038	2,873	2,415	7,322	3,314	5,657	8,780	3,547	23,110	5,025	3,502	79,884
1991	8,861	5,297	1,773	2,285	4,634	2,380	5,426	11,804	2,770	24,178	5,647	4,011	79,065

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

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

TABLE 23 • FEDERAL HOME LOAN BANKS REGULATORY CAPITAL

End of Period	($ in Millions)													
	Atlanta	Boston	Chicago	Cincinnati	Dallas	Des Moines	Indianapolis	New York	Pittsburgh	San Francisco	Seattle	Topeka	Combining Adjustment[1]	System Total
4Q18	7,597	3,956	5,547	5,366	3,643	7,719	3,178	7,766	5,327	6,522	--	2,442	1	59,064
3Q18	7,663	3,895	5,519	5,272	3,657	7,459	3,126	7,541	4,826	6,480	--	2,362	1	57,801
2Q18	7,381	3,869	5,547	5,546	3,669	7,770	3,116	7,919	5,171	6,424	--	2,377	4	58,793
1Q18	6,803	3,696	5,248	5,513	3,324	7,632	3,038	7,905	4,713	6,650	--	2,458	5	56,985
Annual Data														
2018	7,597	3,956	5,547	5,366	3,643	7,719	3,178	7,766	5,327	6,522	--	2,442	1	59,064
2017	7,157	3,628	5,051	5,211	3,266	7,292	2,998	8,316	4,822	6,797	--	2,486	3	57,027
2015	6,956	3,507	4,688	5,232	2,311	5,812	2,377	6,875	4,427	5,369	--	1,863	32	49,449
2014	6,914	3,613	4,317	5,019	1,928	4,213	2,344	6,682	3,879	6,356	2,659	1,605	48	49,577
2013	6,563	4,297	3,703	5,435	1,782	3,379	2,379	6,594	3,648	7,925	2,958	1,824	90	50,578
2012	6,373	4,259	3,347	4,759	1,794	2,694	2,677	5,714	3,806	10,750	2,987	1,752	77	50,989
2011	7,258	4,251	4,527	3,845	1,765	2,684	2,515	5,292	3,871	12,176	2,958	1,738	56	52,936
2010	8,877	4,004	4,962	3,887	2,061	2,746	2,695	5,304	4,419	13,640	2,871	1,826	64	57,356
2009	9,185	3,876	4,502	4,151	2,897	2,953	2,830	5,874	4,415	14,657	2,848	1,980	-15	60,153
2008	8,942	3,658	4,327	4,399	3,530	3,174	2,701	6,112	4,157	13,539	2,687	2,432	-33	59,625
2007	8,080	3,421	4,343	3,877	2,688	3,125	2,368	5,025	4,295	13,859	2,660	2,336	-26	56,051
2006	6,394	2,542	4,208	4,050	2,598	2,315	2,111	4,025	3,655	10,865	2,303	2,225	-44	47,247
2005	6,225	2,675	4,507	4,130	2,796	2,346	2,349	3,900	3,289	9,698	2,268	1,990	-71	46,102
2004	5,681	2,240	4,793	4,002	2,846	2,453	2,132	4,005	2,791	7,959	2,166	2,023	-101	42,990
2003	5,030	2,490	4,542	3,737	2,666	2,226	1,961	3,765	2,344	5,858	2,456	1,800	-74	38,801
2002	4,577	2,323	3,296	3,613	2,421	1,889	1,935	4,296	1,824	5,687	2,382	1,661	0	35,904
2001	4,165	2,032	2,507	3,240	2,212	1,574	1,753	3,910	1,970	6,814	2,426	1,436	0	34,039
2000	3,649	1,905	1,701	2,841	2,166	1,773	1,581	3,747	2,175	6,292	2,168	1,267	0	31,266
1999	3,433	1,868	1,505	2,407	1,862	2,264	1,446	3,093	2,416	5,438	2,098	1,190	0	29,019
1998	2,427	1,530	1,299	1,952	1,570	1,526	1,179	2,326	1,827	4,435	1,813	894	-24	22,756
1997	2,077	1,344	1,159	1,694	1,338	1,320	1,090	1,881	1,440	3,545	1,495	791	6	19,180
1996	1,846	1,239	1,091	1,377	1,150	1,245	903	1,616	1,230	3,150	1,334	666	35	16,883
1995	1,615	1,201	941	1,128	1,168	1,217	799	1,531	1,030	2,719	1,148	632	83	15,213
1994	1,488	1,091	749	961	944	905	676	1,281	924	2,627	1,094	612	20	13,373
1993	1,423	927	648	692	914	652	584	1,251	740	2,440	934	526	36	11,766
1992	1,333	843	564	563	661	515	548	1,181	566	2,453	782	474	48	10,531
1991	1,367	807	525	517	645	450	515	1,234	492	2,924	652	514	53	10,695

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

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

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

TABLE 24 • LOAN LIMITS

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

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

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

b Maximum loan limits for loans acquired between 2012 and 2019 were determined based on the formula established in the Housing and Economic Recovery Act of 2008.

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

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

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

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

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

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

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

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

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

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

TABLE 25 • MORTGAGE INTEREST RATES

Period	Average Commitment Rates on Loans		Effective Rates on Closed Loans	
	Conventional		Conventional	
	30-Year Fixed-Rate ($)	One-Year Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)
4Q18	4.6	3.5	4.9	N/A
3Q18	4.7	3.4	4.7	N/A
2Q18	4.6	3.2	4.7	N/A
1Q18	4.4	3.0	4.4	N/A
Annual Data				
2018	4.6	3.5	4.7	N/A
2017	4.0	2.9	4.1	N/A
2016	4.3	2.8	4.0	N/A
2015	4.0	2.7	4.0	N/A
2014	3.8	2.4	4.3	N/A
2013	4.5	2.6	4.1	N/A
2012	3.4	2.6	4.7	N/A
2011	4.0	2.8	4.8	N/A
2010	4.9	3.3	4.9	N/A
2009	5.1	4.3	5.2	N/A
2008	5.1	5.0	6.2	5.8
2007	6.2	5.5	6.5	6.3
2006	6.2	5.5	6.7	6.4
2005	6.2	5.2	6.1	5.5
2004	5.8	4.2	6.0	5.2
2003	5.8	3.7	5.9	5.0
2002	5.9	4.0	6.7	5.7
2001	7.2	5.3	7.1	6.4
2000	7.1	6.9	8.3	7.1
1999	8.1	6.6	7.4	6.5
1998	6.8	5.6	7.2	6.5
1997	7.0	5.5	7.9	6.9
1996	7.6	5.6	8.0	7.1
1995	7.1	5.6	8.2	7.1
1994	9.2	6.8	8.2	6.4
1993	7.1	4.2	7.5	5.7
1992	8.1	5.4	8.5	6.6
1991	8.4	6.0	9.7	8.3
1990	9.7	7.9	10.4	9.2
1989	9.8	8.4	10.5	9.4
1988	10.8	8.5	10.4	8.5
1987	10.6	8.0	9.9	8.5
1986	9.3	7.6	10.5	9.4
1985	11.1	9.2	12.4	10.9
1984	13.1	10.9	13.2	12.0
1983	13.4	Not Available Before 1984	13.0	12.3
1982	13.6		Not Available Before 1983	Not Available Before 1983
1981	17.0			
1980	15.0			
1979	12.9			
1978	10.4			
1977	9.0			
1976	8.8			
1975	9.1			
1974	9.6			
1973	8.6			
1972	7.5			
1971	Not Available Before 1972			

Sources: Freddie Mac for average commitment rates; Federal Housing Finance Agency for effective rates
N/A = not available
***Data at end of period as reported by Bloomberg**

TABLE 26 • HOUSING MARKET ACTIVITY[a]

Period	Housing Starts (units in thousands)			Home Sales (units in thousands)	
	One- to Four-Unit Housing Starts	Multifamily Housing Starts	Total Housing Starts	Sales of New One- to Four-Unit Homes	Sales of Existing One- to Four-Unit Homes
4Q18	835	307	1,142	562	5,000
3Q18	889	347	1,236	609	5,180
2Q18	864	316	1,180	612	5,390
1Q18	898	429	1,327	672	5,510
Annual Data					
2018	835	307	1,142	562	5,000
2017	849	361	1,210	636	5,570
2016	815	453	1,268	546	5,520
2015	767	371	1,138	534	5,440
2014	748	333	1,081	488	5,090
2013	676	334	1,010	433	4,860
2012	632	344	976	399	4,890
2011	545	149	694	341	4,350
2010	438	101	539	326	4,270
2009	497	84	581	352	4,400
2008	411	149	560	377	4,010
2007	816	221	1,037	619	4,410
2006	1,299	350	1,649	998	6,400
2005	1,659	335	1,994	1,239	6,840
2004	1,761	281	2,042	1,242	6,890
2003	1,676	381	2,057	1,129	6,490
2002	1,474	314	1,788	1,048	5,970
2001	1,302	266	1,568	979	5,490
2000	1,265	267	1,532	983	5,100
1999	1,401	307	1,708	873	5,080
1998	1,439	353	1,792	949	Not Available
1997	1,211	355	1,566	793	Before 1999
1996	1,105	265	1,370	805	
1995	1,197	234	1,431	709	
1994	1,188	267	1,455	629	
1993	1,338	195	1,533	812	
1992	1,110	117	1,227	650	
1991	989	90	1,079	558	
1990	766	203	969	464	
1989	959	292	1,251	630	
1988	1,193	370	1,563	658	
1987	1,085	315	1,400	595	
1986	1,338	495	1,833	784	
1985	1,209	733	1,942	721	
1984	1,213	399	1,612	597	
1983	1,141	547	1,688	773	
1982	943	360	1,303	521	
1981	639	271	910	457	
1980	1,061	421	1,482	532	
1979	1,124	374	1,498	559	
1978	1,581	463	2,044	805	
1977	1,677	465	2,142	835	
1976	1,416	388	1,804	767	
1975	1,102	219	1,321	669	
1974	799	176	975	417	
1973	908	618	1,526	519	
1972	1,402	964	2,366	772	
1971	1,427	868	2,295	689	

Sources: U.S. Census Bureau for housing starts and sales of new one- to four-unit properties; National Association of Realtors® for sales of existing one- to four-unit properties
N/A = not available
Seasonally adjusted annual rates.
a Components may not add to totals due to rounding.
*Data at end of period as reported by Bloomberg

TABLE 27 • WEIGHTED REPEAT SALES HOUSE PRICE INDEX (ANNUAL DATA)[a]

Period	USA	New England	Mid-Atlantic	South Atlantic	East North Central	West North Central	East South Central	West South Central	Mountain	Pacific
4Q18	1.12	1.35	1.00	1.00	1.11	1.35	1.37	1.13	1.61	0.76
3Q18	1.27	0.90	0.80	1.48	1.35	1.36	1.44	0.91	1.75	1.28
2Q18	1.28	1.08	0.91	1.34	1.37	1.37	1.79	1.05	1.92	0.98
1Q18	1.94	1.41	1.58	2.22	1.88	1.91	1.33	1.15	2.60	2.72
Annual Data										
2018	5.73	4.82	4.35	6.17	5.83	6.12	6.07	4.31	8.11	5.85
2017	6.82	5.84	5.55	6.78	6.25	5.47	5.90	6.65	9.12	8.89
2016	6.23	4.71	4.41	7.04	5.83	5.45	5.25	5.88	8.05	7.67
2015	5.63	3.78	2.32	6.62	4.19	4.58	4.80	6.06	8.09	8.30
2014	4.81	2.67	2.07	5.09	4.48	4.00	3.42	5.77	5.72	7.34
2013	7.00	3.28	2.88	7.55	5.62	4.17	3.18	5.50	10.95	15.19
2012	4.99	0.69	1.21	4.90	2.85	3.89	2.82	4.80	11.99	10.21
2011	(2.41)	(2.27)	(3.67)	(2.47)	(2.64)	(1.09)	(1.12)	0.76	(3.40)	(4.79)
2010	(4.00)	(2.24)	(1.69)	(5.43)	(3.09)	(3.58)	(4.31)	(2.20)	(7.50)	(5.13)
2009	(2.50)	(2.04)	(1.88)	(4.07)	(2.19)	(0.60)	(1.15)	0.91	(7.34)	(3.41)
2008	(10.12)	(6.68)	(5.24)	(14.31)	(7.81)	(4.44)	(3.97)	(2.10)	(14.16)	(21.83)
2007	(2.64)	(2.33)	(0.01)	(3.53)	(3.51)	(0.71)	1.74	3.26	(3.52)	(10.03)
2006	2.93	(1.89)	2.54	4.91	(0.09)	1.95	6.00	6.16	6.73	0.26
2005	10.23	6.29	9.99	14.82	3.41	4.95	7.43	6.79	17.91	18.19
2004	10.15	10.49	12.20	12.80	4.28	5.49	5.23	4.36	12.78	21.80
2003	7.85	10.73	10.95	8.51	4.68	5.55	4.02	3.21	6.88	15.63
2002	7.65	13.38	11.64	8.20	4.50	5.57	3.39	3.59	5.50	13.99
2001	6.73	12.00	9.45	7.29	4.76	6.17	3.20	3.99	5.41	9.69
2000	6.96	12.63	8.32	6.40	5.13	6.39	2.81	5.53	5.51	11.40
1999	6.18	9.94	6.86	5.77	5.13	5.48	3.83	5.50	5.63	8.68
1998	5.70	7.95	4.79	4.56	4.88	6.47	4.77	5.58	4.72	8.84
1997	3.33	4.42	2.06	3.37	3.39	3.69	2.82	3.07	3.17	4.23
1996	2.83	2.67	0.94	2.78	4.50	4.00	3.98	2.42	3.76	1.08
1995	2.72	0.87	0.08	2.58	4.97	4.80	4.76	3.16	4.98	(0.64)
1994	2.90	0.53	(0.69)	3.42	4.91	4.43	5.12	3.20	8.52	(1.04)
1993	2.77	(1.81)	0.06	2.43	4.66	6.17	4.74	4.69	9.58	(2.58)
1992	2.74	(0.52)	1.80	2.14	4.72	4.24	3.99	3.81	6.69	(1.07)
1991	3.12	(2.24)	1.56	3.01	4.71	3.81	4.06	3.98	5.60	1.87
1990	1.18	(7.18)	(2.50)	0.39	3.80	1.10	0.37	0.47	2.40	5.68
1989	5.60	0.84	2.54	4.49	5.92	3.18	2.80	2.48	2.57	18.31
1988	5.63	4.18	6.68	5.76	6.45	2.69	2.40	(1.90)	0.87	16.40
1987	5.39	15.04	15.92	5.74	7.63	2.36	3.29	(8.24)	(2.92)	8.59
1986	7.26	21.11	17.54	6.61	7.17	3.76	5.42	(0.10)	2.55	6.40
1985	5.71	22.38	13.58	5.14	4.81	3.69	5.50	(1.61)	2.29	4.65
1984	4.63	15.01	11.19	4.38	2.83	3.43	4.21	0.09	2.68	4.00
1983	4.30	13.77	10.85	3.57	4.77	4.37	3.24	1.63	(1.21)	0.74
1982	2.81	7.63	6.84	3.33	(4.44)	1.73	5.65	5.38	5.04	3.24
1981	4.18	6.30	2.19	4.97	2.06	0.65	0.17	10.58	8.17	4.52
1980	6.60	6.05	8.71	9.24	2.02	3.86	4.73	8.05	5.56	10.15
1979	12.39	13.78	15.79	11.79	7.96	10.47	8.71	14.76	14.47	16.41
1978	13.27	18.07	4.72	10.24	15.21	13.49	11.26	16.68	17.08	16.87
1977	14.78	9.15	12.44	9.73	14.90	16.05	11.12	14.40	16.93	25.69
1976	7.87	3.94	(1.20)	4.59	7.57	7.80	5.92	9.41	12.57	20.19

Source: Federal Housing Finance Agency

[a] Percentage changes based on FHFA's purchase-only index for 1992 through 2018 and all-transactions index for prior years. Annual data are measured based on fourth quarter to fourth quarter percentage change. Quarterly data for 2018 reflect changes over the previous four quarters.

Regional Divisions

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

FEDERAL HOUSING FINANCE AGENCY

FHFA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Federal Housing Finance Agency

Key Management Officials

Dr. Mark A. Calabria
Director

Laura S. Wertheimer
Inspector General

Adolfo Marzol
Principal Deputy Director

Bob Ryan
Special Advisor

John Roscoe
Chief of Staff

Lawrence Stauffer
Acting Chief Operating Officer

Nina Nichols
Deputy Director
Division of Enterprise Regulation

Andre D. Galeano
Deputy Director
Division of Bank Regulation

Sandra Thompson
Deputy Director
Division of Housing Mission and Goals

Robert Fishman
Deputy Director
Division of Conservatorship

Sharon P.A. Levine
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Office of Minority and Women Inclusion

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400 7th Street SW | Washington, D.C. 20219 | 202-649-3800 | **www.FHFA.gov**

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