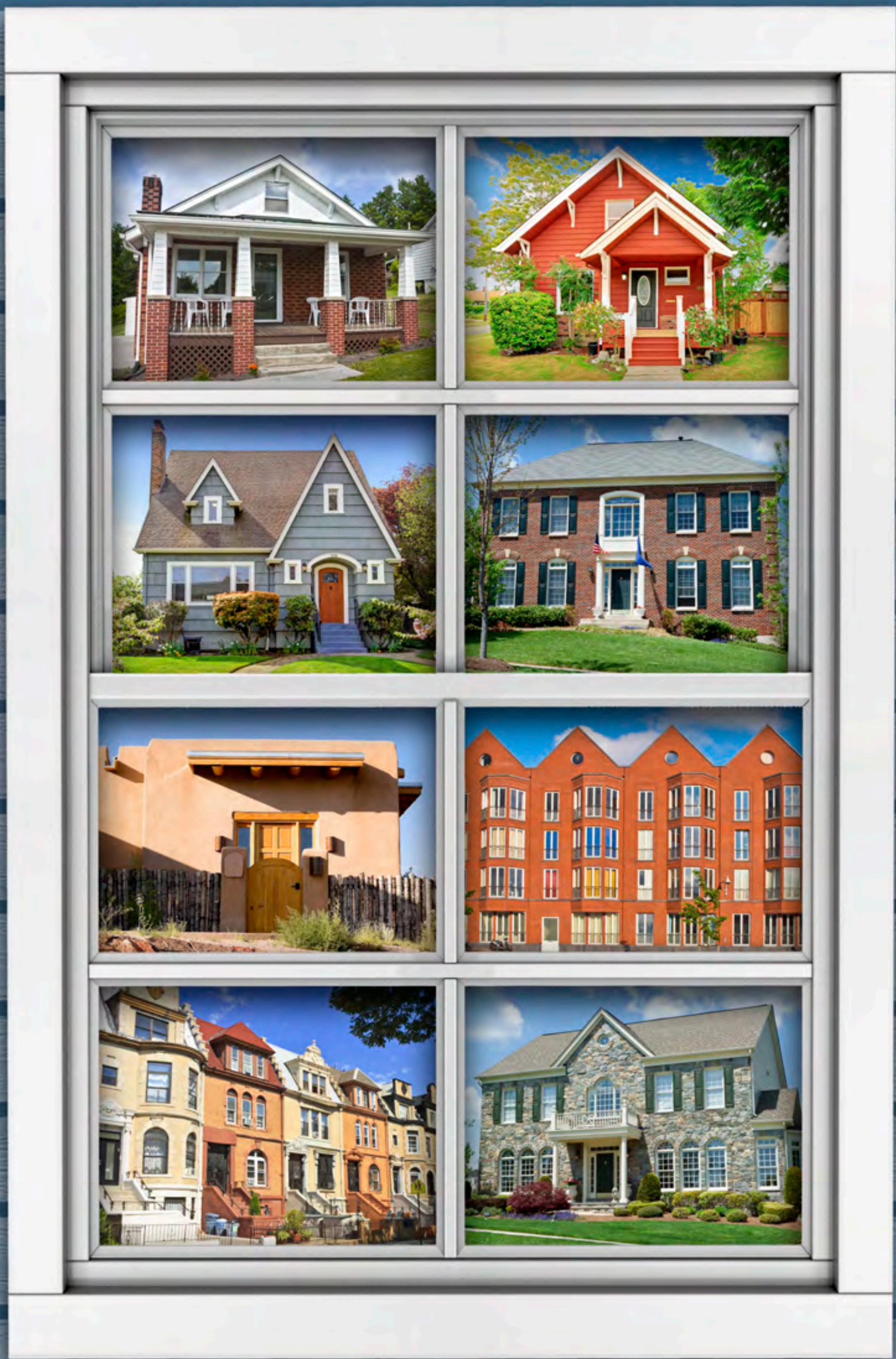
2015 Report to Congress

FEDERAL HOUSING FINANCE AGENCY

FHFA • 2015 REPORT TO CONGRESS



LIST OF ABBREVIATIONS

AHP	Affordable Housing Program
AMA	Acquired Member Assets
Bank Act	Federal Home Loan Bank Act
CDFI	Community Development Financial Institution
CSP	Common Securitization Platform
CSS	Common Securitization Solutions, LLC
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010
Enterprises	Fannie Mae and Freddie Mac
Fannie Mae	Federal National Mortgage Association
FHFA OIG	Federal Housing Finance Agency Office of Inspector General
FHA	Federal Housing Administration
FHLBank	Federal Home Loan Bank
FISMA	Federal Information Security Management Act
Freddie Mac	Federal Home Loan Mortgage Corporation
HAMP	Home Affordable Modification Program
HARP	Home Affordable Refinance Program
HERA	Housing and Economic Recovery Act of 2008
HMDA	Home Mortgage Disclosure Act
MBS	Mortgage-Backed Securities
MPF	Mortgage Partnership Finance
OF	Office of Finance
PRISM	Procurement Request Information System Management
PSPA	Senior Preferred Stock Purchase Agreement
Regulated Entities	Fannie Mae, Freddie Mac, and the FHLBanks
Safety and Soundness Act	Federal Housing Enterprises Financial Safety and Soundness Act of 1992
Treasury Department	U.S. Department of the Treasury
UPB	Unpaid Principal Balance
VA	Veterans Administration

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June 15, 2016

Honorable Richard C. Shelby
Chairman
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United States Senate
Washington, D.C. 20510

Honorable Sherrod Brown
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Honorable Jeb Hensarling
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United States House of Representatives
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Honorable Maxine Waters
Ranking Member
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Dear Chairmen and Ranking Members:

I am pleased to enclose the Federal Housing Finance Agency's (FHFA's) 2015 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 (HERA), to submit a report to Congress describing the actions undertaken by FHFA to carry out its statutory responsibilities, including a description of the financial safety and soundness of the entities the Agency regulates. It also meets FHFA's obligation under Section 1305 of the Dodd-Frank Wall Street Reform and Consumer Protection Act to report to Congress on the Agency's plans to "continue to support and maintain the nation's vital housing industry, while at the same time guaranteeing that the American taxpayer will not suffer unnecessary losses."

During 2015, FHFA continued to serve as regulator of the 11 Federal Home Loan Banks (FHLBanks) and the FHLBanks' joint Office of Finance and as regulator and conservator of Fannie Mae and Freddie Mac. The enclosed Report summarizes the findings of the Agency's 2015 examinations of these entities as well as FHFA's actions as conservator of Fannie Mae and Freddie Mac during 2015 and it describes FHFA's regulatory guidance, research, and publications issued during the year.

As required by HERA, this Report also includes the Federal Housing Finance Oversight Board's assessment of the matters set out in Section 1103 of that Act.

Sincerely,

Melvin L. Watt
Director, Federal Housing Finance Agency

2015 FHFA Report to Congress

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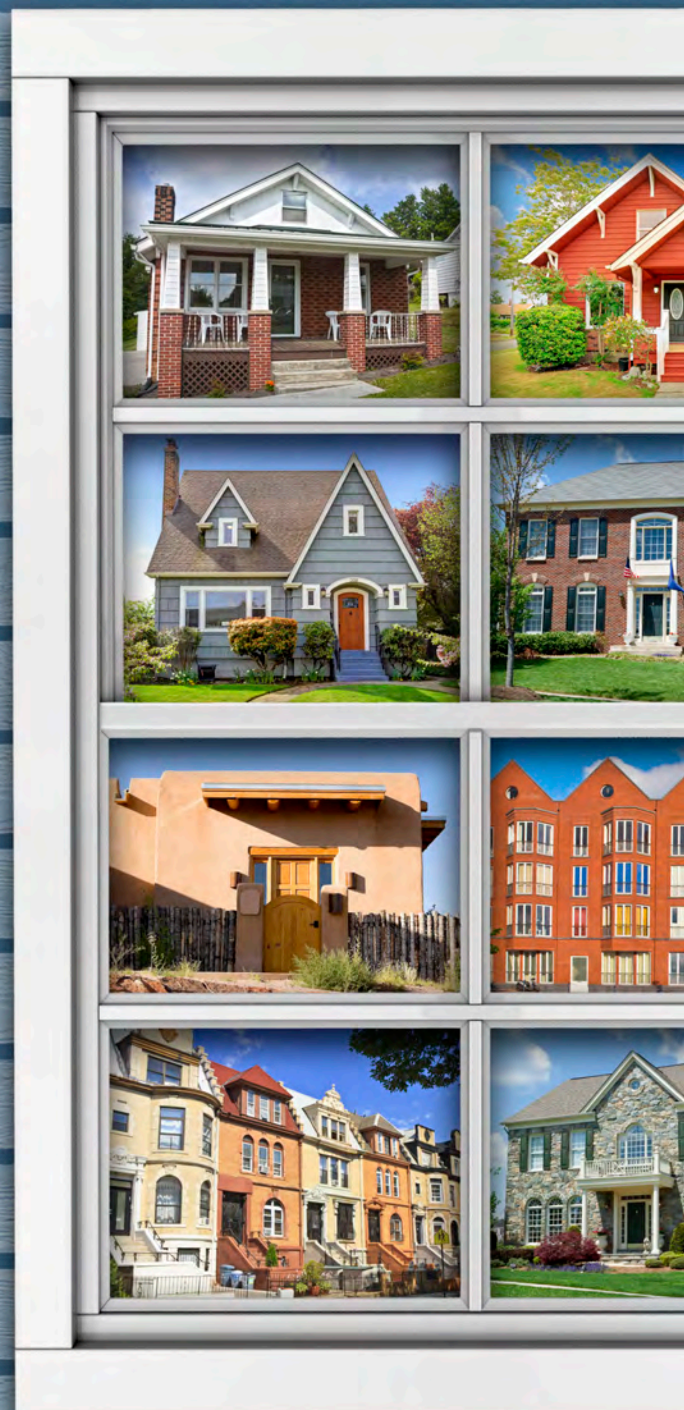


The Federal Housing Finance Agency (FHFA) was established by the Housing and Economic Recovery Act of 2008 (HERA) and is responsible for the effective supervision, regulation, and housing mission oversight of the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), and the Federal Home Loan Bank System, which includes the 11 Federal Home Loan Banks (FHLBanks)[1] and the Office of Finance. The Agency's mission is to ensure that Fannie Mae, Freddie Mac 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.

As part of HERA, Congress granted the Director of FHFA the discretionary authority to appoint FHFA as conservator or receiver of Fannie Mae, Freddie Mac (together, the Enterprises), or any of the Federal Home Loan Banks, 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 U.S. Department of the Treasury (Treasury Department) has provided essential financial commitments of taxpayer funding under Senior Preferred Stock Purchase Agreements (PSPAs). Fannie Mae and Freddie Mac have drawn a combined total of $187.5 billion in taxpayer support under the PSPAs to date. Through December,[2] the Enterprises have paid the Treasury Department a total of $241.3 billion in dividends on senior preferred stock. Under the provisions of the PSPAs, the Enterprises' dividend payments do not offset the amounts drawn from the Treasury Department.

Managing the Conservatorships

FHFA uses four key approaches 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 delegates the day-to-day operations of the companies to their boards of directors and senior management. Third, FHFA has carved out actions that are not delegated to the Enterprises that require advance approval by FHFA. Fourth, FHFA oversees and monitors Enterprise activities.

The following section provides an overview of Fannie Mae, Freddie Mac, and FHFA activities to fulfill the three strategic goals in the 2014 Conservatorship Strategic Plan and the *2015 Scorecard for Fannie Mae, Freddie Mac and Common Securitization Solutions* (2015 Scorecard)[3]:

1. **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;
2. **REDUCE** taxpayer risk through increasing the role of private capital in the mortgage market; and
3. **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.

[1] The FHLBanks of Des Moines and Seattle combined to form a single entity as of May 31, 2015, reducing the total number of FHLBanks from 12 to 11. The merger was the first for FHLBanks under the terms of FHFA's voluntary merger guidelines adopted in 2011. FHFA approved the merger application in December 2014, and members of both FHLBanks voted overwhelmingly to ratify the merger agreement. The FHLBank of Des Moines is the continuing institution and serves 1,445 member financial institutions across 13 states and the U.S Pacific territories.

[2] Unless otherwise specified, all dates in this report refer to 2015.

[3] For additional information about the Enterprises' 2015 Scorecard performance, please see the *2015 Scorecard Progress Report*, published on March 3, 2016.

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.

The Maintain goal recognizes that a healthy housing finance market requires liquidity and access across different market segments of creditworthy borrowers, sensible and appropriate loss mitigation options when borrowers fall into economic distress, and affordable rental housing options. These objectives are at the core of FHFA's statutory mandates under HERA and the Emergency Economic Stabilization Act of 2008, as well as the Enterprises' charters.

Access to Credit for Creditworthy Borrowers

The 2015 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. In fulfillment of that expectation, the Enterprises worked on the following initiatives.

Selling Representation and Warranty Framework – FHFA has been engaged with the Enterprises in a multiyear effort to improve their selling Representation and Warranty Framework. The effort seeks to responsibly address lending industry concerns about uncertainty regarding when a mortgage loan may be subject to repurchase and how that uncertainty has contributed to increased credit overlays that drive up lending costs and reduce access to credit.

The Enterprises took significant steps in 2015 to finalize improvements to the Framework. In October, the Enterprises published *Selling Guide* announcements that defined the severity levels for loan origination defects and the process for remedying them.[4]

In February 2016, the Enterprises and FHFA finalized the last enhancement of the Framework, an independent dispute resolution process in which a neutral third party determines whether a breach of representations and warranties exists to support a repurchase request.

FHFA and the Enterprises also are continuing work on a complementary effort to assess the practicality of granting appraisal-related representation and warranty relief shortly after acquiring a loan. In 2015, both Enterprises developed tools that provide lenders with information about appraisal quality. Both Enterprises are now using these tools in independent pilots to assess the feasibility of representation and warranty relief on certain elements of collateral.

Expectations for Servicer Performance – On December 16, the Enterprises announced an aligned Servicing Defect Remedy Framework that places servicing defects into categories—such as Title, Property Preservation, and Loss Mitigation—and provides the types of remedies for each category. Remedies range from making a correction, indemnifying the Enterprise or, in the most serious circumstances, repurchasing the mortgage loan.

Servicer Eligibility Standards – After soliciting input from industry participants, trade associations, and stakeholders, the Enterprises announced new financial and operational eligibility requirements for seller/servicers on May 20. The new requirements are intended to help ensure the safe and sound operation of the Enterprises, take into consideration the changes taking place in the servicing industry, and provide greater transparency, clarity, and consistency to industry participants and other stakeholders.

Expanding Lender Participation – During 2015, the Enterprises continued to expand their partnerships with small and rural lenders and state housing finance agencies. The Enterprises' increased focus on small lenders included meeting with trade groups, providing training, and improving customer service. Fannie Mae and Freddie Mac added 102 small lenders as approved sellers in 2015. Both Enterprises also developed plans for conducting outreach to identify the challenges minority-serving financial

[4] On October 7, Fannie Mae published Selling Guide Announcement SEL-2015-11 (https://www.fanniemae.com/content/announcement/sel1511.pdf) and Freddie Mac published Bulletin 2015-17 (http://www.freddiemac.com/singlefamily/guide/bulletins/pdf/bll1517.pdf)

institutions may encounter when participating in the secondary mortgage market.

Impediments to Access to Credit – During 2015, the Enterprises continued to assess impediments to access to credit. They refined and improved products targeted to borrowers with lower down payment mortgages who have compensating factors and risk mitigants that reduce credit risk. The Enterprises actively worked with nonprofit advocacy groups to discuss housing counseling opportunities that help ensure sustainable homeownership. For example, under its HomeReady program, Fannie Mae requires that borrowers complete an online training course developed by U.S. Department of Housing and Urban Development-approved counseling agencies or work directly with one of these counseling agencies to learn the fundamentals of buying and owning a home prior to obtaining a HomeReady mortgage.

Fannie Mae and Freddie Mac also engaged in outreach to a wide variety of groups—including seller/servicers, potential seller/servicers, trade groups, think tanks, government agencies, policy advocacy groups, and other institutions—in an effort to understand how they could better support efforts to responsibly increase access to credit for minorities and underserved communities.

Alternate Credit Score Models – In 2015, FHFA and the Enterprises began assessing the feasibility of using updated or alternate credit scoring models in their business operations. This issue remains an ongoing priority for FHFA.[5]

Loss Mitigation and Foreclosure Prevention Activities

The 2015 Scorecard called for the Enterprises to implement key loss mitigation activities, thereby enabling borrowers to stay in their homes and avoid foreclosure where possible. The Enterprises worked on the following loss mitigation and foreclosure prevention activities.

HARP Replacement and Outreach – In May, FHFA announced an extension of HARP to the end of 2016. To continue to encourage HARP-eligible homeowners to refinance, FHFA also engaged in outreach efforts in Newark, NJ, Phoenix, AZ, and Columbus, OH; hosted a HARP webinar focused on Ohio; and launched a social media campaign. These efforts targeted areas with the highest concentration of HARP-eligible homeowners and leveraged community leaders and other trusted local advisers to promote the program.

“The Enterprises actively worked with nonprofit advocacy groups to discuss housing counseling opportunities that help ensure sustainable homeownership.”

Solutions for HAMP Borrowers Facing Rate Resets – Under the terms of the HAMP program, five years after a mortgage is modified the interest rate begins to gradually reset, increasing by 1 percentage point each year, until it reaches the market rate that was in effect at the time of the modification. In 2015, the Enterprises took steps to assist borrowers who may be challenged by making an increased monthly mortgage payment as a result of a rate reset.

In January, FHFA directed the Enterprises to implement a $5,000 pay-for-performance incentive that reduces the outstanding principal of HAMP borrowers who have remained in good standing through the end of the sixth year of their modification.

In March, each Enterprise announced changes to its Streamlined Modification product that reduced the period of time for which a borrower must have been delinquent in order to receive a modification from 90 to 60 days for borrowers who had recently experienced a rate reset. In May, FHFA directed the Enterprises to eliminate the sunset date for their Streamlined Modification products. One of the reasons for ensuring the continuing availability of this loss mitigation tool is its role as a solution for HAMP borrowers who face rate resets.

[5] In the *2016 Scorecard for Fannie Mae, Freddie Mac, and Common Securitization Solutions*, FHFA included the expectation that the Enterprises will conclude their assessment and, as appropriate, plan for implementation.

The Enterprises also identified approximately 16,000 HAMP borrowers who are facing resets and are also eligible for HARP and would benefit from refinancing. The Enterprises provided servicers with information to enable them to solicit these borrowers for HARP.

Neighborhood Stabilization Initiative **–** FHFA, in collaboration with the Enterprises, developed the Neighborhood Stabilization Initiative (NSI) in 2014 as a pilot effort to test innovative pre- and post-foreclosure strategies aimed at stabilizing selected distressed communities. The Enterprises launched the NSI pilot in Detroit, MI in June 2014 and expanded it to include Cook County, IL (Chicago) in April 2015.

Since the start of NSI, FHFA has worked closely with the Enterprises to identify the markets in which the NSI approach to real estate owned (REO) properties, which leverages nonprofits and community buyers, could be utilized to help stabilize targeted neighborhoods. Based on lessons learned from the NSI pilot, FHFA and the Enterprises agreed that a broad-based REO stabilization program could be successfully implemented in multiple markets. On December 1, the NSI was expanded to the following 18 MSAs: Akron, Atlanta, Baltimore, Chicago, Cincinnati, Cleveland, Columbus, Dayton, Detroit, Jacksonville, Miami, New York, Orlando, Philadelphia, Pittsburgh, St. Louis, Tampa, and Toledo.

Sales of Non-Performing Loans **–** After conducting an initial pilot sale of non-performing loans (NPL) in August 2014 that covered mortgage loans with an unpaid principal balance (UPB) of $596 million, Freddie Mac conducted a second pilot sale in March 2015 that covered $349 million of UPB.

Also in March 2015, FHFA published enhanced NPL sales requirements that seek to further reduce Enterprise losses and improve borrower and neighborhood outcomes. After issuing the enhanced requirements, FHFA gave approval to Freddie Mac to conduct ongoing NPL sales, and Freddie Mac conducted eight more sales in 2015.

"To encourage more nonprofit bidders, the Enterprises hosted one-day seminars about the NPL sales process, including information about small pools and nonprofit bidders, and conducted additional outreach efforts throughout the year."

Applying the enhanced requirements issued by FHFA, Fannie Mae also conducted a pilot NPL sale in June that covered 2,477 loans. After receiving FHFA approval to conduct ongoing sales, Fannie Mae conducted two more NPL sales in 2015.

Both Enterprises developed pages on their websites related to NPL sales to educate and assist interested bidders. To encourage more nonprofit bidders, the Enterprises hosted one-day seminars about the NPL sales process, including information about small pools and nonprofit bidders, and conducted additional outreach efforts throughout the year.[6]

Lender-Placed Insurance **–** FHFA continued to review the Enterprises' lender-placed insurance (LPI) arrangements during the year and directed the Enterprises to establish an aligned, three-tiered minimum deductible for LPI coverage. This raised deductibles in order to lower premium costs. These efforts built on a directive FHFA issued in 2013 that prohibited Enterprise servicers from receiving commissions or similar incentive-based compensation from LPI carriers.

6 On April 14, 2016, FHFA announced additional enhancements to its NPL sales requirements that build on the requirements announced in March 2015. For more information, please see *Fact Sheet: Enhanced Non-Performing Loan Sale Guidelines*.

At FHFA's request, the Enterprises have developed more robust internal reporting metrics for LPI. These new internal metrics give insight into and quantify the costs of LPI to borrowers and enhance the Enterprises' capacity to manage LPI costs.

These and other efforts have helped to lower premiums and enhance regulation of LPI. Lower LPI premiums have been reflected in the claims for reimbursement that servicers have submitted to the Enterprises. For example, the average amount of claims for reimbursement submitted to Fannie Mae fell from almost $4,000 for the 2009 coverage year to under $1,400 for the 2014 coverage year, a decrease of 64 percent.

Multifamily Credit Guarantee Business

The 2015 Scorecard continued the loan production caps of $30 billion on each Enterprise's multifamily business. However, because the multifamily market grew beyond FHFA's projections for 2015, FHFA revised the 2015 Scorecard midyear to exclude an expanded range of affordable and underserved multifamily categories from those caps.

In 2015, neither Enterprise's total multifamily finance activity for the year—about $42.3 billion for Fannie Mae and $47.3 billion for Freddie Mac—exceeded the 2015 Scorecard's loan production caps under the revised, midyear definitions.

In 2015, both Enterprises implemented or improved other initiatives designed to support affordable and underserved segments of the multifamily market. Both Enterprises enhanced their existing loan programs to better serve small multifamily properties and to help renovate and preserve older, subsidized affordable housing properties. Both also offered new ways to guarantee tax-exempt housing bonds to promote greater use of this type of financing. Further, both Enterprises offered programs designed to renovate and upgrade older market-rate properties to improve housing quality and adapt older units for modern renter needs.

REDUCE.

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

The 2014 Conservatorship Strategic Plan focused on reducing taxpayer risk by increasing the role of private capital in the secondary mortgage market. To further that objective, the 2015 Scorecard called for the Enterprises to: 1) expand the volume and types of transactions that transfer single-family mortgage credit risk to the private sector; 2) determine the feasibility of transacting additional types of transfers of multifamily mortgage credit risk; 3) continue to implement approved plans to reduce their retained mortgage portfolios; and 4) implement finalized counterparty risk management standards for private mortgage insurers eligible to do business with them.

Credit Risk Transfers for Single-Family Credit Guarantee Business

The 2014 Conservatorship Strategic Plan built upon the Enterprises' previous credit risk transfer efforts and in 2015 FHFA increased its expectations for the volume of the Enterprises' single-family credit risk transfer transactions for the third consecutive year. In 2015, the Enterprises executed combined credit risk transfers on single-family mortgage loans with a total UPB of approximately $417 billion. These credit risk transfers took place through 43 separate transactions in which the combined value of either the notes issued or the risk-in-force (for insurance/reinsurance deals) totaled approximately $16.8 billion.

Innovations **–** Fannie Mae and Freddie Mac also implemented a number of new credit risk transfer products and product innovations in 2015. Fannie Mae completed several collateralized recourse transactions, a front-end transaction in which sellers share the credit risk of pools of mortgage loans securitized by Fannie Mae. A Fannie Mae Credit Insurance Risk Transfer transaction transferred credit risk on adjustable-rate mortgage (ARM) loans, the

Figure 1 • Enterprise Single-Family Mortgage Credit Risk Transfer Activity 2013-2015

		Note Size or RIF[a] (billions)	Number of Transactions	Covered Mortgage Loans[b] (billions)	Scorecard Goal (billions)	Percentage of Loans Covered vs. Scorecard Goal
2013	Fannie Mae	$ 0.80	3	$ 31.20	$ 30.00	104%
	Freddie Mac	$ 1.20	3	$ 44.80	$ 30.00	149%
	TOTAL	$ 2.00	6	$ 75.90	–	–
2014	Fannie Mae	$ 6.10	11	$ 218.80	$ 90.00	243%
	Freddie Mac	$ 5.60	10	$ 126.10	$ 90.00	140%
	TOTAL	$ 11.70	21	$ 344.80	–	–
2015	Fannie Mae	$ 7.30	21	$ 228.80	$ 150.00	153%
	Freddie Mac	$ 9.50	22	$ 188.30	$ 120.00	157%
	TOTAL	$ 16.80	43	$ 417.10	–	–
2013-2015	Fannie Mae	$ 14.20	34	$ 478.80	–	–
	Freddie Mac	$ 16.30	34	$ 359.20	–	–
	TOTAL	$ 30.60	70	$ 837.90	–	–

Source: Federal Housing Finance Agency

[a] *Volume of notes issued in debt transactions or risk-in-force (RIF) in insurance/reinsurance transactions. Equals the maximum credit loss exposure of private investors.*

[b] *Unpaid principal balance of pools of mortgage loans on which credit risk is transferred.*

first risk transfer involving ARMs by either Enterprise. In addition, Freddie Mac completed two senior/subordinate securitizations. These deals transferred the credit risk on pools of super-conforming mortgage loans, which are originated in designated high-cost areas and have balances between the national conforming loan limit and higher limits applicable in high-cost areas.

Diversity and Inclusion Efforts – The Enterprises developed plans to evaluate current qualification requirements that may present impediments, challenges, or unwarranted barriers to participation in Enterprise single-family credit risk transfer initiatives by diverse firms. Freddie Mac focused on gaining a better understanding of the impediments facing diverse firms, being proactive in educating diverse firms about its credit risk transfer programs, and communicating performance results for transactions in which the firms participated. Fannie Mae implemented a pilot program to expand the role of diverse selling group members involved in single-family credit risk transfer transactions, conducted broad outreach to a number of diverse dealers, and provided dealer product training on credit risk transfers.

Credit Risk Transfers for Multifamily Credit Guarantee Business

The 2015 Scorecard called on the Enterprises to initiate any feasible transactions that increased the amount of credit risk transferred via their existing multifamily credit risk transfer structures.[7] Freddie Mac developed and executed several new approaches to securitize older loans held in its portfolio, securitize supplemental loans provided to existing borrowers, re-securitize military housing bonds it had purchased, and use securitization to transfer

[7] The Enterprises' existing multifamily credit risk transfer structures include Fannie Mae's Delegated Underwriting and Servicing (DUS) lender loss-sharing or Freddie Mac's K-Deal capital markets execution via commercial mortgage-backed securities.

“On April 17, Fannie Mae and Freddie Mac issued final Private Mortgage Insurer Eligibility Requirements.”

risk through a third-party investment fund. Freddie Mac also developed a securitization-based approach to create a fund to finance loan acquisitions during the aggregation period prior to K-Deal issuance. Fannie Mae completed a large volume of transactions under its Performing Note Sales program, transferring significant additional credit risk to the market. Fannie Mae also worked to develop a transaction that would transfer portions of the credit risk of its guaranteed multifamily securities, in a manner similar to its existing single-family credit risk transfers.

Retained Mortgage Portfolios

The 2015 Scorecard directed the Enterprises to continue to implement approved plans to reduce their retained portfolios. Further reducing the portfolios will continue to shift credit risk, asset liquidity risk, and interest rate risk 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 plan also requires that the Enterprise meet, even under adverse conditions, such as rising interest rates or falling house prices, the annual cap imposed by the PSPAs, ultimately declining to a $250 billion PSPA cap applicable on December 31, 2018.

As of December 31, both Enterprises were below the year-end 2015 PSPA cap of $399 billion each. At year-end, Freddie Mac’s portfolio stood at $347 billion, and Fannie Mae’s was $345 billion, for a reduction in their combined portfolios of $130 billion in 2015.

Much of the reduction at each Enterprise resulted from voluntary and involuntary prepayments. Prepayments totaled $63 billion at Fannie Mae and nearly $68 billion at Freddie Mac. In addition, each Enterprise transferred risk to private investors through the sale of less-liquid assets—about $15 billion by Freddie Mac and about $12 billion by Fannie Mae. For both Enterprises, the less-liquid assets were predominantly private-label mortgage-backed securities (MBS) and NPLs sold through auctions.

The Enterprises explored a number of ways to include and engage minority- and women-owned firms and nonprofits in retained portfolio transactions. These included holding meetings with diverse firms, nonprofits, and public advocacy groups to discuss their NPL sales programs. The Enterprises also conducted training sessions for diverse firms and nonprofits to encourage their participation in retained portfolio transactions. Both Enterprises engaged diverse firms to serve as advisors for NPL sales and to assist with outreach to small investors and minority- and women-owned businesses.

Private Mortgage Insurer Eligibility Requirements

On April 17, Fannie Mae and Freddie Mac issued final Private Mortgage Insurer Eligibility Requirements (PMIERs), establishing financial standards that require mortgage insurers (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 will trigger remediation. In June, the Enterprises revised the PMIERs to make technical corrections and include a new financial requirement for lender-paid mortgage insurance. Further technical corrections were made on December 21, and the revised requirements became effective December 31.

During the second half of 2015, Fannie Mae and Freddie Mac engaged in a number of activities to implement the PMIERs. Specifically, the Enterprises reviewed and approved reinsurance agreements proposed by MIs to meet the PMIERs’ financial standards; worked with the MIs to understand and resolve issues with reporting templates; conducted reporting “dry runs” with the MI companies; and enhanced internal processes and procedures to incorporate additional analysis, monitoring, and governance requirements to support the PMIERs.

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.

FHFA's 2014 Conservatorship Strategic Plan and 2015 Scorecard continued to make building a new infrastructure for the securitization functions of the Enterprises a priority. That effort includes ongoing work to: 1) develop the Common Securitization Platform (CSP); 2) develop a single Enterprise mortgage-backed security (Single Security); and 3) allow for the integration of additional market participants in a future system through the use of industry-standard software, systems, and data requirements. The 2015 Scorecard also required work to build more consistent and uniform data standards for use by the Enterprises and other market participants.

Common Securitization Platform and Common Securitization Solutions

FHFA's 2014 Conservatorship Strategic Plan includes the strategic goal of developing a new securitization infrastructure for the Enterprises for mortgage loans backed by single-family properties. To achieve this goal, Common Securitization Solutions (CSS), a joint venture owned by Fannie Mae and Freddie Mac, has been developing the CSP, under FHFA's direction and guidance. CSS acts as each Enterprise's agent to facilitate issuance of single-family mortgage securities, release related at-issuance and ongoing disclosures, and administer the securities post-issuance. In addition, CSS is creating the operational capabilities necessary to run the CSP.

In September, FHFA issued *An Update on the Common Securitization Platform* which announced a two-part release process for the CSP and the Single Security. In Release 1, FHFA expects the Enterprises and CSS to implement the CSP for Freddie Mac's existing single-class securities in 2016. In Release 2, FHFA expects them to implement the Single Security on the CSP for both Enterprises in 2018.

CSP Testing – The CSP is being developed in accordance with software design principles that will leverage industry data standards wherever possible. CSS is using a software development process in which cross-functional teams produce work on an incremental, iterative basis which mitigates the risk of missed deadlines or project failure. CSS and the Enterprises are also carefully testing the evolving software and related operational capabilities in distinct steps. Testing of this software continues to progress, with both Enterprises and CSS undertaking system-to-system testing. Such testing involves automated data exchanges in which an Enterprise sends data on pools of fixed-rate mortgage loans and related single-class securities to CSS and ensures that it has received valid responses from CSS. In addition, CSS has undertaken significant performance testing to assess the CSP's ability to handle large volumes of data and transactions in an efficient manner.

CSS Operations – CSS has also continued to develop its securitization operations and production readiness. Notable accomplishments include creation of key operational policies, procedures, and controls, including those related to business continuity and disaster recovery; and the substantial development of service-level agreements which provide for agreed-upon standards of work activities (including scope of responsibilities, timelines for activities, and quality metrics) between CSS and the Enterprises. In support of diversity and inclusion, CSS implemented a vendor management program to promote the use of diverse suppliers in contracting and procurement activities. CSS also evaluated its workforce to identify areas for improvement with respect to diversity and inclusion across the organization.

Updating Enterprise Systems for CSP Integration – Fannie Mae and Freddie Mac are progressively completing the technology and operational changes that each Enterprise needs to make to enable it to use the CSP.

Single Security

In May, FHFA released *An Update on the Structure of the Single Security*, which detailed information about the Single Security's features and disclosures. During the remainder of 2015 FHFA worked with the Enterprises on finalizing the remaining aspects of these features and disclosures. This work is continuing in 2016. For example, in developing the loan-level disclosures for Single Securities, the Enterprises and FHFA are working to determine the best way to meet the needs of investors while also protecting borrower privacy. Balancing those objectives includes making choices about how best to disclose loan-level geographic information about each property and mask certain loan-level data attributes. Data masking may involve, for example, rounding loan amounts or omitting the day or month on which the borrower is obligated to make his or her first mortgage payment. Once the attributes of this data set are determined, the Enterprises will publish the final Single Security features and disclosures.

Input from the Public and Industry – Developing the CSP and the Single Security are multiyear projects that continue to be refined as FHFA, the Enterprises, and CSS receive public and industry input. To facilitate input from industry stakeholders, in 2015 Fannie Mae, Freddie Mac, and CSS established the Single Security/CSP Industry Advisory Group. The Industry Advisory Group met twice in 2015 and provided feedback and shared information with CSS and the Enterprises related to the Single Security and the development of the CSP.

Fannie Mae and Freddie Mac have also created Single Security and CSP web pages that provide regular progress updates, frequently asked questions and answers, and a schedule of upcoming speaking engagements and conferences.[8] These web pages also allow visitors to register to receive regular updates and to submit questions. Posted on the web pages are the materials that CSS shares with the Industry Advisory Group and the minutes of the Group's meetings.

FHFA has also maintained an ongoing dialogue with key industry participants such as the Federal Reserve Bank of New York, the Treasury Market Practices Group, representatives from the mortgage and securities industries, consumer groups, and firms that provide information technology services to mortgage investors. These contacts provide opportunities for FHFA to share information and receive feedback. In addition, FHFA has provided regular briefings to other federal agencies and congressional staff.

FHFA, the Enterprises, and CSS will continue to seek input from and to work with stakeholders as the CSP and Single Security initiatives proceed with the objective of improving overall secondary mortgage market liquidity while mitigating any risk of market disruption.

Mortgage Data Standardization

Fannie Mae and Freddie Mac continue to collaborate with the industry, through the Uniform Mortgage Data Program, to develop and implement uniform data standards for single-family mortgage loans. The Mortgage Industry Standards Maintenance Organization Reference Model facilitates such efforts, which result in consistent data definitions, enumerations, and mapping.

Uniform Closing Disclosure Dataset – The 2015 Scorecard included a priority for the Enterprises to develop a plan for collecting the Uniform Closing Disclosure Dataset (UCD). The Enterprises have been developing the UCD since 2012, when the Consumer Financial Protection Bureau published a proposed rule providing for Integrated Mortgage Disclosures under the Real Estate Settlement Procedures Act and the Truth in Lending Act. Once the UCD is implemented, a lender will send the UCD data for a mortgage loan to the acquiring Enterprise before delivering the loan. The Enterprise will be able to send a loan-level message to the lender to communicate any concerns, which will allow the lender to resolve them before delivering the loan and reduce future loan quality issues. The Enterprises expect to implement the data collection system in late 2016 with mandatory delivery of closing data by lenders in 2017.

Uniform Loan Application Dataset – The 2015 Scorecard also called for the Enterprises to develop the Uniform Loan Application Dataset (ULAD), which involves consultation with lenders to build a new mortgage loan application and an associated dataset that electronically captures the information on the application.

The effort provides an opportunity to remove unused questions on the application, add new data fields, leverage technology advances, and improve the usability of the form. The Enterprises are currently conducting tests

8 Link to Fannie Mae's Single Security and CSP page: http://www.fanniemae.com/portal/funding-the-market/single-security/index.html?cmpid=marqss; Link to Freddie Mac's Single Security and CSP page: http://www.freddiemac.com/mbs/html/single_security_csp.html.

of the usability of the new application with consumers, nonprofit advocacy groups, lenders, mortgage professionals, and government housing agencies. Following this outreach period, the Enterprises expect to finalize the form and publish the dataset.

Other 2015 Conservatorship Activities:

Boards of Directors – As conservator, FHFA approves the appointment of new directors serving on the boards of directors of each Enterprise. In 2015, FHFA approved the election of Lance F. Drummond to serve on the Freddie Mac board of directors.

Executive Compensation – In May, FHFA authorized the Fannie Mae and Freddie Mac boards of directors to submit proposals for compensation of their CEOs that would promote CEO retention, allow reliable succession planning, and ensure the continuity, efficiency and stability of Enterprise operations. Each board submitted a proposal for FHFA review, and FHFA approved an identical plan for both companies. The approved plan deferred significant compensation to ensure retention, was performance-based and did not include a bonus. The plan also positioned each CEO's compensation below the 25th percentile of comparable institutions, a requirement set by FHFA in recognition of the fact that the Enterprises are in conservatorship. The changes approved by FHFA took effect on July 1, 2015. In November, President Obama signed a law suspending the pay increases for the Enterprise CEOs, and FHFA has implemented the law reinstating the prior CEO compensation limits.

Guarantee Fee Pricing – In April, FHFA concluded a review of the Enterprises' guarantee fees and announced that existing guarantee fees, on average, were at an appropriate level. FHFA determined that some modest adjustments to upfront guarantee fees were also appropriate. These adjustments included elimination of the 25 basis-point, up-front adverse market charge put in place in March 2008, and the addition of targeted increases in guarantee fees to address various risk-based and access-to-credit considerations. The revenue from these increases is expected to offset the revenue loss resulting from eliminating the adverse market charge. In making adjustments to the guarantee fees for certain categories of loans, FHFA also took into account its decision to strengthen financial and operational eligibility standards for mortgage insurance companies.

The guarantee fee announcement followed a comprehensive review and analysis, which evaluated information provided by outside stakeholders in response to FHFA's request for input and other internal and external information. FHFA focused on reaching an appropriate balance between its statutory obligations to ensure the safety and soundness of the Enterprises and to foster a liquid national housing finance market.

Private-Label Mortgage-Backed Securities – In 2015, FHFA continued its work on the remaining private-label MBS lawsuits filed in 2011 against financial institutions and certain of their officers and directors.[9] Each suit alleged violations of federal securities laws and state laws in the sale of private-label MBS investments to the Enterprises between 2005 and 2007. The complaints were filed under statutory authority granted to FHFA, as conservator, by HERA, and reflected FHFA's determination that the institutions and individuals named in the suits violated securities laws and common law, causing each Enterprise to incur significant losses in these private-label MBS investments.

At the beginning of 2015, two of FHFA's private-label MBS lawsuits remained pending: (1) *FHFA v. Nomura Holding America, Inc.* in the U.S. District Court for the Southern District of New York, and (2) *FHFA v. The Royal Bank of Scotland Group, PLC (RBS)* in the U.S. District Court for the District of Connecticut. The district court decided in favor of FHFA and the Enterprises in the *Nomura* case in May and awarded rescissory damages of over $806 million and required return of the bonds, worth approximately $400 million, to the defendants.

[9] FHFA filed 18 lawsuits in 2011. In 2013, FHFA reached settlements with six financial institutions resulting in resolution of five of the original 18 lawsuits and a combined recovery of nearly $8 billion. In 2014, settlements were reached in 11 of the remaining private-label MBS lawsuits, resulting in the recovery of more than $10.3 billion on behalf of taxpayers.

The defendants in the *Nomura* case have appealed the trial court decision to the U.S. Court of Appeals for the Second Circuit. The *RBS* case is still pending and a trial date has not yet been set by the court.

Homeowners' Association Super-Priority Lien Foreclosures – On December 22, 2014, FHFA issued a statement alerting homeowners, financial institutions, and state authorities of the Agency's concerns with state-level actions that threaten the first-lien status of single-family loans owned or guaranteed by Fannie Mae or Freddie Mac. FHFA and Fannie Mae filed an action in federal court in Nevada seeking a determination that a homeowners' association (HOA) foreclosure sale was invalid and contrary to federal law to the extent that it purported to extinguish Fannie Mae's property rights. The federal district court decided the case in favor of FHFA and Fannie Mae.[10]

FHFA's position in that case, and similar cases, has been that federal law precludes involuntary extinguishment of liens held by Fannie Mae or Freddie Mac while they are operating in conservatorships and bars holders of other liens, including HOAs, from taking any action that would extinguish such liens.

Due to the volume of actual and potential cases on the issue of so-called HOA super-priority liens, in October, FHFA and the Enterprises moved to certify a defensive class in Nevada federal court and sought a permanent injunction barring any HOA foreclosure sale that would extinguish any Enterprise lien. Litigation on these issues continues.

[10] Fannie Mae, FHFA v. Skylights, LLC, 112 F.Supp.3d 1145 (D. Nev. 2015).

Supervision and Oversight

Examination Authority for Regulated Entities

Reports of Annual Examinations of Fannie Mae and Freddie Mac

Report of Annual Examinations of Federal Home Loan Banks

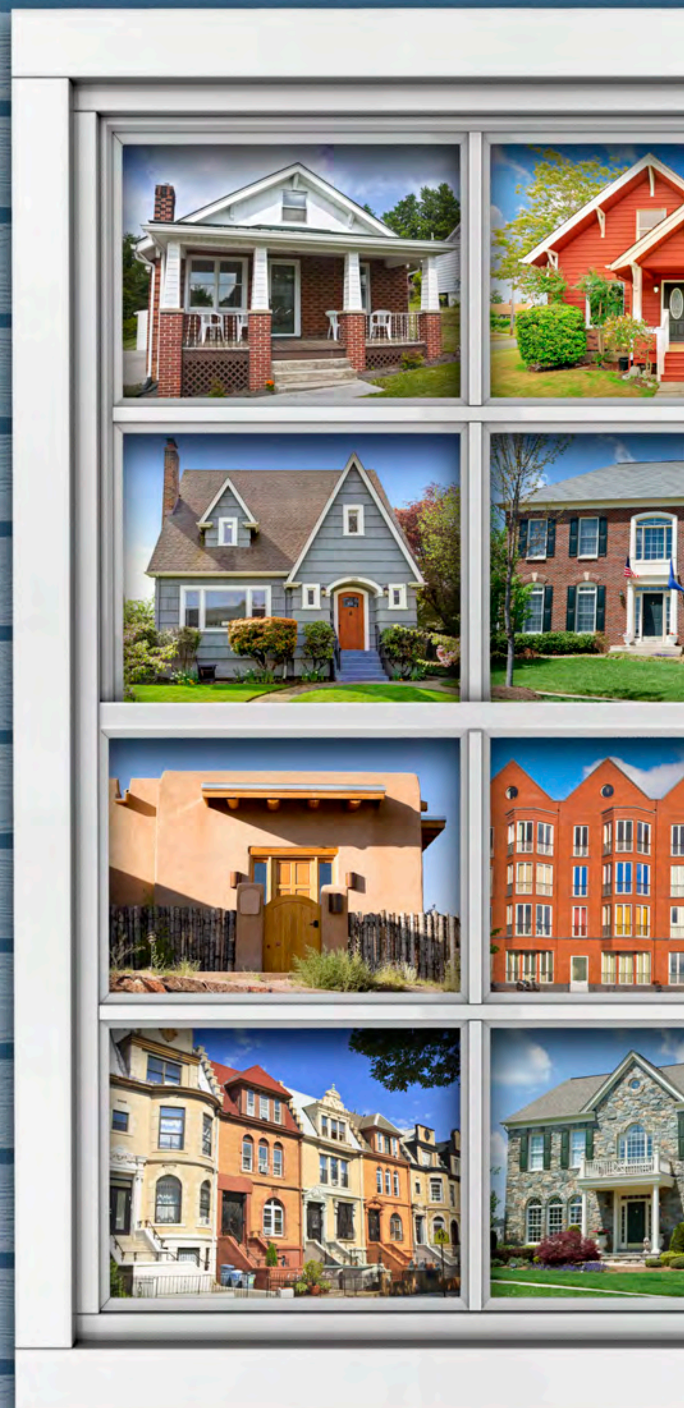
Results of Stress Tests under the Dodd-Frank Wall Street Reform and Consumer Protection Act

Enterprise Housing Goals and Duty to Serve

Federal Home Loan Bank Mission and Affordable Housing Programs

Regulatory Guidance

Legislative Recommendations



Examination Authority for Regulated Entities

Section 1317(a) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act), as amended, 12 USC § 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), as amended, 12 USC § 1440. The FHLBank System includes the 11 FHLBanks (Boston, New York, Pittsburgh, Atlanta, Cincinnati, Indianapolis, Chicago, Des Moines, Dallas, Topeka, and San Francisco)[11] and the Office of Finance, which is a joint office of the FHLBanks.

Scope of Examination

FHFA examiners use a risk-based approach to supervision, which is designed to identify existing and potential risks that could harm a regulated entity, evaluate the overall integrity and effectiveness of each regulated entity's risk management systems and controls, and determine compliance with laws and regulations applicable to the regulated entity. In 2015, FHFA's examination activities included comprehensive and targeted risk-based examinations and ongoing monitoring. FHFA assessed the remediation of previously issued Matters Requiring Attention (MRAs) at both the Enterprises and the FHLBanks. In addition, FHFA assessed the responses of the regulated entities' boards of directors and management to deficiencies and weaknesses identified by the Enterprises' internal audit departments and external auditors.

Rating System

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

Supervision of Fannie Mae and Freddie Mac

FHFA's supervision activities in 2015 included ongoing monitoring and targeted examinations at both Enterprises. FHFA's Division of Enterprise Regulation (DER) performed examination activities in the areas of credit, market, model and operational risk, as well as governance and compliance. Enterprise examination includes assessment of the safety and soundness of each Enterprise, i.e., its financial performance, condition, and overall risk management practices, as well as its compliance with regulations.

Examination activity at each Enterprise is led by an Examiner-in-Charge and is carried out primarily by an on-site team in coordination with other subject matter experts in different risk areas, accounting and compliance. Following completion of examination activity, DER communicates any findings in writing to the Enterprise and obtains a commitment from the relevant Enterprise to remediate the findings. The Enterprise submits a plan for corrective action. The Enterprise's internal audit function or an independent third party validates the completion of remediation plans, and DER reviews corrective action through examination activities.

FHFA's approach to carrying out its supervisory responsibilities includes ongoing monitoring, on-site targeted examinations, and risk assessments. The assessments contained in this report are based on an examination of the books and records of the Enterprises; on statements made to examiners by directors, officers, employees, and agents of the Enterprise; and on information obtained from other sources.

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

[11] Throughout 2014 the FHLBank System included 12 FHLBanks. In May, 2015 the FHLBank of Seattle merged with the FHLBank of Des Moines, reducing the total number of FHLBanks to 11. The FHLBank of Des Moines is the continuing institution.

promotes both safe and sound operation and achievement of their housing finance and community investment mission. In 2015, FHFA examined all of the FHLBanks and the Office of Finance. 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 the FHLBanks between examinations to follow up on examination findings and to discuss emerging issues.

Examiners communicate all findings to FHFA management and any MRAs to the FHLBank's board of directors and management. In addition, examiners obtain a commitment to correct significant 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 member activity. The Division monitors debt issuances by the Office of Finance and tracks financial market trends. The Division and other FHFA groups review FHLBank documents and analyze responses to a wide array of periodic and ad hoc information requests, including an annual survey of FHLBank collateral and collateral management practices, unsecured credit data, liquidity, advances, and periodic data on certain FHLBank investment holdings.

Reports of Annual Examinations of Fannie Mae and Freddie Mac

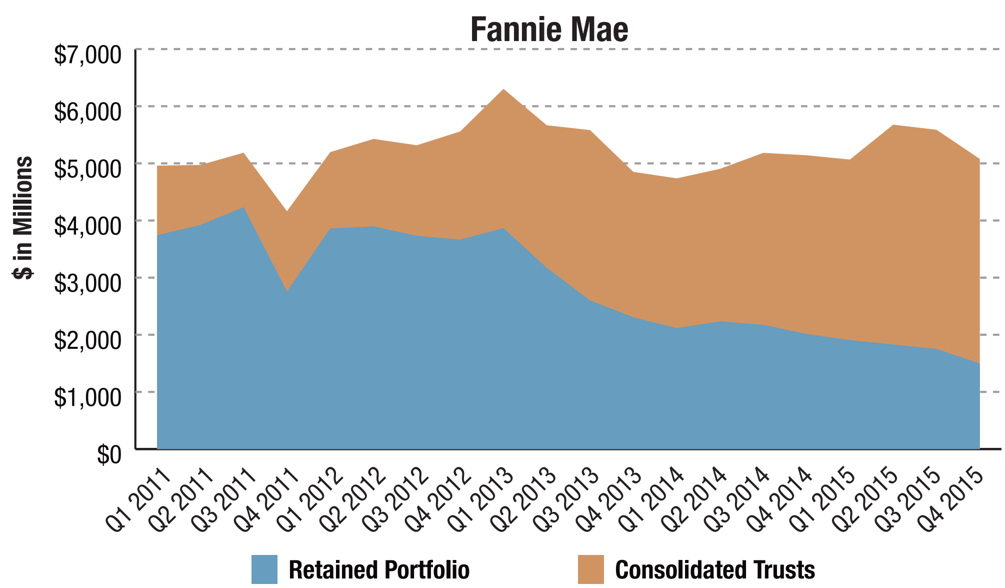
Financial Condition of the Enterprises

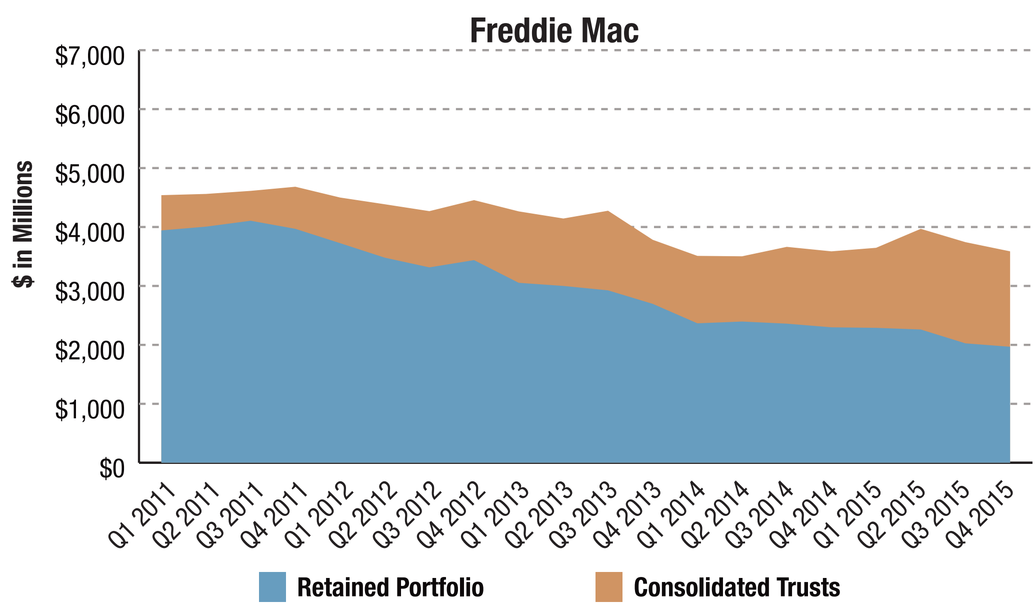
The Enterprises were created by Congress to provide stability and liquidity in the secondary housing finance market. They purchase single-family mortgages that lenders have already made to homeowners and pool these mortgages into MBS, which are then sold to investors. The Enterprises guarantee the payment of principal and interest on the underlying loans to the MBS investors and charge lenders a guarantee fee as compensation for taking on the credit risk associated with the mortgages they acquire. The Enterprises also purchase multifamily mortgages, and each Enterprise uses a different model of credit risk-sharing for these purchases. Fannie Mae uses loss-sharing transactions through a delegated underwriting system. Freddie Mac uses capital markets execution to transfer its credit risk.

Enterprise Income **–** Fannie Mae reported annual net income of $11.0 billion and annual comprehensive income of $10.6 billion for 2015, compared to annual net income of $14.2 billion and annual comprehensive income of $14.7 billion for 2014. Freddie Mac reported annual net income of $6.4 billion and annual comprehensive income of $5.8 billion for 2015, compared to annual net income of $7.7 billion and annual comprehensive income of $9.4 billion for 2014. Earnings for both Enterprises were impacted by three factors: 1) lower proceeds from settlements related to private-label MBS litigation; 2) lower fair value losses due to the less severe decrease in swap rates; and 3) decreased benefit for credit losses. Earnings were also weakened in 2015 by increased foreclosed property expenses and lower proceeds from representation and warranty resolutions.

The Enterprises have two primary sources of revenue: 1) management and guarantee fees on loans held by consolidated trusts of the MBS they issue; and 2) the difference between the interest income earned on the assets in their retained mortgage portfolios and the interest expense associated with the debt that funds those assets. In recent years, an increasing portion of the Enterprises' net interest income has been derived from guarantee fees rather than interest income earned on their retained mortgage portfolio assets. This shift is primarily driven by the impact of guarantee fee increases implemented in 2012 and the reduction of the retained portfolios in accordance with the requirements of the PSPAs. Figure 2 below shows changes since 2011 in the level and composition of the Enterprises' net interest income.

Figure 2 • Enterprises' Net Interest Income 2011-2015





Source: Federal Housing Finance Agency

Enterprise Portfolios – Book of business balances of MBS held by investors for each Enterprise have been relatively stable over the past few years. Decreases in retained portfolio balances were generally offset by increases in guarantee portfolio balances.

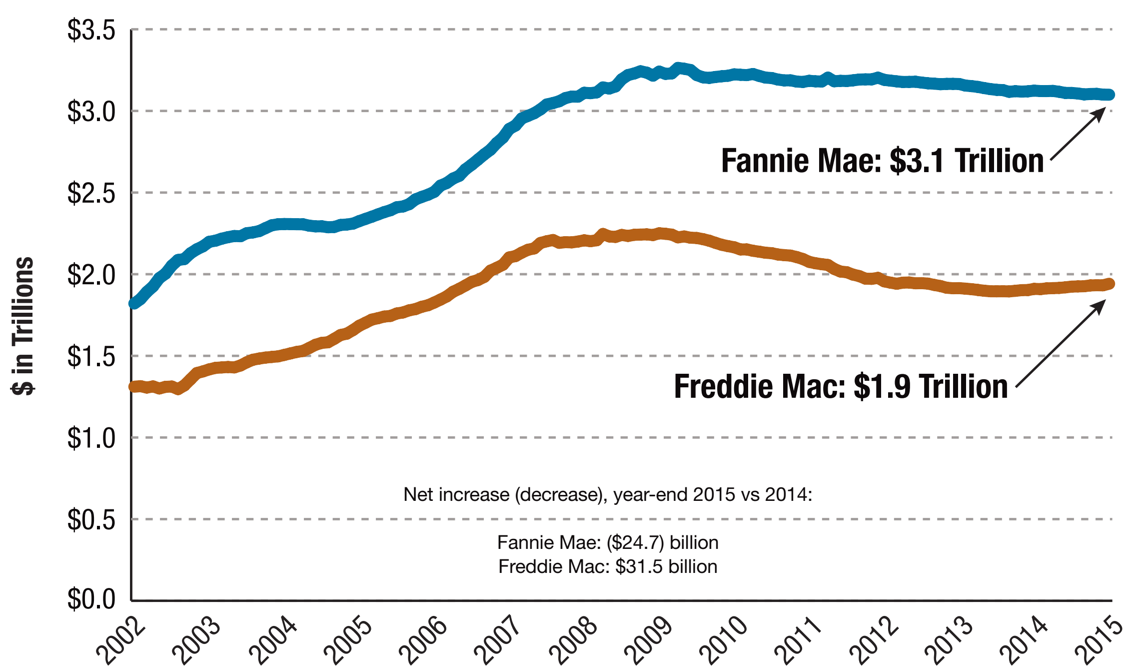
Fannie Mae purchased $473 billion of single-family mortgages in 2015, an increase of approximately 26 percent from in 2014 ($376 billion). Freddie Mac purchased $351 billion of single-family mortgages in 2015, an increase of approximately 38 percent from 2014 ($255 billion). Multifamily purchase volumes increased year-over-year for both Enterprises, primarily driven by substantial growth in the overall multifamily market in 2015. Fannie Mae's multifamily purchase volume in 2015 was $42.3 billion, an increase of $13.4 billion from 2014. Freddie Mac's multifamily new purchase volume in 2015 was $47.3 billion, an increase of $19.0 billion from 2014. The Enterprises' total mortgages and guarantees are shown in Figure 3.

The Enterprises' investment portfolios continue to expose them to interest-rate risk. Further, accounting differences for these financial assets and liabilities, including derivatives, give rise to significant earnings volatility when interest rates fluctuate, in part because of how mark-to-market accounting requirements are applied. During 2015, declines in interest rates and a flattening of the yield curve contributed to fair value losses for derivatives in two out of four quarters for each Enterprise, which contributed to reduced net income and a third quarter 2015 loss for Freddie Mac.

PSPA Commitment – Since the conservatorships began, Fannie Mae and Freddie Mac have drawn a combined total of $187.5 billion in taxpayer support under the PSPAs. As of December 31, 2015, the Enterprises have paid the Treasury Department a total of $241.3 billion in dividends on senior preferred stock. Under the terms of the PSPAs, the Enterprises' 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 conservatorships.

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

Figure 3 • Enterprises' Total Mortgages and Guarantees



Source: Federal Housing Finance Agency

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 for 2016 will be $1.2 billion and decline to zero by January 1, 2018.

Reductions in income from the Enterprise's shrinking mortgage investment portfolio and diminished income from reserve releases and legal settlements, combined with mark-to-market volatility from the Enterprise's derivatives portfolio, 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 will reduce Enterprise earnings.

Fannie Mae (Federal National Mortgage Association)

Financial Performance – Fannie Mae's net income of $11.0 billion for 2015 represents a decline of $3.2 billion, or 23 percent, from net income of $14.2 billion in 2014. The 2015 earnings included a reversal from recognizing credit-related income to credit-related expense. Offsetting this increase in credit-related expense was a substantial decrease in fair value losses attributable to derivative instruments compared to 2014 due to interest rates increasing in 2015. Additionally, 2015 earnings were not aided as they were in 2014 by substantial non-recurring income from legal settlements relating to private-label MBS. The Enterprise's financial performance will continue to reflect the decline in net interest income from the retained mortgage portfolio as the Enterprise complies with the PSPA requirement to reduce the volume of mortgage-related assets on its balance sheet. Further, given the large size of the Enterprise's portfolio, small changes in home prices and interest rates could have a significant impact on its financial performance.

Fannie Mae reported positive net worth of $4.1 billion at the end of 2015, $2.9 billion of which represented a dividend obligation to the Treasury Department that was paid on March 31, 2016. Fannie Mae has not made a draw on the Treasury since 2012. At year-end 2015, Fannie Mae's cumulative draws from the Treasury under the terms of the PSPA totaled $116.1 billion. In 2015, Fannie Mae made cumulative dividend payments to the Treasury Department totaling $10.3 billion, representing the fourth quarter of 2014 through the third quarter of 2015. As noted above, the Enterprise's dividend payments to the Treasury Department do not reduce the outstanding amount drawn. As of December 31, 2015, the amount of available funding remaining under the PSPA was $117.6 billion, which would be reduced in the event of a future draw.

Corporate Governance – During 2015, Fannie Mae embarked upon a major initiative to overhaul its governance structure and clarify authority and accountability across the Enterprise. That effort resulted in significant changes to the management-level committee structure and delegations of authority, and efforts are currently underway to revise and enhance policies and procedures to conform to the new governance framework. During 2015, Fannie Mae also made substantial progress in developing a strategic plan, reducing expenses, and adopting an enterprise-wide, third-party risk management framework. Fannie Mae's board of directors has supported and continues to oversee those efforts.

These and other initiatives currently underway will require a significant level of change in Fannie Mae's organizational structure, policies, processes, and systems. Until this work is complete and sustainable results have been achieved, the operating environment will be exposed to heightened risk.

Credit Risk – In 2015, Fannie Mae continued making progress strengthening credit risk management and showed improvement in credit quality. The level of problem assets continued to decline, but still remains at elevated levels with delinquencies, foreclosed properties, and restructured loans well above historical norms and projected to remain at elevated levels in future years.

Fannie Mae continues to hold and manage a large portfolio of real estate owned properties, and a large portion of that inventory is unavailable for marketing or sale due to legal restrictions, such as state judicial foreclosure requirements. At the end of 2015, Fannie Mae had more than 267,000 seriously delinquent mortgages, approximately 30 percent of which were more than two years delinquent.

Single-family troubled debt restructurings and nonaccrual loans declined by $19.4 billion in 2015, but remained at more than $189 billion.

In 2015, Fannie Mae continued to experience adverse financial consequences from mortgages originated in 2005-2008, which are responsible for a disproportionately large percentage of delinquencies and credit losses. These assets continue to expose the Enterprise to a significant level of credit risk. Mortgages originated in 2005-2008 made up 10 percent of Fannie Mae's single-family mortgages at the end of 2015; however, they accounted for 57 percent of seriously delinquent mortgages and 78 percent of single-family mortgage credit losses.

Single-family mortgages with loan-to-value ratios greater than 80 percent generally require credit enhancement, mainly in the form of private mortgage insurance. Mortgage insurers are the Enterprise's largest credit exposure. As of year-end 2015, they insured $465 billion in unpaid principal balance. This is equivalent to risk-in-force of $118 billion (risk-in-force is defined as the risk exposure for which a mortgage insurer is potentially liable).

Mortgage servicers continue to be another of Fannie Mae's large counterparty credit exposures. At year-end 2015, the five largest mortgage servicers were responsible for 44 percent of the single-family guaranty book compared to 46 percent at year-end 2014. In recent years, Fannie Mae has seen a servicing shift to non-depository institutions, with the Enterprise's five largest non-depository mortgage servicers being responsible for 19 percent of the single-family guaranty book as of December 31. Those same entities serviced 60 percent of Fannie Mae's delinquent single-family loans in 2015, compared with 49 percent in 2014.

Operational Risk – As Fannie Mae transitions its existing information technology platform to one that is more stable and flexible, its level of operational risk remains high. The transition is providing the infrastructure needed to manage its existing business operations while also moving to new systems, and there are accompanying risks with both. Fannie Mae has been successful in strengthening cybersecurity and improving the quality of information it retains; however, meeting 2016 goals will require continued attention to operational controls and improving business resiliency. Fannie Mae has established plans for replacing existing legacy systems and strengthening the operational control environment. Strong project management is necessary to address the risk of migrating to the new information technology platform and integrating with the Common Securitization Platform.

Fannie Mae has also developed processes to improve contingency planning and better position the Enterprise in the event a large scale servicer is unable to fulfill its contractual obligations.

Freddie Mac (Federal Home Loan Mortgage Corporation)

Financial Performance – Freddie Mac's net income of $6.4 billion for 2015 represents a decline of $1.3 billion, or 17 percent, from net income of $7.7 billion in 2014. Much of the decrease was a result of reduced earnings for the investment and multifamily segments, while single-family segment profitability improved in 2015. Losses from changes in the fair value of derivatives in 2015 totaled $2.7 billion, less than the $8.3 billion loss in the previous year. Although the full-year aggregate effect of both interest-rate and spread volatility were relatively small in 2015, quarterly sensitivity and volatility were high. Quarterly net income in 2015 varied from a high of $4.2 billion in the second quarter to a loss of $475 million in the third quarter, which was the Enterprise's first quarterly loss since 2011.

Freddie Mac had a positive net worth of $2.9 billion at the end of 2015, $1.7 billion of which represented a dividend obligation to the Treasury Department that was paid on March 31, 2016. At year-end 2015, Freddie Mac's cumulative draws from the Treasury under the terms of the PSPA was unchanged from year-end 2014 at $72.3 billion. Freddie Mac has not made a draw on the Treasury since 2012. In 2015, Freddie Mac made cumulative dividend payments to the Treasury Department totaling $5.5 billion, representing the fourth quarter of 2014 through the third quarter of 2015. As noted above, the Enterprise's dividend payments do not reduce the outstanding amount drawn. As of December 31, 2015, the amount of funding remaining available under the PSPA was $140.5 billion. This amount would be reduced in the event of a future draw.

In 2015, the board of directors and senior management continued to make progress in lowering Freddie Mac's overall risk profile by securitizing or disposing of illiquid assets, conducting credit risk transfer activities, continuing testing of the business continuity plan, and adopting a more advanced risk management framework. The significant organizational changes accompanying the adoption of the risk management framework elevated the Enterprise's risk profile during the transition period from the previous framework.

Corporate Governance – The Enterprise's board governance framework operated effectively in 2015. The board's review of substantive matters and related materials is appropriate, and agendas are efficiently managed. Board attention to strategic planning is reflected in the board's approval of a strategic plan at year-end 2015. Those efforts are having a positive impact on the corporate culture and operating performance, as evident in the design of a corporate strategic plan, with metrics and tracking processes.

Freddie Mac's continued implementation of the three lines of defense risk management framework during 2015, resulted in improvement across the Enterprise, including risk reporting, risk monitoring, and greater clarity of roles and responsibilities. FHFA has noted that additional effort is needed to fully execute the framework. The risk management framework is expected to improve as management further executes against stated goals.

Credit Risk – Asset quality continues to improve, but the level of problem assets remains above historic norms and is a supervisory concern. The seriously delinquent rate for the single-family mortgage book in 2015 improved from 2014, but the remaining portfolio of private-label securities and other distressed assets continues to expose Freddie Mac to elevated levels of credit risk. Further, the increase in servicing by nontraditional servicers, especially those expanding into loan origination, highlights the importance of comprehensive credit analysis and strong contingency planning processes. Freddie Mac actively pursued transactions to reduce credit risk, including credit risk transfers and nonperforming loan sales in 2015; however, the level of credit risk residing on its balance sheet remains substantial.

Freddie Mac's single-family seriously delinquent rate of 1.32 percent at year-end 2015 remains considerably higher than historical norms. The delinquency rate has been on a downward trend since February 2010, when it was 4.20 percent, and a decline in 2015 of 56 basis points in this ratio (from 1.88 percent at year-end 2014) is evidence of good progress on this front, but the elevated level remains a concern.

Freddie Mac still has significant credit exposure from mortgages originated prior to 2009, which comprise 16 percent of the total single-family portfolio at year-end 2015, but accounted for 89 percent of credit losses and have a seriously delinquent rate of 4.12 percent. Further, 12 percent of the mortgages originated prior to 2009 have loan-to-value ratios above 100 percent.

Mortgage insurance companies continue to present significant counterparty risk, insuring $259 billion in unpaid principal balance of the single-family mortgage portfolio. Consequently, risk-in-force totaled $67 billion at year-end 2015.

Operational Risk – Freddie Mac has to manage operational risks associated with information technology systems, information security, and third party service providers. Management made significant progress in 2015 to improve processes for business continuity and disaster recovery. However, various factors, including operational complexities associated with major strategic initiatives, such as integrating with the Common Securitization Platform, have kept operational risk elevated.

One of the primary risks now facing financial institutions is the proliferation of cyber-crimes and the increased frequency of cyber-attacks, both external threats and internal challenges. During 2015, the board took steps to strengthen the foundation for the Enterprise's information security risk management framework.

Report of Annual Examinations of Federal Home Loan Banks

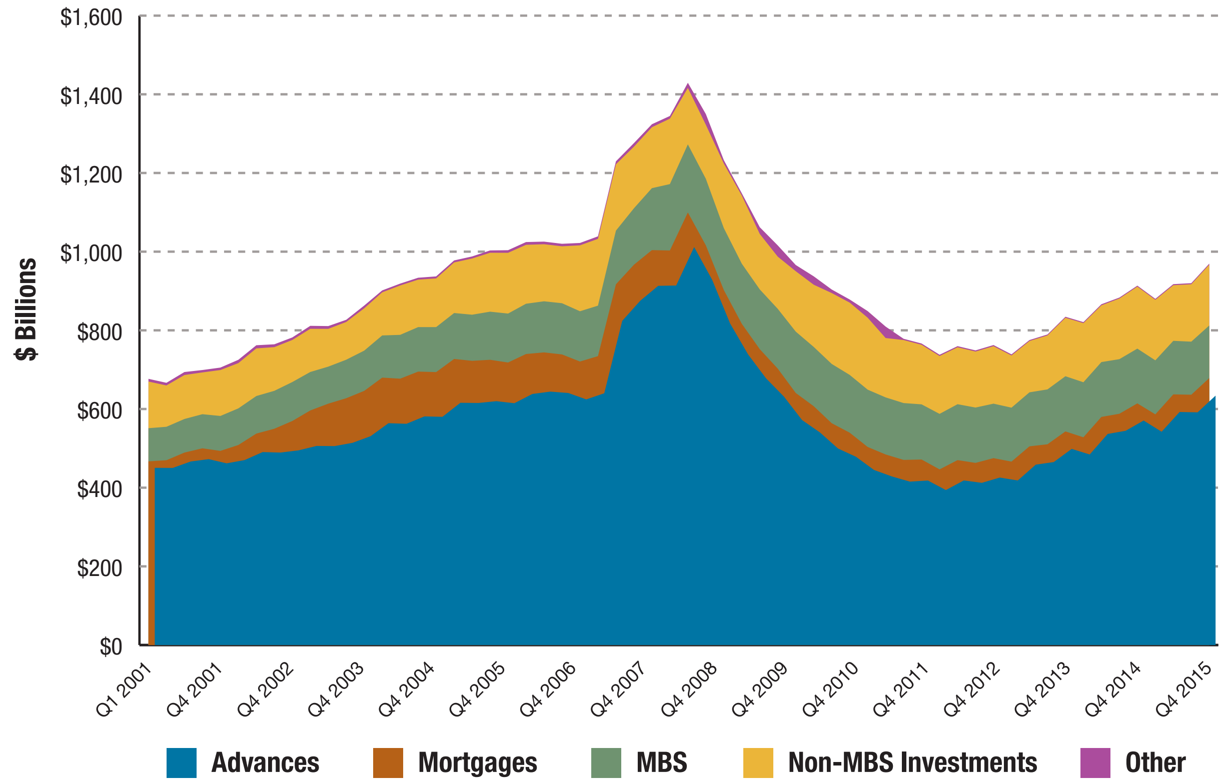
Financial Overview

The FHLBanks saw substantial asset growth in 2015 driven by increases in advances to members. Net income was strong at $2.9 billion.

Total assets increased by $56.0 billion, or 6.1 percent, in 2015 to $969.6 billion. At the end of 2015, aggregate assets reached their highest quarter-end level since December 31, 2009 (Figure 4). Advances increased by 11.1 percent, cash and investments decreased by 2.9 percent, and mortgages increased by 2.3 percent. At year-end 2015, the FHLBanks held 65.4 percent of total assets in advances, 29.7 percent in cash and investments, and 4.6 percent in mortgages.

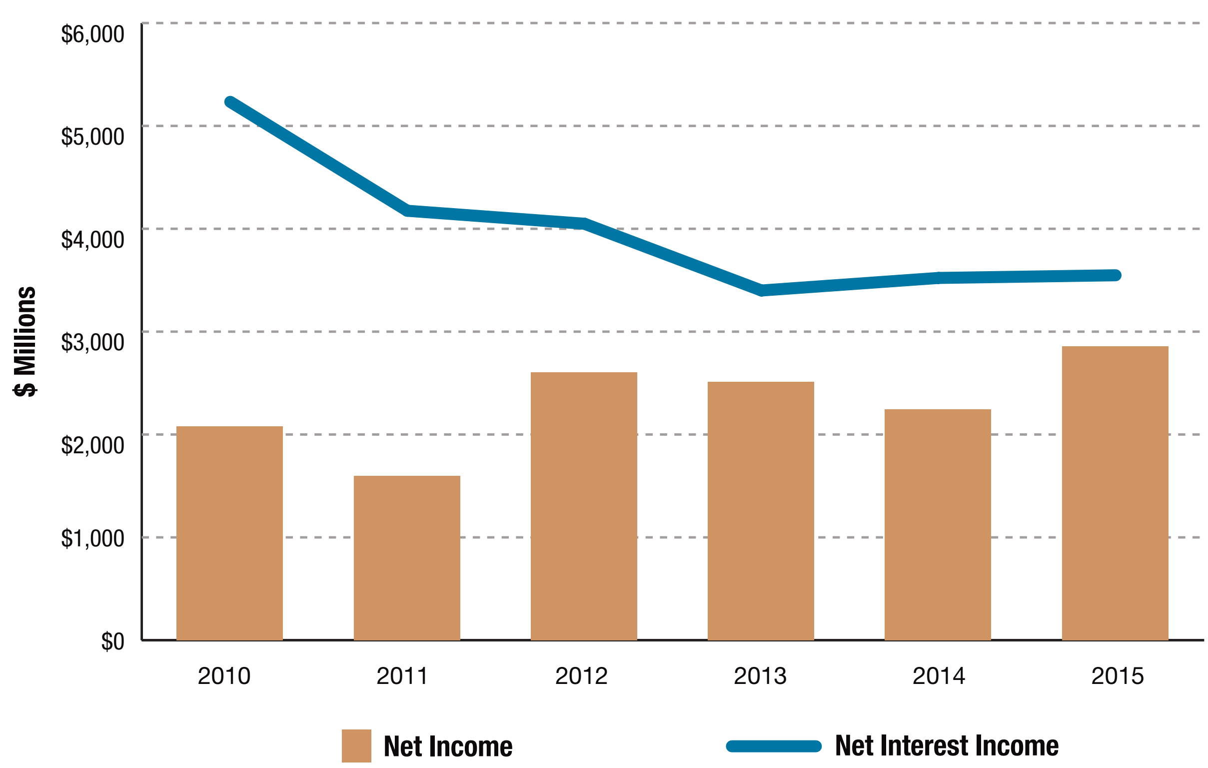
FHLBank holdings of private-label MBS continued to run off, while their holdings of MBS issued by Fannie Mae and Freddie Mac and liquidity investments decreased slightly. The aggregate investment portfolio of the FHLBanks consists of 37.0 percent cash and liquidity, 41.6 percent MBS issued by the Enterprises, 4.8 percent private-label MBS, and 16.5 percent other investments (principally agency debt securities and federally-backed student loan asset-backed securities).

Figure 4 • Historical Portfolio of the Federal Home Loan Bank System



Source: Federal Housing Finance Agency

Figure 5 • FHLBanks' Aggregate Net Interest Income and Net Income



Source: Federal Housing Finance Agency

Mortgages grew 2.3 percent during 2015 to $44.6 billion at year-end. Nine FHLBanks actively purchase mortgages from their members.

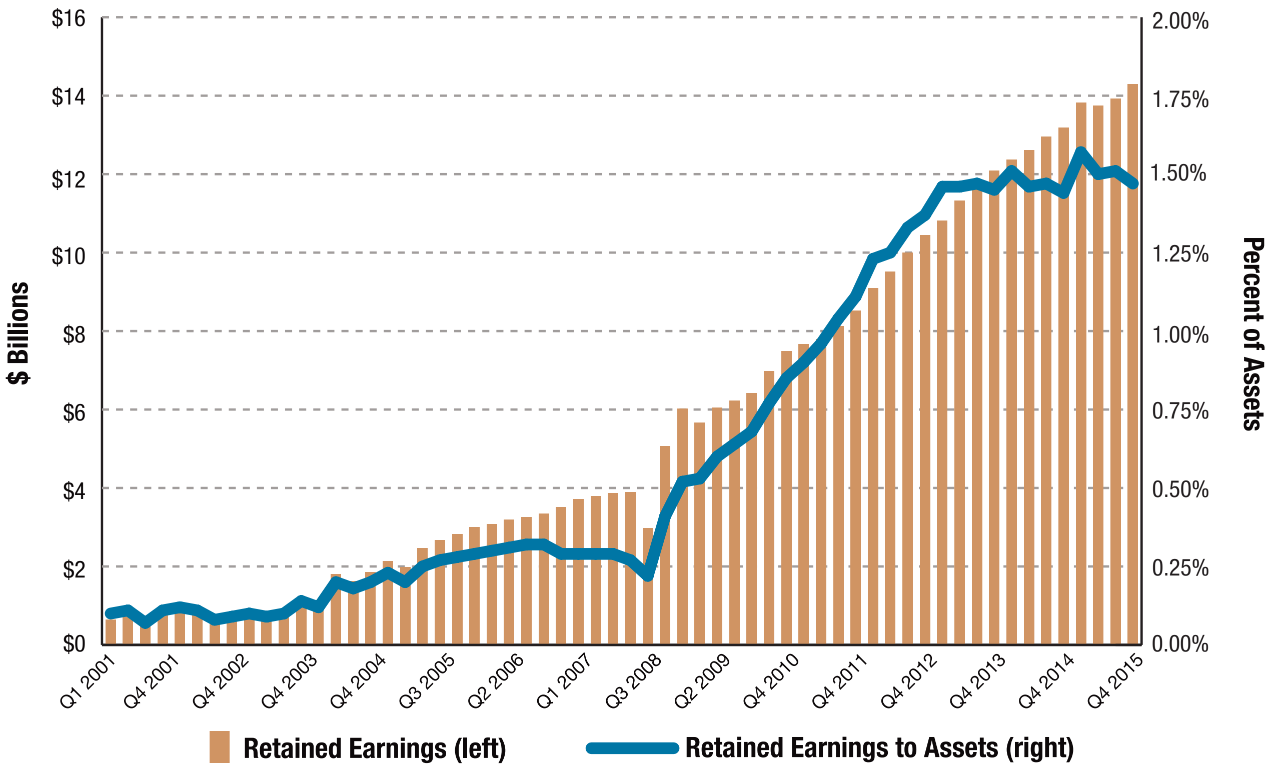
The FHLBanks reported aggregate net income of $2.9 billion in 2015, up from $2.3 billion in 2014, with 2015 marking the most profitable year in the history of the Federal Home Loan Bank System. All FHLBanks were profitable with the exception of the FHLBank of Seattle, which reported a loss due to high expenses incurred in preparation for its May 31 merger with the FHLBank of Des Moines. Earnings were elevated despite net interest income decreasing $16 million and operating expenses increasing $111 million from 2014. The FHLBank System realized $688 million in gains from private-label MBS settlements and $182 million in gains on derivatives in 2015.[12] These two items were primarily responsible for the elevated 2015 earnings (Figure 5).

Poor performance of private-label MBS had a much smaller effect on the FHLBanks in 2015 than it had from 2009-2012. In 2015, the FHLBanks recorded impairment charges on these securities of only $79 million, higher than the $15 million reported in 2014 but substantially lower than the high of $2.4 billion in 2009. In fact, in 2015 the FHLBanks actually accumulated $253 million of previous losses into income from improvements in modeled cash flows. Though subject to risks, legacy private-label MBS assets generally produce premium yields and positively contribute to net interest income.

Strong profitability allowed the FHLBanks to continue to build their retained earnings in 2015. Aggregate retained earnings totaled $14.3 billion, or 1.5 percent of assets, at the end of 2015. This includes $2.2 billion in restricted

[12] Most notably, the FHLBank of San Francisco received $459 million and the FHLBank of Boston received $185 million in settlements.

Figure 6 • Retained Earnings of the Federal Home Loan Banks



Source: Federal Housing Finance Agency

retained earnings associated with the Joint Capital Enhancement Agreement.[13] At year-end 2008, in the immediate aftermath of the financial crisis, the FHLBanks held only $3.0 billion of aggregate retained earnings, representing 0.2 percent of assets (Figure 6).

FHLBank Membership – At the end of 2015, the FHLBanks had a total of 7,235 members. The membership consisted of 4,669 commercial banks, 1,318 credit unions, 835 thrifts, 372 insurance companies, and 41 non-depository community development financial institutions. Of insurance company members, FHFA estimates that 54 were captive insurance companies. Following the publication of FHFA's final rule on FHLBank membership in January 2016, captive insurance companies will have to leave the Federal Home Loan Bank System within one or five years, depending on whether they obtained membership after or before September 12, 2014.

Approximately 59 percent of FHLBank members were active borrowers.

FHLBank Advances – The FHLBanks provide long- and short-term advances (loans) to their members. Advances are primarily collateralized by residential mortgage loans and government and agency securities. Community financial institutions[14] may pledge small business, small farm, and small agri-business loans as collateral for advances.

13 Until the third quarter of 2011, the FHLBanks were required to pay 20 percent of pre-assessment income to pay the interest on bonds issued by the Resolution Funding Corporation (REFCORP), the proceeds from which were used to resolve the savings and loan crisis of the late 1980s. After satisfying the total obligation with the July 2011 payment, the FHLBanks entered into the Joint Capital Enhancement Agreement, which requires each FHLBank to direct the funds previously paid to REFCORP into a restricted retained earnings account. The FHLBanks cannot pay dividends from this restricted retained earnings account and each FHLBank must continue to build it until it equals one percent of its average consolidated obligations.

14 As defined in the Bank Act, the term community financial institution (CFI) means a member, the deposits of which are insured under the Federal Deposit Insurance Act, that has average total assets over the last three years at or below an established threshold. For calendar year 2016, the CFI asset threshold is $1.128 billion. FHLBank members that are CFIs may pledge small business loans, small farm loans, small agri-business loans, and, for 2013 and thereafter, community development loans, all of which may be fully secured by collateral other than real estate, and securities representing a whole interest in such loans.

In 2015, FHLBank advances increased by $63.3 billion, to $634.0 billion, compared to the prior year. The increase marked the fourth consecutive year of advance growth, following three consecutive years of declines. Although FHLBank advances have increased in recent years, demand for advances is below the levels experienced during the height of the global financial crisis. At year-end 2015, advances reached their highest quarter-end level since September 30, 2009. During 2015, 10 of the 11 FHLBanks reported increases in advances. Typically, FHLBank members use advances to fund mortgage portfolios, meet operational liquidity needs or meet other funding requirements. In recent years, some members may have increased their use of advances to meet higher regulatory liquidity requirements.

Concentration of advances to subsidiaries of large bank holding companies remains high. The top four borrowers as of the end of 2015 – J.P. Morgan Chase, Wells Fargo, PNC, and Capital One – accounted for 23.6 percent of aggregate advances (Figure 7). Total year-end advances to subsidiaries of these four holding companies increased in 2015.[15] The largest increase came from J.P. Morgan Chase which added 10 percent or $6.5 billion in 2015, bringing its balance to $71.5 billion. Wells Fargo increased its advances by $3.0 billion to $37.1 billion, Capital One increased its advances by $2.8 billion to $20.1 billion, and PNC had a modest increase of $106 million in its advance portfolio, bringing its total to $20.1 billion.

FHLBank Mortgage Programs **–** The FHLBanks also operate programs through which members can sell mortgage loans. Under Acquired Member Assets (AMA) programs, the FHLBanks acquire and hold (on balance sheet) conforming and government guaranteed or insured loans. The AMA programs[17] 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. The two existing AMA programs are Mortgage Partnership Finance (MPF) and Mortgage Purchase Program, under which various products are offered to members with differing credit risk-sharing structures.

FHFA is proposing to amend the AMA regulation to comply with Section 939A of the Dodd-Frank Act, which requires federal agencies to remove from regulations all references to, or requirements based on ratings issued by Nationally Recognized Statistical Ratings Organizations,

Figure 7 • Total FHLBank Advance Holdings ($ Billions)

Holding Company	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4	2015 Q4
JP Morgan Chase & Co.	25.2	17.8	42.0	61.8	65	71.5
Wells Fargo & Company	7.9	2.6	2.2	19.1	34.1	37.1
PNC Financial Services Group, Inc.	6.1	7.0	9.4	12.9	20.0	20.1
Capital One Financial Corporation	1.1	6.9	20.9	16.3	17.3	20.1
Top 4 Holding Companies[16]	**114.7**	**77.7**	**98.7**	**135.1**	**154.2**	**148.8**
Other Members	349.1	325.5	315.0	357.4	412.0	482.4
Aggregate Advances	**463.8**	**403.2**	**413.7**	**492.5**	**566.2**	**631.2**
Top 4 Share	25%	19%	24%	27%	27%	24%

15 All advance metrics for the four largest borrowers are expressed as par values and may not match previous advance data expressed as book values.

16 The member listing presents the top four borrowers in the latest period and their borrowing history going back five quarters. The top four summation and share presents the total borrowing of the top four in the given time period. As the current top four may not have been the top four in the past, the summation for previous quarters may include borrowing from members not listed above.

17 To qualify as AMA, assets must meet a three-part test established by the AMA regulation (12 CFR Part 955) which outlines the asset, member nexus, and credit risk-sharing requirements.

of which the AMA rule includes several. FHFA published a Notice of Proposed Rulemaking in the *Federal Register* on December 17, 2015.[18] As proposed, the rule would make some additional substantive changes as well as non-substantive changes to the AMA regulation.

FHFA has also authorized off-balance sheet mortgage programs, which are separate from AMA programs. The off-balance sheet programs provide participating members alternative avenues through which to sell mortgage loans, thereby transferring risk and potentially freeing up capital they can use to expand credit availability in local communities. Under the off-balance sheet programs in operation as of the end of 2015, members sell mortgages to the FHLBank of Chicago, which either concurrently sells the loan to an investor (under MPF Xtra or MPF Direct) or pools the loans into securities guaranteed by the Government National Mortgage Association (under MPF Government MBS).

Merger of the FHLBanks of Des Moines and Seattle – The FHLBanks of Des Moines and Seattle combined to form a single entity as of May 31, 2015. The merger was the first for FHLBank System and was executed under the terms of FHFA's voluntary merger guidelines adopted in 2011. FHFA approved the FHLBanks' merger application in December 2014, and members of both FHLBanks later voted overwhelmingly to ratify the merger agreement.

The FHLBank of Des Moines is the continuing institution and serves 1,445 member financial institutions across 13 states and the U.S Pacific territories. At year-end 2015, the combined Des Moines FHLBank had assets totaling slightly more than $137 billion, making it the second largest FHLBank by asset size. FHFA views the merger as consistent with the FHLBank System's mission and with the safe and sound operation of each FHLBank.

Capital – The FHLBanks' regulatory capital primarily consists of the amounts paid by member institutions for FHLBank capital stock and the retained earnings of the FHLBank. The regulatory capital of the FHLBanks as of December 31 was $49.4 billion, consisting of $34.2 billion in capital stock and $14.3 billion in retained earnings. Capital stock includes $745 million in mandatorily redeemable capital stock, which arises from stock redemption requests by members or capital stock held by former members. Mandatorily redeemable capital stock is down substantially from 2014, when significant portions of the stock at the FHLBank of Seattle were under request for redemption. As noted above, the FHLBank of Seattle merged with the FHLBank of Des Moines in the summer of 2015 and in the process redeemed all of its mandatorily redeemable stock.

At year-end 2015, all FHLBanks met the minimum regulatory capital ratio of 4 percent of assets, with regulatory capital ratios ranging from 4.2 percent to 6.6 percent of assets and with a total FHLBank System ratio of 5.1 percent of assets. All FHLBanks also met their individual risk-based capital requirements. Aggregate retained earnings totaled $14.3 billion, or 1.5 percent of assets, at the end of 2015. The ratio of retained earnings to assets ranged from 0.6 percent to 3.9 percent.

Asset Quality – Asset quality at the FHLBanks was generally adequate in 2015, though examiners identified areas where the FHLBanks could improve their practices, or where the FHLBanks were exposed to specific risks. Examiner concerns included collateral underwriting procedures, data collection, and risks related to legacy private-label MBS securities.

The credit risk of the advance portfolios continues to be low. The FHLBanks require members to fully secure advances with eligible collateral before borrowing from the FHLBank, and no FHLBank has ever had a credit loss from advances to a member. The quality and value of collateral are fundamental in protecting the FHLBanks from credit losses on advances. The FHLBanks apply a discount to the market value of the collateral, known as a "haircut," based on the FHLBank's assessment of the risk of the asset.

While the overall risk of advances is low, some FHLBanks exhibit business concentrations to a few large borrowers and some have large exposures to insurance company members. Lending to insurance companies presents different risks relative to lending to insured depository institutions, in part because each state has its own laws and regulatory framework for insurance companies.

18 See the Regulatory Guidance section of this report for additional details.

Some FHLBanks have small or declining advance portfolios, which may lead to declines in mission orientation, reduced operational efficiency, or relative increases in other, riskier assets.

Private-label MBS continued to be the largest single source of credit risk to the FHLBanks in 2015, though the portfolios are waning and risks are generally decreasing. In some cases, FHLBanks have reclaimed previously recognized losses from these portfolios as the performance of the securities improved. The aggregate private-label MBS portfolio at the FHLBanks was $13.9 billion or just 1.4 percent of assets. However, the risks are concentrated at a few FHLBanks.

The delinquency rates on the FHLBanks' whole loan mortgage holdings have been low relative to the market. The mortgage loans held by the FHLBanks had a serious delinquency rate of only 0.94 percent in 2015, down from 1.43 percent at year-end 2014.

Management **–** Effective management of an FHLBank involves engaged, capable, and experienced directors and senior management, a coherent strategy and business plan, clear lines of responsibility and accountability, and appropriate risk limits and controls.

Governance of the FHLBanks was adequate in 2015, though examiners identified several areas for improvement. Some FHLBanks need to improve aspects of the internal audit function, including issue tracking processes, scopes for audits, and the remediation of FHFA examination findings. Management turnover and the frequency of examination findings at some FHLBanks were also concerns for examiners.

Earnings **–** Aggregate net income at the FHLBanks was $2.9 billion, up from $2.3 billion in 2014, and marking the most profitable year in the history of the FHLBank System. Income was elevated in 2015 in part due to extraordinary items, including $688 million in legal settlements in favor of some FHLBanks. The settlements related to private-label MBS securities purchased before the financial crisis.

Profitability metrics have increased with earnings. Return on assets averaged 31 basis points, up from 26 basis points in 2014, while return on equity averaged 6.1 percent, up from 5.0 percent. Many FHLBanks continue to benefit from strong yields on mortgage loans and MBS.

While earnings continue to be strong, some FHLBanks rely on non-mission assets to support their earnings. At year-end 2015, 28 percent of FHLBank assets were investments, down from 30 percent at year-end 2014 but with concentrations at individual FHLBanks as high as 40 percent. Nevertheless, the FHLBanks generally improved their mission orientation from year-end 2014, when investment ratios ranged as high as 68 percent of assets. The improvement was largely due to the merger of the FHLBank of Seattle with the FHLBank of Des Moines in May 2015.

Liquidity **–** At year-end 2015, the FHLBanks held $106.3 billion of cash and liquidity investments, representing 11 percent of assets. The aggregate liquidity portfolio of the FHLBanks consisted of 13 percent cash, 40 percent federal funds sold, 45 percent reverse repurchase agreements, and 2 percent interest bearing deposits.

In recent years, debt markets have become less favorable at longer maturities to even agency issuers such as the FHLBanks. In response to this and other factors, the FHLBanks have increased their reliance on short-term funding (discount notes). At year-end 2015, discount notes constituted 54.5 percent of aggregate FHLBank debt outstanding compared to 42.7 percent at year-end 2014 and 38.2 percent at year-end 2013. Short-term funding requires more frequent debt rollover than does longer-term funding. Nevertheless, the FHLBanks maintain ready access to the agency debt markets at advantageous rates, particularly at shorter maturities. All FHLBanks met their liquidity requirements in 2015.

Sensitivity to Market Risk **–** Mortgage assets continue to be the greatest source of market risk for the FHLBanks. Mortgage assets are typically longer-dated instruments than most other FHLBank assets, have less predictable cash flows, and, particularly in the case of private-label MBS, have experienced the greatest swings in market value. Mortgage assets were $178.3 billion or 18.4 percent of total assets at the end of 2015, down slightly from $182.7 billion or 20.0 percent at the end of 2014. FHLBank mortgage assets comprise mortgage loans purchased from member institutions and MBS.

Figure 8 • Market Value of Equity-to-Par Value of Capital Stock by Various Interest-Rate Changes

Parallel Interest Rate Change in Basis Points	-200	-100	-50	0	50	100	200
Boston	135	141	143	**143**	143	141	137
New York	127	122	122	**122**	122	122	121
Pittsburgh	135	129	128	**128**	128	128	127
Atlanta	141	137	137	**137**	136	135	131
Cincinnati	104	109	110	**109**	109	107	104
Indianapolis	156	158	156	**154**	152	151	146
Chicago	262	259	257	**256**	255	254	253
Des Moines	110	114	115	**117**	117	117	116
Dallas	154	149	149	**150**	150	149	147
Topeka	177	176	173	**171**	171	171	168
San Francisco	217	205	202	**200**	197	195	190

Some FHLBanks with significant mortgage holdings hedge the market risk by extensive use of callable bonds to fund those assets. Other FHLBanks use more complicated hedging strategies that involve interest-rate swaps, swaptions (options to enter into interest-rate swaps), and options. FHLBanks with floating-rate MBS with embedded interest rate caps tend to use interest-rate caps (a type of derivative) to hedge these positions.

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. Different movements of the two index rates will lead to a widening or narrowing of the spread or "basis" between the yield on the asset and the cost of the associated liability.

The FHLBank System's market value of equity, which is the estimated market value of the FHLBank System's assets less the market value of its liabilities, is an important indicator of the FHLBanks' ability to redeem or repurchase stock at par. Because all stock transactions occur at the par value of $100 per share, the market value of an FHLBank's equity should equal or exceed the par value of aggregated FHLBank shares of capital stock.

The aggregate market value ratios of the FHLBanks were again strong in 2015, highlighting their generally sound financial condition. Market value of equity was 142 percent of the par value of capital stock at year-end 2015, roughly unchanged from 2014. All FHLBanks had market values greater than the par value of their capital stock, indicating their ability to exchange capital stock at par without adversely affecting other members.

To measure the sensitivity of the market value of equity in a changing interest rate environment, Figure 8 shows the ratio at each FHLBank at year-end 2015 and the estimated change to the ratio in certain interest rate change scenarios. These scenarios are based on model results provided by the FHLBanks and restrict interest rates to non-negative values. Most FHLBanks show only modest changes in these interest rate scenarios. The largest increase is 17 percentage points in a down 200-basis point scenario at the FHLBank of San Francisco, and the largest decrease is a 10 percentage point decline in an up 200-

basis point scenario, also at the FHLBank of San Francisco. All FHLBanks report ratios above 100 percent in all 6 rate-change scenarios.

Risk measurements such as these are estimates based on models. Uncertainty about private-label MBS adjustments related to market risk metrics, prepayment speeds, and the effects of extremely low interest rates at short maturities, all contribute to model risk at the FHLBanks and, therefore, to the uncertainty about these estimates.

***Operational Risk* –** The FHLBanks engage in financial transactions that require financial models, technological resource systems, ledger accounting systems, and other processes that inherently expose them to operational risks.

While operational risk management was generally adequate, FHFA had supervisory concerns at some FHLBanks. At these and other FHLBanks, examiners identified areas that exhibited or could exhibit unacceptable operational risks in areas such as inventory tracking, IT security, IT migration planning, vendor management, and business continuity. The internal control of user-developed applications, such as spreadsheets, is also a concern at some FHLBanks.

***FHLBank Directors' Compensation and Expenses* –** The FHLBanks are governed by boards of directors ranging in size from 14 to 29. The majority of directors of the FHLBanks are officers or directors of member institutions with the remaining (at least 40 percent) being 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.

The Office of Finance (OF) has a different board structure, with five independent directors plus the FHLBank

Figure 9 • 2015 Annual Maximum Compensation for Federal Home Loan Bank Directors

	Chair	Vice Chair	Audit Committee Chair	Other Committee Chairs	Directors
Atlanta	$ 95,000	$ 90,000	$ 90,000	$ 85,000	$ 75,000
Boston	$ 85,000	$ 72,500	$ 72,500	$ 72,500	$ 65,000
Chicago	$ 90,000	$ 80,000	$ 80,000	$ 75,000	$ 70,000
Cincinnati[a]	$ 105,000	$ 95,000	$ 89,000	$ 86,500	$ 72,500
Dallas[b]	$ 87,500	$ 82,500	$ 77,500	$ 67,500	$ 60,000
Des Moines[c]	$ 95,000	$ 90,000	$ 85,000	$ 80,000	$ 70,000
Indianapolis	$ 115,000	$ 92,500	$ 92,500	$ 87,500	$ 77,500
New York	$ 105,000	$ 90,000	$ 90,000	$ 90,000	$ 80,000
Office of Finance[d]	$ 130,000	–	$ 104,000	–	$ 88,500
Pittsburgh	$ 112,500	$ 92,500	$ 92,500	$ 92,500	$ 80,000
San Francisco[e]	$ 100,000	$ 95,000	$ 90,000	$ 90,000	$ 75,000
Seattle[f]	$ 70,000	$ 65,000	$ 65,000	$ 60,000	$ 55,000
Topeka	$ 105,000	$ 90,000	$ 90,000	$ 90,000	$ 80,000
Average	**$ 99,615**	**$ 86,250**	**$ 86,038**	**$ 81,375**	**$ 72,962**
Median	**$ 100,000**	**$ 90,000**	**$ 90,000**	**$ 85,750**	**$ 75,000**

[a] *Directors who are members of the Audit Committee receive an additional $9,500 and members of the Financial and Risk Management Committee receive an additional $7,000.*

[b] *The Chair of the Risk Committee receives $77,500.*

[c] *The Chair and Vice Chair of the pre-merger FHLBank Des Moines also received $50,000 and $25,000, respectively, for contributions to the merger and consistent with the approved Directors Compensation Policy.*

[d] *The Vice Chair and "Other Committee" Chairs at the OF are held by FHLBank presidents who do not receive compensation for their OF director positions. Compensation paid to all directors in 2015 reflected payments which would normally have been reflected in 2016 due to a transition to a new structure for 2016.*

[e] *Members of the audit committee receive an additional $5,000.*

[f] *The Chair of the Compliance Committee receives $65,000.*

Figure 10 • Federal Home Loan Bank Compensation for 2015

Federal Home Loan Bank	Director Compensation Paid in Cash		Director Deferred Compensation		Spouse/ Guest Expenses		Total Director Compensation Earned (Cash + Deferred Compensation)	
	Average	Total	Average	Total	Average	Total	Average	Total
Atlanta	$ 68,550.01	$ 959,700.08	$ 13,592.85	$ 190,299.92	$ 1,025.91	$ 14,362.79	$ 83,168.77	$ 1,164,362.79
Boston	$ 41,450.00	$ 663,200.00	$ 28,550.00	$ 456,800.00	$ 364.19	$ 5,827.00	$ 70,364.19	$ 1,125,827.00
Chicago	$ 55,614.84	$ 1,056,682.02	$ 6,671.05	$ 126,750.01	$ 778.76	$ 14,796.51	$ 63,064.66	$ 1,198,228.54
Cincinnati	$ 85,713.24	$ 1,457,125.00	$ 0.00	$ 0.00	$ 563.89	$ 9,586.21	$ 86,277.13	$ 1,466,711.21
Dallas	$ 49,085.94	$ 785,375.00	$ 17,632.81	$ 282,125.00	$ 526.22	$ 8,419.55	$ 67,244.97	$ 1,075,919.55
Des Moines	$ 58,824.14	$ 1,705,899.98	$ 3,331.03	$ 96,600.00	$ 687.56	$ 19,939.32	$ 62,842.73	$ 1,822,439.30
Indianapolis	$ 84,812.50	$ 1,357,000.00	$ 0.00	$ 0.00	$ 3,612.88	$ 57,806.09	$ 88,425.38	$ 1,414,806.09
New York	$ 84,722.28	$ 1,525,001.00	$ 0.00	$ 0.00	$ 691.46	$ 12,446.27	$ 85,413.74	$ 1,537,447.27
Office of Finance	$ 110,997.70	$ 554,988.49	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 110,997.70	$ 554,988.49
Pittsburgh	$ 72,939.76	$ 1,239,976.00	$ 14,116.94	$ 239,988.00	$ 86.25	$ 1,466.20	$ 87,142.95	$ 1,481,430.20
San Francisco	$ 53,244.14	$ 745,418.00	$ 35,928.57	$ 503,000.00	$ 0.00	$ 0.00	$ 89,172.71	$ 1,248,418.00
Seattle	$ 20,028.28	$ 280,395.85	$ 4,376.49	$ 61,270.84	$ 0.00	$ 0.00	$ 24,404.76	$ 341,666.69
Topeka	$ 83,137.25	$ 1,413,333.32	$ 0.00	$ 0.00	$ 3,314.02	$ 56,338.31	$ 86,451.27	$ 1,469,671.63
Total (all Directors)	**$ 869,120.07**	**$ 13,744,094.74**	**$ 124,199.75**	**$ 1,956,833.77**	**$ 11,651.15**	**$ 200,988.25**	**$ 1,004,970.97**	**$ 15,901,916.76**
Average	**$ 66,855.39**	**$ 1,057,238.06**	**$ 9,553.83**	**$ 150,525.67**	**$ 896.24**	**$ 15,460.63**	**$ 77,305.46**	**$ 1,223,224.37**
Median	**$ 68,550.01**	**$ 1,056,682.02**	**$ 4,376.49**	**$ 96,600.00**	**$ 563.89**	**$ 9,586.21**	**$ 85,413.74**	**$ 1,248,418.00**

Presidents serving on its Board. The FHLBank Presidents do not receive compensation for their service on the OF board.

Before HERA, FHLBank directors' compensation had statutory caps. In 2009, with the implementation of HERA, the caps were lifted, and the FHLBanks were allowed to pay reasonable compensation for the time required of their board of directors and necessary expenses, subject to FHFA review.

Each of the 11 FHLBanks and the OF provide FHFA with its Directors Compensation Policy (the 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 maximum compensation utilizing third-party market comparables. FHFA reviews each Policy to ensure that it contains provisions specifying that the FHLBank reduces compensation if the director does not participate in a sufficient number of meetings, or is found not to be a contributing member of the board. All of the FHLBanks and the 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 2015, FHFA found that all of the FHLBanks and the OF complied with their policies and reduced director compensation when required. Reductions based on attendance occurred at four FHLBanks for a total of five individual directors.

The table on the preceding page (Figure 9) shows the maximum compensation available to the directors at each FHLBank and the OF for 2015. The figures in the table represent the approved maximum compensation amounts for the listed board positions. However, an individual director who serves in multiple capacities for the board, such as chairing multiple committees, may receive higher compensation based upon specific provisions of the individual Bank's approved Directors Compensation Policy.

In 2015, FHFA included spousal and guest payments, previously reported as an expense, 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, the director is required to pay taxes on these expenses.

The preceding table (Figure 10) reflects director compensation paid (and deferred) in 2015, in addition to amounts paid for spouse/guest travel in 2015. The inclusion of the spouse/guest travel payment in this manner may have resulted in total compensation payments in excess of the maximum Policy limits reflected in the table above. FHFA believes the reporting of the perquisites in this manner to be more reflective of compensation paid to directors and has instructed the FHLBanks to mirror this practice in their 2016 reporting going forward.

In addition to information about director compensation, the FHLBanks and the OF are required to submit to FHFA for review the expenses they pay for their boards of directors each year. In 2015, FHFA continued to request that the FHLBanks submit directors' expenses in more detail. Figure 11 below shows the expense per director and the total expense for the FHLBank for each category requested.

Board expenses attributable to directors include all items

Figure 11 • Federal Home Loan Bank Director Expenses for 2015

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	$ 9,436.54	$ 132,111.53	$ 4,600.27	$ 64,403.75	$ 1,247.24	$ 17,461.41	$ 9,412.99	$ 131,781.87
Boston	$ 5,782.95	$ 92,527.22	$ 500.46	$ 8,007.40	$ 466.35	$ 7,461.61	$ 2,934.88	$ 46,958.05
Chicago	$ 7,116.18	$ 135,207.49	$ 2,127.65	$40,425.37	$ 556.09	$ 10,565.77	$ 1,877.48	$ 35,672.10
Cincinnati	$ 8,994.75	$ 152,910.81	$ 1,934.13	$ 32,880.23	$ 775.41	$ 13,182.03	$ 1,481.30	$ 25,182.15
Dallas	$ 6,383.60	$ 102,137.62	$ 1,845.37	$ 29,525.99	$ 64.72	$ 1,035.50	$ 3,061.29	$ 48,980.66
Des Moines	$ 6,489.20	$ 188,186.79	$ 2,205.47	$ 63,958.65	$ 953.08	$ 27,639.43	$ 5,186.43	$ 150,406.42
Indianapolis	$ 10,335.77	$ 165,372.34	$ 2,304.76	$ 36,876.19	$ 490.26	$ 7,844.22	$ 4,778.47	$ 76,455.44
New York	$ 5,518.42	$ 99,331.60	$ 372.84	$ 6,711.20	$ 560.23	$ 10,084.08	$ 2,287.38	$ 41,172.75
Office of Finance	$ 6,213.04	$ 31,065.22	$ 6,895.53	$ 34,477.66	$ 1,098.95	$ 5,494.73	$ 9,965.21	$ 49,826.05
Pittsburgh	$ 7,414.83	$ 126,052.13	$ 3,223.72	$ 54,803.30	$ 1,067.99	$ 18,155.90	$ 4,042.14	$ 68,716.46
San Francisco	$ 9,748.50	$ 136,479.00	$ 3,290.43	$ 46,066.00	$ 6,037.34	$ 84,522.81	$ 2,982.64	$ 41,757.00
Seattle	$ 3,403.28	$ 47,645.93	$ 1,832.77	$ 25,658.83	$ 117.64	$ 1,647.01	$ 996.97	$ 13,957.64
Topeka	$ 8,982.19	$ 152,697.25	$ 1,217.16	$ 20,691.70	$ 1,117.71	$ 19,001.03	$ 2,310.96	$ 39,286.31
Total (all Directors)	**$ 95,819.27**	**$ 1,561,724.93**	**$ 32,350.58**	**$ 464,486.27**	**$ 14,553.03**	**$ 224,095.53**	**$ 51,318.14**	**$ 770,152.9**
Average	**$ 7,370.71**	**$ 120,132.69**	**$ 2,488.51**	**$ 35,729.71**	**$ 1,119.46**	**$ 17,238.12**	**$ 3,947.55**	**$ 59,242.53**
Median	**$ 7,116.18**	**$ 132,111.53**	**$ 2,127.65**	**$ 34,477.66**	**$ 775.41**	**$ 10,565.77**	**$ 2,982.64**	**$ 46,958.05**

** Group expenses for the Office of Finance cover the full board including the 11 FHLBank Presidents.*

Figure 12 • Federal Home Loan Bank Director Compensation and Expenses for 2015

Federal Home Loan Bank	Number of Directors	Total Director Compensation Earned (Cash + Deferred Compensation + Spouse Travel)		Total Director Expenses (All expenses including board expesnes, training, group and other expenses)		Total Director Cost (Total Compensation + Total Expenses)	
		Average	Total	Average	Total	Average	Total
Atlanta	14	$ 83,169	$ 1,164,363	$ 24,697	$ 345,759	$ 107,866	$ 1,510,121
Boston	16	$ 70,364	$ 1,125,827	$ 9,685	$ 154,954	$ 80,049	$ 1,280,781
Chicago	19	$ 63,065	$ 1,198,229	$ 11,677	$ 221,871	$ 74,742	$ 1,420,099
Cincinnati	17	$ 86,277	$ 1,466,711	$ 13,186	$ 224,155	$ 99,463	$ 1,690,866
Dallas	16	$ 67,245	$ 1,075,920	$ 11,355	$ 181,680	$ 78,600	$ 1,257,599
Des Moines	29	$ 62,843	$ 1,822,439	$ 14,834	$ 430,191	$ 77,677	$ 2,252,631
Indianapolis	16	$ 88,425	$ 1,414,806	$ 17,909	$ 286,548	$ 106,335	$ 1,701,354
New York*	18	$ 85,414	$ 1,537,447	$ 8,739	$ 157,300	$ 94,153	$ 1,694,747
Office of Finance	5	$ 110,998	$ 554,988	$ 24,173	$ 120,864	$ 135,170	$ 675,852
Pittsburgh	17	$ 87,143	$ 1,481,430	$ 15,749	$ 267,728	$ 102,892	$ 1,749,158
San Francisco	14	$ 89,173	$ 1,248,418	$ 22,059	$ 308,825	$ 111,232	$ 1,557,243
Seattle	14	$ 24,405	$ 341,667	$ 6,351	$ 88,909	$ 30,755	$ 430,576
Topeka	17	$ 86,451	$ 1,469,672	$ 13,628	$ 231,676	$ 100,079	$ 1,701,348
Total (all Directors)		**$ 1,004,971**	**$ 15,901,917**	**$ 194,041**	**$ 3,020,460**	**$ 1,199,012**	**$ 18,922,376**
Average		**$ 77,305**	**$ 1,223,224**	**$ 14,926**	**$ 232,343**	**$ 92,232**	**$ 1,455,567**
Median		**$ 85,414**	**$ 1,248,418**	**$ 13,628**	**$ 224,155**	**$ 99,463**	**$ 1,557,243**

** The FHLBank of New York had 19 directors in 2015; one director declined compensation. His expenses were approximately one-half of the average shown.*

reimbursed to the director for his or her travel, including transportation and lodging, rental car, mileage, and meals while traveling.

Board training expenses include expenses to pay for 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 a FHLBank-related event such as, but not limited to, annual member meetings, Chair/Vice Chair meetings, and Council of FHLBanks meetings.

Group expenses include those expenses that are not directly attributable to individuals such as food and beverage service while meetings are in progress, audio-visual services, and meeting space.

Figure 12 is a summary table of the compensation and total expenses shown as an average per director and a total expenditure for each FHLBank. Following the merger of the FHLBank of Seattle with the FHLBank of Des Moines, all former FHLBank of Seattle directors became directors of the merged bank. The numbers in the Figure 12 reflect the full year costs for the FHLBank of Des Moines and the number of directors post-merger. The FHLBank of Seattle's costs reflect operations pre-merger.

District 1 • The Federal Home Loan Bank of Boston[19]

At year-end, the FHLBank of Boston was the eighth largest FHLBank, with assets of $58.1 billion. Its balance sheet consisted of 62.1 percent advances, 6.2 percent mortgages, and 31.5 percent cash and investments. MBS investments totaled $8.2 billion, of which $966 million were private-label MBS. The FHLBank's MBS-to-regulatory capital ratio was 2.41 percent, well below the regulatory limit of 3.0 percent. Funding through consolidated obligations totaled $53.9 billion and comprised 52.8 percent discount notes and 47.2 percent bonds. Consolidated obligations with a remaining maturity of less than one year, including call dates of less than one year, totaled $40.4 billion, or 75.0 percent of total consolidated obligations.

The FHLBank reported net income of $289 million for the year, the fifth highest among the FHLBanks. Its return on assets of 0.52 percent was the second highest in the FHLBank System. Litigation settlements and improving private-label MBS cash flows bolstered profitability significantly, with the FHLBank reporting net interest income of $226 million and income resulting from settlements of $185 million. The FHLBank's net interest spread of 0.37 percent was the sixth highest in the FHLBank System. While its yield on advances of 0.76 percent was the highest of the FHLBanks, its cost of funds on consolidated obligations of 0.70 percent was the third highest. Operating expenses of $67 million were eighth highest of any FHLBank in nominal terms, but ranked fifth when compared to total assets at 0.12 percent.

The FHLBank's regulatory capital ratio was 6.04 percent, which was the third highest in the FHLBank System. Its retained earnings of $1.1 billion were the fifth highest in the FHLBank System. Additionally, the FHLBank's market value of equity was 143.1 percent of the par value of its member capital stock.

The FHLBank had 446 members at year-end 2015: 65 commercial banks, 177 thrifts, 159 credit unions, 41 insurance companies, and 4 community development financial institutions. The FHLBank's ten largest borrowers held 48.6 percent of total advances and 72.4 percent of members were active borrowers.

At the time of its July 2015 examination, FHFA concluded the FHLBank's overall condition and operations were satisfactory, with strong capital and liquidity positions. Further, the examination observed that the credit risk exposure to the private-label MBS portfolio had continued to decrease as the portfolio ran down and that the FHLBank had sufficient earnings to cover operations. However, the examination also determined that internal audit had not yet fully detailed a plan to complete quality assurance review recommendations, business continuity testing was not sufficiently robust, information security scanning was too infrequent, and the model governance and validation of a key Treasury Department model did not meet supervisory expectations.

[19] This summary reflects conclusions made at the time of FHFA's 2015 examination of the FHLBank of Boston supplemented by year-end financial information.

District 2 • The Federal Home Loan Bank of New York[20]

At year-end, the FHLBank of New York was the third largest FHLBank with assets of $123.2 billion. Its balance sheet consisted of 76.2 percent advances, 2.1 percent mortgages, and 21.5 percent cash and investments. Advances of $93.9 billion represented 76.2 percent of total assets, which was the second highest in the FHLBank System. The FHLBank held a small portfolio of private-label MBS, totaling $282 million, or 0.2 percent of assets. Funding through consolidated obligations totaled $114.6 billion and comprised 40.9 percent discount notes and 59.1 percent bonds. Consolidated obligations with a remaining maturity of less than one year totaled $84.0 billion, or 73.6 percent of total consolidated obligations.

The FHLBank reported net income of $415 million for the year, the second highest among the FHLBanks. Net interest income totaled $554 million. Advances provided 62.9 percent of interest income, while investments and mortgages provided 28.9 percent and 8.1 percent, respectively. The FHLBank's net interest spread of 0.43 percent, return on assets of 0.34 percent, and return on equity of 6.61 percent, all ranked fourth in the FHLBank System. Its yield on advances of 0.69 percent was the second highest and its cost of funds on consolidated obligations of 0.39 percent was the third lowest. Operating expenses of $103 million were the fourth highest of any FHLBank in nominal terms, but ranked fourth lowest when compared to total assets at 0.08 percent.

The FHLBank's regulatory capital ratio was 5.6 percent, which was the fourth highest in the FHLBank System, and its $6.9 billion of regulatory capital comprised $5.6 billion capital stock, $1.3 billion retained earnings, and $20 million mandatorily redeemable capital stock. The FHLBank's permanent capital to risk-based capital ratio, at 9.94 times, was the highest in the FHLBank System. Its total retained earnings of $1.3 billion were equivalent to 184 percent of its risk-based capital requirement. The FHLBank's market value of equity was 121.9 percent of the par value of its member capital.

The FHLBank had 328 members at year-end 2015: 138 commercial banks, 89 thrifts, 85 credit unions, 14 insurance companies, and 2 community development financial institutions. Advances were held by commercial banks (44 percent), thrifts (36 percent), insurance companies (17 percent), and credit unions (3 percent). The FHLBank's ten largest borrowers held 70 percent of total advances.

At the time of its April 2015 examination, FHFA concluded the FHLBank's overall condition and operations were satisfactory with strong capital, earnings, and liquidity positions. The examination observed that the FHLBank had a highly mission-focused balance sheet and low private-label MBS exposure. However, the examination identified weaknesses related to compliance with capital stock purchase requirements for one new large member; loss identification on AMA loans and asset classification reporting; internal audits frequency; pre-purchase analyses for mortgage assets; oversight of vendor management; as well as continued concerns in the FHLBank's administration of its AHP, although the FHLBank had made efforts to improve AHP operations.

[20] This summary reflects conclusions made at the time of FHFA's 2015 examination of the FHLBank of New York supplemented by year-end financial information.

District 3 • The Federal Home Loan Bank of Pittsburgh[21]

At year-end, the FHLBank of Pittsburgh was the fifth largest FHLBank, with assets of $96.3 billion. Its balance sheet consisted of 77.3 percent advances, 3.2 percent mortgages, and 19.2 percent cash and investments. MBS investments totaled $7.0 billion, of which $1.3 billion were private-label MBS. Approximately 81.2 percent of private-label MBS were below investment-grade. Advances with a remaining maturity of less than one year totaled $33.2 billion. Advances grew 17.5 percent to reach $74.5 billion at year-end, eclipsing the $73.5 billion peak level reached on March 31, 2008. Funding through consolidated obligations totaled $90.9 billion and comprised 46.6 percent discount notes and 53.4 percent bonds. Consolidated obligations with a remaining maturity of less than one year totaled $69.1 billion.

The FHLBank reported net income of $257 million for the year, the sixth highest among the FHLBanks. Return on assets was 0.29 percent, the fifth highest in the FHLBank System. Net interest income totaled $318 million. Interest income on advances totaled $346 million, representing 49.7 percent of total interest income. The FHLBank's net interest spread of 0.34 percent was the fifth lowest in FHLBank System, after declining marginally from 0.37 percent in 2014. Both the yield on advances of 0.53 percent and the cost of funds on consolidated obligations of 0.45 percent were the fourth lowest in the FHLBank System. Operating expenses of $67 million were the fifth lowest of any FHLBank in nominal terms and tied for third lowest when compared to total assets at 0.08 percent.

The FHLBank's regulatory capital ratio was 4.60 percent, which was the fourth lowest in the FHLBank System. Its retained earnings of $881 million were the sixth highest in nominal terms and third lowest when compared to total assets at 0.91 percent. The FHLBank's market value of equity was 127.9 percent of the par value of its member capital stock.

The FHLBank had 306 members at year-end 2015: 170 commercial banks, 68 thrifts, 49 credit unions, 17 insurance companies, and two community development financial institutions. The FHLBank's ten largest borrowers held 83.7 percent of total advances.

At the time of its April 2015 examination, FHFA concluded the FHLBank's overall condition and operations were satisfactory with a strong liquidity position. The examination observed that the FHLBank had developed a well-designed and articulated framework to guide capital management, set an appropriate level of retained earnings, and establish a reasonable dividend policy. FHFA's most significant concerns at the 2015 examination pertained to model risk management including the need to strengthen model risk management, oversight and the model validation program. In addition, the examination determined that the FHLBank's travel and entertainment expense review and approval process required improved oversight.

[21] This summary reflects conclusions made at the time of FHFA's 2015 examination of the FHLBank of Pittsburgh supplemented by year-end financial information.

District 4 • The Federal Home Loan Bank of Atlanta[22]

At year-end, the FHLBank of Atlanta was the largest FHLBank, with assets of $142.3 billion. Its balance sheet consisted of 73.2 percent advances, 0.4 percent mortgages, and 26.0 percent cash and investments. MBS investments totaled $19.1 billion, of which $2.8 billion were private-label MBS. Approximately 87.0 percent of private-label MBS were below investment-grade. Advances totaled $104.2 billion at year-end, up 4.5 percent from 2014. Roughly $46.7 billion of advances had a remaining maturity of less than one year. Funding through consolidated obligations totaled $133.4 billion and comprised 52 percent discount notes and 48 percent bonds. Consolidated obligations with a remaining maturity of less than one year totaled $32.6 billion.

The FHLBank reported net income of $301 million for the year, the fourth highest among the FHLBanks. However, its profitability metrics, including net interest spread of 0.17 percent and return on assets of 0.23 percent, trailed FHLBank System averages due to its higher relative volume of advances and accounting adjustments related to certain swapped advances. Investment income totaled $419 million, and represented 69 percent of total interest income. Operating expenses were relatively flat since year-end 2014. Operating expenses of $115 million were the third highest of any FHLBank in nominal terms, but ranked seventh highest when compared to total assets at 0.09 percent.

The FHLBank's regulatory capital ratio was 4.89 percent, which was the sixth highest in the FHLBank System. Its retained earnings were the third highest of any FHLBank in nominal terms at $1.8 billion, which equated to 113.6 percent of required risk-based capital. The FHLBank's market value of equity was 136.9 percent of the par value of its member capital stock. Excess stock was negligible because the FHLBank redeems such stock daily.

The FHLBank had 932 members at year-end 2015: 616 commercial banks, 198 credit unions, 90 thrifts, 22 insurance companies, and 6 community development financial institutions. The FHLBank's ten largest borrowers held 74 percent of total advances.

At the time of its January 2015 examination, FHFA concluded the FHLBank's overall condition and operations were strong particularly in the areas of management, asset quality, earnings, capital, and liquidity. The examination determined that credit risk within the FHLBank's small legacy portfolio of private-label MBS and mortgage loans remained moderate. However, the examination also determined that the FHLBank needed to develop and implement plans to upgrade certain of its information technology applications, as well as document all business uses for its models in the model inventory.

[22] This summary reflects conclusions made at the time of FHFA's 2015 examination of the FHLBank of Atlanta supplemented by year-end financial information.

District 5 • The Federal Home Loan Bank of Cincinnati[23]

At year-end, the FHLBank of Cincinnati was the fourth largest FHLBank, with assets of $118.8 billion. Its balance sheet consisted of 61.7 percent advances, 6.7 percent mortgages, and 31.5 percent cash and investments including $22.1 billion of liquid assets. MBS investments totaled $15.2 billion with no private-label MBS. Advances of $27.2 billion had a remaining maturity of less than one year with an additional $36.4 billion of longer-term advances that reprice monthly or quarterly. Advances increased by $2.9 billion from the prior year-end to $73.3 billion. Funding through consolidated obligations totaled $112.3 billion and comprised 68.7 percent discount notes and 31.3 percent bonds. Consolidated obligations with a remaining maturity of less than one year totaled $87.0 billion.

The FHLBank reported net income of $249 million for the year, the seventh highest among the FHLBanks. Return on assets of 0.24 percent was the seventh highest. Net interest income totaled $322 million. Interest income on mortgages totaled $246 million and represented 26 percent of total interest income. The FHLBank's net interest spread of 0.27 percent was tied for the third lowest in the FHLBank System and decreased from 0.28 percent in 2014 and 0.31 percent in 2013. Its yield on advances of 0.52 percent was the third lowest in the FHLBank System, and its cost of funds on consolidated obligations of 0.64 percent was the fourth highest in the FHLBank System. Operating expenses of $62 million were the second lowest of any FHLBank in nominal terms, and ranked lowest when compared to total assets at 0.06 percent.

The FHLBank's regulatory capital ratio was 4.40 percent, which was the third lowest in the FHLBank System. Its retained earnings were the third lowest of any FHLBank in nominal terms at $766 million, and fifth lowest when compared to required risk-based capital at 121 percent. The FHLBank's market value of equity was 109.4 percent of the par value of its member capital stock.

The FHLBank had 699 members at year-end 2015: 418 commercial banks, 99 thrifts, 124 credit unions, 54 insurance companies, and 4 community development financial institutions. The FHLBank's ten largest borrowers held 80.7 percent of total advances.

At the time of its July 2015 examination, FHFA concluded the FHLBank's overall condition and operations were satisfactory with a strong liquidity position and risk management practices that remained generally satisfactory. The examination identified primary concerns related to an overly complex retained earnings methodology that lacks transparency; inadequate analysis, support, or rationale for collateral haircut requirements; insufficient collateral haircut model validation; a regulatory violation by using AHP subsidies to pay fees imposed on members for the prepayment of subsidized AHP advances; and AHP management information systems in need of enhancements.

[23] This summary reflects conclusions made at the time of FHFA's 2015 examination of the FHLBank of Cincinnati supplemented by year-end financial information.

District 6 • The Federal Home Loan Bank of Indianapolis[24]

At year-end, the FHLBank of Indianapolis was the ninth largest FHLBank with assets of $50.6 billion. Its balance sheet consisted of 53.2 percent advances, 16.1 percent mortgages, and 30.7 percent cash and investments. The FHLBank's proportion of mortgage loans to assets was the highest among the FHLBanks, and its proportion of advances to assets was the third lowest. MBS investments totaled $6.8 billion, of which $402 million were private-label MBS. Although 88.7 percent of private-label MBS were below investment-grade, they represented less than one percent of assets. Approximately 44.6 percent of the FHLBank's $26.9 billion advances outstanding had a remaining maturity of less than one year. Funding through consolidated obligations totaled $47.1 billion, which consisted of 40.9 percent discount notes and 59.1 percent bonds. Consolidated obligations with a remaining maturity of less than one year totaled $33.8 billion..

The FHLBank reported net income of $121 million for the year, the third lowest among the FHLBanks. Total interest income of $544 million comprised $127 million in advance income, $153 million in investment income, and $264 million in acquired mortgage loan income. Income from acquired mortgage loans represented 48.6 percent of total interest income. The proportion of income from advances to total interest income was 23.3 percent, the third lowest in the FHLBank System. The FHLBank's net interest spread of 0.39 percent ranked fifth highest, and its return on assets of 0.27 percent ranked sixth highest. Its yield on advances of 0.55 percent also ranked sixth highest, and its cost of funds on consolidated obligations of 0.84 percent was the second highest. Operating expenses of $65 million were the third lowest of any FHLBank in nominal terms, but ranked fourth highest when compared to total assets at 0.14 percent.

The FHLBank's regulatory capital ratio was 4.7 percent, which was the fifth lowest in the FHLBank System. Its retained earnings of $835 million were the seventh highest in nominal terms, and the fifth highest when compared to its risk-based capital requirement of 165.2 percent. The FHLBank's market value of equity was 154.4 percent of the par value of its member capital stock.

The FHLBank had 397 members at year-end 2015: 185 commercial banks, 114 credit unions, 58 insurance companies, 37 thrifts, and 3 community development financial institutions. Insurance company advances represented 53.7 percent of the FHLBank's advances outstanding, the highest of any FHLBank. The FHLBank's ten largest borrowers held 59.6 percent of total advances.

At the time of its July 2015 examination, FHFA concluded the FHLBank's overall condition and operations were satisfactory with a strong liquidity position. The examination determined that operational risk remained elevated because of significant organizational changes, turnover in key officer-level positions, replacement of the core banking system, and deficiencies regarding business continuity planning. Further, the examination determined that the FHLBank needed to develop an effective independent credit risk oversight framework, as well as improve governance practices related to its market and credit risk models.

[24] This summary reflects conclusions made at the time of FHFA's 2015 examination of the FHLBank of Indianapolis supplemented by year-end financial information.

District 7 • The Federal Home Loan Bank of Chicago[25]

At year-end 2015, the FHLBank of Chicago was the seventh largest FHLBank, with assets of $70.7 billion. Its balance sheet consisted of 52.0 percent advances, 6.9 percent mortgages, and 40.8 percent cash and investments. MBS investments totaled $15.8 billion, of which $1 billion were private-label MBS. Credit risk declined as the private-label MBS portfolio decreased and constituted only 1.2 percent of total assets at year-end. Advances increased 13.2 percent in 2015 as the FHLBank continued its core mission orientation improvement. Funding from consolidated obligations rose to $64.2 billion, of which 35.2 percent were bonds and 64.8 percent were discount notes.

While net income of $349 million in 2015 declined from $392 million in 2014, the FHLBank still achieved the third highest in the FHLBank System. The FHLBank's net interest spread of 0.63 percent, and net interest margin of 0.71 percent were the highest in the FHLBank System. Its return on assets of 0.49 percent and return on equity of 7.65 percent were the third highest in the FHLBank System. The FHLBank's earnings were largely generated by its large investment portfolio. The yield on investments of 2.50 percent continued to be the highest in the FHLBank System. Operating expenses of $132 million were the second highest of any FHLBank in nominal terms, and ranked first when compared to total assets at 0.18 percent. The FHLBank functions as the MPF provider, essentially the "back office," for the mortgage purchase program participated in by most of the other FHLBanks. The provider function contributed significantly to the FHLBank's operating expenses.

The FHLBank's regulatory capital ratio was 6.6 percent, which was the largest in the FHLBank System. Its retained earnings of $2.7 billion were the highest in nominal terms and when compared to total assets at 3.86 percent. The FHLBank's market value of equity was 256 percent of the par value of its member capital.

The FHLBank had 740 members at year-end 2015: 546 commercial banks, 89 thrifts, 68 credit unions, 34 insurance companies, and 3 community development financial institutions. The FHLBank's ten largest borrowers held 75.2 percent of total advances.

At the time of its September 2015 examination, FHFA concluded that the FHLBank's overall condition and operations were satisfactory with a strong capital position and conservative dividend practices that significantly mitigated supervisory concerns. However, the examination identified weaknesses in the FHLBank's operational risk framework, vendor management, MPF operations, model risk management, and compliance with the established criteria of the Community First Fund.

[25] This summary reflects conclusions made at the time of FHFA's 2015 examination of the FHLBank of Chicago supplemented by year-end financial information.

District 8 • The Federal Home Loan Bank of Des Moines[26]

At year-end, the FHLBank of Des Moines was the second largest FHLBank, with assets of $137.4 billion. The FHLBank's balance sheet, which included assets acquired in a merger[27] with the former FHLBank of Seattle during 2015, consisted of 64.9 percent advances, 4.9 percent mortgages, and 30.0 percent cash and investments. MBS investments totaled $18.7 billion, with negligible investments in private-label MBS. Advances increased substantially during 2015, and totaled $89.2 billion, an increase of 36.8 percent. Funding through consolidated obligations totaled $130.2 billion and included 76.0 percent in discount notes and 24.0 percent in bonds. Consolidated obligations and discount notes with a remaining maturity of less than one year totaled $18.4 billion and $99.1 billion, respectively.

The FHLBank's income, expenses, and financial performance metrics for 2015 were significantly impacted by its merger with the FHLBank of Seattle. The FHLBank's reported net income of $131 million for the year was the eighth highest among the FHLBanks. Return on assets was 0.12 percent, which was the lowest. Net interest income totaled $315 million. Interest income on investments totaled $271 million, representing 33.2 percent of total interest income. The FHLBank's net interest spread of 0.25 percent was the third lowest in the FHLBank System. The FHLBank's yield on advances of 0.46 percent was the second lowest, and its cost of funds on consolidated obligations of 0.49 percent was the sixth highest. Operating expenses, of $83 million were the fifth highest of any FHLBank in nominal terms, but second lowest when compared to total assets at 0.07 percent.

The FHLBank's regulatory capital ratio was 4.23 percent, which was the second lowest in the FHLBank System. While the regulatory capital ratio was low compared to the FHLBank System, the FHLBank held little excess stock. The FHLBank had retained earnings totaling $801 million and continued to build retained earnings through contributions from current income. The FHLBank also reported $194 million in additional capital from merger, which reflects the fair value of the net assets acquired in the merger with the FHLBank of Seattle. Its market value of capital stock was 116.9 percent of par value.

The FHLBank had 1,445 members at year-end 2015: 1,088 commercial banks, 65 thrifts, 221 credit unions, 67 insurance companies, and 4 community development financial institutions. The FHLBank's ten largest borrowers held 66.5 percent of total advances.

At the time of its September 2015 examination, FHFA concluded the FHLBank's overall condition and operations were satisfactory. The examination observed that operational risk remained elevated and trended upward since the previous examination, and that close oversight by FHFA in the future is warranted because of significant credit concentration to one large commercial bank member, as well as the high exposure to insurance company advances, particularly captive insurance companies. The examination also determined that the complexities of the merger, combined with the FHLBank's already challenged information technology environment, resulted in further stresses to the technology environment, and that the FHLBank needed to continue to enhance its interest rate risk management practices although improvements were noted.

26 This summary reflects conclusions made at the time of FHFA's 2015 examination of the FHLBank of Des Moines supplemented by year-end financial information.

27 On May 31, 2015, the FHLBanks of Des Moines and Seattle merged, which was approved by FHFA on December 19, 2014. The headquarters of the surviving institution is located in Des Moines, but the Bank also maintains an office in Seattle.

District 9 • The Federal Home Loan Bank of Dallas[28]

At year-end, the FHLBank of Dallas was the smallest FHLBank, with assets of $42.1 billion. Its balance sheet consisted of 58.8 percent advances, 0.13 percent mortgages, and 40.8 percent cash and investments. The FHLBank held $24.7 billion in advances, $17.2 billion in cash and investments, and $55 million in mortgage loans. MBS investments totaled $6.6 billion, of which $122 million were private-label MBS. Advance balances, which had been in decline since 2008, increased approximately $5.8 billion from the prior year-end. Funding through consolidated obligations totaled $38.6 billion and comprised 53.3 percent discount notes and 46.7 percent bonds. Consolidated obligations with a remaining maturity of less than one year totaled $26.4 billion.

The FHLBank reported net income of $67 million for the year, the lowest among the FHLBanks. The return on assets was 0.16 percent, which was the second lowest. Net interest income totaled $122 million. The FHLBank's net interest spread was 0.27 percent, which was tied for the third lowest of all FHLBanks. The FHLBank's yield on advances was 0.61 percent (third highest), and its cost of funds on consolidated obligations was 0.25 percent (the lowest). Operating expenses of $71 million were the sixth highest of any FHLBank in nominal terms, but ranked second highest when compared to total assets at 0.17 percent.

The FHLBank's regulatory capital ratio was 5.5 percent, which was the fifth highest in the FHLBank System, and its regulatory capital was comprised of $1.5 billion in capital stock and $762 million in retained earnings. Its retained earnings were equivalent to 154 percent of its risk-based capital requirement. The FHLBank's market value of equity was 149.6 percent of the par value of its member capital stock.

The FHLBank had 835 members at year-end 2015: 625 commercial banks, 65 thrifts, 104 credit unions, 36 insurance companies, and 5 community development financial institutions. The FHLBank's ten largest borrowers held 38.5 percent of total advances.

At the time of its April 2015 examination, FHFA had supervisory concern about the FHLBank. The examination observed that the FHLBank continued to have a low level of advances and above average operating expenses relative to assets, although strategies employed by management to increase advances and reduce operating expenses are coming to fruition. The examination also determined that operational risk management continued to raise concerns, especially in asset management and disaster recovery, ongoing management turnover persisted, and credit modeling needed improvement. Further, the examination identified weaknesses in the FHLBank's handling of suspicious activity reporting and unsecured credit, as evidenced by regulatory violations in these areas.

[28] This summary reflects conclusions made at the time of FHFA's 2015 examination of the FHLBank of Dallas supplemented by year-end financial information.

District 10 • The Federal Home Loan Bank of Topeka[29]

At year-end, the FHLBank of Topeka was the second smallest FHLBank with total assets of $44.4 billion. Its balance sheet consisted of 53.1 percent advances, 30.6 percent cash and investments, and 14.4 percent mortgage loans. Advances increased during 2015 by 28.8 percent to $23.6 billion. Cash and investments grew 41.4 percent during 2015 because of significant increases in liquid investments and MBS issued by Fannie Mae and Freddie Mac. The mortgage loans portfolio increased modestly by 2.6 percent for the second consecutive year. Nevertheless, the mortgage loans ratio to assets declined but was still the second highest in the FHLBank System. Funding from consolidated obligations rose to $41.7 billion, of which 47.7 percent were bonds and 52.3 percent were discount notes.

The FHLBank reported net income of $93 million for 2015, the second lowest among the FHLBanks. Net income decreased from $106 million for 2014 and $119 million for 2013. The quarterly change in net income from year-end 2014 to year-end 2015 ranged from negative ($11.6) million to $5.8 million. The resulting return on assets of 0.21 percent was the third lowest in the FHLBank System. Net interest income increased for the second consecutive year and totaled $242 million. The net interest spread of 0.52 percent was the third highest in the FHLBank System. The FHLBank's yield on mortgage loans of 3.24 percent was the second lowest in the FHLBank System. Operating expenses of $48 million were the lowest of any FHLBank in nominal terms, but ranked sixth highest when compared to total assets at 0.11 percent.

The FHLBank's regulatory capital ratio was 4.19 percent, which was the lowest in the FHLBank System. Its retained earnings were the lowest of any FHLBank in nominal terms at $652 million, but fifth highest when compared to total assets at 1.47 percent. The FHLBank's ratio of market value of equity to the par value of capital stock was the third highest in the FHLBank System at 171 percent.

The FHLBank had 769 members at year-end 2015: 636 commercial banks, 77 credit unions, 31 thrifts, 23 insurance companies, and 2 community development financial institutions. The FHLBank's membership was heavily concentrated in community financial institutions with assets less than $1.1 billion, and the ten largest borrowers held 64 percent of total advances.

At the time of its October 2015 examination, FHFA concluded the FHLBank's overall condition and operations were satisfactory with strong capital, asset quality, and liquidity positions. The examination observed that overall asset quality improved because of low classified assets and member credit risk, sound mortgage portfolio quality, and strengthened credit risk practices. However, the examination determined that the FHLBank's processes for addressing examination findings did not consistently result in accurate reporting on the status of findings resolution; management lacked an adequate process for approving significant new financial strategies that evidenced full and timely consideration of all risks and operational preparedness; development, production, and reporting of certain important market risk and performance analytics was not done independently from the division of the FHLBank that was responsible for risk positioning and assumption.

29 This summary reflects conclusions made at the time of FHFA's 2015 examination of the FHLBank of Topeka supplemented by year-end financial information.

District 11 • The Federal Home Loan Bank of San Francisco[30]

At year-end, the FHLBank of San Francisco was the sixth largest FHLBank, with assets of $85.7 billion. Its balance sheet consisted of 59.4 percent advances, 0.8 percent mortgages, and 39.6 percent cash and investments. MBS investments totaled $16.0 billion, of which $6.9 billion were private-label MBS. Approximately 91.6 percent of private-label MBS were below investment-grade. Roughly $24.8 billion of advances had a remaining maturity of less than one year. Advances have declined to $50.9 billion from a peak of $262 billion at September 30, 2008. Funding through consolidated obligations totaled $79.5 billion and comprised 34.8 percent discount notes and 65.2 percent bonds. Consolidated obligations with a remaining maturity of less than one year totaled $29.1 billion.

The FHLBank reported net income of $638 million for the year, the highest among the FHLBanks. Income included $459 million from a first quarter 2015 private-label MBS settlement. Return on assets of 0.76 percent was the highest in the FHLBank System. Net interest income totaled $476 million. Interest income on MBS totaled $556 million and represented 61.0 percent of total interest income. The Bank's net interest spread of 0.54 percent was the second highest in the FHLBank System but was a decrease from 0.61 percent in 2014. Its yield on advances of 0.58 percent was the fourth highest, and its cost of funds on consolidated obligations of 0.48 percent was the seventh highest. Operating expenses of $138 million were the highest of any FHLBank in nominal terms and ranked third when compared to total assets at 0.16 percent. Dividends on mandatorily redeemable capital stock of $65 million were included in interest expense and negatively affected profitability performance indicators.

The FHLBank's regulatory capital ratio was 6.26 percent, which was the second highest in the FHLBank System. Its retained earnings were the second highest of any FHLBank in nominal terms at $2.6 billion but second lowest when compared to required risk-based capital at 97.9 percent. The FHLBank's market value of equity was 199.5 percent of the par value of its member capital stock. Mandatorily redeemable capital stock totaled $488 million, the highest among all the FHLBanks.

The FHLBank had 339 members at year-end 2015: 194 commercial banks, 13 thrifts, 119 credit unions, 7 insurance companies, and 6 community development financial institutions. The FHLBank's ten largest borrowers held 74 percent of total advances.

At the time of its February 2015 examination, FHFA concluded the FHLBank's overall condition and operations were satisfactory with a strong liquidity position. Issues identified during the examination were generally of moderate regulatory concern and correctable with reasonable efforts. The examination determined that risk from the FHLBank's substantial legacy private-label MBS portfolio merited continued attention, though the risk was declining with the size of the portfolio. In addition, the examination identified shortcomings in the FHLBank's support for the durability of margin requirements for commercial real estate and multifamily loan collateral for advances, measurement of operational risk, and process for suspicious activity reporting.

[30] This summary reflects conclusions made at the time of FHFA's 2015 examination of the FHLBank of San Francisco supplemented by year-end financial information.

Office of Finance[31]

Located in Reston, Virginia, the Office of Finance does not have significant assets and expenses, and these items are proportionally allocated to the FHLBanks. The Office of Finance's primary function is to serve as the central issuer of debt on behalf of the 11 FHLBanks. All debt issued by the Office of Finance represents the joint and several liability of all FHLBanks in the FHLBank System. Additionally, the Office of Finance prepares and distributes the quarterly and annual combined financial reports for the FHLBanks and facilitates various FHLBank System-wide initiatives and working groups.

During 2015, the FHLBank System issued $304.3 billion in long-term consolidated obligation bonds, reflecting a 12.7 percent decrease from the prior year. The FHLBanks continued to move toward shorter-term funding in 2015. As a result, discount note issuance increased from $1.37 trillion at year-end 2014 to $1.75 trillion at year-end 2015. Overnight discount notes outstanding decreased from an average of $10.4 billion in 2014 to an average of $7.2 billion in 2015.

The Office of Finance's board includes five independent directors and each of the FHLBank presidents and CEOs. Because of the 2015 merger of the FHLBanks of Seattle and Des Moines, the total number of directors on the Office of Finance board decreased to 16 from 17.

At the time of its January 2015 examination, FHFA concluded the Office of Finance's overall condition and operations were satisfactory. Although the examination identified a number of matters requiring management and the board's attention, the concerns are correctable in the normal course of business. The examination identified weaknesses in the Office of Finance's dealer compliance program, discount note monitoring, risk control self-assessment process, internal audit program, vendor management oversight, and other internal control deficiencies. FHFA also recommended further enhancements to the organization's succession planning process.

31 This summary reflects conclusions made at the time of FHFA's 2015 examination of the Office of Finance supplemented by year-end financial information.

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 2015 stress tests were based on the regulated entities' portfolios as of September 30, 2014. The assessment period for the Dodd-Frank Act annual stress tests covered nine quarters, beginning with the fourth calendar quarter of 2014 through the fourth calendar quarter of 2016. 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 nominal house price appreciation of 6 percent over the planning horizon, a modest decline in unemployment, and a moderate rise in mortgage interest rates. The Adverse scenario reflects a mild recession in the U.S., with a 13 percent decline in house prices, a rise in unemployment and core inflation, and rising mortgage interest rates. The Severely Adverse scenario reflects a deep and prolonged recession in the U.S., with a 25 percent decline in house prices, a significant rise in unemployment, and a declining interest rate environment, although mortgage interest rates increase.

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.

The regulated entities were also required to incorporate a counterparty default scenario involving an instantaneous and unexpected default of their largest counterparty across securities lending, repurchase/reverse repurchase agreements, and derivative exposures. The result of the counterparty default scenario was reflected in the stress test as an instantaneous loss and reduction of capital.

2015 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 April 30. The FHLBanks published their results between July 15 and July 30.

Fannie Mae – In the Severely Adverse scenario, Fannie Mae projected additional draws from the Treasury Department of between $34.2 billion and $94.9 billion depending on the treatment of deferred tax assets. As of

September 30, 2014, Fannie Mae had drawn $116.1 billion from the Treasury Department under the terms of the PSPA, with $117.6 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 $22.6 billion and $83.4 billion (Figure 13).

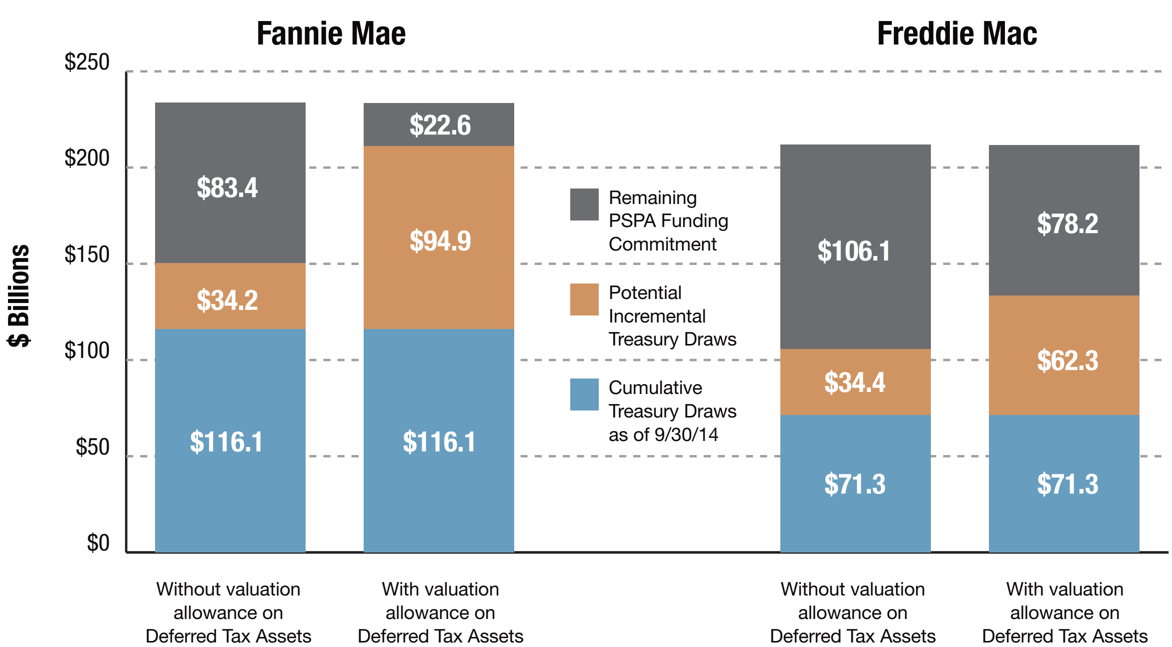
Freddie Mac – In the Severely Adverse scenario, Freddie Mac projected additional draws from the Treasury Department of between $34.4 billion and $62.3 billion depending on the treatment of deferred tax assets. As of September 30, 2014, Freddie Mac had drawn $71.3 billion from the Treasury Department under the terms of the PSPA, with $140.5 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 $78.2 billion and $106.1 billion (Figure 13).

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 (Figures 13 and 14).

Nine FHLBanks projected negative net income in one or more quarters under the Severely Adverse scenario, but only two banks projected cumulative losses over the nine quarters. The losses occurred almost entirely in the first quarter of the projection period and were primarily due to Other Than Temporary Impairment charges on securities.

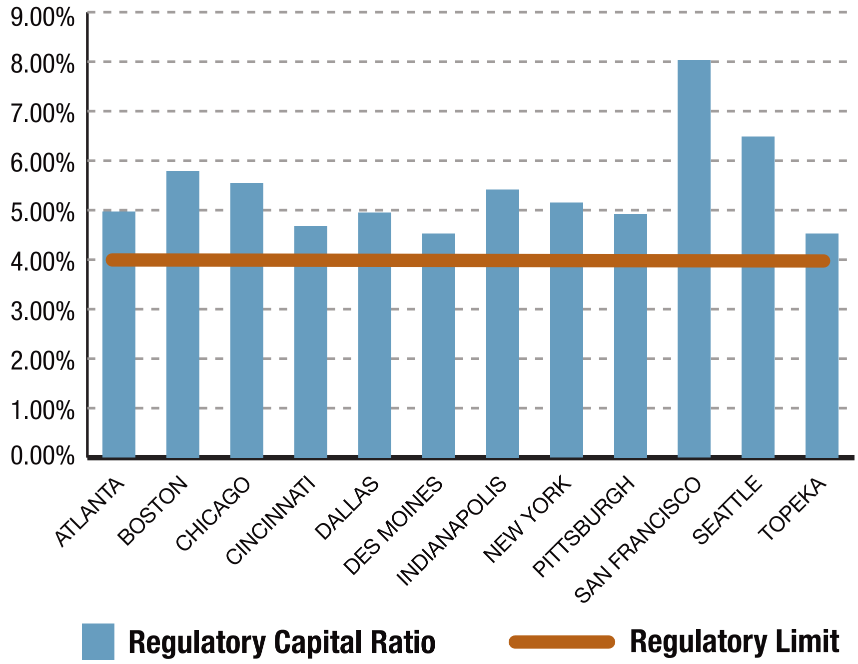
Several FHLBanks projected significant declines in Generally Accepted Accounting Principles (GAAP) capital in the Severely Adverse scenario. Only one FHLBank projected negative GAAP capital during the planning horizon, but regained positive GAAP capital by the end of the nine-quarter period. The declines 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 private-label MBS portfolio held as AFS.

Figure 13 • Fannie Mae and Freddie Mac Stress Test Results



Source: Federal Housing Finance Agency

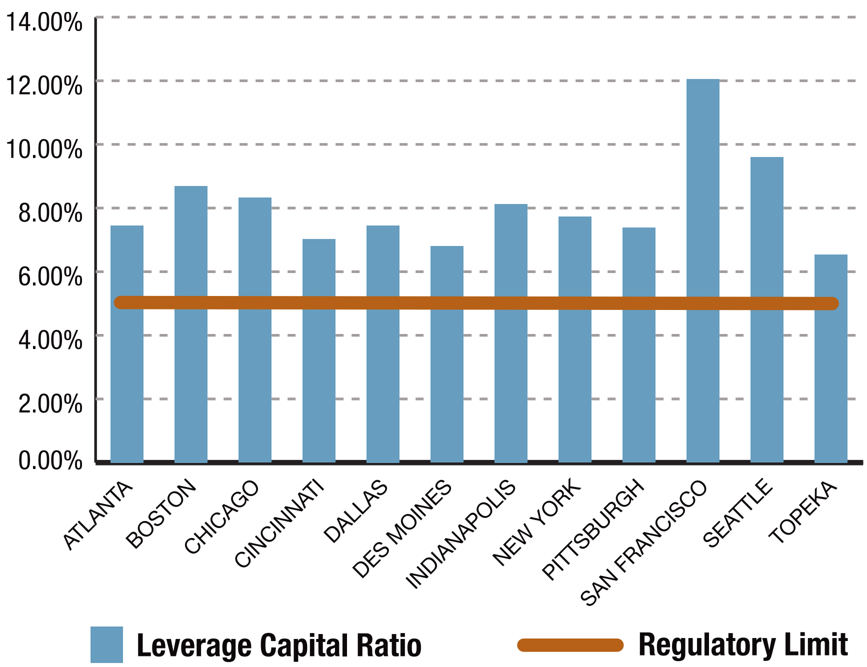
Figure 14 • FHLBank Regulatory Capital Ratios under the Severely Adverse Scenario[a]



Source: Federal Housing Finance Agency

[a] *Each FHLBank is required to maintain a four percent minimum regulatory capital-to-assets ratio. Capital for regulatory capital adequacy purposes is defined as the sum of each FHLBank's: (1) permanent capital; (2) amounts paid-in for Class A stock; (3) general loss allowance, if consistent with GAAP and not established for specific assets; (4) other amounts from sources determined by the FHFA as available to absorb losses (including additional capital from merger); and (5) mandatorily redeemable capital stock.*

Figure 15 • FHLBank Leverage Capital Ratios under the Severely Adverse Scenario[b]



Source: Federal Housing Finance Agency

[b] *Each FHLBank is required to maintain at all times a leverage capital-to-assets ratio of at least five percent. Leverage capital is defined as the sum of permanent capital weighted 1.5 times and all other capital without a weighting factor.*

Enterprise Housing Goals and Duty to Serve

Background

The Safety and Soundness Act requires FHFA to establish 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 housing goals provisions of the Safety and Soundness Act were substantially revised in 2008 with the enactment of HERA. Under this revised structure, FHFA established housing goals for the Enterprises for 2010 and 2011 in a final rule published on September 14, 2010. FHFA established new housing goals levels for the Enterprises for 2012 through 2014 in a final rule published on November 13, 2012 and for 2015 through 2017 in a final rule published on September 3, 2015 (12 CFR Part 1282). The housing goals established by FHFA in these two rulemakings include four goals and one subgoal for single-family, owner-occupied housing and one goal and one subgoal for multifamily housing.

Under HERA and FHFA regulations, the Enterprises were subject to the following housing goal categories for 2014 and 2015:

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,*** which includes 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 federally declared 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 for families in multifamily properties with incomes no greater than 80 percent of area median income (or rental equivalent).
7. ***Very low-income multifamily subgoal,*** for rental units for families in multifamily properties with incomes no greater than 50 percent of area median income (or rental equivalent).

In 2015, the Enterprises we also subject to the following multifamily subgoal:

8. ***Small multifamily low-income subgoal,*** for rental units for families in multifamily properties with 5-50 units which are affordable to families with incomes no greater than 80 percent of area median income (or rental equivalent.) This is a new goal category for 2015-17, established to encourage the Enterprises to finance units in this very important part of the affordable housing market.

Since 2010, FHFA determines whether an Enterprise meets a single-family goal if its performance meets or exceeds either the preset benchmark level or a retrospective market comparison figure using Home Mortgage Disclosure Act (HMDA) data.

Figure 16 • 2014-2015 Enterprise Housing Goals Performance

	2014				2015	
Category	Benchmarks	Performance[a]	Market[b]	FHFA Goals Determination	Benchmarks	Performance[c]
SINGLE-FAMILY GOALS [d]						
Low-income home purchase goal	23%	Fannie Mae: 23.5% Freddie Mac: 21.0%	22.8%	Fannie Mae: Met Freddie Mac: Did Not Meet	24.0%	Fannie Mae: 23.5% Freddie Mac: 22.3%
Very low-income home purchase goal	7%	Fannie Mae: 5.7% Freddie Mac: 4.9%	5.7%	Fannie Mae: Met Freddie Mac: Did Not Meet	6.0%	Fannie Mae: 5.6% Freddie Mac: 5.4%
Low-income areas home purchase subgoal	11%	Fannie Mae: 15.5% Freddie Mac: 13.6%	15.0%	Fannie Mae: Met Freddie Mac: Met	14.0%	Fannie Mae: 15.6% Freddie Mac: 14.5%
Low-income areas home purchase goal	18%	Fannie Mae: 22.7% Freddie Mac: 20.1%	22.1%	Fannie Mae: Met Freddie Mac: Met	19.0%	Fannie Mae: 20.4% Freddie Mac: 19.0%
Low-income refinance goal	20%	Fannie Mae: 26.5% Freddie Mac: 26.4%	25.1%	Fannie Mae: Met Freddie Mac: Met	21.0%	Fannie Mae: 22.1% Freddie Mac: 22.8%
MULTIFAMILY GOALS (units)						
Low-income multifamily units	Fannie Mae: 250,000 Freddie Mac: 200,000	Fannie Mae: 262,050 Freddie Mac: 273,434	NA	Fannie Mae: Met Freddie Mac: Met	Fannie Mae: 300,000 Freddie Mac: 300,000	Fannie Mae: 307,510 Freddie Mac: 379,043
Very low-income multifamily units	Fannie Mae: 60,000 Freddie Mac: 40,000	Fannie Mae: 60,542 Freddie Mac: 48,689	NA	Fannie Mae: Met Freddie Mac: Met	Fannie Mae: 60,000 Freddie Mac: 60,000	Fannie Mae: 69,078 Freddie Mac: 76,935
Small multifamily property low-income units (new goal for 2015)	NA	Fannie Mae: 6,732 Freddie Mac: 2,076	NA	Fannie Mae: Met Freddie Mac: Met	Fannie Mae: 6,000 Freddie Mac: 6,000	Fannie Mae: 6,731 Freddie Mac: 12,802

Source: Federal Housing Finance Agency

a *Official performance in 2014 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 2014 HMDA data. Market performance for 2015 will be determined by FHFA later in 2016.*

c *Performance as reported by the Enterprises in their March 2016* Annual Housing Activities Reports. *Official performance on all goals in 2015 will be determined by FHFA after review of Enterprise loan-level data. Low-income refinance goal for 2014-15 included credit for qualifying permanent loan modifications.*

d *Minimum percentages of all dwelling units financed by Enterprise acquisitions of home purchase or refinance mortgages on owner-occupied properties.*

The multifamily housing goals are based only on preset benchmark levels because of the lack of multifamily data comparable to single-family HMDA data.

Figure 16 on the preceding page shows data concerning the Enterprises' housing goals for 2014 and 2015. FHFA's official figures on Enterprise goal performance in 2014 are based on FHFA's analysis of loan-level data the Enterprises provided to FHFA in early 2015. In addition, FHFA completed its retrospective comparison of the market for 2014 using HMDA data. In December, FHFA sent final determination letters to the Enterprises regarding their 2014 goal performance and FHFA's calculation of market performance for 2014, and these determinations are reflected in Figure 16.

Due to the fact that Freddie Mac's performance on the low-income and very low-income home purchase goals fell short of both the benchmark level and market performance in 2014, FHFA required Freddie Mac to submit a housing plan outlining steps it will take to achieve these goals in future years. Freddie Mac delivered a plan as required and FHFA sent a letter to Freddie Mac indicating its approval of the plan on March 31, 2016. FHFA is closely monitoring Freddie Mac's performance on these goals on a monthly basis and is increasing the number of goal-related meetings with Freddie Mac.

While FHFA has concluded its process for assessing the Enterprises' housing goals performance in 2014, that process is still underway for 2015. Figure 16 on the preceding page shows the goal levels and preliminary figures on Enterprise housing goals performance in 2015, based on information the Enterprises submitted in their March 2016 *Annual Housing Activities Reports for 2015*. Once 2015 market data under HMDA becomes available later in 2016, FHFA will make its final determinations on whether the Enterprises' 2015 performance satisfied their housing goals requirements.

Duty to Serve

FHFA is required by HERA to issue a regulation to implement the Duty to Serve requirements specified in the statute. The statute requires the Enterprises to provide leadership to facilitate a secondary market for mortgages on housing for very low-, low-, and moderate-income families in three underserved markets: 1) manufactured housing; 2) affordable housing preservation; and 3) rural housing.

In December, FHFA issued a proposed rule for a 90-day public comment period ending on March 17, 2016. Under the proposed rule, the Enterprises would each be required to submit to FHFA a draft Underserved Markets Plan covering a three-year period, and the public would be invited to provide input on the draft Plans.

For the manufactured housing market, Duty to Serve credit under the proposed rule would be provided for eligible Enterprise activities related to manufactured homes financed as real property and blanket loans for certain categories of manufactured housing communities.

For the affordable housing preservation market, Duty to Serve credit would be provided under the proposed rule for eligible Enterprise activities related to preserving the affordability of housing for renters and homebuyers, including activities under the programs specified in the Safety and Soundness Act. Duty to Serve credit would also be provided under the proposed rule for activities related to existing small multifamily rental properties, energy efficiency improvements on existing multifamily rental and single-family first-lien properties, shared equity homeownership programs and the U.S. Department of Housing and Urban Development's Choice Neighborhoods Initiative and Rental Assistance Demonstration program.

For the rural market, Duty to Serve credit would be provided under the proposed rule for eligible Enterprise activities related to housing in rural areas, including activities serving the following high-needs rural regions and populations: Middle Appalachia, the Lower Mississippi Delta, colonias, members of a Native American tribe located in a Native American area, and migrant and seasonal agricultural workers.

The proposed rule also would provide Duty to Serve credit for qualifying activities that promote residential economic diversity in one or more underserved markets.

Federal Home Loan Bank Mission and Affordable Housing Programs

In 2015, FHFA continued its supervision and oversight to ensure that the FHLBanks are focused on their housing finance and community development mission.

Core Mission of the Federal Home Loan Banks

FHFA's Core Mission Activities (CMA) regulation (12 CFR Part 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. Long- and short-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 includes other types of assets, such as mortgage loans that qualify as AMA, in the definition of core mission activities.

In 2015, FHFA provided further guidance on core mission activities by publishing Advisory Bulletin AB 2015-05, "FHLBank Core Mission Achievement." As described in the Advisory Bulletin, FHFA will measure each FHLBank's core mission achievement by calculating the ratio of its Primary Mission Assets (advances plus AMA) relative to consolidated obligations. The Advisory Bulletin establishes three general categories: 1) ratios at or above 70 percent indicate that a FHLBank's activities are achieving core mission; 2) ratios between the thresholds indicate that other mission activities need to be considered; and 3) ratios below 55 percent indicate that more fundamental questions about the activities of the FHLBank need to be addressed. FHFA began calculating these ratios at year-end 2015 using annual average par values as reported by the FHLBanks in FHFA's Call Report System. FHFA will assess each FHLBank's core mission achievement on an annual basis as part of the examination process.

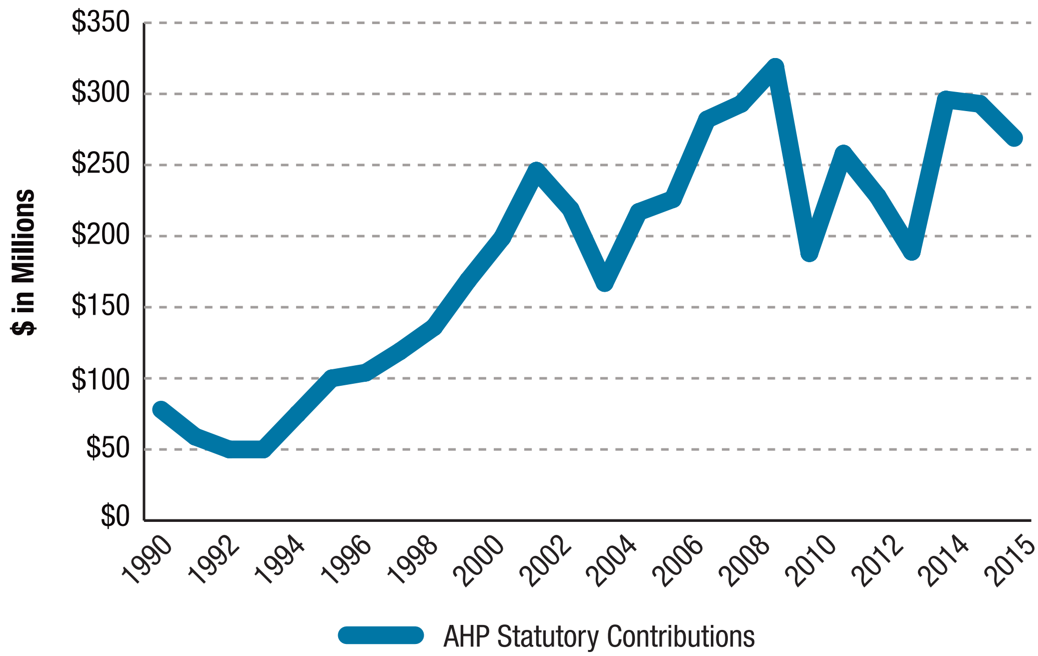
FHFA's regulation on strategic business plans requires each Bank's board of directors to adopt, maintain, and periodically review a strategic business plan that "describes how the business activities of the Bank will achieve the mission of the Bank consistent with" the core mission activities provisions. FHFA expects that each FHLBank's strategic plan will address mission achievement and expects any FHLBank with a core mission ratio that is markedly below the preferred level to have a more thorough core mission strategic plan.

At year-end 2015, the FHLBank System core mission ratio exceeded 70 percent. Eight of the FHLBanks had ratios of 70 percent or higher, another FHLBank reached 69 percent, and the remaining two FHLBanks had core mission ratios between 55 and 60 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 subsidies must be used either to finance homeownership by households with incomes at or below 80 percent of the area median income or 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. AHP applicants are FHLBank member financial institutions that pass the subsidy through to an eligible beneficiary in the form of 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.

Figure 17 • FHLBank AHP Statutory Contributions (1990-2015)



Source: **Federal Housing Finance Agency.** *Data are current as of December 31, 2015*

In 2015, the FHLBanks made more than $269 million in AHP subsidies available nationwide (Figure 17). From 1990, when AHP funds were first awarded, through 2015, the FHLBanks awarded approximately $5 billion in AHP subsidies and assisted over 791,000 households.

The FHLBanks under the AHP regulation (12 CFR Part 1291) offer AHP subsidies through two 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 homebuyers or homeowners.

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 2014, over 90 percent of all of the units funded under the competitive application program were rental housing units (Figure 18).

AHP Homeownership Set-Aside Program

In addition to the competitive application program, a 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. In 2015, all 11 FHLBanks offered homeownership set-aside programs for their members, with total funding of approximately $85 million.

At least one-third of a FHLBank's annual aggregate set-aside allocation must be 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. In 2015, the average subsidy for all households participating in the set-aside program was $6,552. The most common use of set-aside assistance has been for down payment and closing cost assistance to borrowers. Since 2007, the number of set-aside grants used for owner-occupied home rehabilitation (such as lead-based paint removal, weather proofing, and acces-

Figure 18 • 2015 AHP Competitive Application Overview

	Rental Housing Projects	Owner-Occupied Housing Projects	Total Housing Projects
Total Number of Awarded Projects	379	128	507
Subsidy Awarded ($ in Millions)	$210	$27	$237
Number of Housing Units	20,581	2,811	23,392
Average Subsidy per Unit	$10,207	$9,554	$10,129
Number of Very Low-Income Housing Units[a]	14,709	1,560	16,269

Source: Federal Housing Finance Agency

Data are current as of December 31, 2015 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.*

sibility retrofits) has trended up, from 215 to a high of 1,642 in 2012. However, the number of these grants fell in 2015 to 1,253, from 1,560 grants in 2014.

AHP Used in Conjunction with Other Sources of Financing

The AHP is designed to work with a variety of other funding sources. As a result, the AHP is frequently used in conjunction with other sources of funding from federal, state or local housing programs, and charitable organizations. Unlike other housing programs in which, typically, the developer is the applicant for the subsidy, under the AHP a financial institution – a FHLBank member – is the applicant for funding. Depending on the proposed use of the subsidy, the member might provide, for example, a construction or permanent 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 income-eligible beneficiary.

In 2015, approximately 68 percent of AHP projects received additional funding from federal programs (Figure 19). The most frequent source of funding was low-income housing tax credits, which supported almost two-thirds 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 19 • Number of AHP Projects Approved in 2015 Receiving Federal Funds

Community Development Block Grant Program	51
HOME Investment Partnerships Program	159
Low-Income Housing Tax Credit Program	249
Federal Housing Administration Programs	16
Other Federal Housing Programs	68
Projects Not Receiving Funding from Federal Sources	164

Source: Federal Housing Finance Agency

Data are current as of December 31, 2015 excluding AHP competitive application withdrawn projects. The numbers add up to more than the total number of projects (507) because some projects receive federal funding from more than one source.

FHLBank Community Investment and Community Investment Cash Advance Programs

The FHLBanks' Community Investment Programs (CIP) offer 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 2015, the FHLBanks issued approximately $3.2 billion in CIP advances for housing projects and approximately $60.5 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 2015, the FHLBanks issued approximately $4 billion in CICA advances for community development projects such as commercial, industrial and manufacturing projects, social services, and public facilities.

CDFI Membership in FHLBanks

There are two types of Community Development Financial Institutions (CDFIs) that are eligible for membership in a FHLBank: federally insured depositories and non-depository CDFIs. Federally insured depositories, such as CDFI banks, have long been eligible for membership. More recently, HERA opened FHLBank membership to non-depository CDFIs that are certified by the Treasury Department's CDFI Fund, such as community development loan funds.

At the end of 2015, 41 non-depository CDFIs were members of the FHLBank System (Figure 20).

FHLBank Housing Goals

Under FHFA's regulation (12 CFR Part 1281), the FHLBanks are subject to housing goals requirements based on the dollar volume of single-family loans purchased by the FHLBanks from their members through their Acquired Member Assets (AMA) programs. The housing goals measure the extent that the 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 characteristics of the FHLBanks.

In order for a 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. This volume threshold ensures that a FHLBank has sufficient mortgage purchase volume for a housing goals assessment. In 2015, one FHLBank exceeded the $2.5 billion threshold, which is the first time this threshold has been exceeded since the regulation went into effect. Under the structure of FHFA's current regulation, FHFA must wait until HMDA data is available to determine whether the housing goals were met at this FHLBank. FHFA is also in the process of evaluating alternatives to the current FHLBank housing goals requirements that would provide FHLBanks with advance notice of and greater certainty about each year's housing goals expectations.

Figure 20 • 2015 Non-Depository CDFI Members of the Federal Home Loan Bank System

FHLBank	CDFI Name	City	State
Atlanta	Self-Help Ventures Fund	Durham	NC
Atlanta	Community Housing Capital, Inc.	Decatur	GA
Atlanta	Capital Impact Partners	Arlington	VA
Atlanta	Enterprise Community Loan Fund, Inc.	Columbia	MD
Atlanta	Florida Community Loan Fund Inc.	Orlando	FL
Atlanta	Access to Capital for Entrepreneurs, Inc.	Cleveland	GA
Boston	Coastal Enterprises, Inc.	Wiscasset	ME
Boston	Massachusetts Housing Investment Corporation	Boston	MA
Boston	Massachusetts Housing Investment Corporation, LLC	Boston	MA
Boston	Community Concepts Finance Corporation	Lewiston	ME
Chicago	IFF	Chicago	IL
Chicago	Cinnaire Lending Corporation	Chicago	IL
Chicago	Impact Seven, Inc.	Almena	WI
Cincinnati	Community Ventures Corporation	Lexington	KY
Cincinnati	Cincinnati Development Fund	Cincinnati	OH
Cincinnati	Federation of Appalachian Housing Enterprises, Inc.	Berea	KY
Cincinnati	Ohio Capital Finance Corporation	Columbus	OH
Dallas	Rio Grande Valley Multibank Corporation	Brownsville	TX
Dallas	Gulf Coast Renaissance Corporation	Gulfport	MS
Dallas	Brazos Valley CDC, Inc.	Bryan	TX
Dallas	The Louisiana Community Development Capital Fund	Baton Rouge	LA
Dallas	Southern Bancorp Capital Partners	Little Rock	AR
Des Moines	Neighborhood Finance Corporation	Des Moines	IA
Des Moines	Idaho-Nevada Community Financial Development Institution, Inc.	Filer	ID
Des Moines	Cook Inlet Lending Center, Inc.	Anchorage	AK
Des Moines	Greater Minnesota Housing Fund	Saint Paul	MN
Indianapolis	Metro Community Development, Inc.	Flint	MI
Indianapolis	Indianapolis Neighborhood Housing Partnership, Inc.	Indianapolis	IN
Indianapolis	Neighborhoods Inc. of Battle Creek	Battle Creek	MI
New York	AAFE Community Development Fund, Inc.	New York	NY
New York	The Community Development Trust, Inc.	New York	NY
Pittsburgh	The Reinvestment Fund, Inc.	Philadelphia	PA
Pittsburgh	Community First Fund	Lancaster	PA
San Francisco	Clearinghouse Community Development Financial Inst	Lake Forest	CA
San Francisco	Century Housing Corporation	Culver City	CA
San Francisco	Low Income Investment Fund	San Francisco	CA
San Francisco	Raza Development Fund, Inc.	Phoenix	AZ
San Francisco	Northern California Community Loan Fund	San Francisco	CA
San Francisco	Genesis LA Economic Growth Corporation	Los Angeles	CA
Topeka	MetaFund Corporation	Oklahoma City	OK
Topeka	Mercy Loan Fund	Denver	CO

***Source*: Federal Housing Finance Agency.** *Data are current as of December 31, 2015*

Regulatory Guidance

In 2015, FHFA issued 27 proposed rules, final rules, regulatory interpretations, policy guidance documents, and regulatory orders. This regulatory guidance supports FHFA's mission as regulator of the FHLBanks and as regulator and conservator of Fannie Mae and Freddie Mac.

The following tables summarize the proposed rules, final rules, regulatory interpretations, regulatory guidance, and regulatory orders. The tables also indicate if a proposed rule or policy guidance 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 (Enterprises and/or Federal Home Loan Banks)

Rule/Regulation Title	Reference	Date (2015)	Description/Explanation/Comments
Enterprise Duty to Serve Underserved Markets Proposed Rule	80 FR 79181; 12 CFR Part 1282	December 18	This proposed rule would establish a manner for evaluating Enterprise compliance with their duty to serve underserved markets. Under the duty to serve, the Enterprises are required to serve three specified underserved markets—manufactured housing, affordable housing preservation, and rural markets—to increase the liquidity of mortgage investments and improve the distribution of investment capital available for mortgage financing for very low-, low-, and moderate-income families in those markets. The proposed rule would provide duty to serve credit for eligible Enterprise activities that facilitate a secondary market for mortgages, including activities related to: manufactured homes titled as real property; blanket loans for certain categories of manufactured housing communities; preserving the affordability of housing for renters and homebuyers; and housing in rural markets.
Acquired Member Assets	80 FR 78689; 12 CFR Part 1201 and 1268	December 17	This proposed rule would delete provisions in the current regulation that reference or otherwise rely on credit ratings issued by a Nationally Recognized Statistical Ratings Organization and replace those provisions, where necessary, with new provisions based on other appropriate creditworthiness standards. The proposed rule would also restructure and simplify the current Acquired Member Assets (AMA) regulation and remove certain provisions that no longer apply to the FHLBanks' AMA activity.
Proposed Amendments to the Stress Testing Rule	80 FR 50805; 12 CFR Part 1238	August 21	See Final Regulations table; adopted in final form on November 24.

Proposed Regulations • Federal Housing Finance Agency

Rule/Regulation Title	Reference	Date (2015)	Description/Explanation/Comments
Program Fraud Civil Remedies Act	80 FR 79719; 12 CFR Part 1217	December 23	This proposed rule would implement the Program Fraud Civil Remedies Act of 1986 by establishing administrative procedures for imposing civil penalties and assessments against persons who make false, fictitious, or fraudulent claims or written statements to FHFA in the context of its contracting or employment activities, where the amount of money or the value of property or services involved or requested from FHFA is $150,000 or less.

Final Regulations • Regulated Entities (Enterprises and/or Federal Home Loan Banks)

Rule/Regulation Title	Reference	Date (2015)	Description/Explanation/Comments
Suspended Counterparty Program	80 FR 79675; 12 CFR Part 1227	December 23	This regulation adopted, with changes, an interim final rule that established requirements and procedures for FHFA's Suspended Counterparty Program. Under the Suspended Counterparty Program, FHFA may issue suspension orders directing the regulated entities to cease doing business with an individual or institution, and any affiliate thereof, for a specified period of time or permanently when such party has engaged in covered misconduct that involves fraud, embezzlement, theft, conversion, forgery, bribery, perjury, making false statements or claims, tax evasion, obstruction of justice, or any similar offense that took place in connection with a mortgage, mortgage business, mortgage securities, or other lending product – and is supported by factual determinations by another government entity, whether in the form of a conviction or administrative sanction. The regulation went into effect on January 22, 2016.
Margin and Capital Requirements for Covered Swap Entities	80 FR 74839; 12 CFR Part 1221	November 30	This regulation – which was adopted jointly by FHFA, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Farm Credit Administration (the agencies) – established minimum margin and capital requirements for registered swap dealers, major swap participants, security-based swap dealers, and major security-based swap participants for which one of the agencies is the prudential regulator. This regulation implements sections 731 and 764 of the Dodd-Frank Act. These provisions require the agencies to jointly adopt rules establishing capital requirements and initial and variation margin requirements for such entities and their counterparties on all non-cleared swaps and non-cleared security-based swaps in order to offset the greater risk to such entities and the financial system arising from the use of swaps and security-based swaps that are not cleared. The regulation went into effect April 1, 2016.
Margin and Capital Requirements for Covered Swap Entities	80 FR 74915; 12 CFR Part 1221	November 30	This regulation, an interim final rule, was adopted by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Farm Credit Administration and FHFA and invited comment on provisions that will exempt certain non-cleared swaps and non-cleared security-based swaps with certain counterparties that qualify for an exception or exemption from clearing from the initial and variation margin requirements promulgated under sections 731 and 764 of the Dodd-Frank Act. The regulation went into effect on April 1, 2016.

Final Regulations • Regulated Entities (Enterprises and/or Federal Home Loan Banks) CONTINUED

Rule/Regulation Title	Reference	Date (2015)	Description/Explanation/Comments
Final Amendments to Stress Testing Rule	80 FR 73090; 12 CFR Part 1238	November 24	This regulation amends the stress test regulation that FHFA adopted in 2013 to implement section 165(i) of the Dodd-Frank Act. The amendments modify the start date of the stress test cycles from October 1 of a calendar year to January 1 of the following calendar year. The amendments also modify the dates for FHFA to issue scenarios for the upcoming cycle, the dates for the regulated entities to report the results of their stress tests to FHFA, and the dates for the regulated entities to publicly disclose a summary of their stress test results for the severely adverse scenario. The regulation went into effect on January 1, 2016.
Responsibilities of Boards of Directors, Corporate Practices and Corporate Governance Matters	80 FR 72327; 12 CFR Parts 1236, 1239	November 19	This regulation relocates and consolidates prior regulations of FHFA's predecessor agencies—the Federal Housing Finance Board (Finance Board) and Office of Federal Housing Enterprise Oversight (OFHEO)—that pertain to the responsibilities of boards of directors, corporate practices, and corporate governance matters. The OFHEO regulations addressed corporate governance matters at the Enterprises, while the Finance Board regulations addressed corporate governance matters at the FHLBanks. The final rule consolidates most of those regulations into a new FHFA regulation, parts of which apply to both the FHLBanks and the Enterprises, and parts of which apply only to the FHLBanks or only to the Enterprises. The regulation went into effect on December 21.
2015-2017 Enterprise Housing Goals	80 FR 53392; 12 CFR Part 1282	September 3	This regulation implements requirements of the Safety and Soundness Act for FHFA to establish annual housing goals for mortgages purchased by the Enterprises. The final rule: establishes the benchmark levels for each of the housing goals and subgoals for 2015 through 2017; establishes a new housing subgoal for small multifamily properties affordable to low-income families; adds or revises a number of other provisions in the housing goals regulation in order to provide greater clarity about the mortgages that will qualify for the goals or subgoals; makes a number of clarifying and conforming changes which include changes for determining affordability of both single-family and multifamily units; establishes more transparent agency procedures for FHFA guidance on the housing goals; and discusses FHFA's plans to require more detailed Enterprise reporting to FHFA on the Enterprises' purchases of mortgages on single-family rental housing. The regulation went into effect on October 5.
Federal Home Loan Bank Community Support Program-Administrative Amendments	80 FR 30336; 12 Part CFR 1290	May 28	This regulation amends FHFA's Community Support Regulation to streamline and simplify the administrative process requirements under the regulation. The amendments replace the prior process of selecting one-eighth of all applicable members for eight quarterly reviews by FHFA over a two-year review cycle, with a new process of FHFA reviewing all applicable members at the same time every two years. The regulation went into effect on June 29.
	79 FR 4394; 12 CFR Part 1231	January 28	This regulation amends the Golden Parachute Payments regulation that FHFA published in 2009, and addresses prohibited and permissible golden parachute payments to entity-affiliated parties in connection with the regulated entities. The regulation went into effect on February 27.

Final Regulations • Regulated Entities (Enterprises and/or Federal Home Loan Banks) CONTINUED

Policy Subject	Reference	Date (2015)	Description/Explanation/Comments
Minimum Requirements for Appraisal Management Companies	80 FR 32687; 12 CFR Part 1222	June 9	This rule, adopted jointly by FHFA, the Office of the Comptroller of the Currently, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Consumer Financial Protection Bureau, implements the minimum requirements in the Dodd-Frank Act to be applied by states in the registration and supervision of appraisal management companies. The regulation also implements the requirement in the Dodd-Frank Act for states to report to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council the information required by the Appraisal Subcommittee to administer the new national registry of appraisal management companies. The regulation went into effect on August 10.
Housing Trust Fund	80 FR 15885; 12 CFR Part 1251	March 26	This regulation relates to allocations by the Enterprises to the Housing Trust Fund and Capital Magnet Fund created by HERA. Specifically, the rule implements a statutory prohibition against the Enterprises passing the cost of such allocations through to the originators of loans the Enterprises purchase or securitize. The regulation was issued on March 26 to finalize and continue an interim final rule FHFA first issued on December 16, 2014.
Federal Home Loan Bank Capital Stock and Capital Plans	80 FR 12753; 12 CFR Part 1277	March 11	This regulation transfers existing parts 931 and 933 of the Finance Board regulations, which address requirements for FHLBank capital stock and capital plans, to new Part 1277 of the FHFA regulations. The regulation did not make any substantive changes to these requirements. The regulation went into effect on April 10.

Regulatory Interpretations • Regulated Entities (Enterprises and/or Federal Home Loan Banks) and the Office of Finance

Policy Subject	Reference	Date (2015)	Description/Explanation/Comments
Transfer of Mortgage Servicing Rights under the Acquired Member Asset Regulations	2015-RI-01	June 23	The AMA regulation allows an FHLBank to authorize the transfer of mortgage servicing rights for loans purchased under an AMA program to a non-member of the Federal Home Loan Bank System, including to an entity that is not eligible for membership. The AMA regulation does not specifically address servicing requirements, and nothing in the rule specifically prohibits the transfer of servicing rights to a non-member of the Federal Home Loan Bank System. Thus, so long as the transfer is accomplished in such a way that the associated mortgage loans continue to comply with the requirements in the AMA regulation, including the credit-enhancement requirements, an FHLBank may allow the transfer of servicing rights to an entity that is not a member of the Federal Home Loan Bank System.

Policy Guidance • Regulated Entities (Enterprises and/or Federal Home Loan Banks) and the Office of Finance

Policy Subject	Reference	Date (2015)	Description/Explanation/Comments
Advisory Bulletin on Fraud Risk Management	AB 2015-07	September 29	Communicates FHFA's supervisory expectations to the Enterprises for fraud risk management, including the establishment and maintenance of internal controls to prevent, deter, and detect fraud or possible fraud
Advisory Bulletin on Information Technology Investment Management	AB 2015-06	September 21	Communicates FHFA's supervisory expectations that each Enterprise's information technology management will include sound governance and effective monitoring and reporting that reflect relevant risk assessments of the Enterprise.
Advisory Bulletin on Federal Home Loan Bank Core Mission Achievement	AB 2015-05	July 14	Communicates FHFA's supervisory expectations to the FHLBanks on core mission achievement, in conjunction with FHFA's Advisory Bulletin 2010-AB-02, Strategic Plans. This Advisory Bulletin also describes how FHFA will assess the FHLBanks' core mission achievement, as well as FHFA's expectations about the content of the strategic plans for the FHLBanks with core mission assets below specified levels.
Advisory Bulletin on Federal Home Loan Bank Unsecured Credit Exposure Reporting	AB 2015-04	June 26	Communicates FHFA's supervisory expectations to the FHLBanks and the OF on fulfilling the FHFA's regulations that pertain to reporting requirements and monitoring requirements. Also described are changes to the manner in which unsecured credit exposures are to be reported. This Advisory Bulletin replaced and superseded the 2002 Finance Board guidance on unsecured credit reporting requirements.
Advisory Bulletin on Rescission of Division of Enterprise Regulation Guidance Documents	AB 2015-03	March 26	Rescinds five examination guidance documents issued between 2000 and 2008 by the Office of Federal Housing Enterprise Oversight relating to the examination of the Enterprises.
Advisory Bulletin on Enterprise Fraud Reporting	AB 2015-02	March 26	Communicates FHFA's guidance on fraud reporting requirements for the Enterprises. This Advisory Bulletin rescinds and replaces FHFA's 2011 Regulatory Policy Guidance relating to Reporting of Fraudulent Financial Instruments as it applies to the Enterprises.
Advisory Bulletin on FHLBank Fraud Reporting	AB 2015-01	February 12	Communicates FHFA's guidance on fraud activity reporting for the FHLBanks. This Advisory Bulletin rescinds and replaces FHFA's 2011 Regulatory Policy Guidance relating to Reporting of Fraudulent Financial Instruments as it applies to the FHLBanks.

Policy Guidance • Federal Housing Finance Agency

Policy Subject	Reference	Date (2015)	Description/Explanation/Comments
FHFA Examination Manual			The FHFA Examination Manual, first published in 2013, comprises an overview of the examination process and 25 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. On June 25, FHFA issued the Bank Secrecy Act/Anti-Money Laundering Program and the Office of Foreign Assets Control Compliance supplemental examination modules for field testing. Supplemental examination modules complement the modules in the FHFA Examination Manual.

Regulatory Orders

Policy Subject	Reference	Date (2015)	Description/Explanation/Comments
Reporting by Regulated Entities of Stress Testing Results	2015–OR–B–1	June 10	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. This Order supplements the November 26, 2013 Orders requiring annual stress testing and reporting of results in 2014 under FHFA's final stress testing regulation (12 CFR Part 1238). The Order directs the FHLBanks to use a revised public disclosure template for publicly disclosing the severely adverse stress testing scenario results as of September 30, 2014. The revised template replaces the template initially issued on November 14, 2014 and will enhance the transparency of each FHLBank's public disclosure.

Legislative Recommendations

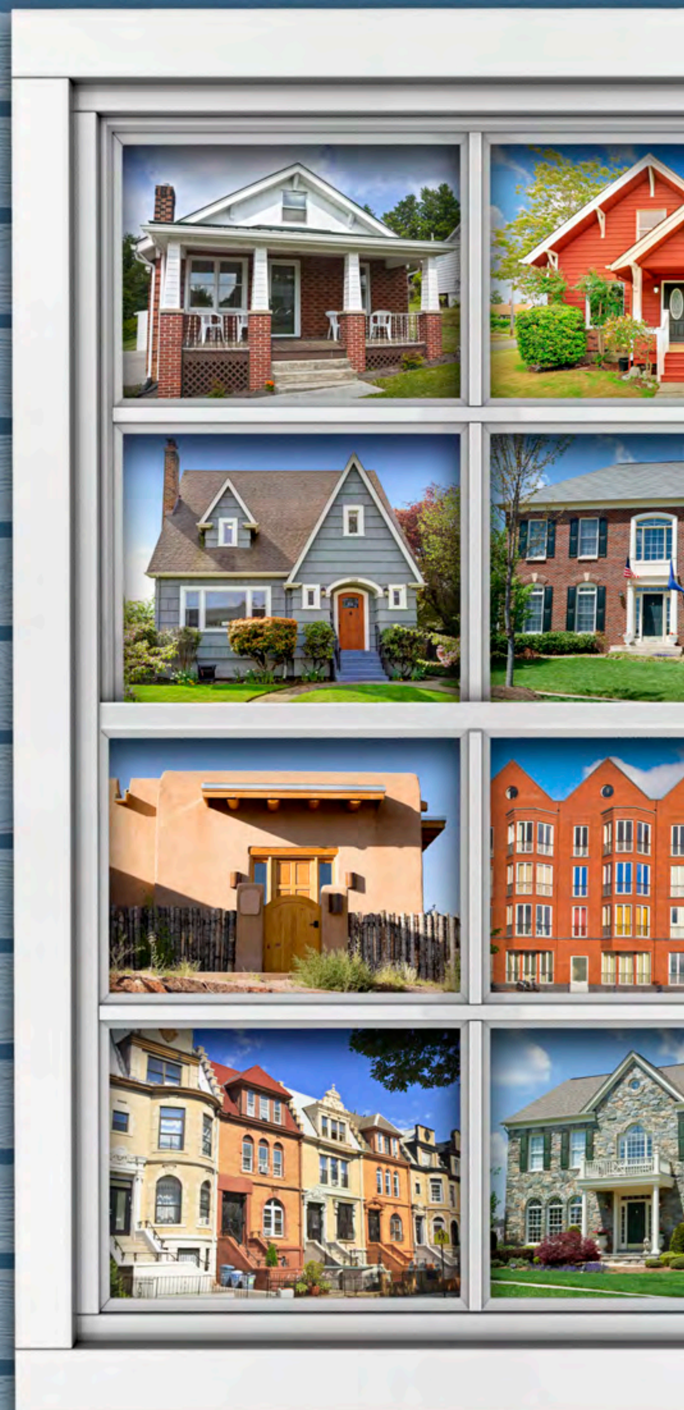
Housing Finance Reform – The Enterprises have been in conservatorships since September 2008, through a severe financial crisis and now into an extended economic recovery. These lengthy, ongoing conservatorships are unprecedented in duration and scope. FHFA continues to believe that conservatorship is not a desirable end state, and that Congress needs to undertake the important work of housing finance reform.

Barriers to Investor Participation in Credit Risk Transfer Transactions – Under FHFA's annual conservatorship scorecards, the Enterprises are working to transfer credit risk to the private sector for a significant proportion of the loans they guarantee. This credit risk transfer market is relatively new and evolving and relies on ongoing investor interest and ability to purchase the credit risk. FHFA has previously identified several statutory impediments that, if addressed, could avoid unintended consequences for some types of investors and thus help to expand investor participation in Enterprise credit risk transfer transactions.

Examination of Regulated Entity Counterparties – FHFA's regulated entities contract with third parties to provide critical services supporting the secondary mortgage market, including nonbank mortgage servicers for the Enterprises. While oversight of these counterparties is important to safety and soundness of FHFA's regulated entities, it is currently exercised only through contractual provisions where possible. In contrast, other federal safety and soundness regulators have statutory authority to examine companies that provide services to depository institutions through the Bank Service Company Act. The Government Accountability Office has recommended granting FHFA the authority to examine third parties that do business with the Enterprises.[32] The Financial Stability Oversight Council also made a similar recommendation in its *2015 Annual Report*. FHFA concurs with these recommendations.

[32] See GAO Report 16-278, *Nonbank Mortgage Servicers: Existing Regulatory Oversight Could Be Strengthened*, public released April 11, 2016.

Research and Publications



During 2015, FHFA published several 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 several annual reports to Congress in 2015. Additionally, FHFA submitted monthly reports relating to the number of loan modifications and other foreclosure prevention activities of the Enterprises.

Guarantee Fee Study

HERA requires FHFA to conduct an ongoing study of the guarantee fees charged by Fannie Mae and Freddie Mac. In June, FHFA released its seventh annual guarantee-fee study report. The report covers 2014 and examines the fees charged by the Enterprises 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 seventh *Annual Housing Report* to Congress in October, which detailed Enterprise housing goals performance in 2014 as well as information on other aspects of the Enterprises' purchase activities.

FHLBank Advance Collateral Study

HERA requires FHFA to submit to Congress an annual report on the collateral pledged to the Federal Home Loan Banks by collateral type and by each individual FHLBank.

In September, FHFA released its seventh *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, FHFA published the *No Fear Act Annual Report to Congress*, covering fiscal years 2011–2015.

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, FHFA submitted an annual *Report to Congress* detailing the activities of FHFA's OMWI during the 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 monthly and quarterly FPM reports to Congress throughout the course of 2015.

House Price Index

FHFA further enhanced its suite of publicly available house price indexes in 2015. In February, it initiated the release of a series of home price indexes for three-digit ZIP codes. Such indexes show price trends for homes having the same first three digits in their respective five digit ZIP codes. Because some mortgage datasets provide only the three-digit ZIP code associated with the collateral property, analyzing relevant home price trends and mortgage default risks is facilitated by such measures.

FHFA's publication of its other types of home price indexes—for instance, its "all-transactions," "purchase-only," and "expanded-data" measures—continued in 2015. Such measures are estimated using different underlying datasets, but all provide measures of price movements for various geographic areas.

In May, FHFA sent to the *Federal Register* a Notice and Request for Input on whether the Agency should use its "expanded data" house price index as the basis for adjusting the Enterprises' conforming loan limits. The input period closed 60 days after publication of the Notice and in October FHFA sent a Final Notice to the *Federal Register* indicating its intent to use the "expanded data" house price index when setting maximum conforming loan limits.

Public Use Database

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. During 2015, FHFA released this 2014 data to the public through its Public Use Database.

Historical Database (MIRS)

Every 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 then makes available to the public monthly information on interest rates, loans 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 2015 on its website.

National Mortgage Database Project

The National Mortgage Database (NMDB) project is a multi-year project being jointly undertaken by FHFA and the Consumer Financial Protection Bureau. The project is designed to provide a source of information about the

U.S. mortgage market based on a five percent sample of residential mortgages. It has two primary components: (1) the NMDB; and (2) the quarterly National Survey of Mortgage Originations (NSMO).[33]

The NMDB will enable FHFA to meet the statutory requirements of HERA 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, including a determination of whether subprime and nontraditional borrowers would have qualified for prime lending.

In August, FHFA published *Technical Report 15-01* and *Technical Report 15-02*. The former is designed to provide users of the NMDB data with background on the development of the database, as well as an assessment of the quality of its data. The latter provides background details on how the NSMO was developed.

Research Publications

FHFA's strong tradition of conducting research into housing and mortgage market trends and conditions continued in 2015. During the year, the Agency released three Working Papers and one other Agency publication.

FHFA Working Paper 15-1: *How Low Can House Prices Go? Estimating a Conservative Lower Bound*. This paper develops a theoretically-based statistical technique to identify a conservative lower bound for house prices. Leveraging a model based upon consumer and investor incentives, the paper explains the depth of housing market downturns at both the national and state level over a variety of market environments. A revised version of this paper was accepted for publication by the *Journal of Real Estate Finance and Economics* and was selected as best paper in 2015 on real estate cycles by the American Real Estate Society.

FHFA Working Paper 15-2: *The Marginal Effect of First-Time Homebuyer Status on Mortgage Defaults*. This paper examines the loan performance of Fannie Mae and Freddie Mac first-time homebuyer mortgages originated from 1996 to 2012. First-time homebuyer mortgages generally perform worse than repeat homebuyer mortgages. But first-time homebuyers are younger and have lower credit scores, home equity, and income than repeat home-buyers, and therefore are comparatively less likely to withstand financial stress or take advantage of financial innovations available in the market. Once these distributional differences are accounted for in an econometric model, there is virtually no difference between the average first-time and repeat home-buyers in their probabilities of mortgage default. Hence, the difference between the first-time and repeat homebuyer mortgage defaults can be attributed to the difference in the distributional make-up of the two groups and not to the premise that first-time homebuyers are an inherently riskier group.

FHFA Working Paper 15-3: *Additional Market Risk Shocks: Prepayment Uncertainty and Option-Adjusted Spreads*. This paper describes an empirical framework for generating shocks to prepayment rates and mortgage security option-adjusted spreads, which are consistent with simultaneous movements in other key risk factors, including the term structure of interest rates and implied volatility. The prepayment rate shocks capture model misspecification and are calculated using historical performance data from multiple vendor prepayment models.

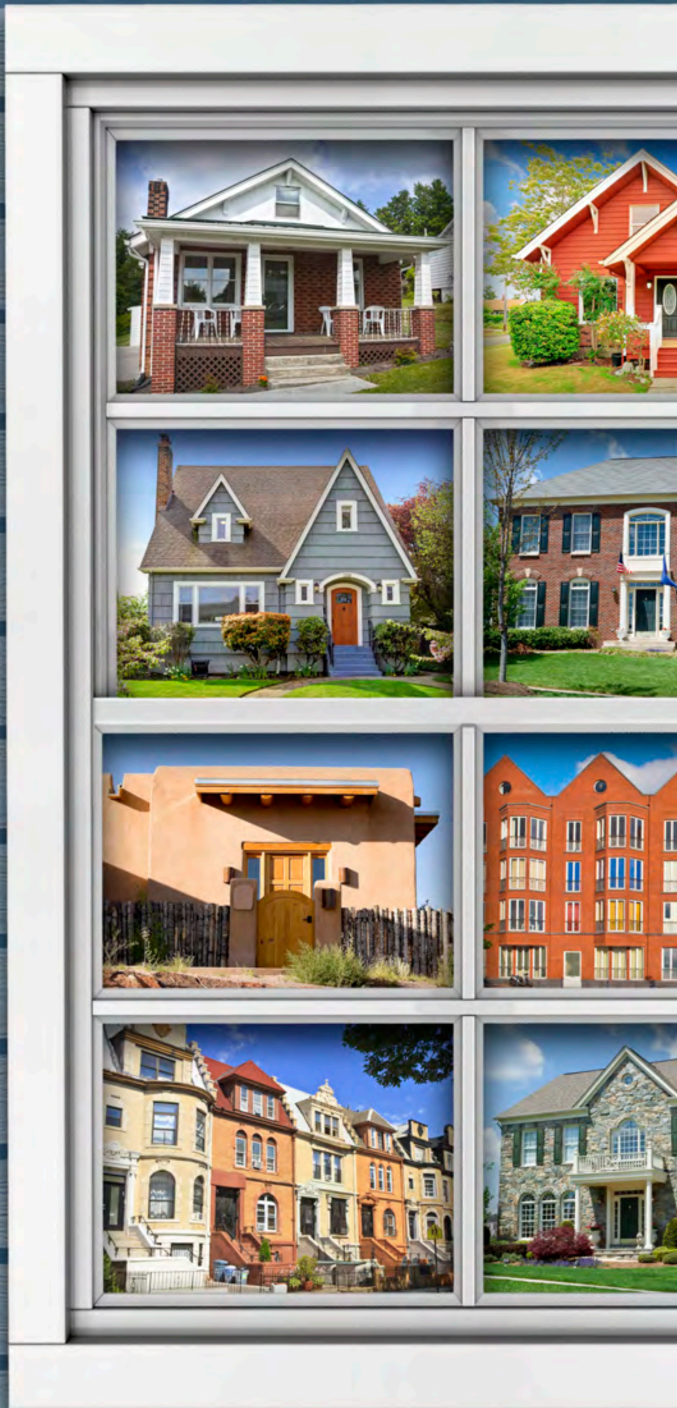
The final publication, *The Size of the Affordable Mortgage Market: 2015-2017 Enterprise Single-Family Housing Goals*, documents the methodology FHFA used to estimate market size when establishing benchmarks for the 2015, 2016, and 2017 single-family mortgage housing goals for Fannie Mae and Freddie Mac.

[33] The National Survey of Mortgage Originations was originally called the National Survey of Mortgage Borrowers.

FHFA Operations and Performance

Performance and Program Assessment

Financial Operations



Performance and Program Assessment

During fiscal year (FY) 2015,[34] FHFA operated under its *Strategic Plan: Fiscal Years 2015-2019* (FY 2015-2019 Strategic Plan) that was released November 21, 2014. The plan set three strategic goals:

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

FHFA's FY 2015-2019 Strategic Plan reflects the Agency's priorities as regulator of the Federal Home Loan Bank System and as regulator and conservator of the Enterprises. The plan also reflects the priorities outlined for the Enterprises in the 2014 Conservatorship Strategic Plan, which the Agency released in May 2014.

On November 16, 2015, FHFA published its annual *Performance and Accountability Report* (PAR), detailing the Agency's performance and achievements for FY 2015. The PAR reports on FHFA's performance on 24 performance measures established for FY 2015 to help evaluate FHFA's progress toward these strategic goals. FHFA met 22 performance measures (92 percent) and did not meet two (8 percent) out of the 24 performance measures.

Upon reviewing the Agency's PAR, the Association of Government Accountants awarded FHFA the Certificate of Excellence in Accountability Reporting (CEAR) for the eighth consecutive year. The CEAR award is presented to agencies that have demonstrated excellence in integrating performance and accountability reporting. Only agencies with unqualified opinions on their financial reports from an independent auditor are eligible for the award.

Financial Operations

Financial Highlights

HERA authorizes FHFA to collect annual assessments from its regulated entities to pay its costs and expenses and maintain a working capital fund. In FY 2015, FHFA had $330.8 million in total budgetary resources: $241.4[35] million in assessments, $30.9 million in unobligated balance brought forward from FY 2014, and $7.8 million in recoveries of prior year unpaid obligations and $50.7 million in spending authority from offsetting collections. Obligations incurred increased $1.2 million to $301.2 million in FY 2015. Gross outlays, including expenses incurred by FHFA's OIG, decreased $0.4 million to $292.5 million in FY 2015.

Figure 21 • FHFA Financial Highlights

$ IN MILLIONS	FY 2015	FY 2014	Variance
Total Budgetary Resources	$ 330.8	$ 330.9	-0.0%
Assessments	$ 241.4	$ 234.9	2.8%
Balance Forward	$ 30.9	$ 39.4	-21.6%
Offsetting Collections	$ 50.7	$ 46.3	9.5%
Recoveries of Prior Year Unpaid Obligations	$ 7.8	$ 10.2	-23.5%
Obligations Incurred	$ 301.2	$ 300.0	0.4%
Gross Outlays	$ 292.5	$ 292.9	-0.1%

Source: Federal Housing Finance Agency

34 FHFA's fiscal year 2015 extended from October 1, 2014 through September 30, 2015.

35 FHFA assessments are made to fund the current budget of the Agency and the Office of Inspector General (OIG). For FY 2015, this amount is the sum of FHFA's budget of $199.7 million and FHFA-OIG's budget of $48 million, less unobligated funds of $6.4 million from the end of the prior year.

“For the eighth consecutive year, FHFA received an unmodified (clean) opinion on its financial statements from the U.S. Government Accountability Office.”

Federal Management System and Strategy

HERA 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 OIG, uses the Treasury Department’s Bureau of the Fiscal Services for its accounting services and financial management system (FMS). FHFA is responsible for overseeing the Bureau of the Fiscal Services’ performance of accounting services for the Agency. Additionally, during FY 2015 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 processing. The Agency has streamlined accounting processes by electronically interfacing data from charge cards, investment activities, the Concur travel system, the PRISM procurement system, the Invoice Processing Platform payments system, the National Finance Center payroll system, and the Interior Business Center payroll system to FMS.

Unmodified Audit Opinions in FY 2015

For the eighth consecutive year, FHFA received an unmodified (clean) opinion on its financial statements from the U.S. Government Accountability Office (GAO). GAO found:

- The FHFA financial statement as of and for the fiscal years ending September 30, 2015, and 2014, 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, 2015; and
- No reportable noncompliance for fiscal year 2015 with provisions of applicable laws, regulations, contracts, and grant agreements they tested.

FHFA’s OIG contracted with an independent audit firm to conduct the FY 2015 FISMA audit of the FHFA information security program. The auditors determined that FHFA has sound controls for its information security program. In addition, the FHFA OIG concluded that FHFA was generally compliant with FISMA, other federal legislation, and applicable guidance from the Office of Management and Budget.

Federal Housing Finance Oversight Board Assessment June 2016

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 the issues for Fannie Mae and Freddie Mac (the Enterprises) and the Federal Home Loan Bank (FHLBank) System as a basis for this assessment.

Enterprises

The Enterprises continue to operate under conservatorship, 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) that were agreed to at the time the Enterprises entered conservatorship. Through year-end 2015, the Enterprises' cumulative draws under the PSPAs totaled $187.5 billion, and the Enterprises had paid $241.3 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. The Enterprises continue to operate with a commitment of financial support from the Treasury Department under the PSPAs of $258 billion.

In 2015, the Enterprises generated net income of $17.3 billion, down from $21.9 billion in 2014. The decline in the Enterprises' 2015 earnings reflects reduced litigation settlement income relative to the prior year. The Enterprises' 2015 earnings also reflect fair value losses on derivatives used to manage interest rate risk due to declines in longer term interest rates. 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 the Enterprises' net interest income in recent years as their net interest income from their retained mortgage portfolios continued to decline.

The conservatorships of the Enterprises, combined with the Treasury Department's commitment of financial support, have stabilized the Enterprises. Higher-risk mortgage products, such as no-income documentation or interest-only mortgages, have been eliminated from the Enterprises' new guarantees. However, the Enterprises must continue to carefully manage their credit, counterparty, market (or interest rate), and operational risks. Credit risk management remains a priority for both Enterprises given the significant remaining legacy distressed assets and ongoing stress in certain housing markets. In addition, counterparty risk remains an area of concern, especially given the evolving changes in the mortgage industry, and the greater presence of 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 and diversified than depository institutions. FHFA published supervisory guidance on how the Enterprises should address risks arising from these transfers. The Enterprises continue to manage operational risks resulting from challenges related to legacy systems and strategic initiatives. Additionally, the Enterprises must also manage potential vulnerabilities to cyber threats.

Consistent with their statutory missions, the Enterprises have continued to provide liquidity in the secondary mortgage market during their conservatorships. The credit quality of new single-family mortgage guarantees in 2015 remained high by historical comparison. The weighted average loan-to-value ratio of mortgages acquired in 2015 was similar to 2014 at about 75 percent. The percentage of loan purchases with loan-to-value ratios above 90 percent was nearly 15 percent in 2015, compared to 18 percent in 2014. The weighted average FICO credit score on new mortgage guarantees in 2015 trended upward slightly to nearly 750 as the percentage of refinance mortgages, which are often of higher credit quality, increased. New mortgage guarantees with FICO scores less than 700 made up about 16 percent of new business in 2015 compared to about 19 percent in 2014.

Restricted access to credit across the mortgage market in the years following the financial crisis has contributed to the Enterprises' limited liquidity for certain segments of creditworthy borrowers, such as first-time homebuyers, lower-income borrowers, and racial and ethnic minorities. Some of these issues predate the financial crisis. The Enterprises have been challenged to provide creditworthy underserved borrowers traditional, fully underwritten, fixed-rate mortgages. While the Enterprises remain in conservatorship, they must continue to fulfill their statutory obligation of responsibly providing housing finance liquidity that supports all creditworthy borrowers. To this end, the Enterprises worked with FHFA in 2015 to address certain housing finance liquidity challenges. This included working to finalize the multiyear process of enhancing the Enterprises' representation and warranty framework to encourage lenders to reduce the credit overlays that restrict access to credit. These initiatives have not yet resulted in significant improvement in Enterprise purchases of loans made to traditionally underserved borrowers, and such loans remain a small percentage of their purchases. For example, the share of loans to

African Americans fell for both Enterprises between 2014 to 2015, from 3.4 to 3.2 percent for Freddie Mac and from 3.6 to 3.2 for Fannie Mae. While it is difficult to fully assess what can be attributed to the Enterprises' underwriting processes versus broader macroeconomic or other factors, this leaves the Enterprises behind the overall market (for example, the share of African-American mortgages was about 5 percent in 2014). The Enterprises need to build on their recent efforts and increase their resources to develop appropriate solutions for better serving traditionally underserved segments of the mortgage market.

The Enterprises continue to have annual housing goal requirements as established by FHFA. Last year, FHFA required Freddie Mac to submit a housing plan as a result of its failure to meet the low-income and very low-income housing goals in 2014. FHFA continues to monitor Freddie Mac's ongoing housing goals performance. On August 19, 2015, FHFA finalized a housing goals rule for the Enterprises, which established housing goal benchmarks for 2015-2017. In addition, in 2015 FHFA issued a proposed rule on Fannie Mae and Freddie Mac's duty to serve requirements and continues to work toward finalizing this rule. For fiscal year 2015, FHFA lifted the suspension of Enterprise contributions to the National Housing Trust Fund (NHTF) and the Capital Magnet Fund (CMF), and the Enterprises remitted funds equal to 4.2 basis points of new business volume in 2015 to support these affordable housing initiatives.

Both Enterprises also continue to serve important roles in efforts to limit preventable foreclosures. These efforts enhance stability in housing markets and local communities, enable homeowners to remain in their homes, and mitigate Enterprise losses. The Enterprises completed 232,000 foreclosure alternative actions in 2015, including 148,000 permanent loan modifications. Since conservatorship, the Enterprises have completed more than 3.6 million foreclosure alternative actions, including nearly 1.9 million permanent loan modifications. Refinances under the Home Affordable Refinance Program (HARP), which provides eligible borrowers with a streamlined refinance opportunity, totaled 110,000 in 2015. This brought the total number of refinances under HARP to over 3.3 million. In addition, FHFA and the Enterprises worked to expand the Neighborhood Stabilization Initiative to 18 additional communities, and the Enterprises have engaged in non-performing loan sales to reduce losses and improve outcomes for borrowers.

FHFA and the Enterprises made progress toward achieving the goals set out in FHFA's Conservatorship Strategic Plan and 2015 Scorecard. In particular, expanding private sector participation is essential for the long-term health of the mortgage market, and the Enterprises exceeded the 2015 Scorecard goal of executing multiple risk-sharing transactions on $150 billion of mortgages for Fannie Mae and $120 billion for Freddie Mac. Progress was also made on developing common data standards, reducing the Enterprises' retained portfolios, establishing private mortgage insurer eligibility requirements, and completing a review of guarantee fees.

The Enterprises continue to make progress on developing the Common Securitization Platform (CSP) and a Single Security, as evidenced by the announcement of a two-stage process to implement these initiatives. In Release 1, FHFA expects the Enterprises and Common Securitization Solutions (CSS) to implement the CSP for Freddie Mac's existing single class securities in 2016. In Release 2, FHFA expects the Enterprises to implement the Single Security on the CSP for both Enterprises in 2018.

The ongoing conservatorships of Fannie Mae and Freddie Mac present a unique set of challenges and risks. In particular, it is critical that the Enterprises dedicate appropriate resources to maintaining safe and sound operations in the face of uncertainty regarding the long-term prospects of the Enterprises' operations and charters.

FHLBanks

As of December 31, 2015, all 11 FHLBanks exceeded the minimum 4 percent regulatory capital ratio. The weighted average regulatory capital-to-assets ratio for the FHLBank System was 5.1 percent at the end of 2015, as compared to 5.4 percent at the end of 2014. All FHLBanks were profitable for the year. The FHLBanks' business of making advances to members continues to operate with no credit losses.

During 2015, the FHLBanks of Des Moines and Seattle merged to form a single entity, the first merger in the history of the FHLBank System. FHFA approved the FHLBanks' merger application in December 2014, and members of both FHLBanks later voted overwhelmingly to ratify the merger agreement. At year-end 2015, the combined Des Moines FHLBank had assets totaling slightly more than $137 billion, making it the second largest FHLBank by asset size. Upon completion of this merger, no FHLBank was under an enforcement action as of year-end 2015.

The overall scale of the FHLBanks' advance operations increased during 2015, with $634 billion of advances outstanding at year-end 2015, an increase of $63.3 billion from year-end 2014. The growth of advances was more diverse across member segments than in recent years. FHLBank System members that are subsidiaries of the largest four bank holding companies continued to have a high level of advances across the FHLBank System, accounting for 23.6 percent of aggregate advances for 2015, down from 27.3 percent in 2014. All member types reported increased total borrowing in 2015. Despite recent increases, advances to members remain below their 2008 peak. However, the FHLBanks met their mission of providing liquidity to their members.

The FHLBanks also met their mission through their support of the Affordable Housing Program (AHP), which is a source of funds to support local affordable housing initiatives. The FHLBanks provided $269 million in AHP funds in 2015, slightly down from $293 million in 2014.

Conclusion

As can be seen from the above discussion and in the Annual Report, FHFA undertook significant steps in overseeing the Enterprises and FHLBanks during 2015. While many challenges remain for the regulated entities, including the ongoing conservatorships of Fannie Mae and Freddie Mac, the accomplishments of the past year provide a solid foundation for continued progress in 2016.

Melvin L. Watt
Chairman
Federal Housing Finance Oversight Board

Jacob J. Lew
Secretary
U.S. Department of the Treasury

Julián Castro
Secretary
U.S. Department of Housing and Urban Development

Mary Jo White
Chair
Securities and Exchange Commission

Appendix: Historical Data Tables

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Table 1. Fannie Mae Mortgage Purchases

Period	Business Activity ($ in Millions)			
	Purchases			
	Single-Family[a] ($)	Multifamily[a] ($)	Total Mortgages[a] ($)	Mortgage-Related Securities[b] ($)
4Q15	106,292	9,854	116,146	12,768
3Q15	125,241	7,296	132,537	15,588
2Q15	129,428	14,518	143,946	12,508
1Q15	114,070	10,364	124,434	8,690
Annual Data				
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 ($)	Total Mortgage Purchases ($)
4Q15	100,324	5,587	1	105,912	16	364	380	106,292	9,854	0	9,854	116,146
3Q15	121,706	3,134	1	124,841	24	376	400	125,241	7,296	0	7,296	132,537
2Q15	126,622	2,403	1	129,026	22	380	402	129,428	14,518	0	14,518	143,946
1Q15	110,549	3,121	1	113,671	11	388	399	114,070	10,364	0	10,364	124,434
Annual Data												
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		Multi-family ($)	Total Fannie Mae[b] ($)	Single-Family		Multi-family ($)	Total Freddie Mac ($)	Single-Family		Multi-family ($)	Total Ginnie Mae ($)	Total Private-Label[b] ($)	Mortgage Revenue Bonds ($)	Total Mortgage-Related Securities ($)
	Fixed-Rate[b] ($)	Adjustable-Rate ($)			Fixed-Rate ($)	Adjustable-Rate ($)			Fixed-Rate ($)	Adjustable-Rate ($)					
4Q15	7,362	338	2,798	10,498	563	-	-	563	1,611	96	-	1,707	-	-	12,768
3Q15	8,768	350	3,035	12,153	922	-	-	922	2,437	76	-	2,513	-	-	15,588
2Q15	5,549	268	3,406	9,223	1,036	7	-	1,043	2,164	78	-	2,242	-	-	12,508
1Q15	4,705	258	1,471	6,434	896	14	-	910	1,307	39	-	1,346	-	-	8,690
Annual Data															
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							Multifamily ($)	Total Private-Label ($)
	Manufactured Housing ($)	Subprime		Alt-A		Other			
		Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)		
4Q15	0	0	0	0	0	0	0	0	0
3Q15	0	0	0	0	0	0	0	0	0
2Q15	0	0	0	0	0	0	0	0	0
1Q15	0	0	0	0	0	0	0	0	0
Annual Data									
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 ($)	Multiclass MBS[b] ($)
4Q15	104,359	10,042	114,401	14,088
3Q15	126,144	7,484	133,628	12,784
2Q15	130,974	14,979	145,953	18,543
1Q15	110,994	11,418	122,412	18,018
Annual Data				
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] (%)
4Q15	5,077	29	686	732	2,466	N/A
3Q15	5,588	31	952	-1,053	1,960	N/A
2Q15	5,677	37	689	1,215	4,640	N/A
1Q15	5,067	31	723	-60	1,888	N/A
Annual Data						
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 guarantee 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] ($)
4Q15	3,221,917	3,078,248	56,835	3,197,671	4,059	117,149	(4,177)	345,103	389,496
3Q15	3,230,782	3,082,646	53,561	3,206,245	4,003	117,149	(6,476)	370,450	420,898
2Q15	3,225,400	3,078,563	45,800	3,198,569	6,159	117,149	(6,305)	390,307	428,627
1Q15	3,238,113	3,084,587	39,597	3,212,631	3,596	117,149	(21,553)	411,684	452,347
Annual Data									
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] ($)	Multiclass MBS Outstanding[d] ($)
4Q15	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
3Q15	2,428,056	108,865	275	2,537,196	4,943	4,008	8,951	169,038	1,211	170,249	2,716,396	442,009
2Q15	2,417,841	108,004	293	2,526,138	9,199	76	9,275	165,634	1,221	166,855	2,702,268	452,451
1Q15	2,413,685	111,793	311	2,525,789	9,646	80	9,726	155,889	1,233	157,122	2,692,637	458,520
Annual Data												
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 Available Before 1987
1985											54,552	
1984											35,738	
1983											25,121	
1982											14,450	
1981											717	
1980											Not Available Before 1981	

Source : Fannie Mae

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

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

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

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

Table 5. Fannie Mae Mortgage Assets Held for Investment Detail[a]

End of Period	($ in Millions)			
	Whole Loans[b,c] ($)	Fannie Mae Securities[b,d] ($)	Other Mortgage-Related Securities[b,d,e] ($)	Mortgage Assets Held for Investment (Gross)[f] ($)
4Q15	253,592	68,697	22,814	345,103
3Q15	259,988	85,560	24,902	370,450
2Q15	270,809	92,807	26,691	390,307
1Q15	281,402	98,999	31,283	411,684
Annual Data				
2015	253,592	68,697	22,814	345,103
2014	285,610	92,819	34,884	413,313
2013	314,664	129,841	46,196	490,701
2012	371,708	183,964	77,382	633,054
2011	398,271	220,061	90,082	708,414
2010	427,074	260,429	101,268	788,771
2009	416,543	220,245	132,464	769,252
2008	429,493	228,950	133,753	792,196
2007	403,577	180,163	144,163	727,903
2006	383,045	199,644	146,243	728,932
2005	366,680	234,451	136,758	737,889
2004	400,157	344,404	172,648	917,209
2003	397,633	405,922	105,313	908,868
2002	323,244	380,383	96,152	799,779
2001	167,405	431,776	109,270	708,452
2000	152,634	351,066	106,551	610,251
1999	149,231	281,714	93,122	524,067
1998	155,779	197,375	61,361	414,515
1997	160,102	130,444	26,132	316,678
1996	167,891	102,607	16,554	287,052
1995	171,481	69,729	12,301	253,511
1994	170,909	43,998	7,150	222,057
1993	163,149	24,219	3,493	190,861
1992	134,597	20,535	2,987	158,119
1991	109,251	16,700	3,032	128,983
1990	101,797	11,758	3,073	116,628
1989	95,729	11,720	3,272	110,721
1988	92,220	8,153	2,640	103,013
1987	89,618	4,226	2,902	96,746
1986	94,167	1,606	2,060	97,833
1985	97,421	435	793	98,649
1984	87,205	477	427	88,109
1983	77,983	Not Available Before 1984	273	78,256
1982	71,777		37	71,814
1981	61,411		1	61,412
1980	57,326		1	57,327
1979	51,096		1	51,097
1978	43,315		Not Available Before 1979	43,315
1977	34,377			34,377
1976	32,937			32,937
1975	31,916			31,916
1974	29,708			29,708
1973	24,459			24,459
1972	20,326			20,326
1971	18,515			18,515

Source: Fannie Mae

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

b Unpaid principal balance.

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

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

e Includes mortgage revenue bonds.

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

Table 5a. Fannie Mae Mortgage Assets Held for Investment Detail – Whole Loans

End of Period	Whole Loans ($ in Millions)[a]								
	Single-Family					Multifamily			
	Conventional								
	Fixed-Rate[b] ($)	Adjustable-Rate ($)	Seconds ($)	Total ($)	Total FHA/VA/RD[c] ($)	Conventional ($)	Total FHA/RD[c] ($)	Total ($)	Total Whole Loans ($)
4Q15	198,255	8,453	143	206,851	33,376	13,141	224	13,365	253,592
3Q15	201,208	8,967	143	210,318	34,252	15,185	233	15,418	259,988
2Q15	207,538	9,519	147	217,204	35,064	18,306	235	18,541	270,809
1Q15	214,261	10,281	155	224,697	35,855	20,610	240	20,850	281,402
Annual Data									
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] ($)
4Q15	40,739	17,022	10,936	68,697	2,856	2,376	0	5,232	734	6	8	748	13,729	19,709
3Q15	54,119	17,662	13,779	85,560	3,124	2,497	0	5,621	680	6	8	694	15,196	21,511
2Q15	69,025	8,644	15,138	92,807	3,366	2,640	0	6,006	595	4	8	607	16,471	23,084
1Q15	73,165	9,447	16,387	98,999	3,679	2,766	0	6,445	583	5	8	596	20,217	27,258
Annual Data														
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				972	2	974
1992				20,535				Before 1994				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 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]							Multifamily ($)	Total Private-Label ($)
	Manufactured Housing ($)	Subprime		Alt-A		Other			
		Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)		
4Q15	460	5	5,208	567	2,914	89	970	3,516	13,729
3Q15	485	9	5,835	948	3,277	93	983	3,566	15,196
2Q15	1,149	147	5,862	2,672	1,860	142	1,039	3,600	16,471
1Q15	1,651	151	7,343	3,415	2,690	145	1,175	3,647	20,217
Annual Data									
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, & Fair-Value Adjustments on Securities and Loans[b,c] ($)	Mortgage Assets Held for Investment (Net)[b] ($)	Mortgage Assets Held for Investment (Gross)[b,d] ($)	Limit on Mortgage Assets Held for Investment (Gross)[e] ($)
4Q15	3,105	91,511	-8,446	336,657	345,103	399,200
3Q15	3,391	110,462	-6,545	363,905	370,450	399,200
2Q15	3,607	119,498	-6,425	383,882	390,307	399,200
1Q15	4,025	130,282	-5,802	405,882	411,684	399,200
Annual Data						
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 ($)	Other ($)	Total ($)
4Q15	384,184	0	553	41,191	125,443	0	551,371
3Q15	377,152	0	567	36,431	158,653	0	572,803
2Q15	380,078	0	622	36,050	167,489	0	584,239
1Q15	412,348	0	588	52,700	178,068	0	643,704
Annual Data							
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.

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] ($)	Total ($)
4Q15	0	0	27,350	0	29,485	56,835
3Q15	0	0	26,600	0	26,961	53,561
2Q15	0	0	22,010	0	23,790	45,800
1Q15	0	0	20,230	0	19,367	39,597
Annual Data						
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 commercial paper, floating-rate notes, taxable auction notes, corporate bonds, and auction-rate preferred stock. Starting with 2006, medium-term notes previously reported in "Other" are included in commercial paper.

[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] (%)	REO as a Proportion of the Guarantee Book of Business[d] (%)	Credit-Enhanced Outstanding as a Proportion of the Guarantee Book of Business[e] (%)
4Q15	1.55	0.07	0.35	0.22	23.1
3Q15	1.59	0.05	0.15	0.25	22.6
2Q15	1.66	0.05	0.28	0.28	21.6
1Q15	1.78	0.09	0.71	0.31	21.2
Annual Data					
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.

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] (%)
4Q15	-114,526	25,144	-139,670	N/A	N/A	N/A	1,899	(3.55)	-3.54	N/A
3Q15	-114,790	25,851	-140,641	N/A	N/A	N/A	2,606	(3.55)	-3.54	N/A
2Q15	-112,390	26,282	-138,672	N/A	N/A	N/A	2,698	(3.48)	-3.47	N/A
1Q15	-115,235	27,009	-142,244	N/A	N/A	N/A	2,721	(3.56)	-3.54	N/A
Annual Data										
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] ($)	Mortgage-Related Securities[c] ($)
4Q15	75,676	13,211	88,887	26,712
3Q15	93,566	10,914	104,480	24,858
2Q15	101,150	13,135	114,285	22,771
1Q15	80,168	10,004	90,172	16,483
Annual Data				
2015	350,560	47,264	397,824	90,824
2014	255,253	28,336	283,589	78,142
2013	422,742	25,872	448,614	73,079
2012	426,849	28,774	455,623	34,535
2011	320,793	20,325	341,118	120,001
2010	386,378	15,372	401,750	51,828
2009	475,350	16,571	491,921	238,835
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 guarantee commitments.

[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.

Table 10a. Freddie Mac Mortgage Purchases Detail by Type of Loan

Period	Purchases ($ in Millions)[a]											
	Single-Family Mortgages								Multifamily Mortgages			Total Mortgage Purchases ($)
	Conventional				FHA/VA[d]			Total Single-Family Mortgages ($)				
	Fixed-Rate[b] ($)	Adjustable-Rate[c] ($)	Seconds ($)	Total ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Total ($)		Conventional ($)	FHA/RD ($)	Total Multi-family Mortgages ($)	
4Q15	72,978	2,662	0	75,640	36	0	36	75,676	13,211	0	13,211	88,887
3Q15	89,911	3,606	0	93,517	49	0	49	93,566	10,914	0	10,914	104,480
2Q15	98,153	2,950	0	101,103	47	0	47	101,150	13,135	0	13,135	114,285
1Q15	76,595	3,542	0	80,137	31	0	31	80,168	10,004	0	10,004	90,172
Annual Data												
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 guarantee commitments for loans held by third parties.

[b] From 2002 to 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										
	Single-Family				Fannie Mae				Ginnie Mae[c]						
					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 ($)	Mortgage Revenue Bonds ($)	Total Mortgage-Related Securities[c] ($)
4Q15	13,239	508	31	13,778	3	1	0	4	0	48	0	48	12,882	0	26,712
3Q15	12,735	2,974	66	15,775	246	2,097	0	2,343	0	273	0	273	6,467	0	24,858
2Q15	12,687	720	0	13,407	868	0	0	868	0	3	0	3	8,493	0	22,771
1Q15	10,103	1,330	0	11,433	507	141	0	648	0	0	0	0	4,402	0	16,483
Annual Data															
2015	48,764	5,532	97	54,393	1,624	2,239	0	3,863	0	324	0	324	32,244	0	90,824
2014	43,922	7,568	392	51,882	2,695	5,005	0	7,700	0	73	0	73	18,487	0	78,142
2013	44,760	296	0	45,056	4,251	50	0	4,301	0	0	0	0	23,722	0	73,079
2012	13,272	3,045	119	16,436	0	170	0	170	0	0	0	0	17,929	0	34,535
2011	94,543	5,057	472	100,072	5,835	2,297	0	8,132	0	0	0	0	11,797	0	120,001
2010	40,462	923	382	41,767	0	373	0	373	0	0	0	0	9,688	0	51,828
2009	176,974	5,414	0	182,388	43,298	2,697	0	45,995	0	0	27	27	10,245	180	238,835
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.

Table 10b. Freddie Mac Purchases of Mortgage-Related Securities – Part 2, Private-Label Detail

Period	Purchases ($ in Millions)[a]								
	Private-Label								
	Single-Family							Multifamily[c] ($)	Total Private-Label ($)
	Manufactured Housing ($)	Subprime		Alt-A[b]		Other[c]			
		Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)		
4Q15	0	0	0	0	0	0	0	12,882	12,882
3Q15	0	0	0	0	0	0	0	6,467	6,467
2Q15	0	0	0	0	0	0	0	8,493	8,493
1Q15	0	0	0	0	0	0	0	4,402	4,402
Annual Data									
2015	0	0	0	0	0	0	0	32,244	32,244
2014	0	0	0	0	0	0	0	18,487	18,487
2013	0	0	0	0	0	26	0	23,696	23,722
2012	0	0	0	0	0	21	0	17,908	17,929
2011	0	0	0	0	0	77	0	11,720	11,797
2010	0	0	0	0	0	3,172	0	6,516	9,688
2009	0	0	0	0	0	7,874	0	2,371	10,245
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 guarantee transactions. ARM stands for adjustable-rate mortgage.

c Includes non-Freddie Mac mortgage-related securities purchased for other guarantee transactions, including Ginnie Mae mortgage-backed securities, as well as non-agency securities held for investment. Purchases for 2009 and 2010 include amounts related to housing finance agency bonds acquired and resecuritized under a bond initiative program.

Table 11. Freddie Mac MBS Issuances

Period	Business Activity ($ in Millions)			
	MBS Issuances[a]			
	Single-Family MBS[b] ($)	Multifamily MBS ($)	Total MBS[b] ($)	Multiclass MBS[c] ($)
4Q15	75,806	13,022	88,828	23,357
3Q15	98,462	6,817	105,279	15,734
2Q15	102,525	9,092	111,617	25,922
1Q15	79,806	4,461	84,267	17,607
Annual Data				
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 guarantee commitments 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 guarantee transactions. 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] (%)
4Q15	3,587	100	510	-686	2,158	N/M
3Q15	3,743	90	465	-412	-475	N/M
2Q15	3,969	91	501	-805	4,169	N/M
1Q15	3,647	88	451	-424	524	N/M
Annual Data						
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] ($)
4Q15	1,986,050	1,866,588	80,795	1,970,427	2,940	72,336	Not Available	346,911	418,021
3Q15	1,962,147	1,871,507	50,896	1,947,389	1,299	72,336	Not Available	367,145	411,805
2Q15	1,947,462	1,857,244	47,003	1,929,069	5,713	72,336	Not Available	382,532	417,461
1Q15	1,951,603	1,852,264	61,766	1,935,629	2,546	72,336	Not Available	405,592	450,737
Annual Data									
2015	1,986,050	1,866,588	80,795	1,970,427	2,940	72,336	Not Available	346,911	418,021
2014	1,945,539	1,852,646	58,585	1,929,542	2,651	72,336	(30,400)	408,414	454,029
2013	1,966,061	1,855,095	69,019	1,940,751	12,835	72,336	(41,200)	461,024	511,345
2012	1,989,856	1,912,929	58,076	1,967,042	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]

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] ($)
4Q15	1,409,898	68,234	0	1,478,132	2,413	114,130	0	114,130	1,594,675	411,016
3Q15	1,391,129	67,678	0	1,458,807	2,183	103,185	0	103,185	1,564,175	406,576
2Q15	1,370,345	70,181	0	1,440,526	2,598	98,320	0	98,320	1,541,444	411,368
1Q15	1,343,481	71,662	0	1,415,143	2,742	91,225	0	91,225	1,509,110	408,366
Annual Data										
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.

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] ($)	Mortgage Assets Held for Investment (Gross)[b, c] ($)
4Q15	145,664	147,824	53,423	346,911
3Q15	153,415	155,027	58,703	367,145
2Q15	161,205	154,494	66,833	382,532
1Q15	166,145	164,501	74,946	405,592
Annual Data				
2015	145,664	147,824	53,423	346,911
2014	164,472	161,541	82,401	408,414
2013	181,308	168,034	111,682	461,024
2012	221,313	186,763	149,468	557,544
2011	253,970	223,667	175,676	653,313
2010	234,746	263,603	198,525	696,874
2009	138,816	374,615	241,841	755,272
2008	111,476	424,524	268,762	804,762
2007	82,158	356,970	281,685	720,813
2006	65,847	354,262	283,850	703,959
2005	61,481	361,324	287,541	710,346
2004	61,360	356,698	235,203	653,261
2003	60,270	393,135	192,362	645,767
2002	63,886	341,287	162,099	567,272
2001	62,792	308,427	126,420	497,639
2000	59,240	246,209	80,244	385,693
1999	56,676	211,198	56,569	324,443
1998	57,084	168,108	29,817	255,009
1997	48,454	103,400	Not Available Before 1998	164,421
1996	46,504	81,195		137,755
1995	43,753	56,006		107,424
1994	Not Available Before 1995	30,670		73,171
1993		15,877		55,938
1992		6,394		33,629
1991		Not Available Before 1992		26,667
1990				21,520
1989				21,448
1988				16,918
1987				12,354
1986				13,093
1985				13,547
1984				10,018
1983				7,485
1982				4,679
1981				5,178
1980				5,006
1979				4,003
1978				3,038
1977				3,204
1976				4,175
1975				4,878
1974				4,469
1973				2,521
1972				1,726
1971				935

Source: Freddie Mac

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

[b] Excludes allowance for loan losses.

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

Table 14a. Freddie Mac Mortgage Assets Held for Investment Detail – Whole Loans

End of Period	Whole Loans ($ in Millions)[a]								
	Single-Family					Multifamily			Total Whole Loans ($)
	Conventional				Total FHA/VA[c] ($)	Conventional ($)	FHA/RD ($)	Total ($)	
	Fixed-Rate[b] ($)	Adjustable-Rate ($)	Seconds ($)	Total ($)					
4Q15	92,931	3,185	0	96,116	461	49,084	3	49,087	145,664
3Q15	95,214	3,528	0	98,742	453	54,217	3	54,220	153,415
2Q15	102,216	3,859	0	106,075	480	54,647	3	54,650	161,205
1Q15	105,780	4,293	0	110,073	464	55,605	3	55,608	166,145
Annual Data									
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]				Other Securities									
	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 ($)	Total Other Securities ($)
4Q15	119,072	22,873	5,879	147,824	6,038	6,753	0	12,791	90	77	12	179	39,265	52,235
3Q15	124,333	25,635	5,059	155,027	6,320	7,314	0	13,634	98	331	12	441	43,169	57,244
2Q15	125,148	25,145	4,201	154,494	6,706	7,727	0	14,433	105	61	12	178	50,614	65,225
1Q15	134,944	26,104	3,453	164,501	6,880	8,809	0	15,689	112	64	12	188	57,268	73,145
Annual Data														
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.

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]								
	Private-Label								
	Single-Family								
	Manufactured Housing ($)	Subprime		Alt-A[b]		Other[c]		Multifamily ($)	Total Private-Label ($)
		Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)		
4Q15	630	10	17,285	753	3,045	0	5,309	12,233	39,265
3Q15	647	10	18,529	789	3,458	0	5,604	14,132	43,169
2Q15	665	10	20,977	845	4,061	0	6,938	17,118	50,614
1Q15	682	10	23,780	921	4,763	0	7,704	19,408	57,268
Annual Data									
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.

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] ($)	Limit on Mortgage Assets Held for Investment (Gross)[e] ($)
4Q15	1,188	201,247	N/A	N/A	346,911	399,181
3Q15	1,459	213,730	N/A	N/A	367,145	469,625
2Q15	1,608	221,327	N/A	N/A	382,532	469,625
1Q15	1,801	239,447	N/A	N/A	405,592	469,625
Annual Data						
2015	1,188	201,247	N/A	N/A	346,911	399,181
2014	2,169	243,942	N/A	N/A	408,414	469,625
2013	3,538	279,716	N/A	N/A	461,024	552,500
2012	5,656	336,231	N/A	N/A	557,544	650,000
2011	7,793	399,343	N/A	N/A	653,313	729,000
2010	9,877	462,128	N/A	N/A	696,874	810,000
2009	11,854	616,456	-38,298	716,974	755,272	900,000
2008	12,869	693,286	-56,015	748,747	804,762	Not Applicable Before 2009
2007	14,935	638,655	-10,771	710,042	720,813	
2006	13,834	638,112	-3,957	700,002	703,959	
2005	11,321	648,865	-843	709,503	710,346	
2004	9,077	591,901	11,321	664,582	653,261	
2003	7,772	585,497	14,764	660,531	645,767	
2002	7,640	503,386	22,627	589,899	567,272	
2001	7,257	434,847	6,130	503,769	497,639	
2000	6,953	326,453	-242	385,451	385,693	
1999	5,690	267,767	-1,529	322,914	324,443	
1998	4,640	197,925	661	255,670	255,009	
1997	3,031	Not Available Before 1998	122	164,543	164,421	
1996	1,787		71	137,826	137,755	
1995	Not Available Before 1996		282	107,706	107,424	
1994			Not Available Before 1995 and after 2009	73,171	73,171	
1993				55,938	55,938	
1992				33,629	33,629	
1991				26,667	26,667	
1990				21,520	21,520	
1989				21,448	21,448	
1988				16,918	16,918	
1987				12,354	12,354	
1986				13,093	13,093	
1985				13,547	13,547	
1984				10,018	10,018	
1983				7,485	7,485	
1982				4,679	4,679	
1981				5,178	5,178	
1980				5,006	5,006	
1979				4,003	4,003	
1978				3,038	3,038	
1977				3,204	3,204	
1976				4,175	4,175	
1975				4,878	4,878	
1974				4,469	4,469	
1973				2,521	2,521	
1972				1,726	1,726	
1971				935	935	

Source: Freddie Mac

N/A = not available

a Based on unpaid principal balances.

b Includes premiums, discounts, deferred fees, impairments of unpaid principal balances, and other basis adjustments on mortgage loans and mortgage-related securities plus unrealized gains or losses on available-for-sale mortgage-related securities. Amounts prior to 2006 include mortgage-backed securities residuals at fair value.

c Excludes allowance for loan losses.

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

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

Table 15. Freddie Mac Financial Derivatives

End of Period	Financial Derivatives – Notional Amount Outstanding ($ in Millions)									
	Interest Rate Swaps[a] ($)	Interest Rate Caps, Floors, and Corridors ($)	Foreign Currency Contracts ($)	Over-the-Counter Futures, Options, and Forward Rate Agreements ($)	Treasury-Based Contracts[b] ($)	Exchange-Traded Futures, Options and Other Derivatives ($)	Credit Derivatives[c] ($)	Commitments[d] ($)	Other[e] ($)	Total ($)
4Q15	429,712	10,000	0	99,463	1,332	55,000	3,899	29,114	3,033	631,553
3Q15	423,842	10,000	0	83,135	300	65,000	4,714	53,625	3,081	643,697
2Q15	412,931	10,000	0	86,545	300	20,000	4,953	46,000	3,164	583,893
1Q15	401,701	10,000	0	87,791	2,723	20,000	5,260	58,050	3,159	588,684
Annual Data										
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] Amounts included in "Other" in 2000, not applicable in prior years.

[d] Commitments include commitments to purchase and sell investments in securities and mortgage loans and commitments to purchase and extinguish or issue debt securities of consolidated trusts. Years before 2004 include commitments to purchase and sell various debt securities.

[e] Includes prepayment management agreement and swap guarantee derivatives.

Table 16. Freddie Mac Nonmortgage Investments

End of Period	Nonmortgage Investments ($ in Millions)[a]					
	Federal Funds and Eurodollars ($)	Asset-Backed Securities ($)	Repurchase Agreements ($)	Commercial Paper and Corporate Debt ($)	Other[b] ($)	Total ($)
4Q15	0	0	63,644	0	17,151	80,795
3Q15	0	0	38,738	0	12,158	50,896
2Q15	0	0	37,041	0	9,962	47,003
1Q15	0	0	47,166	0	14,600	61,766
Annual Data						
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 2009, amounts include Treasury bills and Treasury notes. For 2004 through 2006, amounts include obligations of states and municipalities classified as available-for-sale securities. For 2003 and previous years, amounts include nonmortgage-related securities classified as trading, debt securities issued by the U.S. Treasury and other federal agencies, obligations of states and municipalities, and preferred stock.

Table 17. Freddie Mac Mortgage Asset Quality

End of Period	Mortgage Asset Quality				
	Single-Family Delinquency Rate[a] (%)	Multifamily Delinquency Rate[b] (%)	Credit Losses/Average Total Mortgage Portfolio[c] (%)	REO/Total Mortgage Portfolio[d] (%)	Credit-Enhanced[e]/ Total Mortgage Portfolio[d] (%)
4Q15	1.32	0.02	0.11	0.09	33.0
3Q15	1.41	0.01	0.14	0.10	31.0
2Q15	1.53	0.01	0.16	0.11	31.0
1Q15	1.73	0.03	0.63	0.12	28.0
Annual Data					
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 net carrying value of mortgages 60 days or more delinquent or in foreclosure and exclude 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. 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] (%)
4Q15	(70,549)	19,687	(90,236)	N/A	N/A	N/A	1,053	(3.55)	(3.42)	N/A
3Q15	(72,707)	19,364	(92,071)	N/A	N/A	N/A	1,430	(3.71)	(3.59)	N/A
2Q15	(68,319)	19,474	(87,793)	N/A	N/A	N/A	1,437	(3.51)	(3.40)	N/A
1Q15	(71,742)	20,079	(91,821)	N/A	N/A	N/A	1,482	(3.68)	(3.57)	N/A
Annual Data										
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 ($)	REFCORP Assessment [a, b] ($)	Net Income ($)
4Q15	1007	277	77	0	679
3Q15	880	236	56	0	484
2Q15	738	327	83	0	678
1Q15	923	245	116	0	1015
Annual Data					
2015	3,548	1085	332	0	2,856
2014	3,522	932	269	0	2,245
2013	3,400	889	293	0	2,512
2012	4,049	839	296	0	2,603
2011	4,175	855	189	159	1,599
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	2,128
1998	2,116	258	169	Before 2000	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[c]

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

[b] 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.

[c] The year-end data for 2013-2015 is sourced from the Federal Home Loan Banks Combined Financial Report for the Year Ended December 31, 2015.

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[a]	Regulatory Capital/Total Assets
4Q15	969,353	634,022	44,585	133,680	905,982	34,185	14,325	49,449	5.10
3Q15	919,627	591,457	44,847	134,926	858,287	32,432	13,965	47,412	5.16
2Q15	916,925	592,383	44,784	136,098	854,105	33,168	13,791	47,653	5.15
1Q15	879,896	542,189	44,213	137,332	813,809	32,450	13,867	48,275	5.28
Annual Data									
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	140,310	767,141	33,375	12,206	50,577	6.06
2012	762,675	425,748	49,424	138,522	692,416	33,538	10,447	50,989	6.69
2011	766,352	418,156	53,377	140,156	697,385	35,542	8,521	52,934	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

[a] The sum of regulatory capital amounts reported in call reports filed by each Federal Home Loan Bank plus the combining adjustment for Federal Home Loan Bank System retained earnings reported by the Office of Finance.

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
4Q15	71	75	97	63	15	36	28	169	55	57	--	20	(7)	679
3Q15	61	31	72	61	6	39	28	83	50	46	--	16	(9)	484
2Q15	87	149	97	64	23	21	34	75	81	61	(42)	26	2	678
1Q15	82	34	83	61	23	35	31	88	71	474	10	31	(8)	1,015
Annual Data														
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	203	305	148	308	61	119	16	2,512
2012	270	207	375	235	81	111	140	361	130	491	71	110	21	2,603
2011	184	160	224	138	48	78	110	244	38	216	90	77	(8)	1,599
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[a]

[a] The year-end data for 2014-2015 is sourced from the Federal Home Loan Banks Combined Financial Report for the Year Ended December 31, 2015.

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
4Q15	104,168	36,076	36,778	73,292	24,747	89,173	26,909	93,874	74,505	50,919	--	23,580	634,022
3Q15	87,762	33,955	35,044	77,320	22,770	74,484	24,297	90,745	68,804	50,793	--	25,482	591,457
2Q15	102,208	34,106	34,553	71,108	21,648	68,181	24,318	91,296	71,489	50,188	--	23,288	592,383
1Q15	85,416	31,179	31,941	66,731	17,215	63,562	21,846	88,524	62,346	43,757	8,406	21,265	542,189
Annual Data													
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	18,129	75,888	40,498	43,750	9,135	16,573	425,748
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	418,156
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[a]

[a] The year-end data for 2014-2015 is sourced from the Federal Home Loan Banks Combined Financial Report for the Year Ended December 31, 2015.

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[a]	System Total
4Q15	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
3Q15	6,229	3,659	4,541	5,201	2,218	5,223	2,289	6,461	4,167	5,387	--	1,998	39	47,412
2Q15	6,881	3,603	4,418	5,129	2,151	4,976	2,212	6,454	4,281	5,546	--	1,961	41	47,653
1Q15	6,113	3,422	4,416	5,071	1,971	4,181	2,379	6,238	3,873	6,249	2,575	1,746	41	48,275
Annual Data														
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	50,577
2012	6,373	4,259	3,347	4,759	1,793	2,694	2,677	5,714	3,807	10,751	2,987	1,751	77	50,989
2011	7,257	4,251	4,527	3,845	1,765	2,684	2,515	5,292	3,871	12,176	2,958	1,738	56	52,934
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

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

Table 24. Loan Limits

Period	Single-Family Conforming Loan Limits[a]			
	One Unit	Two Units	Three Units	Four Units
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, 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 The Housing and Economic Recovery Act of 2008 prescribed the formula used to set maximum loan limits for mortgages acquired in 2012, 2013 2014, 2015 and 2016.

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
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 ($)	Adjustable-Rate ($)
4Q15	4.0	2.7	4.1	N/A
3Q15	3.9	2.5	4.2	N/A
2Q15	4.0	2.5	4.0	N/A
1Q15	3.7	2.5	4.0	N/A
Annual Data				
2015	4.0	2.7	4.1	N/A
2014	4.2	2.4	4.4	N/A
2013	4.0	2.6	4.1	N/A
2012	3.7	2.7	4.7	N/A
2011	4.5	3.0	4.8	N/A
2010	4.7	3.8	4.9	N/A
2009	5.0	4.7	5.2	N/A
2008	6.0	5.2	6.2	5.8
2007	6.3	5.6	6.5	6.3
2006	6.4	5.5	6.7	6.4
2005	5.9	4.5	6.1	5.5
2004	5.8	3.9	6.0	5.2
2003	5.8	3.8	5.9	5.0
2002	6.5	4.6	6.7	5.7
2001	7.0	5.8	7.1	6.4
2000	8.1	7.0	8.3	7.1
1999	7.4	6.0	7.4	6.5
1998	6.9	5.6	7.2	6.5
1997	7.6	5.6	7.9	6.9
1996	7.8	5.7	8.0	7.1
1995	7.9	6.1	8.2	7.1
1994	8.4	5.4	8.2	6.4
1993	7.3	4.6	7.5	5.7
1992	8.4	5.6	8.5	6.6
1991	9.3	7.1	9.7	8.3
1990	10.1	8.4	10.4	9.2
1989	10.3	8.8	10.5	9.4
1988	10.3	7.9	10.4	8.5
1987	10.2	7.8	9.9	8.5
1986	10.2	8.4	10.5	9.4
1985	12.4	10.1	12.4	10.9
1984	13.9	11.5	13.2	12.0
1983	13.2	Not Available Before 1984	13.0	12.3
1982	16.0		Not Available Before 1983	Not Available Before 1983
1981	16.6			
1980	13.7			
1979	11.2			
1978	9.6			
1977	8.9			
1976	8.9			
1975	9.1			
1974	9.2			
1973	8.0			
1972	7.4			
1971	Not Available Before 1972			

Sources: Freddie Mac for average commitment rates; Federal Housing Finance Agency for effective rates

N/A = not available

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
4Q15[b]	N/A	364	1,130	509	5,200
3Q15[b]	N/A	404	1,158	488	5,403
2Q15[b]	N/A	437	1,158	497	5,280
1Q15[b]	N/A	324	978	517	5,050
Annual Data					
2015	726	386	1,112	501	5,250
2014	662	342	1,004	437	4,940
2013	632	294	926	429	5,090
2012	547	234	781	368	4,660
2011	442	167	609	306	3,787
2010	483	104	587	323	3,708
2009	457	97	554	375	3,870
2008	640	266	906	485	3,665
2007	1,078	277	1,355	776	4,398
2006	1,508	293	1,801	1,051	5,677
2005	1,757	311	2,068	1,283	6,180
2004	1,653	303	1,956	1,203	5,958
2003	1,533	315	1,848	1,086	5,446
2002	1,397	308	1,705	973	4,974
2001	1,310	293	1,603	908	4,735
2000	1,270	299	1,569	877	4,603
1999	1,334	307	1,641	880	4,649
1998	1,314	303	1,617	886	4,495
1997	1,178	296	1,474	804	3,964
1996	1,206	271	1,477	757	3,797
1995	1,110	244	1,354	667	3,519
1994	1,234	224	1,457	670	3,544
1993	1,155	133	1,288	666	3,427
1992	1,061	139	1,200	610	3,151
1991	876	138	1,014	509	2,886
1990	932	260	1,193	534	2,914
1989	1,059	318	1,376	650	3,010
1988	1,140	348	1,488	676	3,513
1987	1,212	409	1,621	671	3,436
1986	1,263	542	1,805	750	3,474
1985	1,166	576	1,742	688	3,134
1984	1,206	544	1,750	639	2,829
1983	1,181	522	1,703	623	2,697
1982	743	320	1,062	412	1,990
1981	797	288	1,084	436	2,419
1980	962	331	1,292	545	2,973
1979	1,316	429	1,745	709	3,827
1978	1,558	462	2,020	817	3,986
1977	1,573	414	1,987	819	3,650
1976	1,248	289	1,538	646	3,064
1975	956	204	1,160	549	2,476
1974	956	382	1,338	519	2,272
1973	1,250	795	2,045	634	2,334
1972	1,450	906	2,357	718	2,252
1971	1,272	781	2,052	656	2,018

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

a Components may not add to totals due to rounding.

b Seasonally adjusted annual rates.

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
4Q15	1.48	0.88	0.39	1.76	1.24	1.47	1.35	1.48	1.66	2.36
3Q15	1.33	0.41	1.09	1.51	0.83	1.22	0.94	1.56	2.30	1.70
2Q15	1.43	1.07	0.40	1.79	1.06	1.43	1.11	1.84	1.68	1.91
1Q15	1.48	1.18	0.61	1.61	1.10	0.88	1.41	1.64	2.59	2.10
Annual Data										
2015	5.85	3.58	2.50	6.85	4.30	5.10	4.90	6.68	8.49	8.31
2014	4.99	2.93	2.38	5.42	4.68	3.72	3.67	5.84	5.70	7.59
2013	7.47	3.82	3.28	8.06	6.04	4.72	4.09	5.85	11.29	15.55
2012	5.20	0.74	1.33	5.13	2.93	4.10	2.81	5.26	12.28	10.56
2011	(2.26)	(2.01)	(3.59)	(2.34)	(2.45)	(1.05)	(0.71)	0.82	(3.22)	(4.64)
2010	(4.05)	(2.30)	(1.51)	(5.60)	(3.03)	(3.56)	(4.51)	(2.30)	(7.56)	(5.25)
2009	(2.39)	(1.67)	(1.82)	(3.87)	(2.15)	(0.54)	(0.93)	0.94	(7.14)	(3.38)
2008	(10.04)	(6.68)	(4.96)	(14.18)	(7.67)	(4.39)	(4.01)	(2.04)	(14.34)	(21.76)
2007	(2.52)	(2.22)	0.12	(3.50)	(3.35)	(0.62)	1.79	3.44	(3.29)	(9.85)
2006	3.01	(1.83)	2.65	5.08	(0.07)	2.02	6.09	6.19	6.73	0.35
2005	10.23	6.28	9.99	14.73	3.48	4.92	7.47	6.82	17.95	18.11
2004	10.17	10.53	12.25	12.85	4.31	5.59	5.20	4.36	12.83	21.75
2003	7.86	10.74	10.96	8.49	4.72	5.54	4.01	3.19	6.89	15.65
2002	7.67	13.39	11.72	8.20	4.52	5.62	3.35	3.62	5.57	13.96
2001	6.73	12.02	9.41	7.28	4.78	6.12	3.28	3.99	5.37	9.69
2000	6.97	12.62	8.44	6.38	5.14	6.42	2.81	5.51	5.57	11.40
1999	6.21	10.12	6.81	5.82	5.17	5.50	3.82	5.54	5.62	8.72
1998	5.70	7.93	4.80	4.56	4.89	6.41	4.75	5.56	4.74	8.85
1997	3.33	4.30	2.12	3.37	3.38	3.74	2.81	3.04	3.18	4.20
1996	2.85	2.81	0.92	2.83	4.52	3.99	3.97	2.40	3.78	1.08
1995	2.72	0.86	0.09	2.52	4.99	4.77	4.76	3.18	4.93	(0.62)
1994	2.94	0.56	(0.62)	3.47	4.90	4.47	5.14	3.24	8.58	(0.99)
1993	2.76	(1.83)	0.06	2.38	4.67	6.16	4.70	4.66	9.61	(2.56)
1992	2.77	(0.46)	1.83	2.22	4.72	4.25	4.08	3.86	6.69	(1.09)
1991	3.12	(2.21)	1.53	3.05	4.70	3.79	4.05	3.97	5.62	1.87
1990	1.19	(7.18)	(2.49)	0.39	3.81	1.18	0.36	0.51	2.35	5.66
1989	5.59	0.85	2.53	4.47	5.93	3.09	2.80	2.41	2.59	18.34
1988	5.65	4.16	6.66	5.79	6.44	2.75	2.55	(1.94)	0.90	16.41
1987	5.39	15.01	15.95	5.74	7.63	2.31	3.14	(8.12)	(2.99)	8.59
1986	7.24	21.15	17.49	6.57	7.17	3.75	5.41	(0.17)	2.63	6.39
1985	5.69	22.40	13.57	5.05	4.81	3.69	5.47	(1.58)	2.17	4.63
1984	4.67	14.97	11.27	4.47	2.81	3.45	4.22	0.10	2.71	4.11
1983	4.27	13.79	10.76	3.69	4.68	4.32	3.33	1.44	(1.19)	0.73
1982	2.82	7.47	7.04	3.15	(4.35)	1.74	5.47	5.46	5.33	3.18
1981	4.23	6.51	2.03	5.09	2.19	0.79	0.60	10.51	7.69	4.49
1980	6.58	5.60	8.95	9.28	1.83	3.80	4.25	8.33	5.67	10.24
1979	12.34	14.25	15.36	11.94	8.08	10.38	8.46	14.38	14.51	16.41
1978	13.39	17.42	5.10	10.24	15.12	13.68	12.29	16.84	17.05	16.88
1977	14.47	8.51	12.20	9.24	14.50	15.40	10.74	14.08	17.82	25.66
1976	8.19	6.64	(0.97)	5.07	7.75	7.97	5.95	10.01	11.67	20.13

Source: Federal Housing Finance Agency

[a] Percentage changes based on FHFA's purchase-only index for 1992 through 2014 and all-transactions index for prior years. Annual data are measured based on fourth quarter to fourth quarter percentage change. Quarterly data for 2014 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

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Director

Nina Nichols
Deputy Director
Division of Enterprise Regulation

Bob Ryan
Acting Deputy Director
Division of Conservatorship

Fred Graham
Deputy Director
Division of Federal Home Loan Bank Regulation

Sandra Thompson
Deputy Director
Division of Housing Mission and Goals

Lawrence Stauffer
Acting Chief Operating Officer

Alfred Pollard
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