



FEDERAL HOUSING FINANCE AGENCY

Office of the Director

December 19, 2016

Mr. Timothy J. Mayopoulos
President and Chief Executive Officer
Federal National Mortgage Association
3900 Wisconsin Avenue, NW
Washington, D.C. 20016-2892

Re: Final Determination of Fannie Mae's 2015 Housing Goals Performance

Dear Mr. Mayopoulos:

Thank you for the November 10, 2016 response to the Federal Housing Finance Agency's (FHFA) preliminary determinations of Fannie Mae's performance on the housing goals for 2015.

FHFA has completed its review of Fannie Mae's performance under the Enterprise housing goals for 2015, pursuant to section 1336 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (the Safety and Soundness Act) and 12 CFR part 1282. FHFA has determined that for 2015 Fannie Mae achieved the single-family low-income areas home purchase goal, low-income areas home purchase subgoal, and low-income refinance goal. FHFA has also determined that Fannie Mae met all the multifamily housing goals for 2015.

However, FHFA has also determined that Fannie Mae failed to meet the single-family low-income and very low-income home purchase goals for 2015. FHFA has further determined that achievement of these 2015 goals by Fannie Mae was feasible. In making these determinations, FHFA analyzed the size and composition of the conventional conforming primary mortgage market, as measured using Home Mortgage Disclosure Act (HMDA) data for 2015.

As specified in 12 CFR 1282.12, the single-family housing goals include both a benchmark level and a market level determined by FHFA based on its analysis of HMDA data for 2015. Fannie Mae meets a single-family housing goal if its official performance meets or exceeds either the benchmark level or the market level. FHFA's final determinations of Fannie Mae's official performance on the single-family housing goals for 2015 are set forth below:

Single-Family Housing Goals	Goal Benchmark – 2015	Market Level – 2015	FHFA Final Determination of Fannie Mae's 2015 Performance
Low-Income Home Purchase Goal	24%	23.6%	23.5%*
Very Low-Income Home Purchase Goal	6%	5.8%	5.6%*
Low-Income Areas Home Purchase Goal	19%	19.8%	20.4%
Low-Income Areas Home Purchase Subgoal	14%	15.2%	15.6%
Low-Income Refinance Goal	21%	22.5%	22.1%

* Reflects goal not met.

For each housing goal, the percentage shown above reflects the proportion of mortgages that met the criteria for that goal. The home purchase goals are based on Fannie Mae's acquisitions of purchase money mortgages, while the refinance goal is based on Fannie Mae's acquisitions of refinance mortgages and Home Affordable Modification Program (HAMP) loan modifications.

Unlike the single-family housing goals, the multifamily housing goals are based solely on benchmark levels established in advance by FHFA pursuant to 12 CFR 1282.13. FHFA's final determinations of Fannie Mae's official performance on the multifamily housing goals for 2015 are set forth below:

Multifamily Housing Goals	Goal Benchmark – 2015	FHFA Final Determination of Fannie Mae's 2015 Performance
Low-Income Multifamily Goal	300,000	307,510
Very Low-Income Multifamily Subgoal	60,000	69,078
Small Multifamily (5-50-unit) Low-Income Subgoal	6,000	6,731

Under the Safety and Soundness Act, FHFA may require an Enterprise to submit a housing plan if the Enterprise has failed to meet any of its goals and FHFA determines that the achievement of the goals was feasible. FHFA has determined that achieving the 2015 single-family low-income and very low-income home purchase goals by Fannie Mae was feasible. However, because this was the first year since 2013 that Fannie Mae failed to achieve these goals and because Fannie Mae missed the two goals by narrow amounts (0.1 percent and 0.2 percent respectively) FHFA will not require Fannie Mae to submit a formal Housing Plan under section 1336 of the Safety and Soundness Act. However, FHFA will expect Fannie Mae to make improvements in serving these markets in line with both the housing goal requirements and FHFA's conservatorship expectations. FHFA will also evaluate Fannie Mae's and market performance on the 2016

housing goals and will closely monitor and evaluate Fannie Mae's housing goals performance in 2017.

If you have any questions, please contact Ted Wartell, Manager, Office of Housing & Community Investment, Division of Housing Mission & Goals, at Ted.Wartell@fhfa.gov or 202-649-3157.

Sincerely,

A handwritten signature in black ink, appearing to read "Melvin L. Watt". The signature is fluid and cursive, with a large initial "M" and a long horizontal stroke at the end.

Melvin L. Watt